



Consolidated Financial Results
for the Three Months Ended June 30, 2022 [IFRS]
(Abridged)

July 27, 2022

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 5, 2022
 Preparation of explanatory materials for quarterly financial result: Yes
 Assembly for briefing of quarterly financial results: Yes (for Analysts and Institutional investors)

(amounts of less than one million yen are rounded)

1. Consolidated Financial Results for the Three Months Ended June 30, 2022

(From April 1, 2022 to June 30, 2022)

(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, 2022	56,996	22.8	18,695	-24.2	19,748	-20.3	13,487	-20.3
Three months ended June 30, 2021	46,403	30.8	24,651	119.1	24,763	120.7	16,919	121.1

	Profit attributable to owners of the parent company		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Million Yen	%	Million Yen	%	Yen	Yen
Three months ended June 30, 2022	12,127	-23.1	23,261	36.8	17.86	17.85
Three months ended June 30, 2021	15,769	143.8	17,004	126.9	23.23	23.21

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company	Equity per share attributable to owners of the parent company
	Million Yen	Million Yen	Million Yen	%	Yen
As of June 30, 2022	357,463	275,051	268,774	75.2	394.74
As of March 31, 2022	345,981	263,954	257,840	74.5	378.75

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	0.00	—	16.00	16.00
Fiscal year ending March 31, 2023	—	—	—	—	—
Fiscal year ending March 31, 2023 (Forecast)	—	0.00	—	—	—

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

2 Dividend forecast for the fiscal year ending March 31, 2023 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, 2023

Forecasts for the fiscal year ending March 31, 2023 are undisclosed due to inability to reasonably estimate the global COVID-19 pandemic impact on M3 group's domestic and overseas businesses. Although there may be certain areas of increased clarity, overall impact has been prolonged and complicated, still presenting high uncertainty. Forecasts will be promptly released as soon as conditions allow for reasonable 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, 2022	678,917,700	shares
As of March 31, 2022	678,904,600	shares
(ii) Number of treasury stock at the end of the period		
As of June 30, 2022	45,081	shares
As of March 31, 2022	45,081	shares
(iii) Average number of shares during the period (cumulative)		
As of June 30, 2022	678,865,159	shares
As of June 30, 2021	678,741,461	shares

※ This summary of quarterly financial reports is outside the scope of the review procedures for quarterly financial statements.

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

(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.

(Explanatory materials for quarterly financial results)

Explanatory materials for quarterly financial results will be posted on our website on Wednesday, July 27, 2022.

4. Qualitative Information on Quarterly Results

(1) Explanation of consolidated operating results

In Japan, various services are provided for the 310,000+ 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 for 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 institution operations.

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 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. Business expansion continues in Asia as well.

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, 2021 (April 1, 2021 to June 30, 2021, cumulative)	Three months ended June 30, 2022 (April 1, 2022 to June 30, 2022, cumulative)	First quarter comparison		(Reference) Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)
Net sales	46,403	56,996	+10,593	+22.8%	208,159
Operating Profit	24,651	18,695	-5,956	-24.2%	95,141
Pre-Tax Profit	24,763	19,748	-5,015	-20.3%	96,187
Net Profit	16,919	13,487	-3,431	-20.3%	66,108

(Segment results)

(Unit: Million yen)

		Three months ended June 30, 2021 (April 1, 2021 to June 30, 2021, cumulative)	Three months ended June 30, 2022 (April 1, 2022 to June 30, 2022, cumulative)	First quarter comparison	
Medical Platform	Segment Net Sales	18,932	20,223	+1,291	+6.8%
	Segment Profit	8,179	8,786	+607	+7.4%
Evidence Solution	Segment Net Sales	4,833	7,174	+2,341	+48.4%
	Segment Profit	858	2,235	+1,377	+160.5%
Career Solution	Segment Net Sales	4,883	5,464	+581	+11.9%
	Segment Profit	2,466	2,830	+364	+14.8%
Site Solution	Segment Net Sales	5,329	10,220	+4,892	+91.8%
	Segment Profit	520	1,448	+928	+178.4%
Overseas	Segment Net Sales	12,662	14,921	+2,259	+17.8%
	Segment Profit	12,952	4,040	-8,912	-68.8%
Other Emerging Businesses	Segment Net Sales	711	702	-9	-1.3%
	Segment Profit	-180	-173	+7	—
Adjustment	Segment Net Sales	-947	-1,709	—	—
	Segment Profit	-144	-471	—	—
Total	Net Sales	46,403	56,996	+10,593	+22.8%
	Operating Profit	24,651	18,695	-5,956	-24.2%

1) Medical Platform

In addition to the MR activity digitalization support service in pharmaceutical marketing business, steady growth in other businesses brought the segment revenue to 20,223 million yen, higher by 6.8% versus previous year. Upfront investments aimed for strengthening the pharmaceutical marketing team and future growth have raised SG&A mainly around personnel costs. Combined, the segment produced profits of 8,786 million yen, higher by 7.4% versus previous year.

2) Evidence Solution

The effect of temporary halts in projects due to the COVID-19 pandemic in the fiscal year ended March 2021 has alleviated since the previous year, and COVID-19 related clinical trials have further supported the recovery process. The segment produced total sales of 7,174 million yen, higher by 48.4% versus previous year. Segment profit was 2,235 million yen, higher by 160.5% versus previous year.

3) Career Solution

Along with services for doctors remaining robust, with the COVID-19 related vaccine support services, the segment resulted in sales of 5,464 million yen, higher by 11.9% versus previous year. Segment profit was 2,830 million yen, higher by 14.8% versus previous year.

4) Site Solution

In addition to the increase in affiliate medical institutions and services used, contribution from the COVID-19 related vaccine support services produced segment sales of 10,220 million yen, higher by 91.8% versus

previous year. Segment profit amounted to 1,448 million yen, higher by 178.4% versus previous year.

5) Overseas

Due to the robust performance across all regions, as well as the impact of exchange rate fluctuations by yen depreciation, the segment sales produced 14,921 million yen, higher by 17.8% versus previous year. Appropriation of gains in previous year related to the loss of control over Medlive (now equity-method affiliate) which owns the subsidiary that operates the China business, resulted in segment profits of 4,040 million yen, lower by 68.8% versus previous year.

6) Other Emerging Businesses

Affected by the market environment changes due to the continuing COVID-19, the segment resulted in sales of 702 million yen, lower by 1.3% versus previous year. Changes in stock valuation produced segment losses of 173 million yen (loss in previous fiscal year was 180 million yen.)

Combining all of the above, results for the entire group for the three months ended June 30, 2022, amounted to sales of 56,996 million yen, higher by 22.8% versus previous year, and operating profit of 18,695 million yen, lower by 24.2% versus previous year. Pre-tax profit was 19,748 million yen, lower by 20.3% versus previous year, and net profit was 13,487 million yen, lower by 20.3% versus previous year.

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