



Consolidated Financial Results
for the Three Months Ended June 30, 2021 [IFRS]
(Abridged)

July 28, 2021

Listed Company: M3, Inc. Listed Stock Exchange: Tokyo
 Securities Code: 2413 URL: <https://corporate.m3.com/en/>
 Representative: (Title) CEO (Name) Itaru Tanimura TEL: 03-6229-8900
 Contact: (Title) Director (Name) Eiji Tsuchiya Dividend payment commencement date: —
 Submission of quarterly report: August 6, 2021
 Preparation of explanatory materials for quarterly financial result: Yes
 Assembly for briefing of quarterly financial results: No

(amounts rounded to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2021

(From April 1, 2021 to June 30, 2021)

(1) Consolidated Operating Results (Cumulative)

(% figures show year-on-year change)

	Net sales		Operating profit		Pre-tax profit		Net profit	
	Million Yen	%	Million yen	%	Million Yen	%	Million Yen	%
Three months ended June 30, 2021	46,403	30.8	24,651	119.1	24,763	120.7	16,919	121.1
Three months ended June 30, 2020	35,478	15.3	11,253	26.4	11,222	25.8	7,650	27.9

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Million Yen	%	Million Yen	%	Yen	Yen
Three months ended June 30, 2021	15,769	143.8	17,004	126.9	23.23	23.21
Three months ended June 30, 2020	6,467	31.7	7,494	52.7	9.53	9.52

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of the parent
	Million Yen	Million Yen	Million Yen	%	Yen
As of June 30, 2021	272,049	211,590	206,166	75.8	302.91
As of March 31, 2021	273,123	207,260	199,813	73.2	293.64

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2021	—	0.00	—	12.00	12.00
Fiscal year ending March 31, 2022	—	—	—	—	—
Fiscal year ending March 31, 2022 (Forecast)	—	0.00	—	—	—

(Note) 1 Amendments to forecasts of dividends recently announced: None

2 Dividend forecast for the fiscal year ending March 31, 2022 is currently undetermined. It is to be determined after consideration of capital needs and condition of cash flow hereafter.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022

(From April 1, 2021 to March 31, 2022)

Consolidated financial results forecast for the fiscal year ending March 31, 2022 is undisclosed due to the inability to reasonably gauge the COVID-19 global pandemic impact on M3 group's business environment. Forecasts will be provided promptly once the environment allows for proper estimates.

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries accompanying changes in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates:

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies other than item (i) above: None

(iii) Changes in accounting estimates: None

(3) Number of shares issued (common stock)

(i) Number of shares outstanding at the end of the period (including treasury shares)		
As of June 30, 2021	678,786,600	shares
As of March 31, 2021	678,785,600	shares
(ii) Number of treasury stock at the end of the period		
As of June 30, 2021	45,067	shares
As of March 31, 2021	45,067	shares
(iii) Average number of shares during the period (cumulative)		
As of June 30, 2021	678,741,461	shares
As of June 30, 2020	678,599,342	shares

※ Indication regarding implementation status of the quarterly review procedures

This quarterly financial report is outside the scope of the review procedures for quarterly financial statements.

※ Explanation of proper use of financial results forecasts, and other special matters

(1) Caution regarding statements concerning the future

The forward-looking statements herein are based on information available to the Company and on certain assumptions deemed to be reasonable at the date of publication of this document. They are not intended as the Company's commitment to achieve such forecasts, and actual results may differ significantly due to various factors.

(2) Explanatory materials for quarterly financial result

Explanatory materials for quarterly financial results will be posted on our website on Wednesday, July 28, 2021.

4. Qualitative Information on Quarterly Results

(1) Explanation of consolidated operating results

In Japan, various services are provided for the 300,000+ physician members via the “m3.com” website designed for medical professionals.

Medical Platform includes services which allow member physicians to proactively receive continuous and frequent information via the “m3.com” platform such as the “MR-kun” family services, marketing research capabilities paneling the physician members, and “QOL-kun” which provides marketing support for non-healthcare related corporates desiring to advertise daily life services to doctors, offering a wide menu of services catering towards various agendas and purposes of our clients. Additionally, provision of next generation sales reps, or “Medical Marketers,” and healthcare advertisement agency services are also being expanded via group companies.

Evidence Solution includes clinical trial related services centered around “Mr. Finder” which excavates institutions and patient participants for clinical studies, large-scale clinical study services, assistance with clinical trial operations by CROs, and administrative and operations support across the entire clinical trial process by SMOs, all provided through various group companies.

Career Solution provides job search and placement services for physicians and pharmacists through M3 Career, Inc.

Site Solution provides services supporting medical institutions.

Furthermore, consumer facing services such as the “AskDoctors” (<https://www.AskDoctors.jp/>) website which connects public users with “m3.com” member physicians for answers to daily health questions, medical professional education such as national examination preparatory services provided by TECOM Corporation (currently M3 Education, Inc.), and equity method affiliate LINE Healthcare Corporation established with LINE Corporation to operate an online healthcare business, are all being expanded.

In Overseas, the U.S. portal website, “MDLinx,” designed for healthcare professionals, continues to expand its member network based services catering towards pharmaceutical companies, as well as its career support services for physicians and clinical trial support services. In Europe, the “Doctors.net.uk” U.K. portal website is expanding services for pharmaceutical companies, along with pharmaceutical database services offered by the Vidal Group in France, Germany, and Spain. Health business expansion continues in Asia as well. Furthermore, Medlive Technology Co., Ltd., which operates the China business through its subsidiary, Jinye Tiancheng (Beijing) Technology Co., Ltd., has been deconsolidated from M3 as a result of M3’s loss of control, and will become an equity-method affiliate of M3, as stated in the June 18th press release titled “Announcement Regarding the Recognition of Gains Relating to Loss of Control Over Subsidiaries.”

Additionally, membership and panel participation at websites operated by M3 group starting with Japan, U.S., Europe, China, and Korea, now totals roughly 6 million physicians, enabling provision of marketing research services that span across a global scale.

Consolidated quarterly results for the first quarter (cumulative) is as below.

(Unit: Million Yen)

	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020, cumulative)	Three months ended June 30, 2021 (April 1, 2021 to June 30, 2021, cumulative)	First quarter comparison		(Reference) Previous consolidated fiscal year (April 1, 2020 to March 31, 2021)
Net sales	35,478	46,403	+10,926	+30.8%	169,198
Operating Profit	11,253	24,651	+13,398	+119.1%	57,972
Pre-Tax Profit	11,222	24,763	+13,541	+120.7%	58,264
Net Profit	7,650	16,919	+9,268	+121.1%	41,198

(Segment results)

(Unit: Million yen)

		Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020, cumulative)	Three months ended June 30, 2021 (April 1, 2021 to June 30, 2021, cumulative)	First quarter comparison	
Medical Platform	Segment Net Sales	13,612	18,932	+5,320	+39.1%
	Segment Profit	6,200	8,179	+1,979	+31.9%
Evidence Solution	Segment Net Sales	4,725	4,833	+108	+2.3%
	Segment Profit	803	858	+55	+6.8%
Career Solution	Segment Net Sales	5,369	4,883	-486	-9.1%
	Segment Profit	2,364	2,466	+102	+4.3%
Site Solution	Segment Net Sales	3,668	5,329	+1,661	+45.3%
	Segment Profit	140	520	+380	+271.6%
Overseas	Segment Net Sales	8,242	12,662	+4,420	+53.6%
	Segment Profit	1,960	12,952	+10,992	+560.8%
Other Emerging Businesses	Segment Net Sales	656	711	+55	+8.3%
	Segment Profit	37	-180	-217	—
Adjustment	Segment Net Sales	-795	-947	—	—
	Segment Profit	-251	-144	—	—
Total	Net Sales	35,478	46,403	+10,926	+30.8%
	Operating Profit	11,253	24,651	+13,398	+119.1%

1) Medical Platform

Due to a rapid increase in demand from pharmaceutical companies in response to the COVID-19 pandemic, Medical Platform segment sales reached 18,932 million yen, higher by 39.1% versus previous year. Upfront investments aimed for future growth have raised SG&A mainly around personnel costs, however, Medical Platform segment produced profits of 8,179 million yen, higher by 31.9% versus previous year.

2) Evidence Solution

Recovery from the temporary halt in projects due to the COVID-19 pandemic produced total sales of 4,833 million yen, higher by 2.3% versus previous year. Segment profit was 858 million yen, higher by 6.8% versus previous year.

3) Career Solution

Dampened activity mainly from pharmacists due to COVID-19 impact resulted in sales of 4,883 million yen, lower by 9.1% versus previous year, however, sales mix improvement produced segment profits of 2,466 million yen, higher by 4.3% versus previous year.

4) Site Solution

In addition to an increase in affiliate medical institutions, comparison with the previous fiscal year that experienced significant COVID-19 impact, segment sales amounted to 5,329 million yen, higher by 45.3% versus previous year, and profit of 520 million yen, higher by 271.6% versus previous year.

5) Overseas

All regions performed well starting with the US clinical trial business which was positively impacted by the COVID-19 pandemic, resulting in segment sales of 12,662 million yen, higher by 53.6% versus previous year. Appropriation of gains related to the loss of control over Medlive which owns the subsidiary that operates the China business, resulted in segment profit of 12,952 million yen, higher by 560.8% versus previous year.

6) Other Emerging Businesses

Recovery trend from negative impact of COVID-19 has brought segment sales to 711 million yen, higher by 8.3% versus previous year, and losses of 180 million yen (previous year, same period: profit of 37 million yen) due to valuation changes in held assets.

Combining all of the above, results for the entire group for the three months ended June 30, 2021, amounted to sales of 46,403 million yen, higher by 30.8% versus previous year, and operating profit of 24,651 million yen, higher by 119.1% versus previous year. Pre-tax profit was 24,763 million yen, higher by 120.7% versus previous year, and net profit was 16,919 million yen, higher by 121.1% versus previous year.

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