

M3, Inc.

Presentation Material

July 2022



The following presentation contains forecasts, future plans, management targets and other forward-looking projections relating to M3, Inc. and/or its group. These statements are drawn from assumptions of future events based on data currently available to us, and there exist possibilities that such assumptions are objectively incorrect and/or may produce differing actual results from those mentioned in the statements.

Furthermore, information and data other than those concerning the Company and its subsidiaries/affiliates are quoted from public information, and the Company has not verified and will not warrant its accuracy or dependency.

M3, Inc.

FY2022 Q1 Consolidated Results

(mn yen)	FY2021 Q1	FY2022 Q1	YoY
Sales	46,403	56,996	+23%
Operating Profit	24,651	18,695	-24%
Pre-tax Profit	24,763	19,748	-20%
Net Profit	16,919	13,487	-20%

Growth rate of the business excluding stock valuation gains/losses and China IPO-related earnings in the same period of the previous fiscal year YoY+22%

 Business itself is growing at a steady rate, and the current fiscal year is off to a solid start

FY2022 Q1 Consolidated Results by Segment

(mn yen)

			FY2021 Q1	FY2022 Q1	YoY
Domestic	Medical Platform	Sales	18,932	20,223	+7%
		Profit	8,179	8,786	+7%
	Evidence Solution	Sales	4,833	7,174	+48%
		Profit	858	2,235	+160%
	Career Solution	Sales	4,883	5,464	+12%
		Profit	2,466	2,830	+15%
	Site Solution	Sales	5,329	10,220	+92%
		Profit	520	1,448	+178%
	Emerging Businesses	Sales	711	702	-1%
		Profit	-180	-173	-
Overseas	Sales	12,662	14,921	+18%	
	Profit	12,952	4,040	-69%	

- Steady demand in DX for MRs in marketing support services
- Steady growth in other businesses

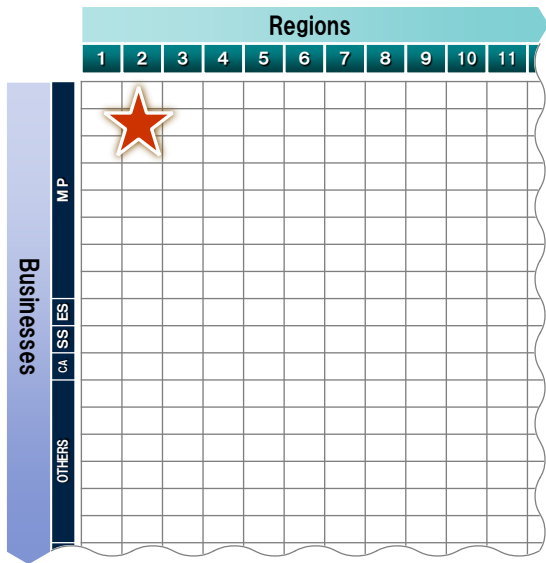
- Demand recovery in good pace for clinical trials including COVID-19 related orders

- Contribution from the core business and vaccine support services for corporates and municipalities, etc.

- 15% profit growth excluding China performance and profit from Medlive IPO

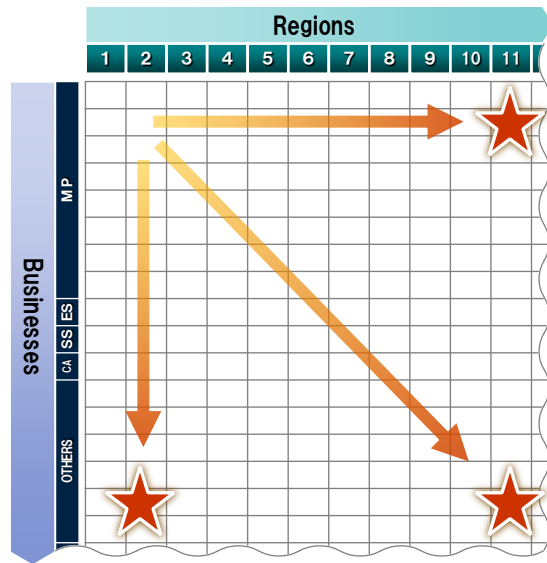
M3's Triple Growth Engine + CSV

1. Individual Business Development



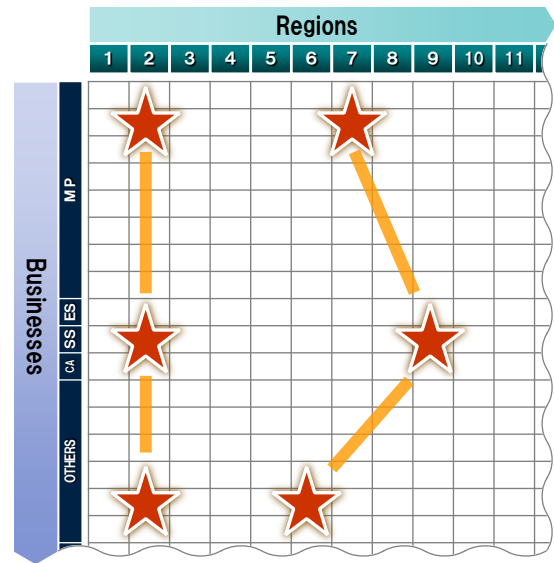
- Pharma marketing / Clinical Scene DX

2. Ecosystem Expansion (Sagrada Familia)



- Continuous new business entries

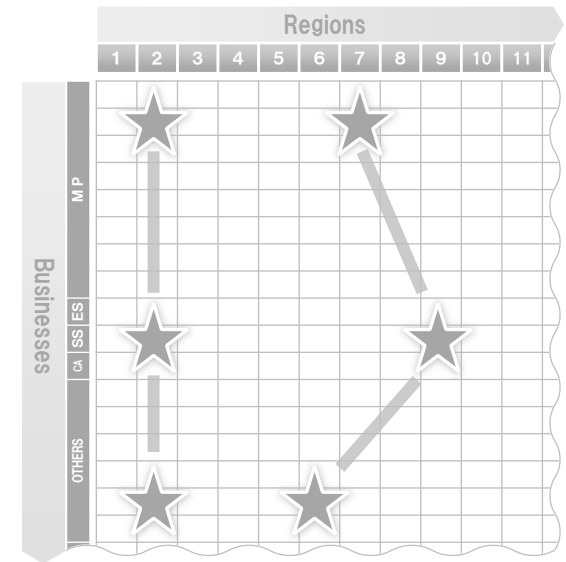
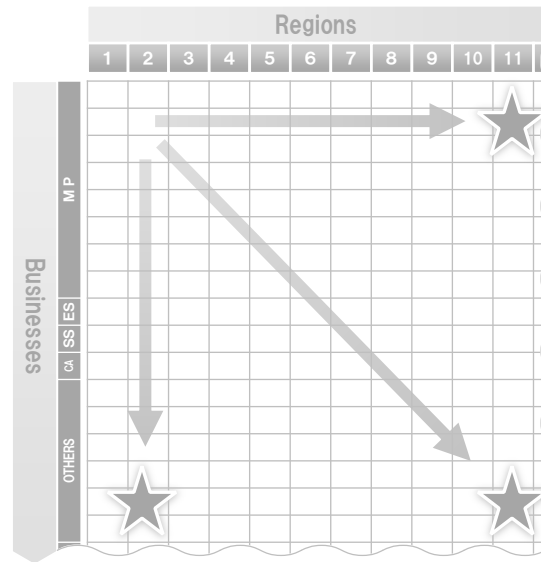
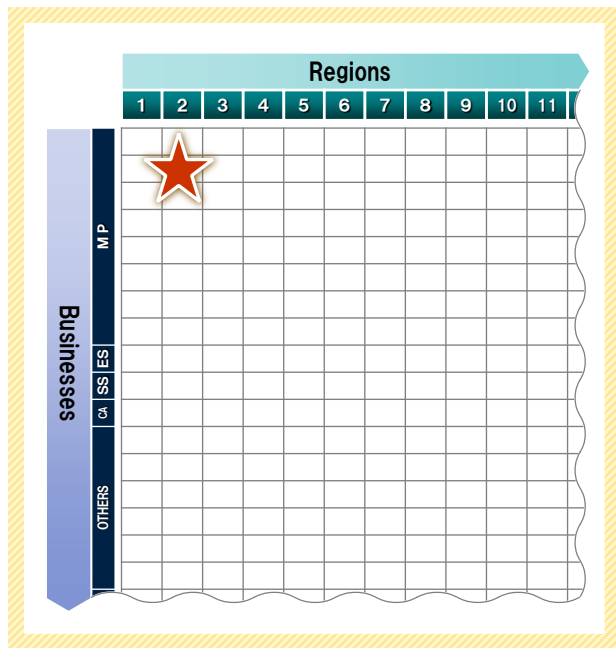
3. Ecosystem Synergy Creation



- Cross-cell synergy maximization

4. Social Impact Creation → CSV

Growth Engine 1: Individual Business Development



4. Social Impact Creation → CSV

FY2022 Q1 Overview

Medical Platform

- No significant change from FY21Q4 in the settling trend of the DX surge in COVID factors (e.g. web conference)
- 18% YoY growth in orders backlog of Pharma Marketing Support Services at the end of June FY2022

Evidence Solution

- COVID related projects (vaccine and treatments) remain steady with backlog at 33.1 billion yen
- Digitalization and decentralization (DCT) of trials continue to progress

Career Solution

- Business expanded with contribution partly from vaccine administration support services
- Core business with doctors overall remain secure

Site Solution

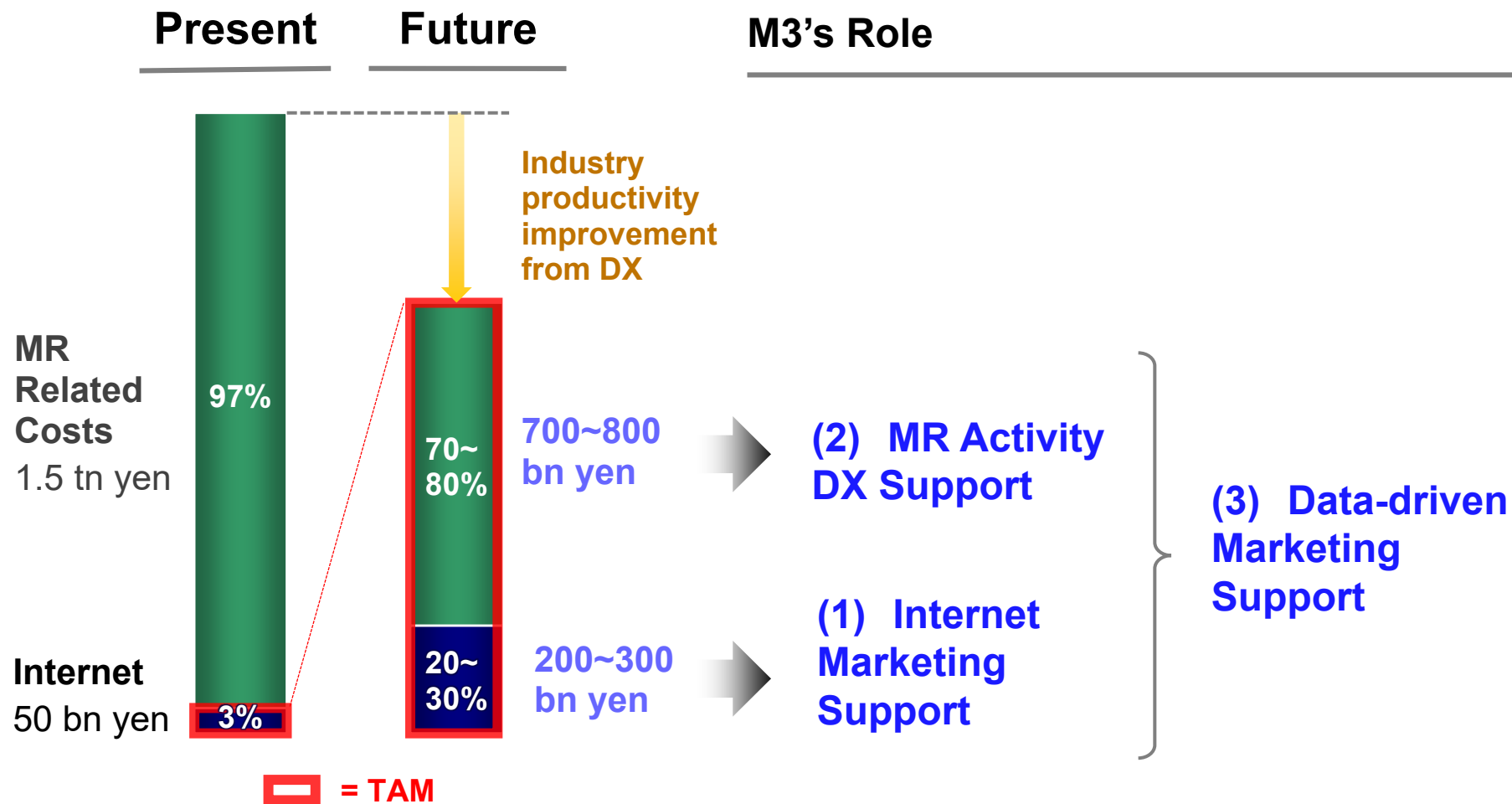
- COVID vaccine administration support services and clinical trial businesses remain strong
- Topline growth in core businesses such as home nursing care services and medical institution management support

Overseas

- +15% operating profit growth excluding China
- Steady growth in US career businesses, while double-digit topline growth rate continues in Europe, excluding M&A impact

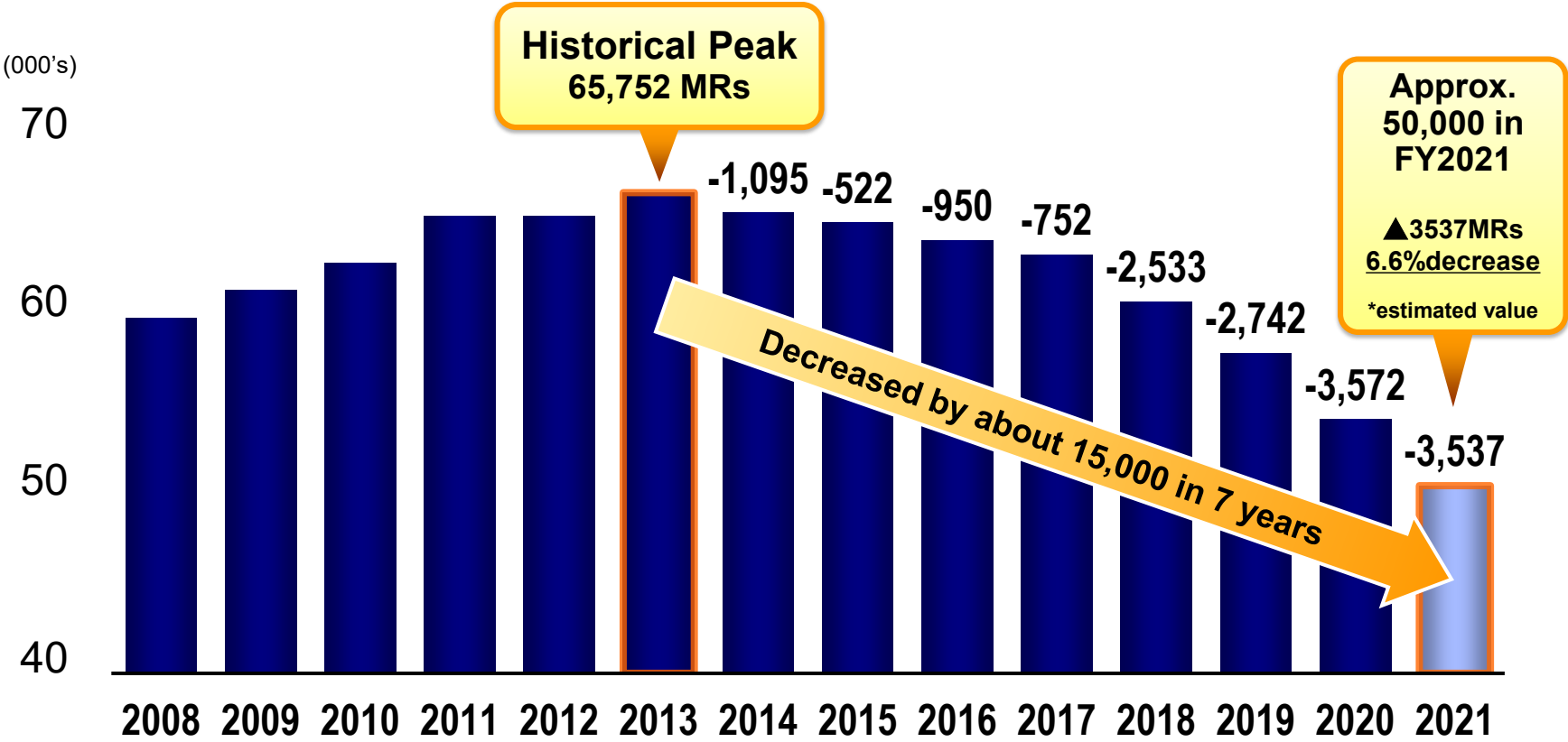
Pharmaceutical Sales & Marketing DX

Pharma Marketing Cost and TAM for M3



👉 M3 involvement to go beyond the bounds on the internet to improve productivity across the entire industry

Trend of Domestic Pharmaceutical Sales Reps (MRs)

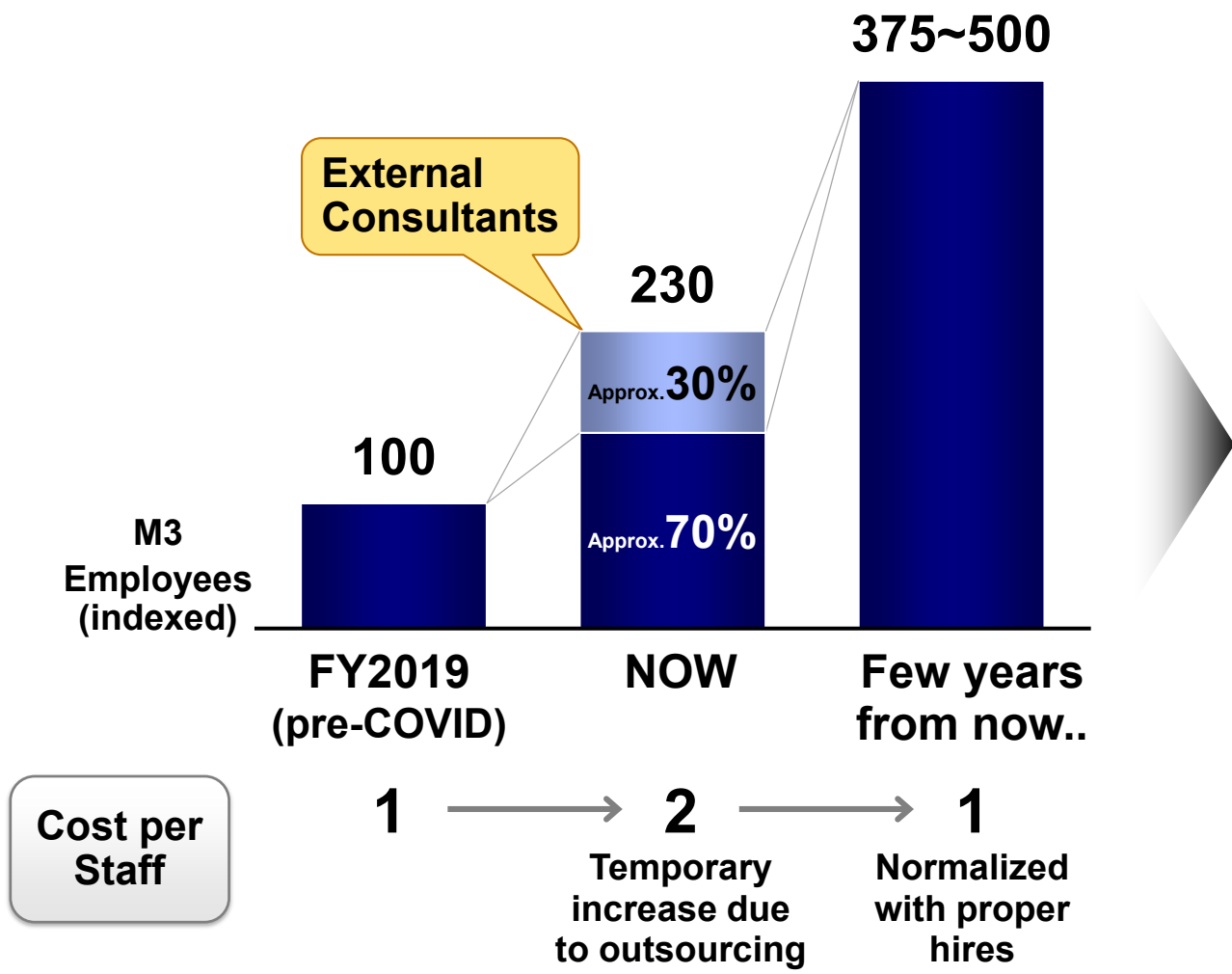


COVID accelerated the decline in MRs

*Ref: AnswersNews, Nov 22, 2021

*Estimation made with "No. of MR research 2022" by Mix for 2021 data Copyright © 2022 M3, Inc. All rights reserved.

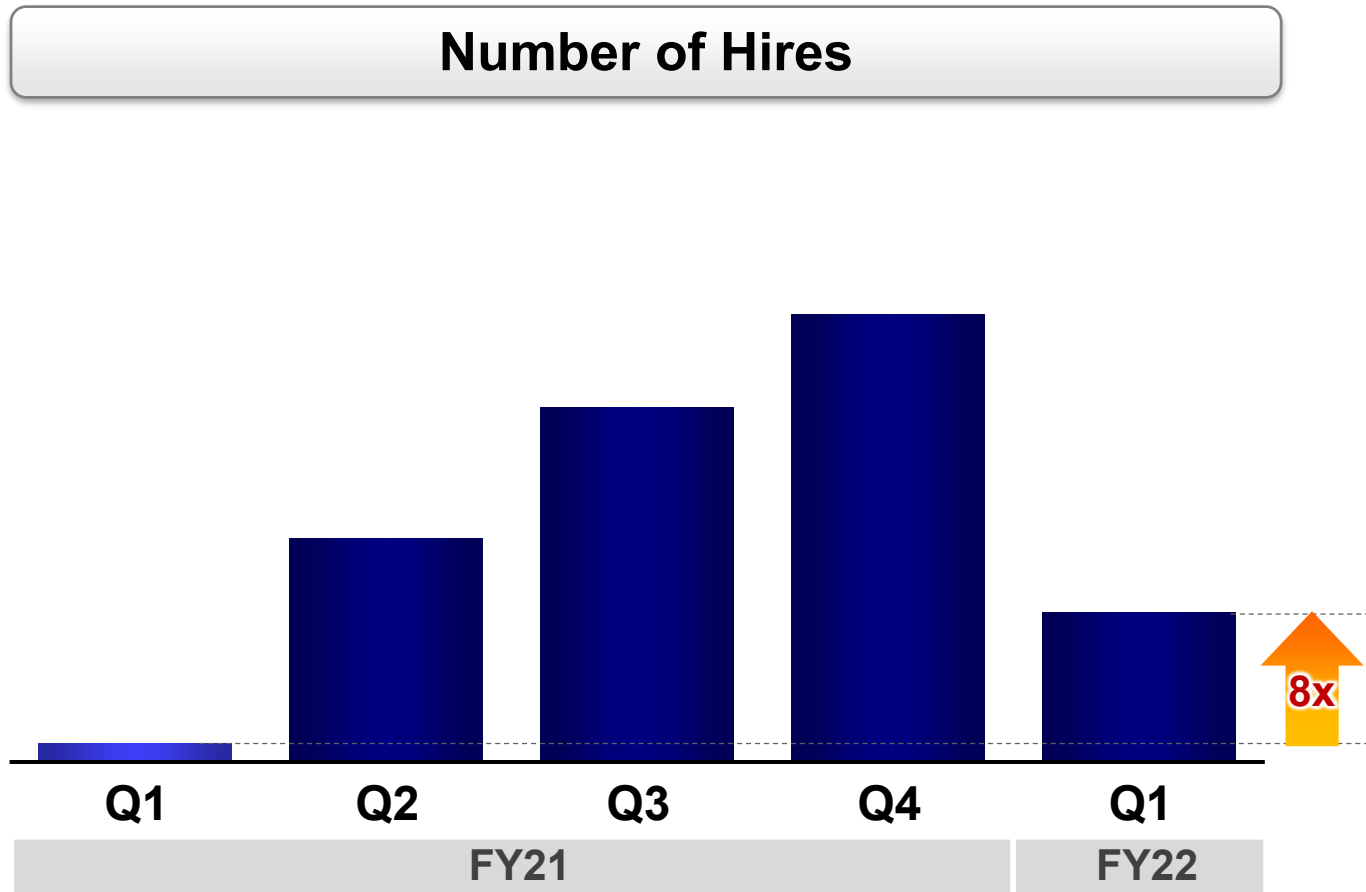
Professional Staff Fortification Plan




Staff Fortification Initiatives

- HR capacity increase
- Recruiter reinforcement (fee scale)
- New grad recruitment fortification
- Appeal potential M3 career paths and merit (skill acquirement, compensation, etc.)







Hiring Progress of M3 Professionals




 Recruitment performance was 8 times higher than in the same period of the previous year. On the other hand, the quarterly trend slowed down due to temporary issues (e.g. operational changes on the agent side,) but the issues have been resolved and a recovery is expected

DX of the Clinical Scene

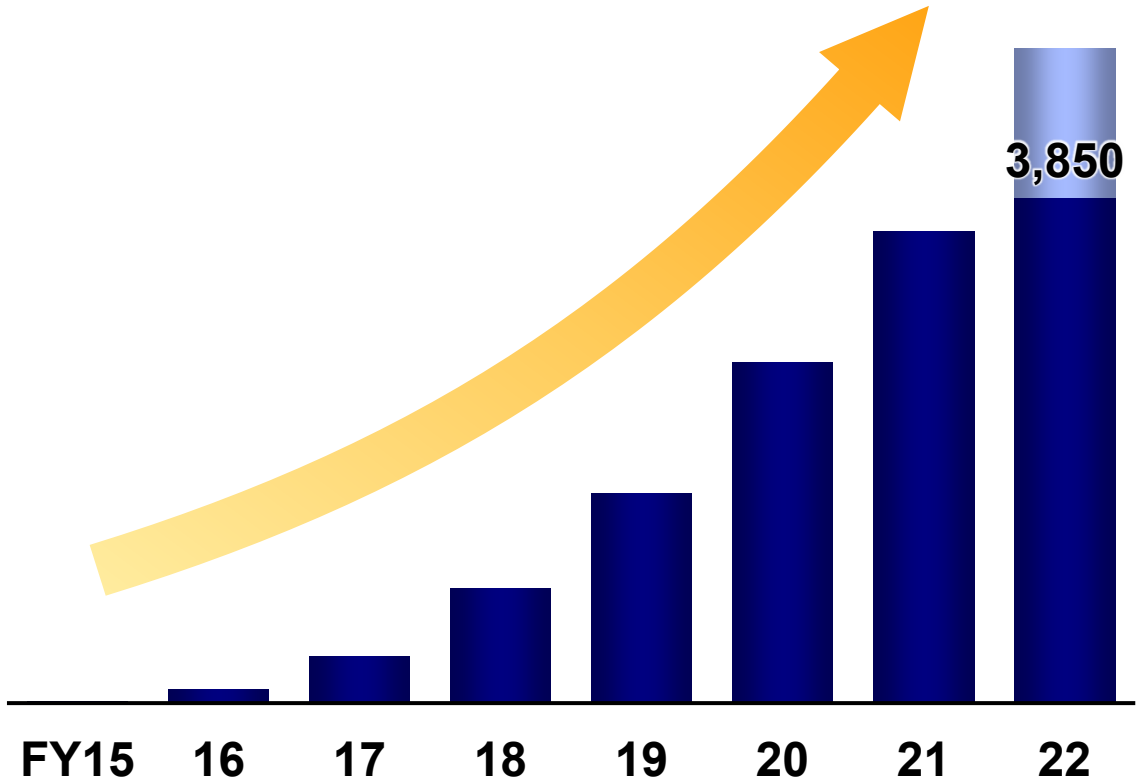
Potential in DX of Clinics

		<u>Current</u>		<u>Post DX</u>
Access		Long waiting time in lobbies	➔	Online reservations
Diagnosis		Offline	➔	Online/Offline Hybrid
Payment		Wait to pay at service desk	➔	Head straight home (digital payments)
Rx		Local pharmacy	➔	Delivered to home or office
Medical Records		Difficult access	➔	Review own health records online
Midnight Emergencies		Wait until next morning	➔	24/7 Online Service

 **Advancement in DX of the clinical scene offers a complete renewal of the patient experience**

M3 DigiKar EHR Growth

Number of Sites Using M3 DigiKar



- Approx. 3,850 medical sites have adopted DigiKar; aiming for 5,000 sites within this FY
- Enhanced value provision through DigiKar packaged with DigiKar Smart

👉 Incontestable #1 market share within cloud based digital health records, with over 100 million charts on record

Evidence Solutions

Evidence Solutions: Sales Trends

(JPY MM)



Factors contributing to the strong performance

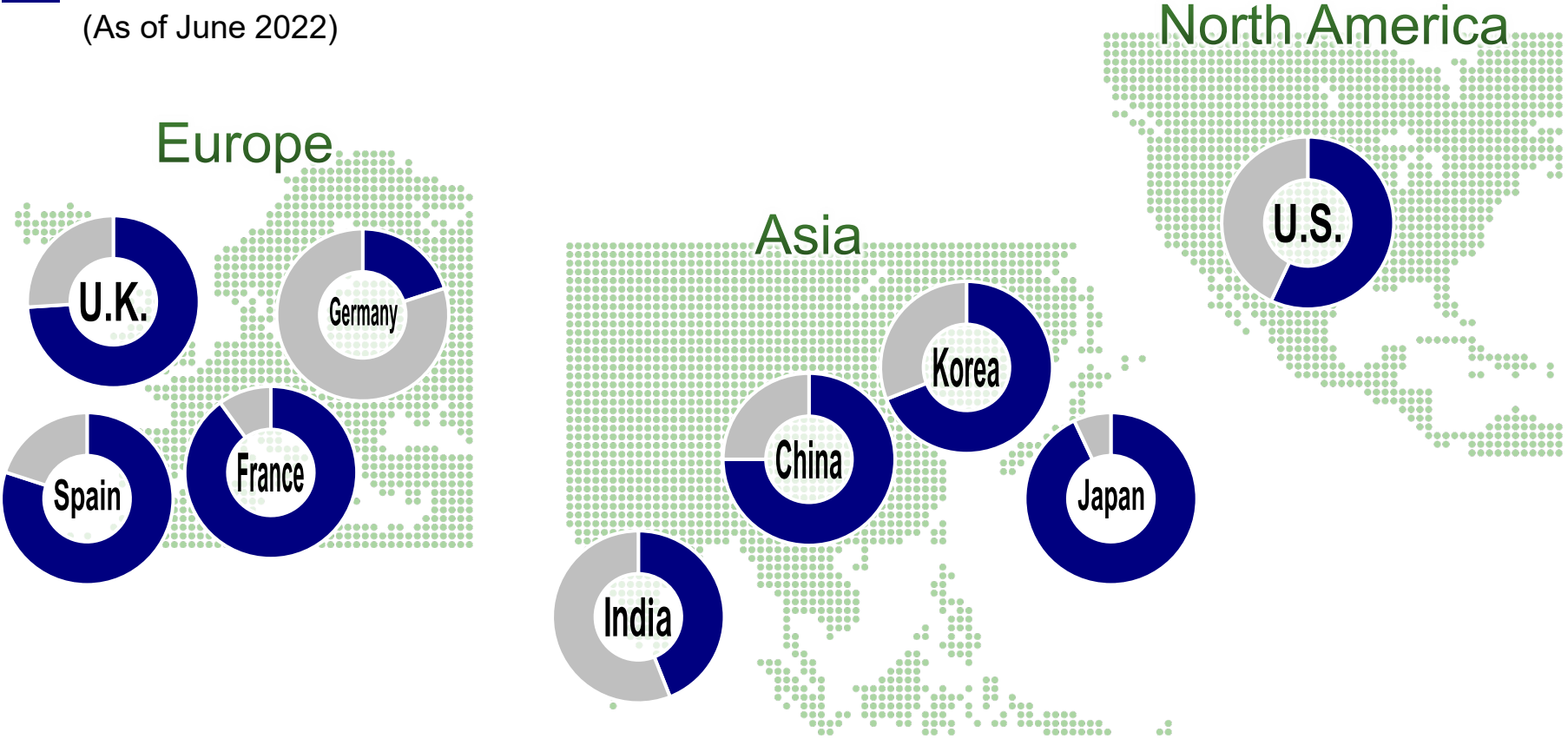
- Projects related to COVID
- Effective use of patient panels
- DCT expansion

👉 Sales performance steady, with recovery from negative impact of COVID and the addition of domestic COVID-related projects

Overseas

Number of Doctor Members and Panelists (Global)

Ratio of doctor members
(As of June 2022)

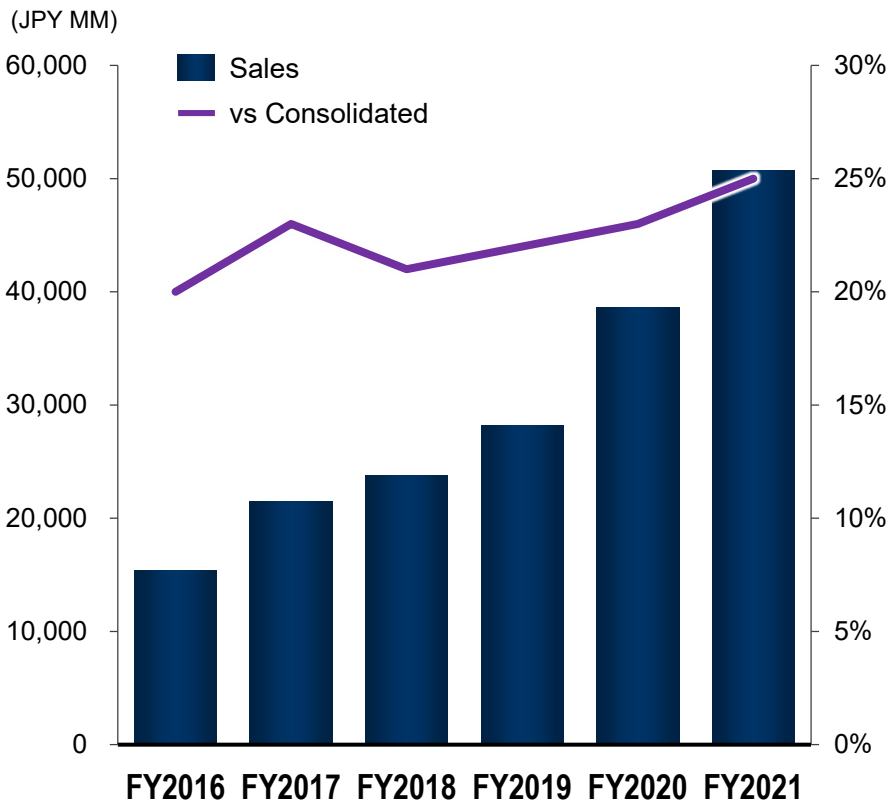


More than 6 million doctor members and panelists, covering over 50% of doctors worldwide

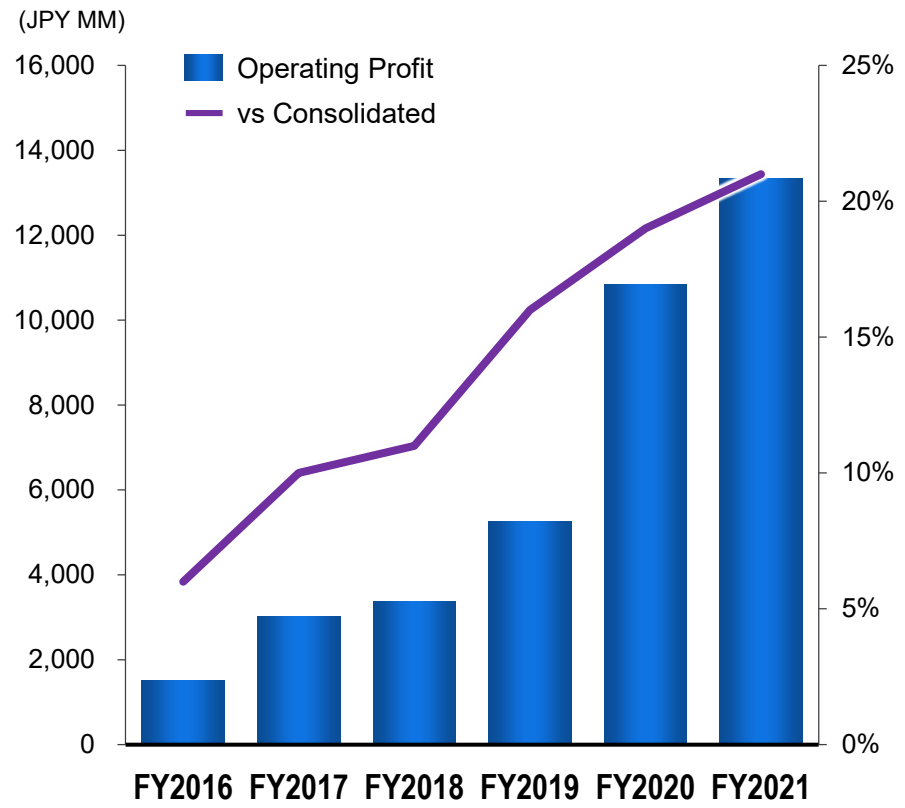
*The no. of doctors in Japan is based on data from the Ministry of Health, Labour and Welfare (2022).
The no. of doctors by other countries is based on the latest data from WHO and other sources

Overseas Segment: Sales/OP Trends

Overseas Sales(vs Consolidated)*



Overseas Operating Profit(vs Consolidated)*



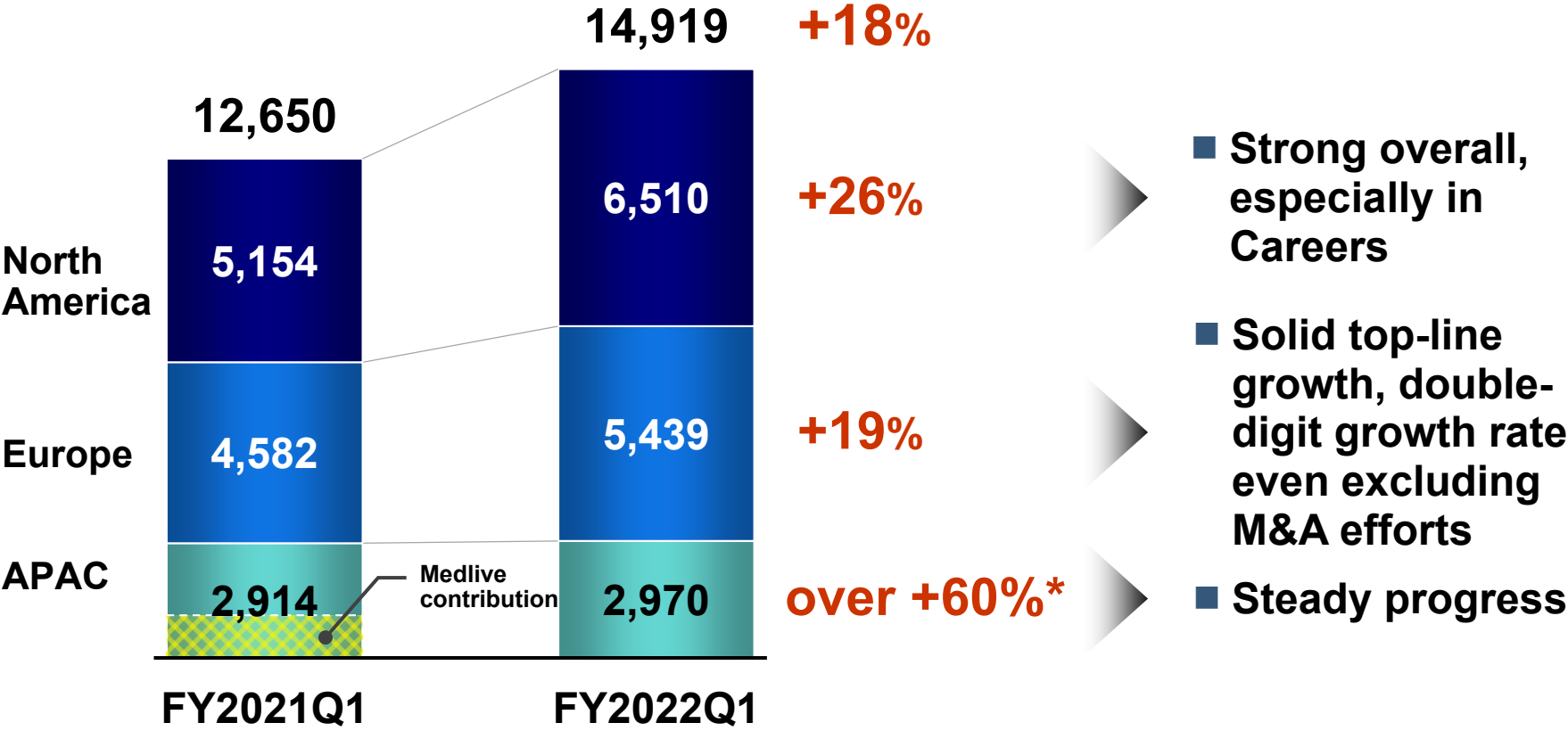
👉 Accelerated overseas profit growth as well as ratio to consolidated results in line with growth of physician membership platform

*Excluding Medlive results and IPO (FY21) impact

Overseas Segment: Sales by Region

The Sales Trend

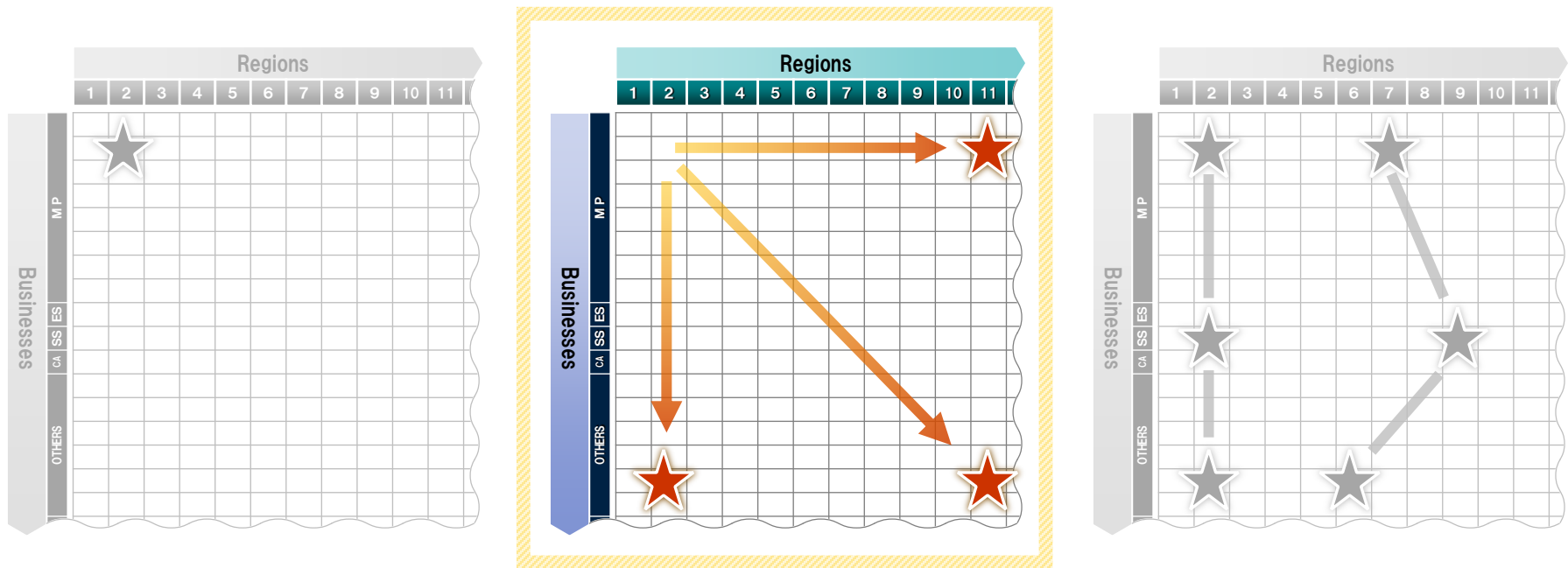
(JPY MM)



👉 Steady growth due to growth drivers consisting of diverse businesses

* Growth rate excluding the results of Medlive (not subject to consolidation from this term) in the same period of the previous year

Growth Engine 2: Ecosystem Expansion (Sagrada Familia)



4. Social Impact Creation → CSV

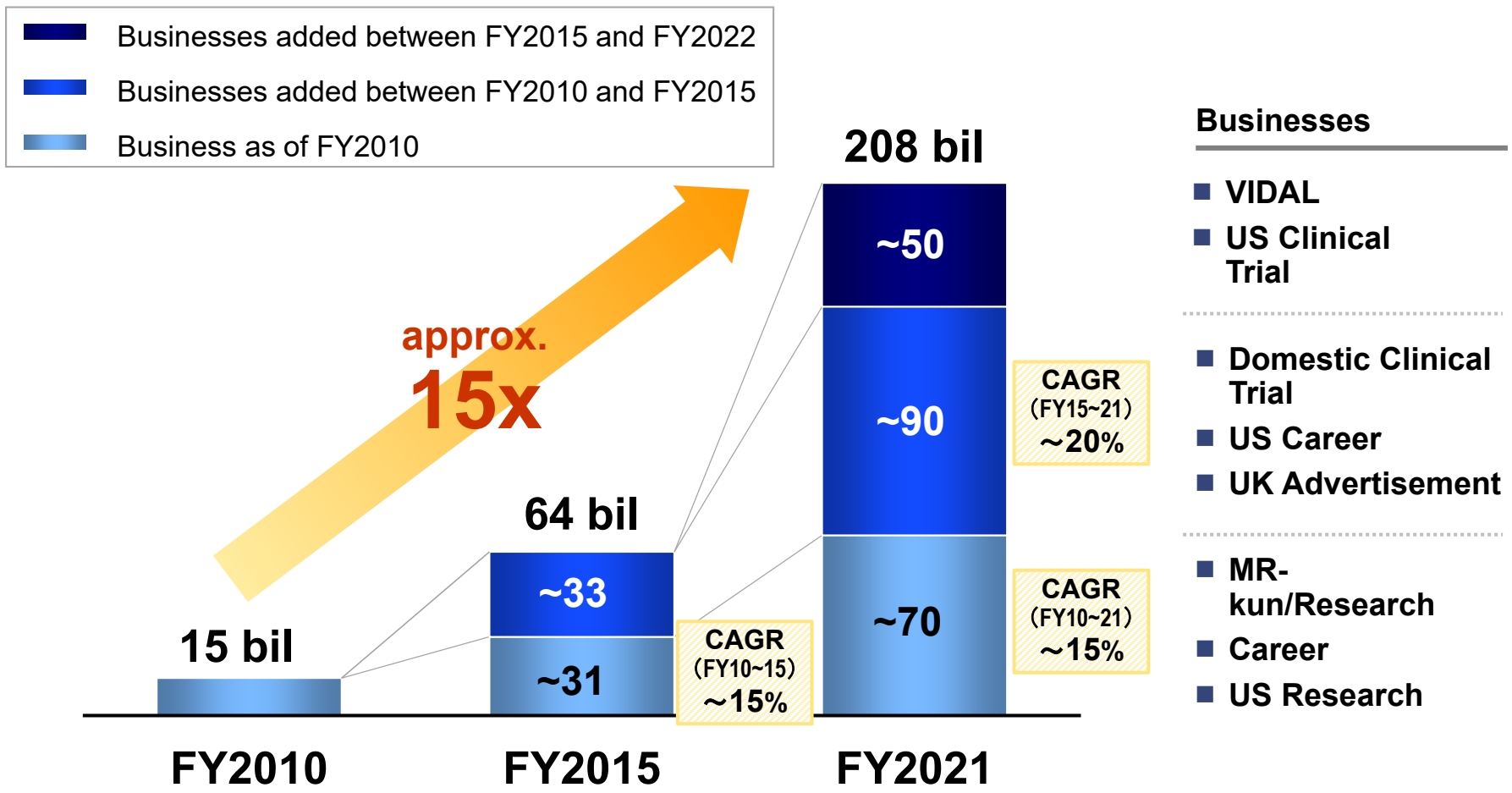
Business Scope Expansion and Growth Potential

	2010	2015	2020	2022
Country	: 3 →	8 (2.5x) →	11 (3.5x) →	16 (5.5x)
Business Types	: 6 →	15 (2.5x) →	35 (6.0x) →	37 (6.0x)
Business Units (Type x Country)	: 10 →	24 (2.5x) →	56 (5.5x) →	68 (7.0x)
Sales (bn)	: 14.6 →	64.7 (4.5x) →	169.1 (12x) →	208.1 (15.0x) FY2021

 **Aggressive M&A to ensue in reaching growth potentials exceeding 10~20x current levels...**

Growth Trend per Business Expansion Phases

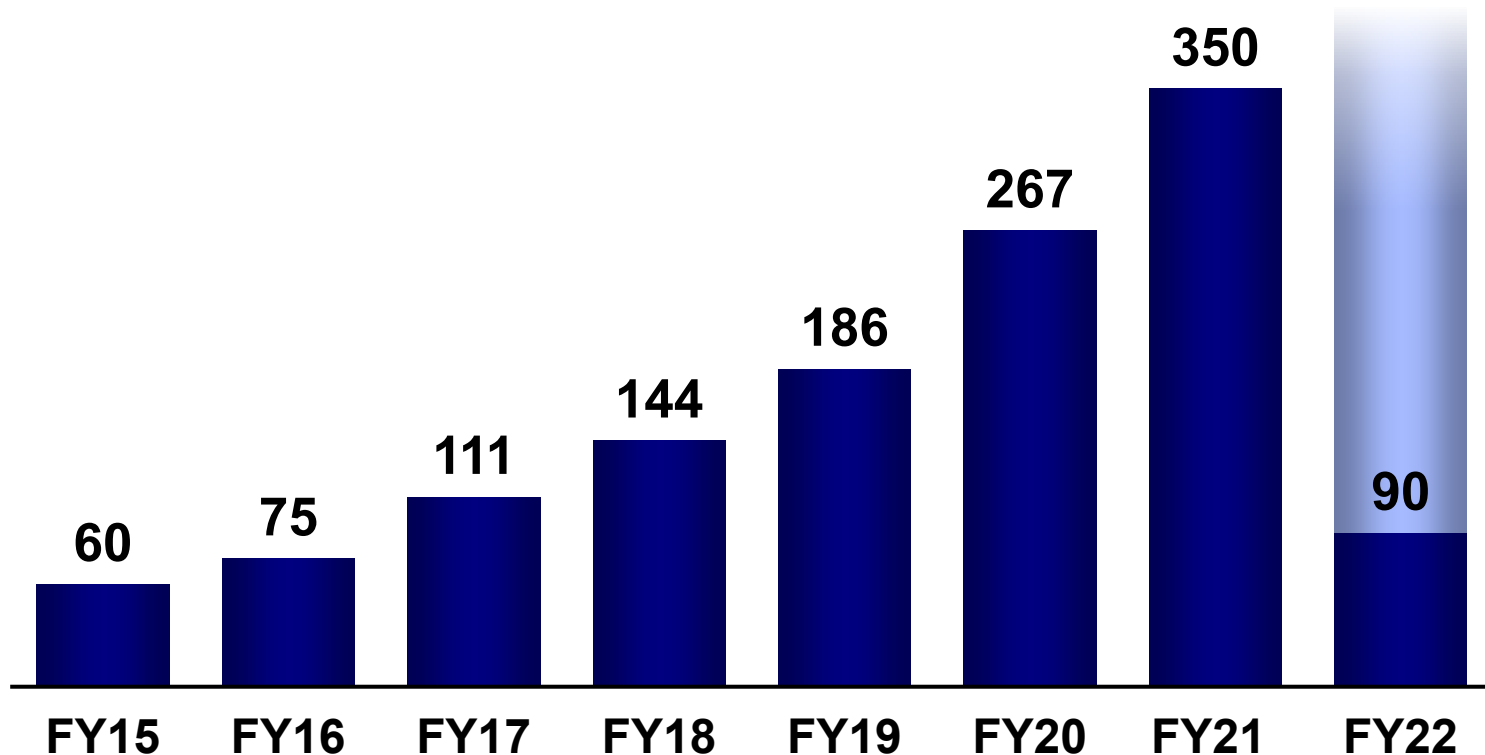
Sales Trend (JPY)



👉 2/3 of FY2021 sales were created from new businesses added after 2010, growth rates are also greater for new businesses entering the market

Increase in M&A

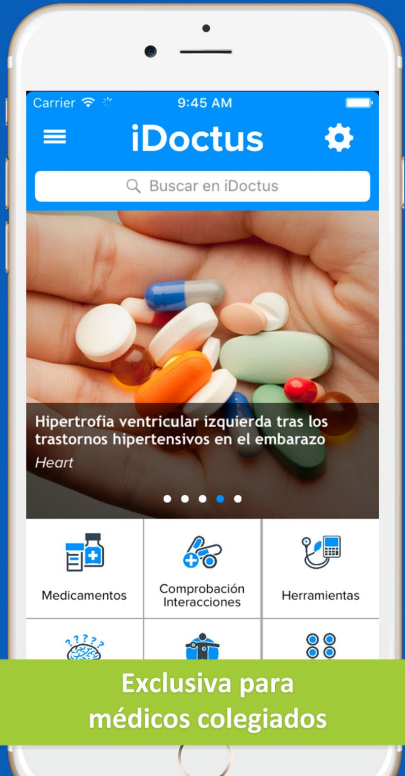
Number of Deals That Were Evaluated



 The number of M&A continues to increase steadily. Number of executions and size are also increasing.

Acquisition of iDoctus, in Spain

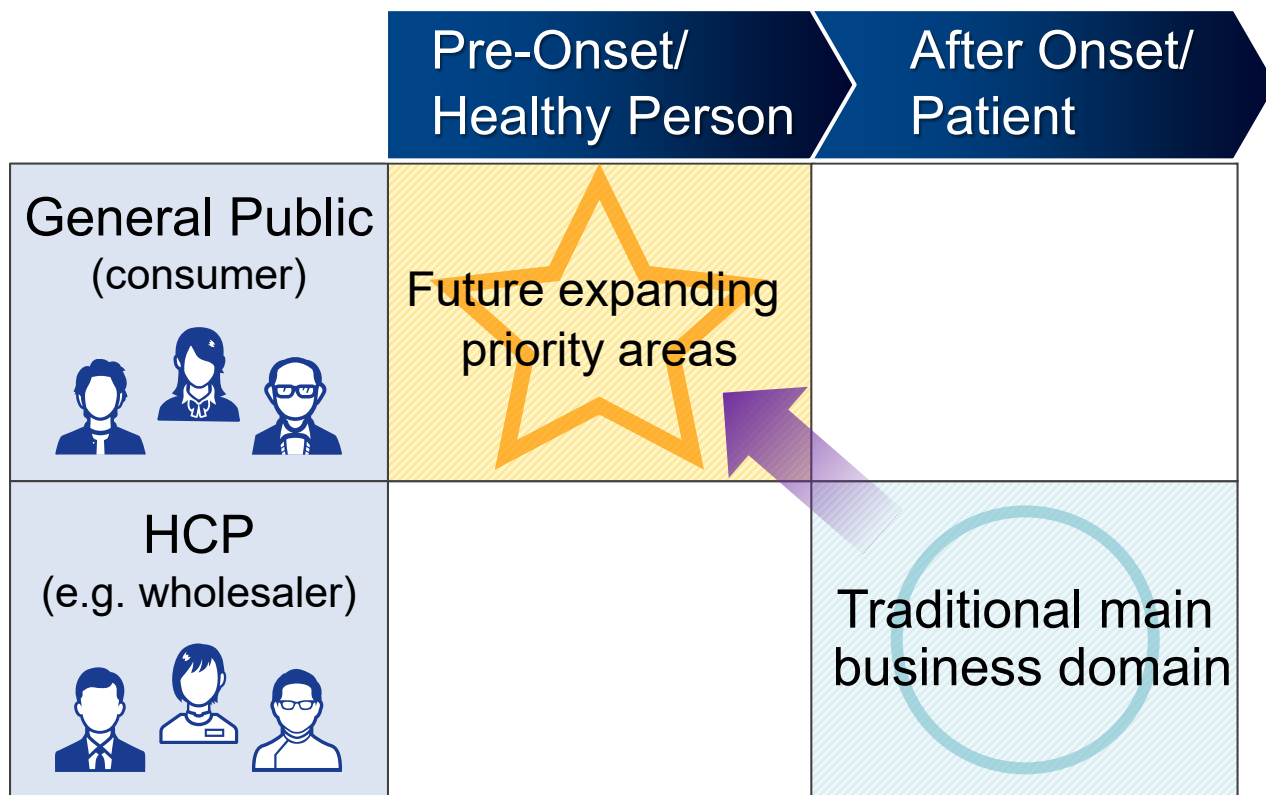
Medicina en la palma de tu mano
La mejor y más completa información médica profesional en tu móvil




Exclusiva para médicos colegiados

- **Used by about 500,000 doctors in a total of 19 Latin American countries, including Spain and Mexico**
- **Mobile application providing drug databases and medical information. Very highly rated by users**
- **Together with existing members of the M3 Group, the coverage of doctors in Spain is more than 80%**

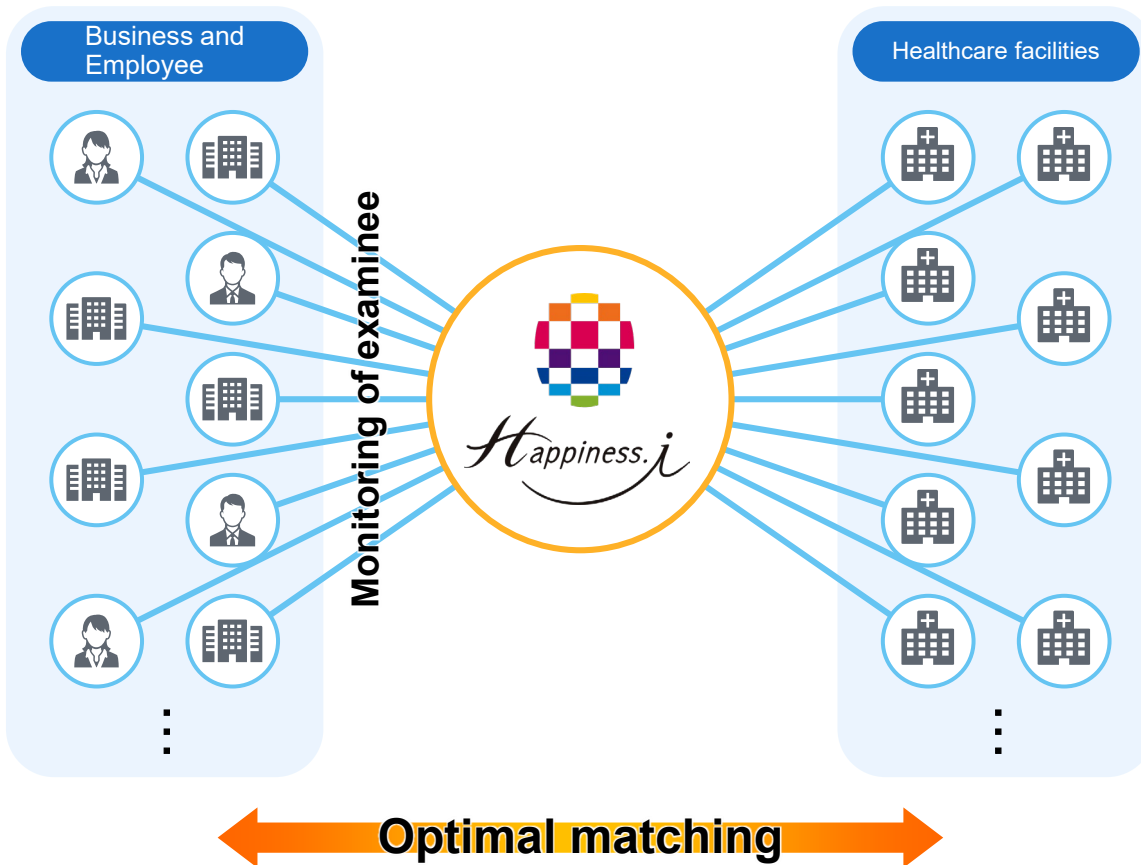
“The White Jack Project”



- Expanding the focus area to include "pre-disease and preventive medicine"
- Reducing health care costs by 'reducing the number of people who become ill in the first place' rather than just 'curing illness after it has occurred'

 **Actualize " Making use of the Internet to increase, as much as possible, the number of people who can live longer and healthier lives, and to reduce, as much as possible, the amount of unnecessary medical costs" from the upstream**

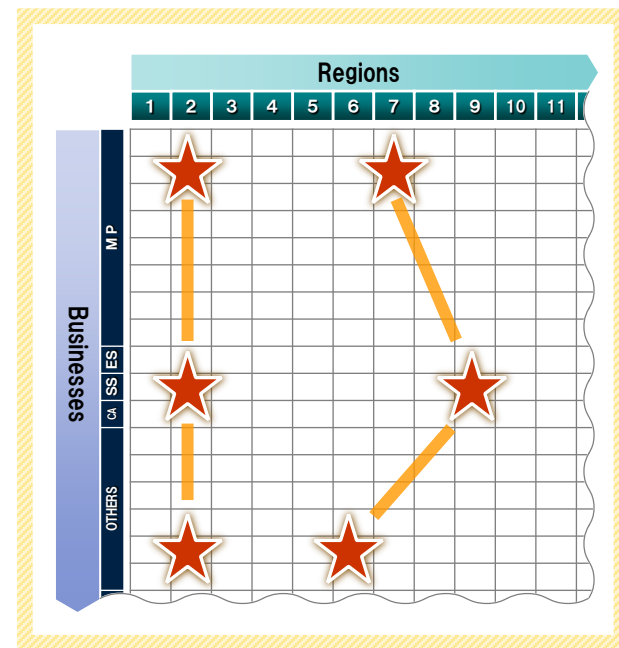
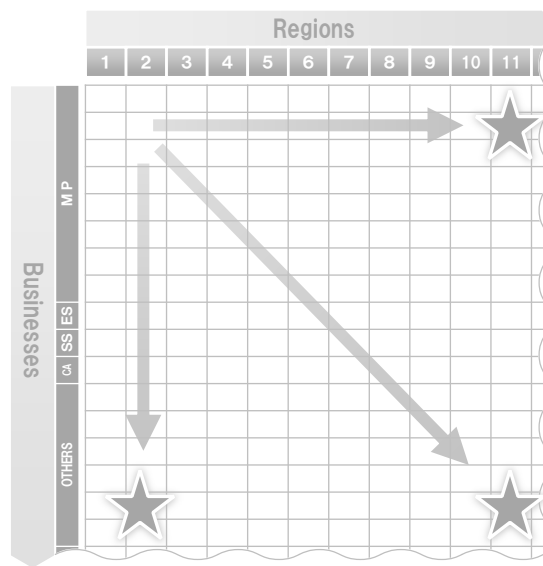
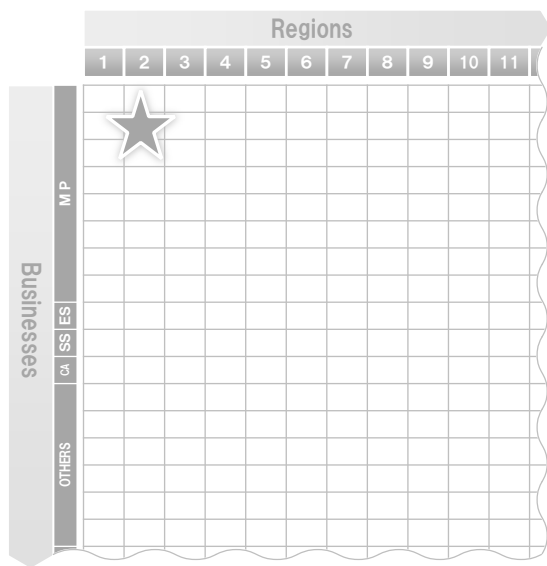
Happiness-i, a New Subsidiary



- Health check-up support business
 - Total coordination of referrals to partner medical institutions, booking, and processing of results; 450,000 persons annually
- “Happiness Partners,” an employee health management cloud service
 - Tool for implementing health management
 - Centrally manage health check-up results for all employees

👉 Provide social value and carry through with our mission from further upstream; synergies with M3’s existing businesses and the development of new services (Phase 1: White Jack Project)

Growth Engine 3: Ecosystem Synergy Creation

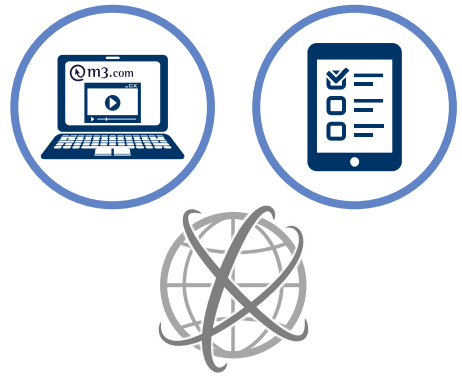


4. Social Impact Creation → CSV

M3's Paradigm Shift

Movement 1: 2000-2009

Internet Service



- **MR-kun Family**
- **Market Research**

Movement 2: 2010-2019

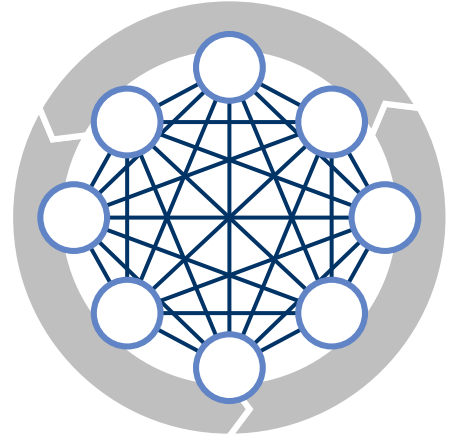
e x Real Operations



- **e-Clinical Trials**
- **M3 Career**
(Job placement for physicians)

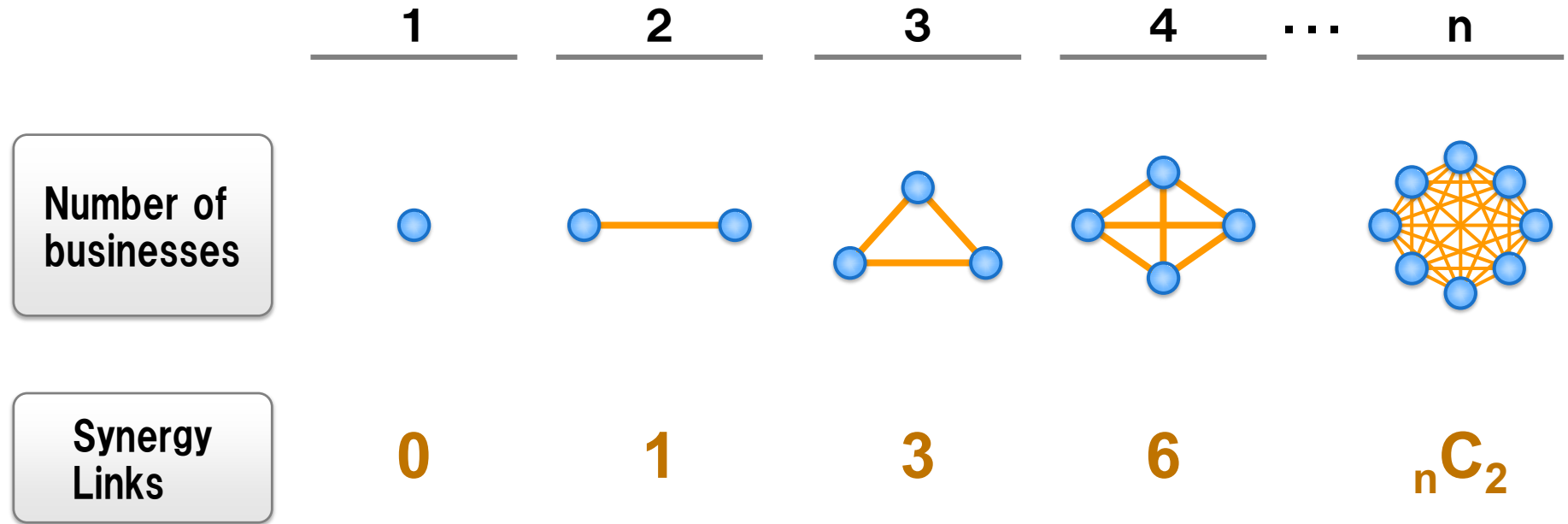
Movement 3: 2020-

Ecosystem Synergies



- **7P Projects**
- **Monetization through projects with autogenic synergy-generation**

Cross-Business Synergy Creation Potential

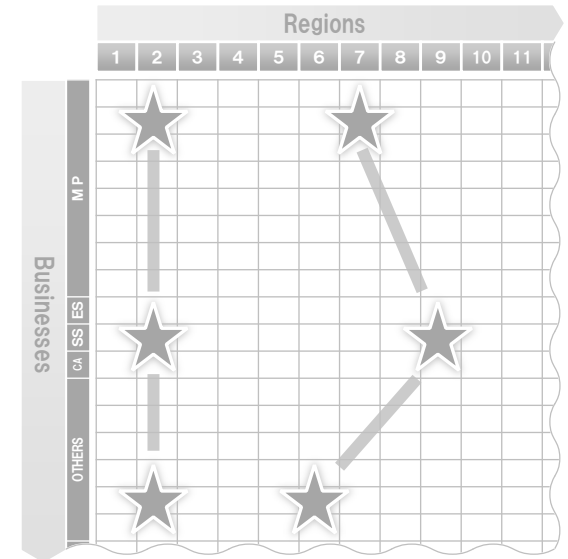
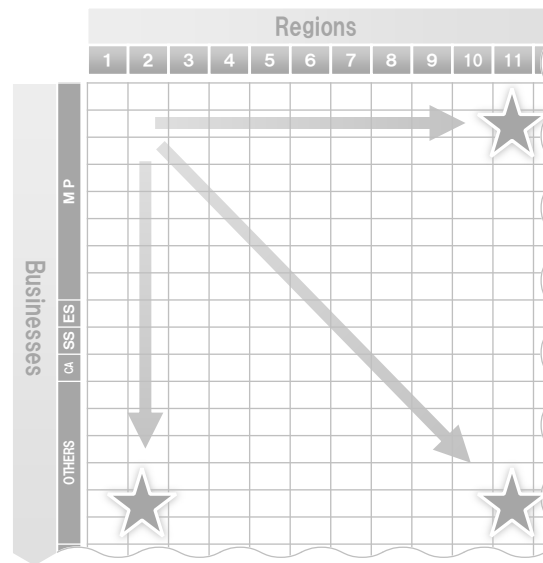
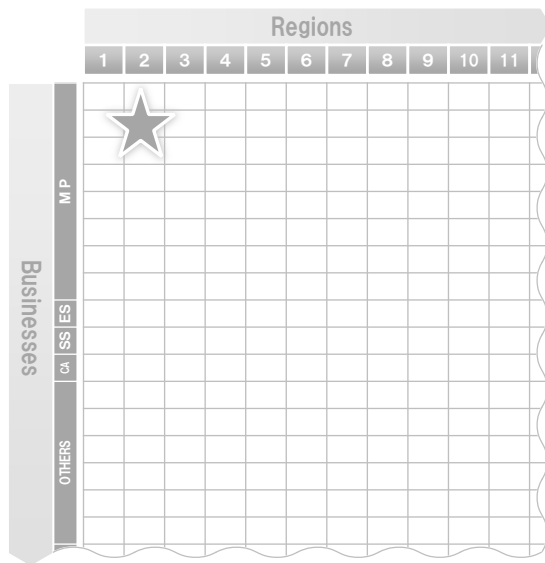


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 **Business synergy potential: ${}_{68}C_2 = 2,278$ linkage potential**

4. Social Impact Creation → CSV



4. Social Impact Creation → CSV

SDGs and CSV: M3's CSV positioning

SDGs

Sustainable Development Goals

(Development goals which are possible to sustain)

Detail

International objectives that governments, businesses and individuals in all countries aim to achieve with regard to human rights, the environment and development

Positioning for companies

Each company fulfills its responsibilities towards international targets

Relevance to corporate mission

Not necessarily linked to the company's mission

CSV

Creating Shared Value

(Creation of shared values)




Initiatives by companies to solve social problems through their core business

Balancing corporate growth and solving social issues

Fully consistent with corporate mission/purpose

Under M3's mission of "Making use of the Internet to increase, as much as possible, the number of people who can live longer and healthier lives, and to reduce, as much as possible, the amount of unnecessary medical costs," we are also committed to SDGs through its CSV activities

COVID Vaccine and Treatment Related Initiatives

	Vaccine Administration		Clinical Trials
	Corporates 	Municipalities 	Medical Sites 
Japan	○ (169 Corporates)	○ (233 Municipalities)	○ (Vaccines, treatments, boosters)
Overseas	×	×	○ (Vaccines, treatments, boosters)

 Vaccine services to support 10.53 million administrations, along with support for development of drugs and vaccines domestically and abroad. Fulfilling orders for the 4th round “booster” shots, as well as administration for children

Digikar Smart Clinic Benefits under the Spread of Infection

Normal Case

Appointment / Waiting for consultation



- ✗ Calls to healthcare providers keep coming in **(taking up even more of the busy staff's time)**
- ✗ Patient concentration in waiting rooms **(infection risk)**

Reception



- ✗ Exchanges of examination tickets, verbal interactions between reception staff and patient **(infection risk)**

Questionnaire



- ✗ Paper-based interviews in healthcare facilities **(infection risk)**

Payment



- ✗ Money exchanged over the counter **(infection risk)**

Digikar Smart Clinic



- Disclose appointment availability on the web and patients book into available slots
- Patients in waiting rooms are limited

- Contactless with barcode Check-in

- Remote, web-based questionnaire

- Payments made with smartphones, no need to deal with cash

 **Urgent free support for healthcare providers responding to the 7th wave (1,000 medical institutions are provided with Digikar Smart free of charge)**

M3's CSV Impact for Patients



Online Visitation Support During COVID

“Menkai-kun” utilized at 105 sites, by over 250,000 patients and families

As of April 2022, since service launch

Professional Advice Provision for Health Concerns

Offering physician answers to daily health concerns; 300,000+ posted questions gathering over 75 million UU views annually

FY2021



Granting Wishes for Severely Ill Patients

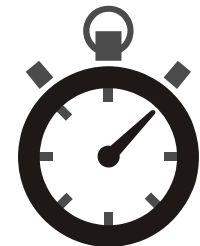
26 wishes granted through the CaNoW program; over 1.5 million PVs of videos and articles documenting the grants

As of April 2022, since service launch in 2019

In-Office Time Reduction

Reduced approx. 23.7 million hours of in-office lobby wait-time for patients

FY2021; based on 24 million receptions



* CSV = Creating Shared Value

M3's CSV Impact for Medical Professionals

Information Provision for Medical Professional Members

9.2 million views via information delivery such as Webinars

FY2021



Medical Examination Support

Supporting medical examinations through management of information across 120 million electronic health records, domestically and abroad

As of FY2021

Productivity Improvement for Pharma Companies

Distribution of 110 million e-details = workload of 55,000 MRs (more than total number of MRs in Japan)

FY2021



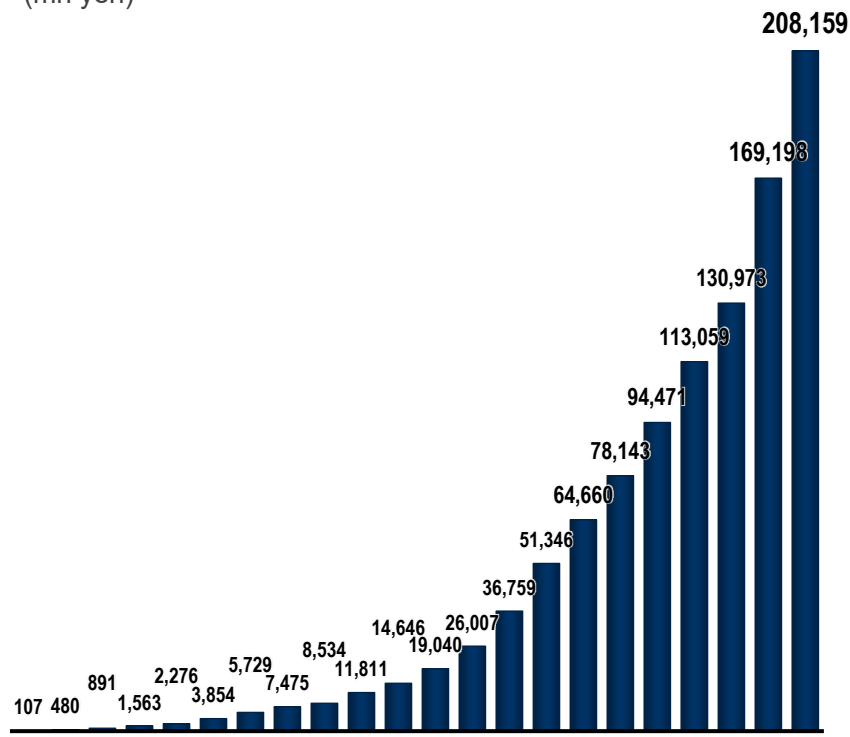
 **Actualizing M3's mission across various areas, to reduce unnecessary medical costs and to support healthier lives using digital technologies... social contribution through business creation**

* CSV = Creating Shared Value

Annual Results

Sales

(mn yen)

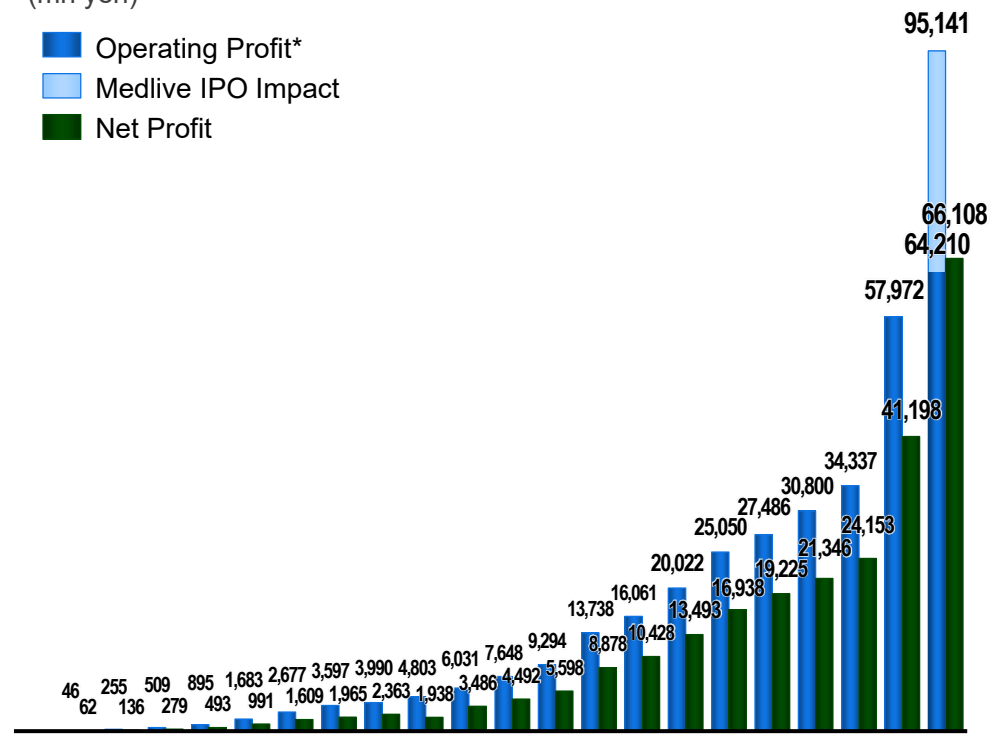


FY
00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21
(6m)

Operating Profit & Net Profit

(mn yen)

- Operating Profit*
- Medlive IPO Impact
- Net Profit



-93 -93
FY
00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21
(6m)

Basic outlook is for continued business growth excluding Medlive IPO impact in FY21

*FY2021 excludes gains related to China IPO