
M3, Inc.

Presentation Material

February 2023



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 Q3 Consolidated Results

(mn yen)

	FY2021 Q1-Q3	FY2022 Q1-Q3	YoY
Sales	154,169	175,155	+14%
Operating Profit	84,627	58,734	-31%
Pre-tax Profit	85,177	60,249	-29%
Net Profit	58,535	41,844	-29%

Business growth rate at +12% YoY excluding China IPO related earnings in the same period of the previous year and stock valuation gains/losses

 Double-digit growth in sales and profit growth for businesses excluding special factors in the previous year

FY2022 Q3 Consolidated Results by Segment

(mn yen)

			FY2021 Q1-Q3	FY2022 Q1-Q3	YoY
Domestic	Medical Platform	Sales	64,672	69,763	+8%
		Profit	30,795	32,087	+4%
	Evidence Solution	Sales	16,188	20,601	+27%
		Profit	3,844	6,048	+57%
	Career Solution	Sales	11,024	11,459	+4%
		Profit	4,027	4,199	+4%
	Site Solution	Sales	25,657	27,530	+7%
		Profit	4,554	3,229	-29%
	Emerging Businesses	Sales	2,463	2,435	-1%
		Profit	1,258	366	-71%
Overseas	Sales	37,860	47,261	+25%	
	Profit	41,473	13,924	-66%	

- Although there have been moves to reduce budgets, mainly by some foreign companies, the essential shift to DX is progressing
- Medical Field DX: Steady in both EHR and DigiKar Smart

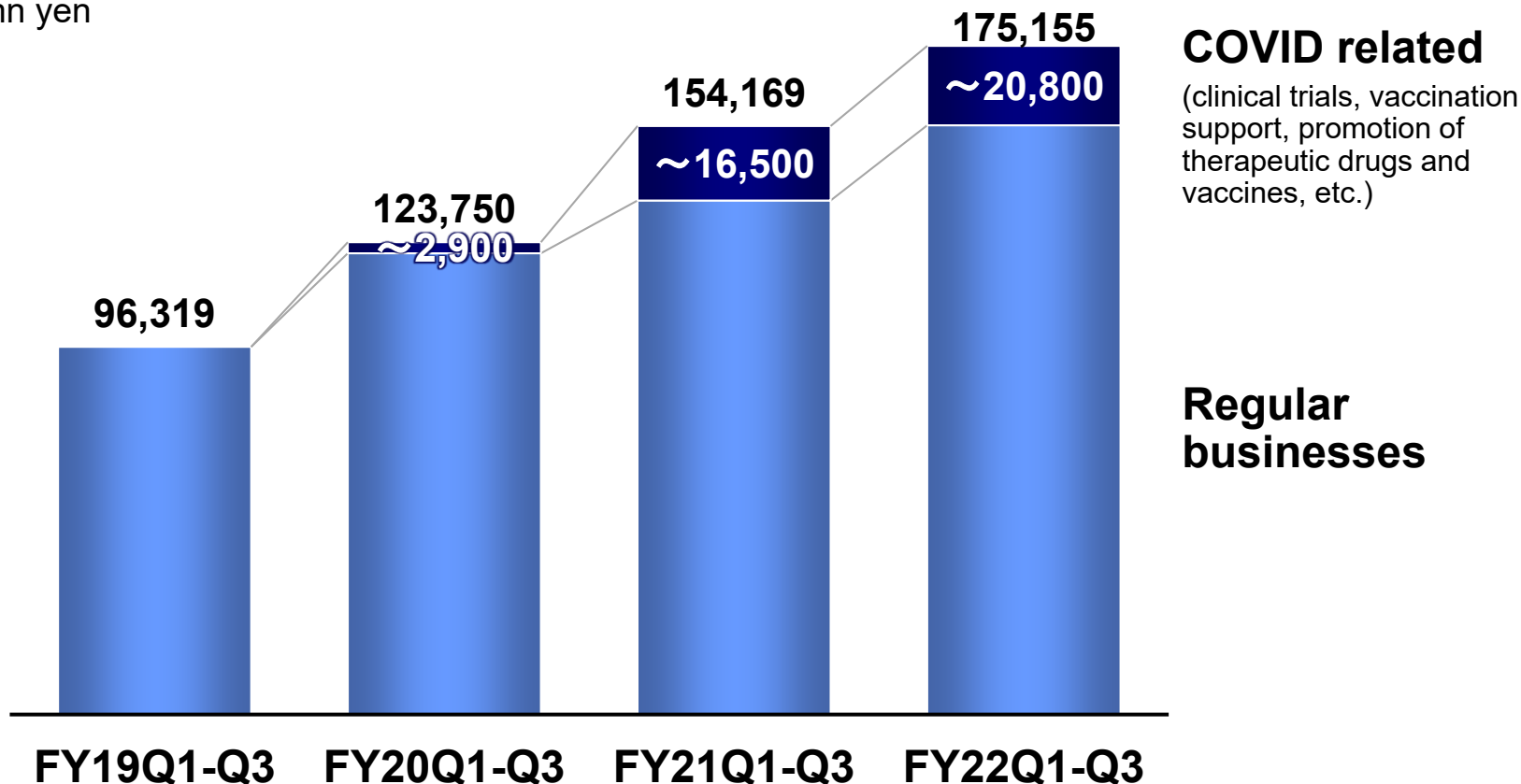
- Backlog of orders is 31.4 billion yen
- COVID-related clinical trials (therapeutic drugs/vaccines) settled down in Q3
- Digital-enabling clinical trials, DCT, etc. continue to make progress


Contribution from vaccination support business peaked in the same period of the previous year

- +29% profit excluding China IPO related last year, 3Q alone: +57% YoY
- Solid growth in all regions and various businesses, each with profit growth of more than 20%

Consolidated Sales Trends and COVID Impact

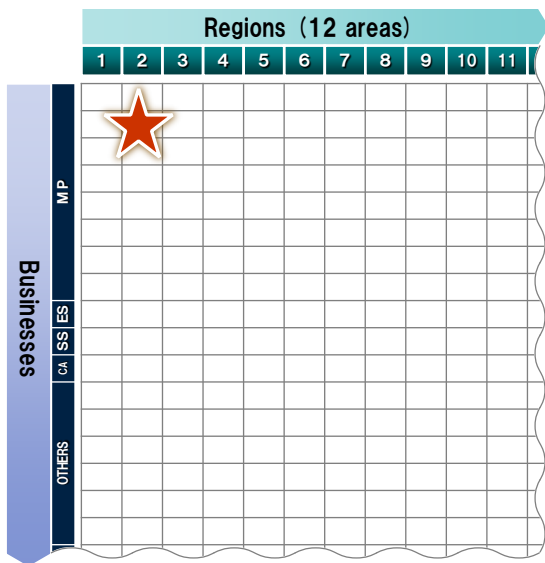
Unit: mn yen



 Contribution of COVID-related business to overall was 11% in the previous fiscal year and 12% this fiscal year. 20% of sales growth this fiscal year is COVID-related, while 80% is regular business

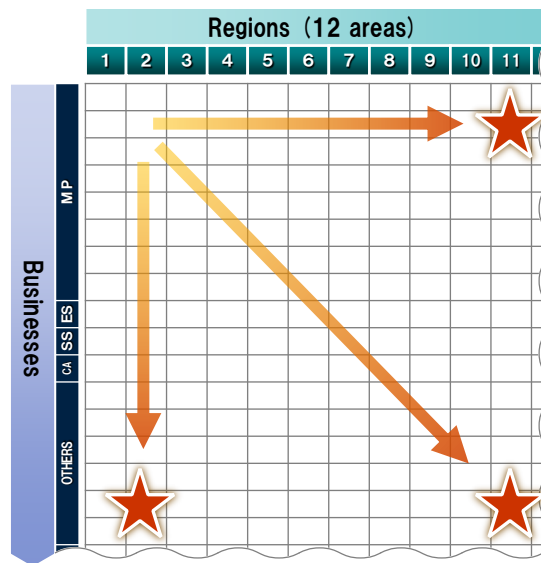
M3's Triple Growth Engine + CSV

1. Individual Business Development



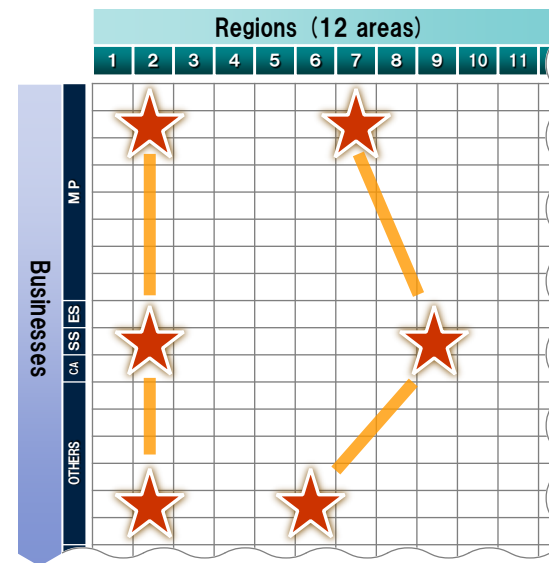
- Pharma marketing / Clinical Scene DX

2. Ecosystem Expansion (Sagrada Familia)



- Continuous new business entries

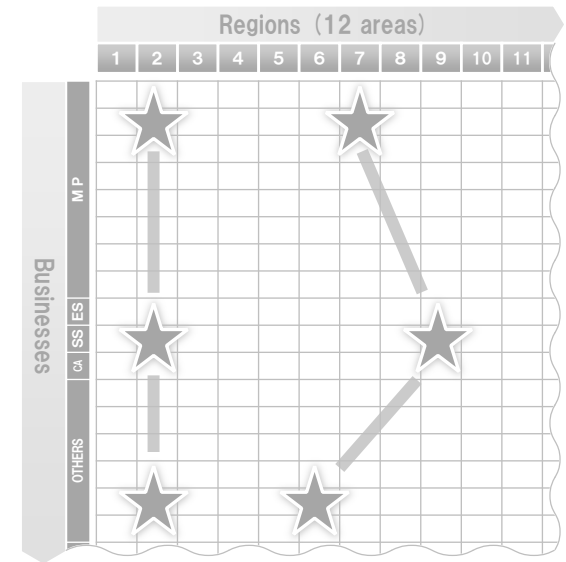
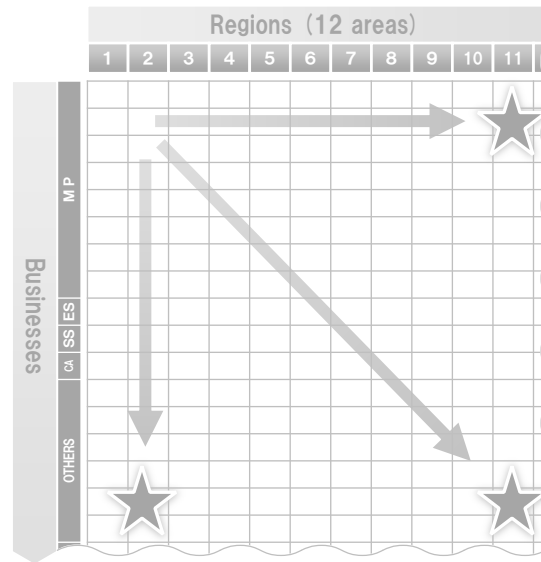
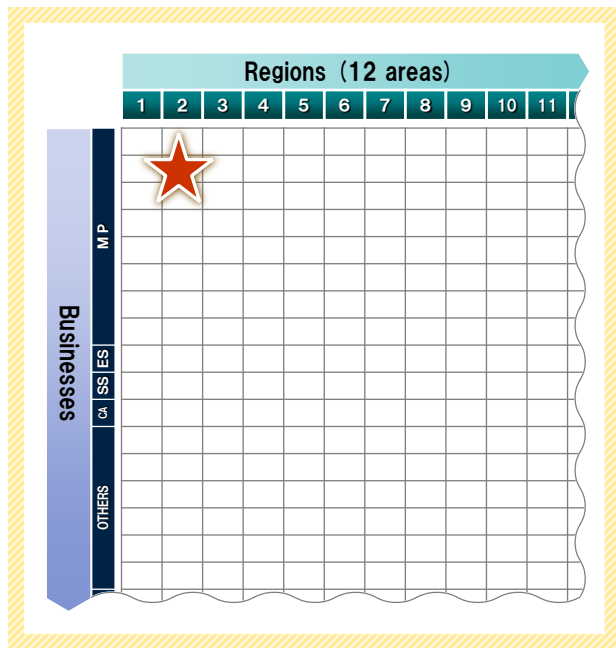
3. Ecosystem Synergy Creation



- Cross-cell synergy maximization

4. Social Impact Creation → CSV

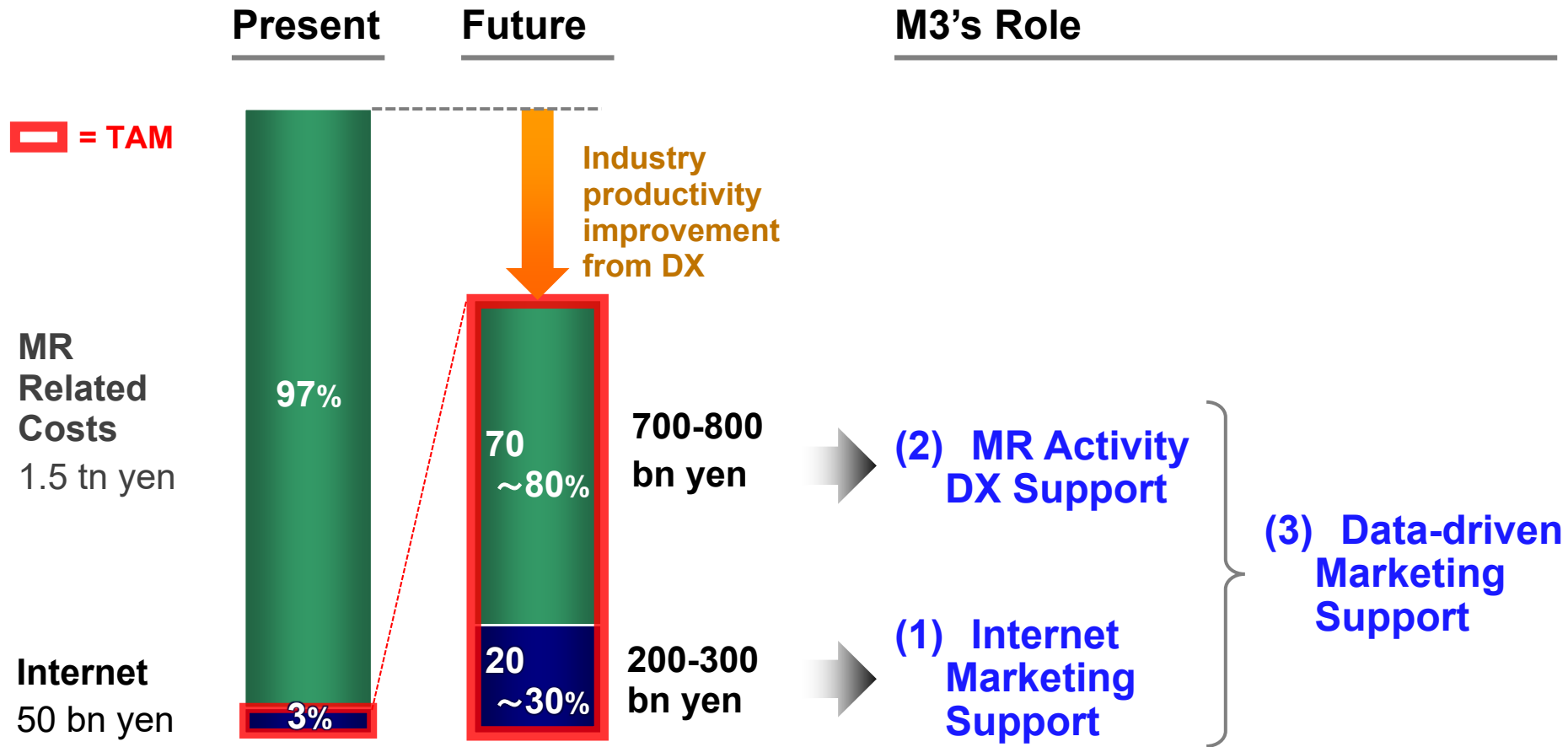
Growth Engine 1: Individual Business Development



4. Social Impact Creation → CSV

Pharmaceutical Sales & Marketing DX

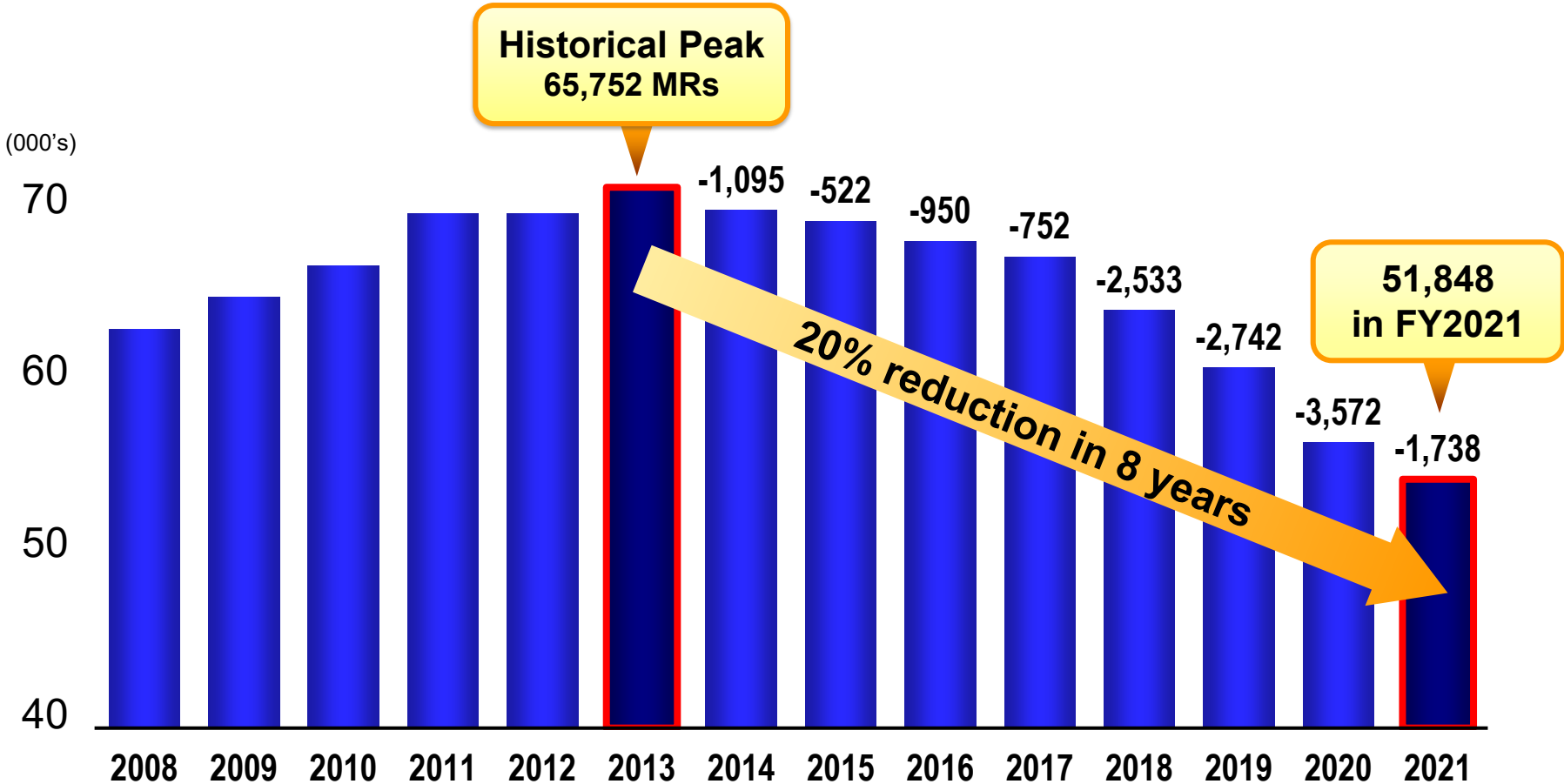
Pharma Marketing Cost and TAM for M3



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

Ref: M3 survey and estimate; numbers are approximate

Trend of Domestic Pharmaceutical Sales Reps (MRs)

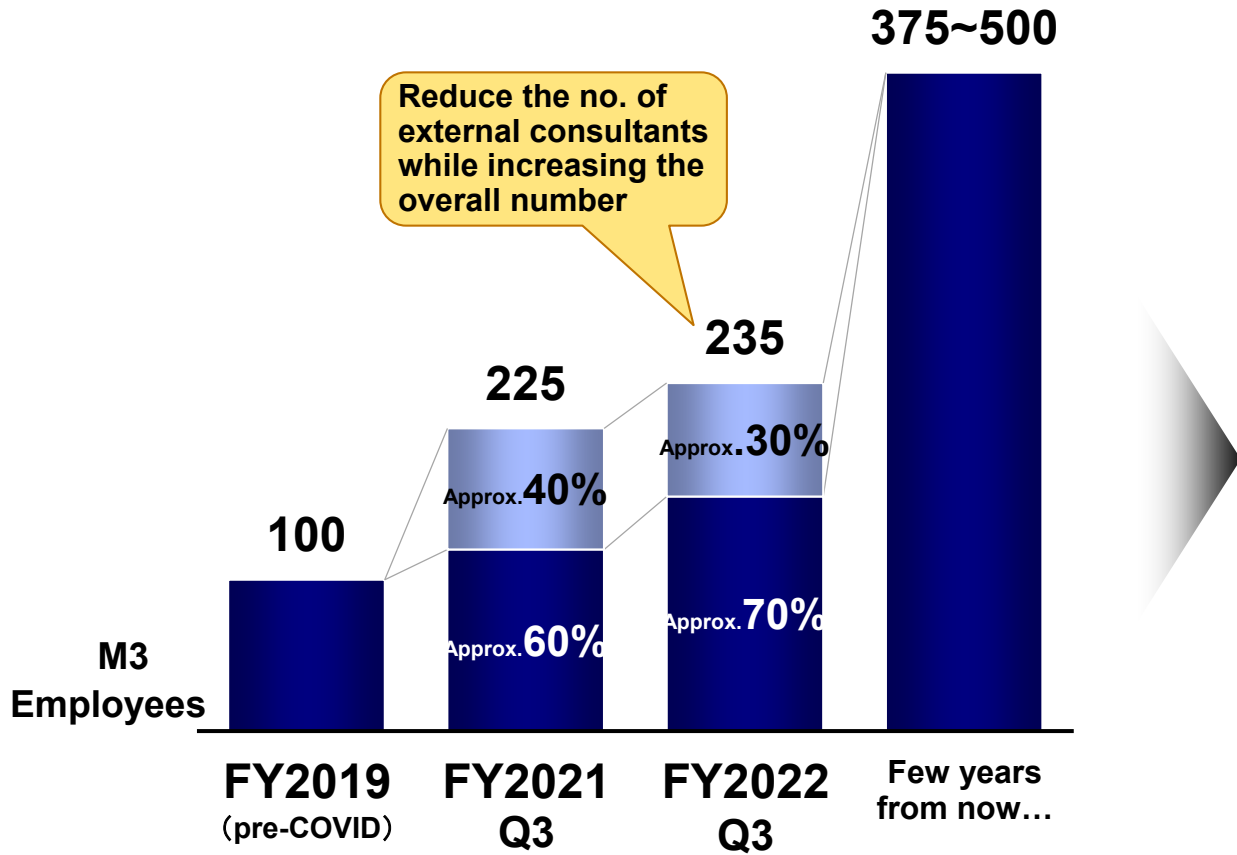


👉 In addition to a decrease in the number of MRs, some companies have established MRs who work only online or by phone... The trend toward sales efficiency is expected to continue

*Ref: AnswersNews, Sep 22, 2022
*Estimation made with "No. of MR research 2022" by Mix for 2021 data Copyright © 2023 M3, Inc. All rights reserved.

Professional Staff Fortification Plan

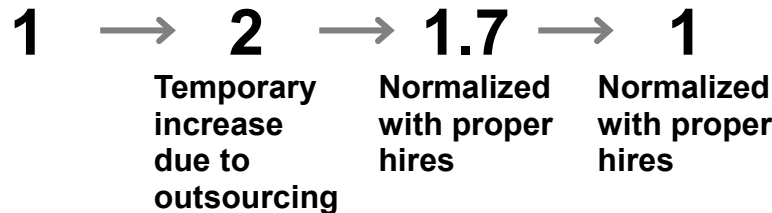
Unit: Index with FY2019 as 100



Staff Fortification Initiatives

- HR capacity increase
- Recruiter reinforcement (fee scale)
- New grad recruitment fortification
- Improve costs while increasing headcount

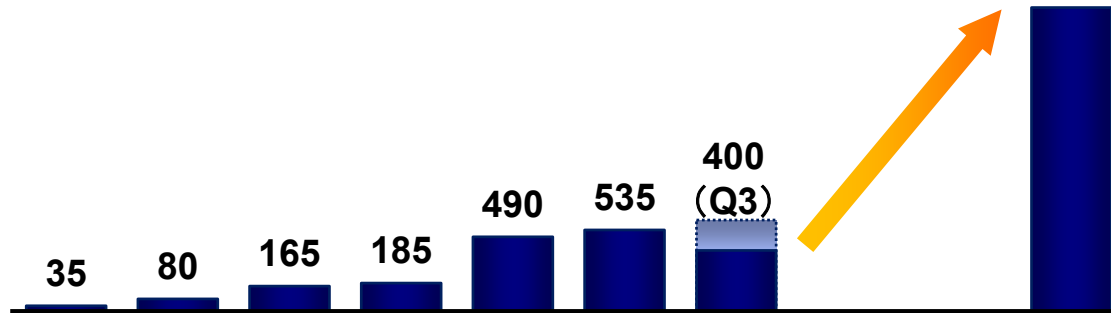
Cost per Staff



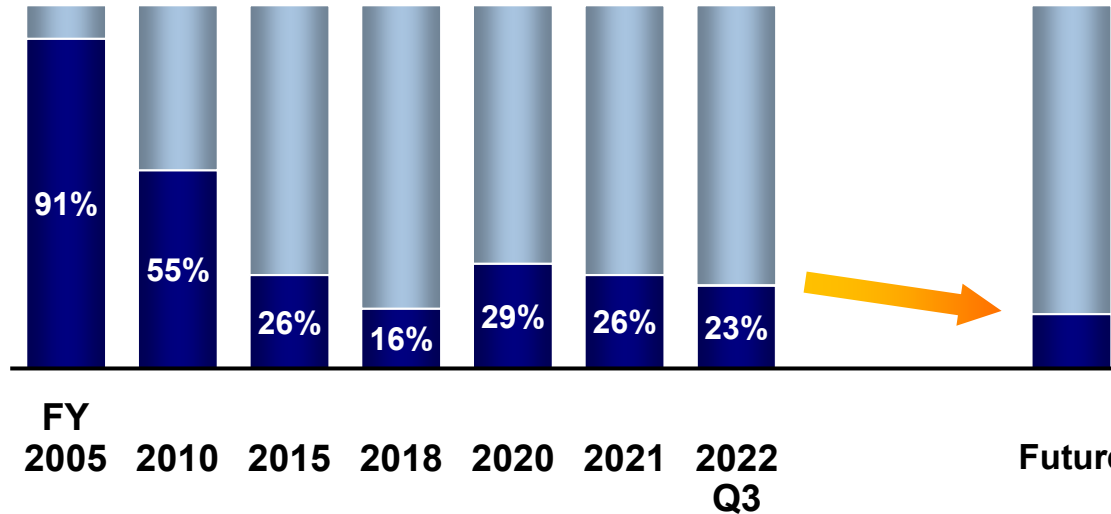
Pharma Marketing Sales Ratio and Future Growth

Pharma Marketing Sales

(JPY 100MM)



Consolidated Sales Composition of Pharma Marketing



Other Businesses

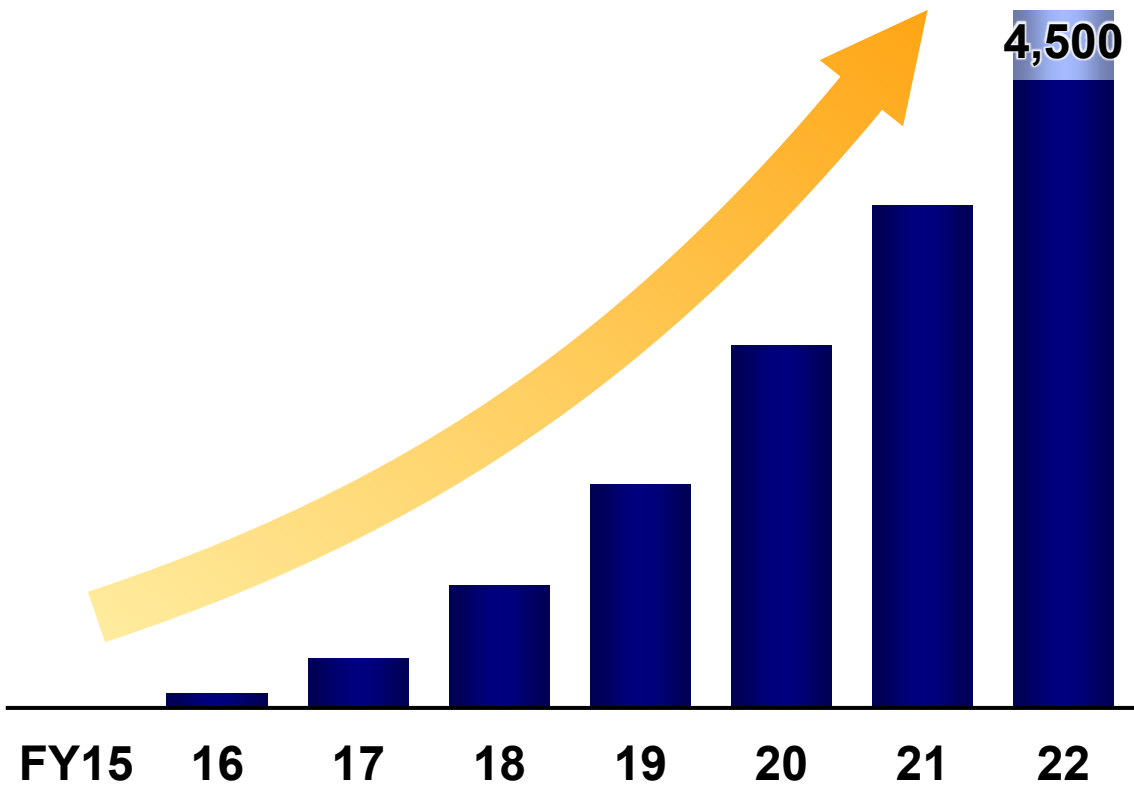
Composition ratio of Pharma Marketing Support 10-20%

👉 The pharmaceutical marketing business itself will continue to grow, but its contribution to the company as a whole is expected to decline...back to the previous trend

DX of the Clinical Scene

M3 DigiKar EHR Growth







Number of Sites Using M3 DigiKar



- Cumulative no. of installations is approximately 4,500, making steady progress toward the goal of 5,000 installations
- Co-selling with DigiKarSmart further increases the added value of DigiKar

👉 Incontestable #1 market share within cloud based digital health records, reaching 130 million charts

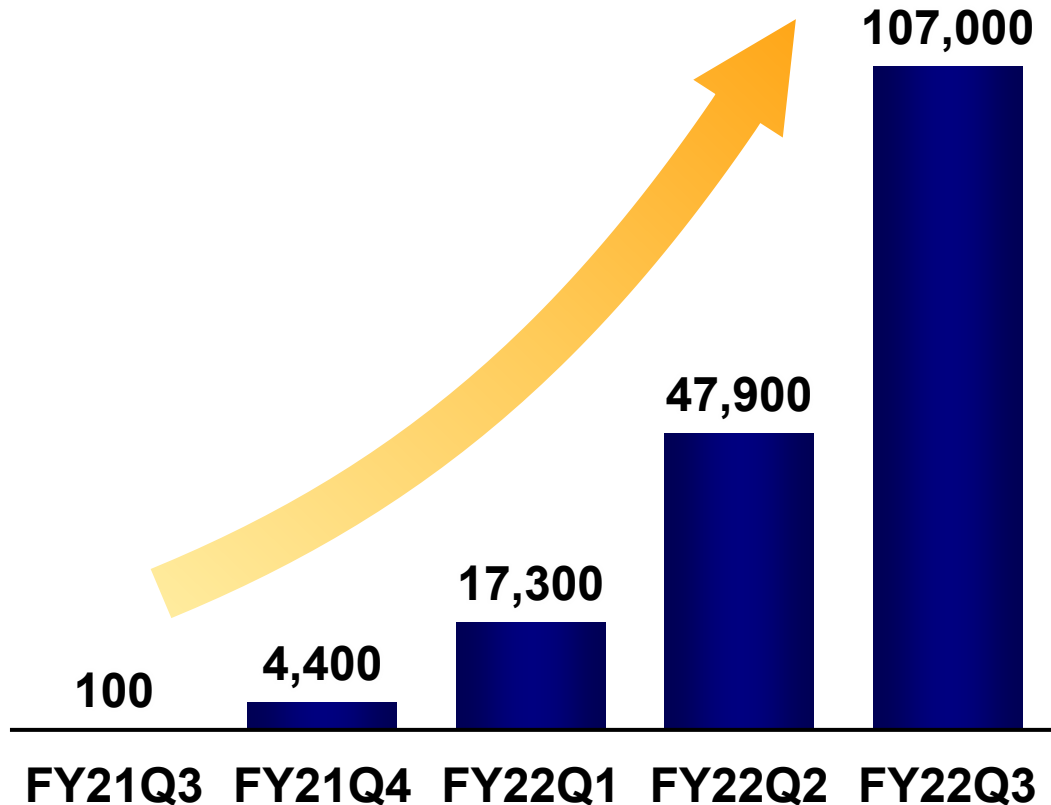
DX of Clinics: Creating a New Patient Experience

		<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

 **Creating a completely different patient experience through “DigiKar Smart”**

DigiKar Smart User Expansion (Index Trend)

Unit: Index with FY21Q3 as 100



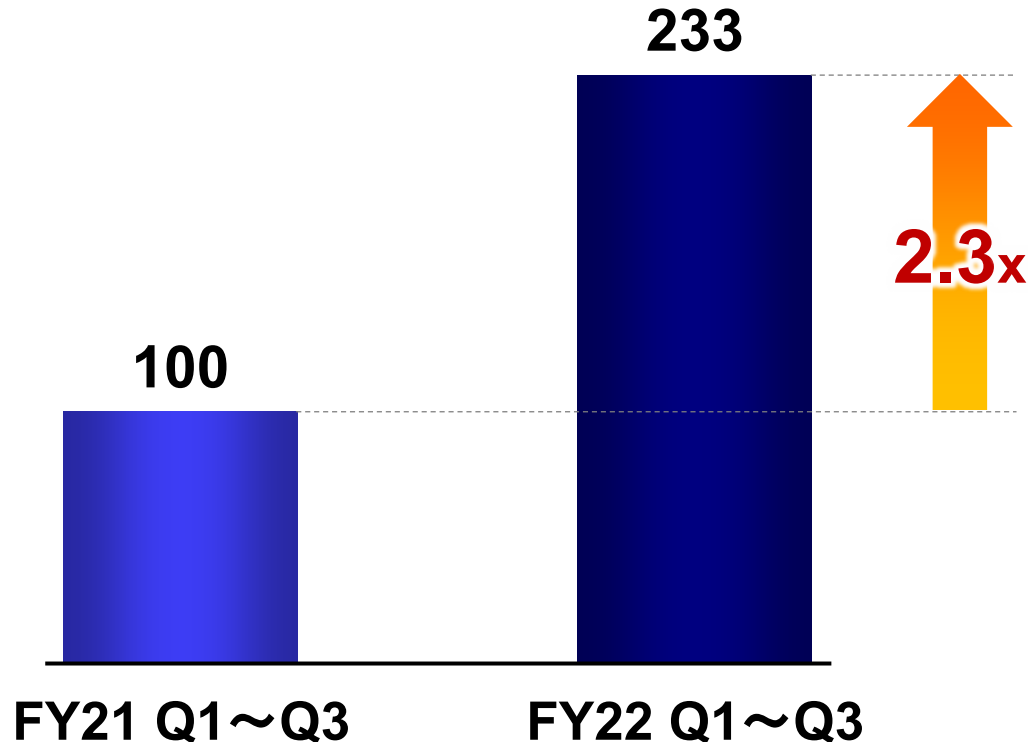
- Users are rapidly penetrating DigiKar Smart as the clinic's infrastructure
- Video call has been added and is expanding as an infrastructure for telemedicine

* Quarterly sum of monthly UUs

Ecosystem Synergy: Medical Data Business

Unit: Index with FY21Q1-Q3 as 100

Sales of Medical Data Business*

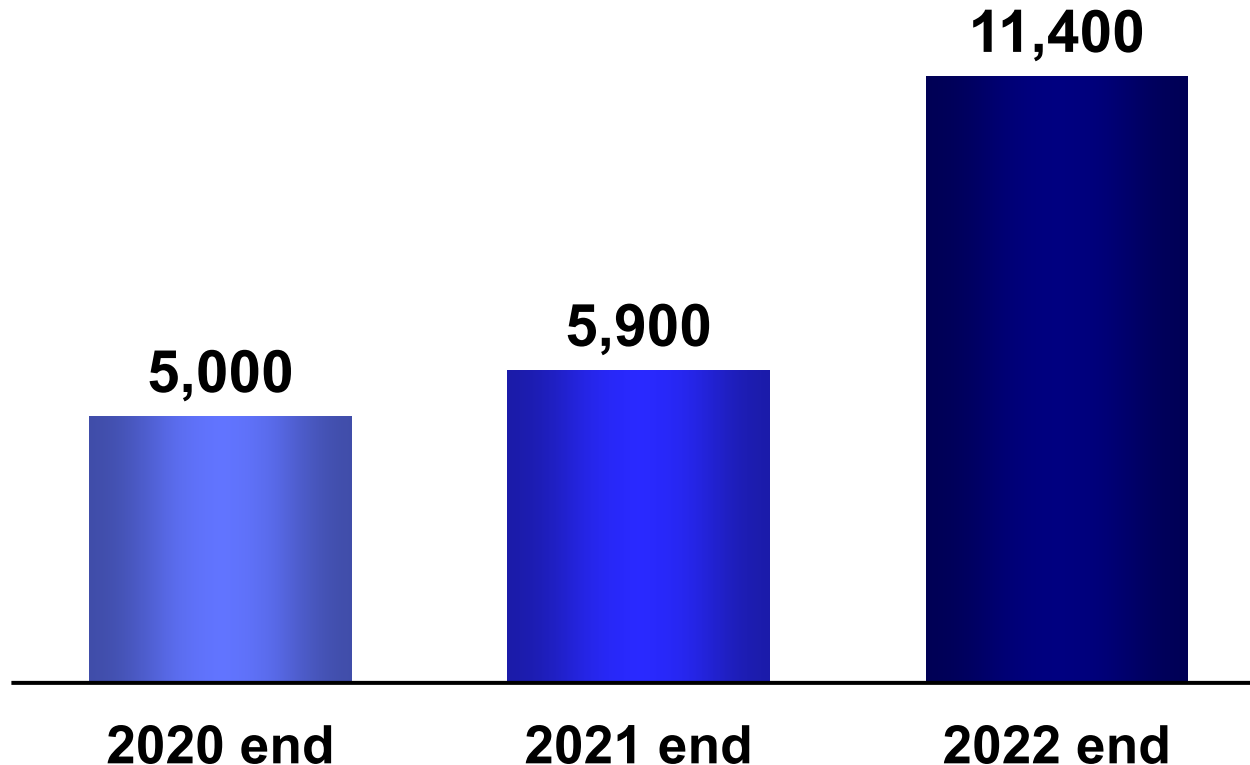


 **Medical data business (actual medical practice, physician practice standards, etc.) also grew significantly due to the growth of DigiKar and DigiKar Smart. Steady creation of ecosystem synergies**

* Target: Real World Data, Estimation related services (part of Pharmaceutical Marketing business)

Number of Clinics Covered by M3 Group

Unit: Number of clinics using any of M3 services

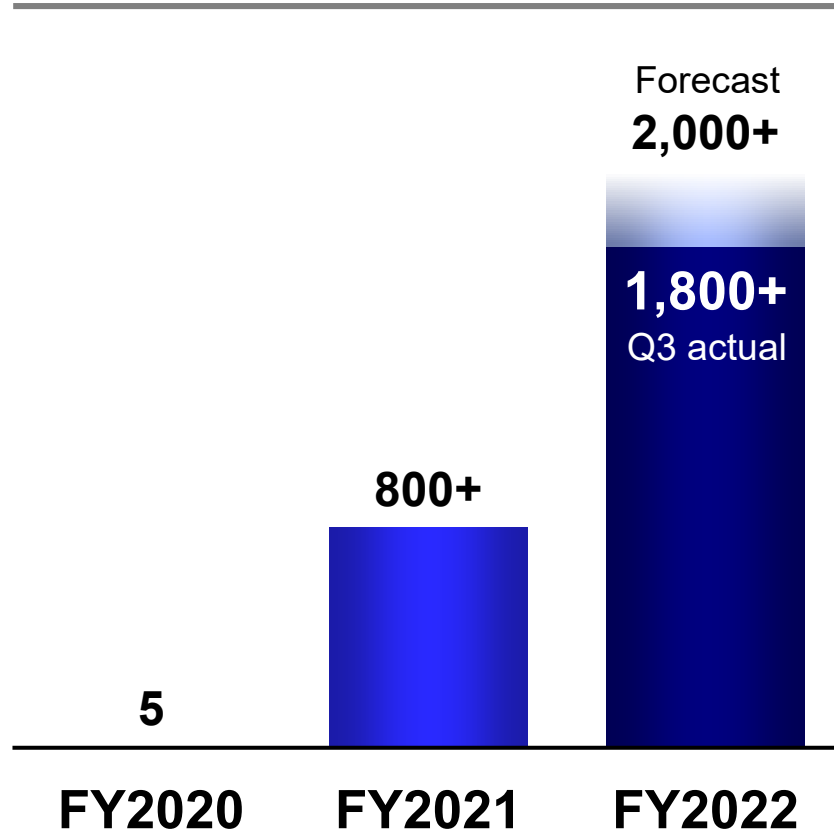


-  **Rapid expansion of clinic coverage (1.9x YoY) through organic growth as well as M&A. Plans to offer a wide range of DX promotion services, including EHR, in-hospital operational efficiency, and patient tools**

Evidence Solution

M3 Presence in Clinical Trials in Japan

Number of Cases Using the M3 Group Patient Panel



SMO

One of the four major domestic companies

CRO

One of the three major domestic companies

PRO

Largest in the industry with a total of two companies in the group

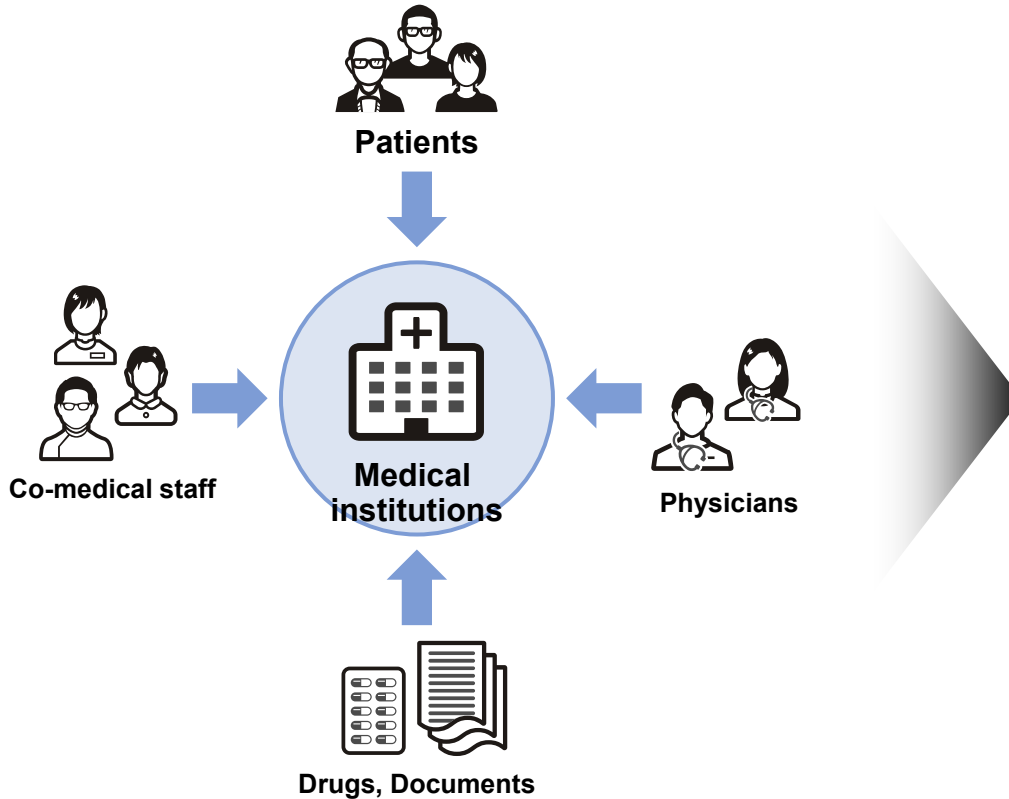
DCT

Largest in the country through acquisitions after launch in 2019

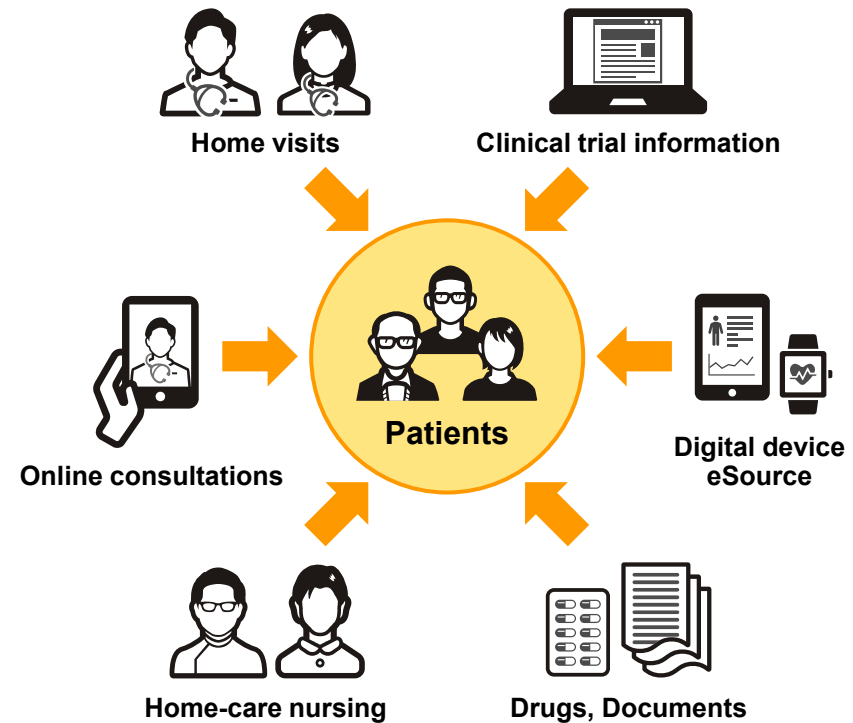
 Group-wide collaboration has greatly reduced lead time for recruiting patients, etc. Significant expansion of presence in the clinical trial field

Toward Patient-Centered Clinical Trials (DCT)

Conventional Clinical Trials (Medical institution-centered)



Clinical trials that do not rely on visits to the hospital (patient-centered)



 **Expanding overseas and increasing projects in Japan.
M3 Group is a leading company of DCT in Japan**

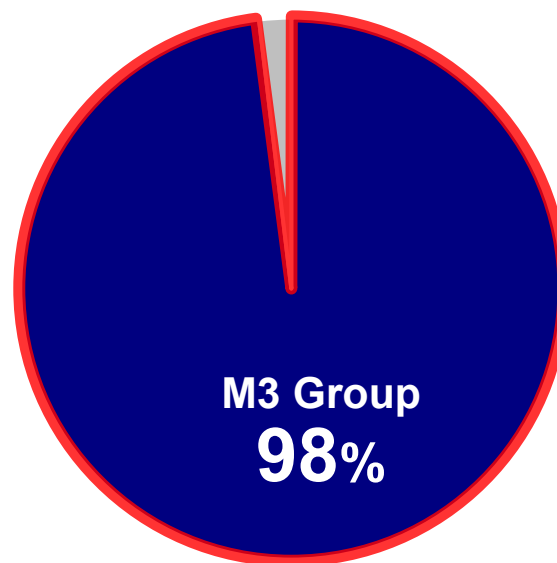
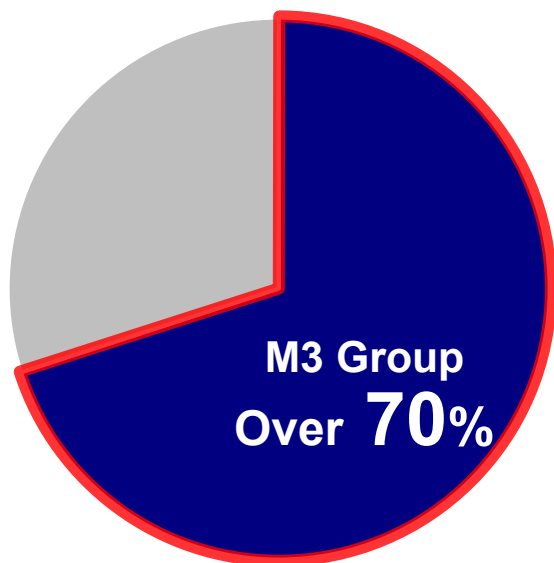
Source: Japan Pharmaceutical Manufacturers Association, "Study on Introduction and Utilization of Clinical Trial Methods Not Relying on Visits to Medical Institutions," September 2020

Advances in DCT: No.1 Position in Japan

Home Clinical Trials Share <As of Feb. 2020 - Jan. 2023, M3 estimate>

No. of Clinical Trials: More than **80** trials

No. of Patients: More than **2,500**



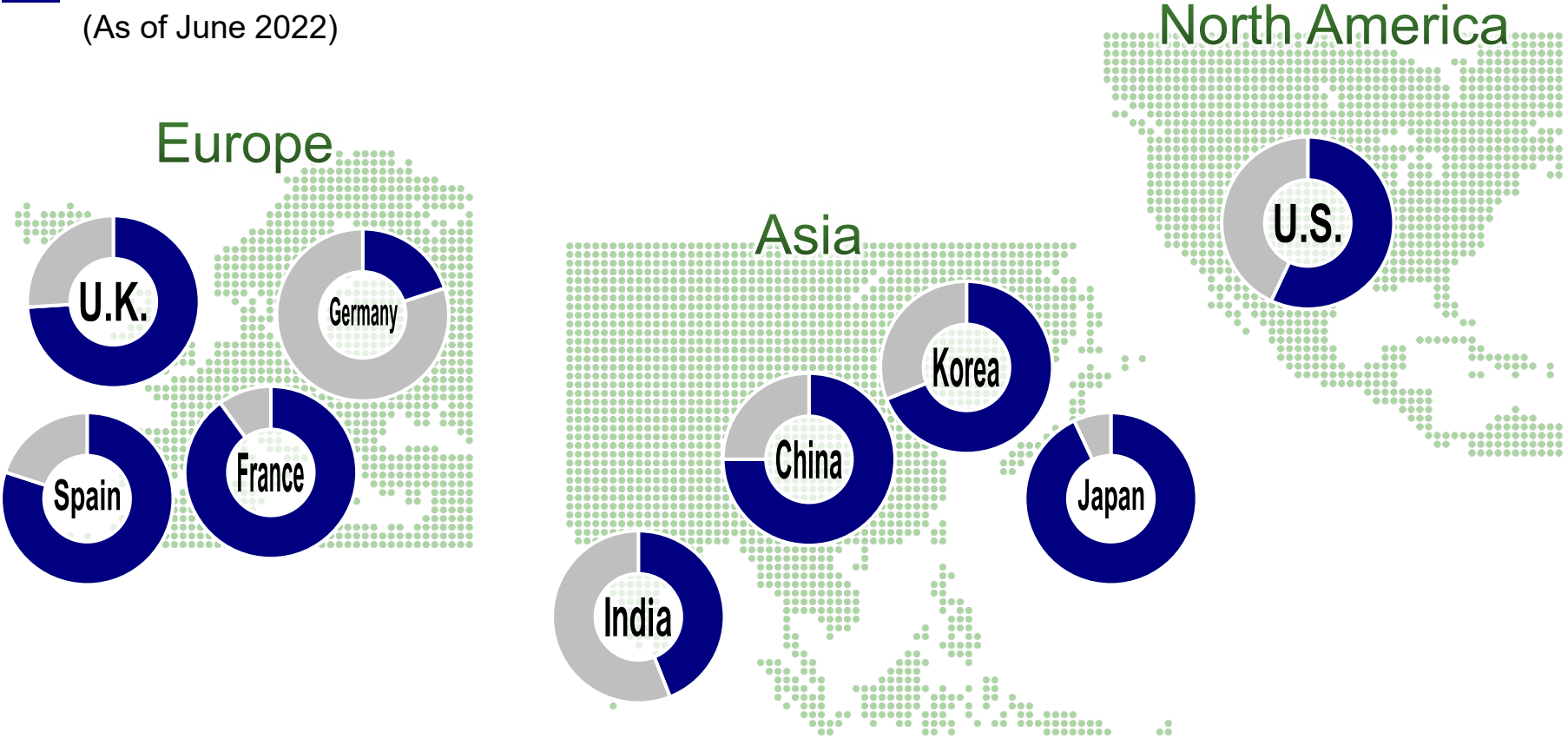
👉 Through group-wide collaboration, we provide a home-visit nursing scheme that can contribute to the efficiency of recruitment. Significant contribution to streamlining clinical trial operations

* M3 estimates, only trials ordered directly from pharmaceutical companies are covered

Overseas

Number of Doctor Members and Panelists (Global)

Ratio of doctor members
(As of June 2022)

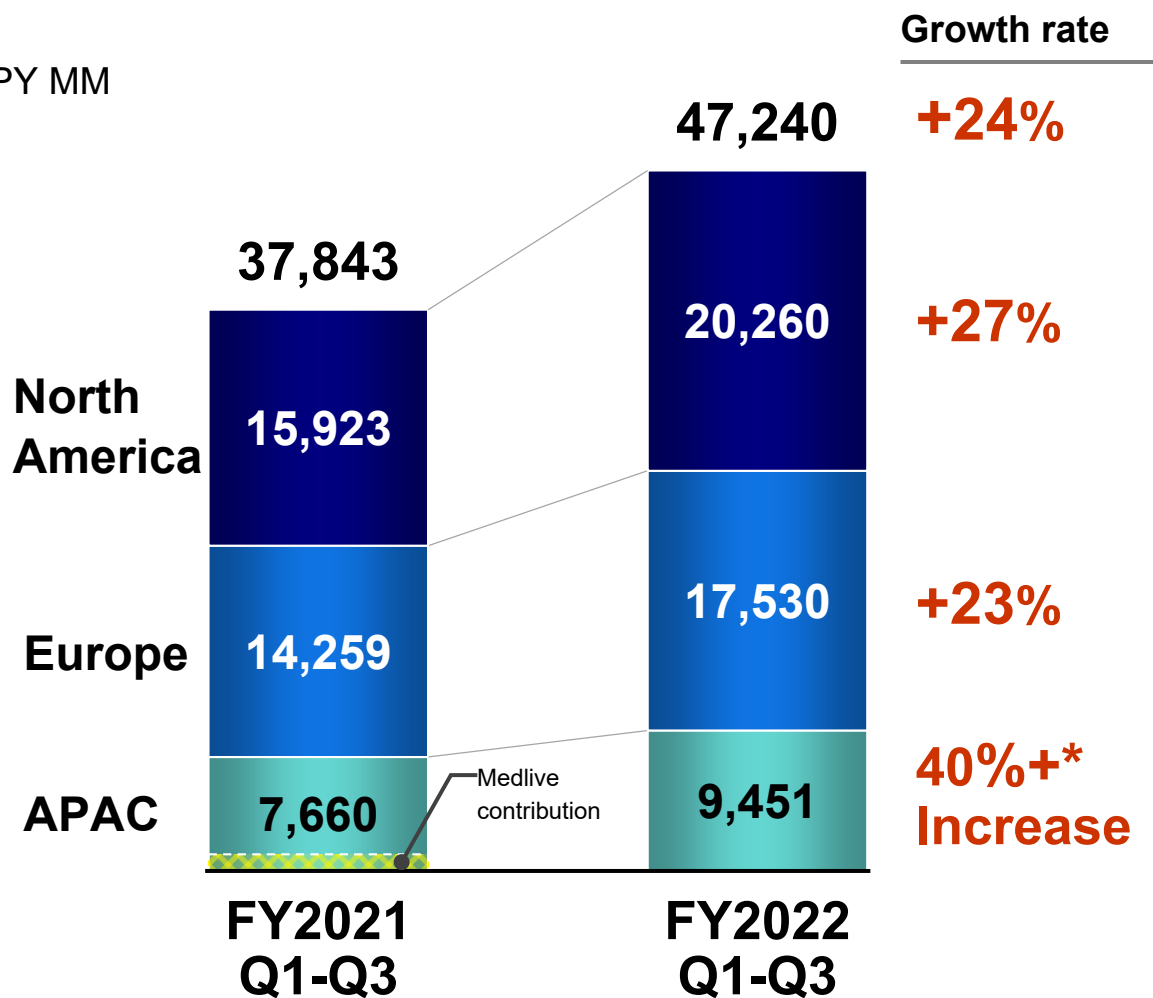


More than 6 million doctor members and panelists, covering over 50% of doctors worldwide

*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 by Region

Unit: JPY MM



 **Steady growth due to growth drivers consisting of diverse businesses**

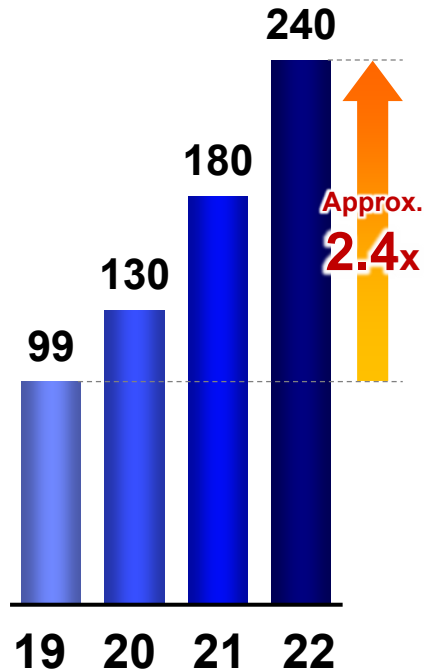
* Growth rate excluding the results of Medlive (not subject to consolidation from this term) in the same period of the previous year

Overseas Growth Trends by Business

Unit: JPY 100MM

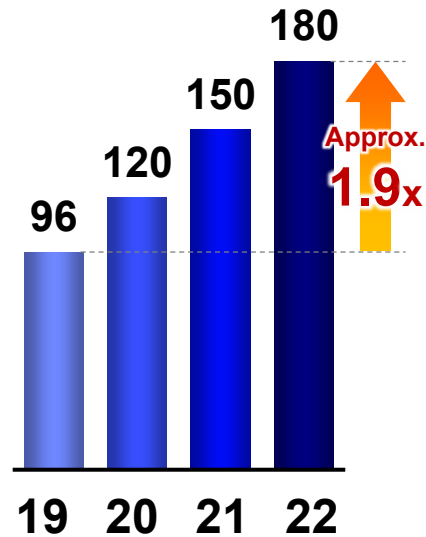
Service for Doctors

(Platform for doctors in North America, Europe, and Asia and EHR)



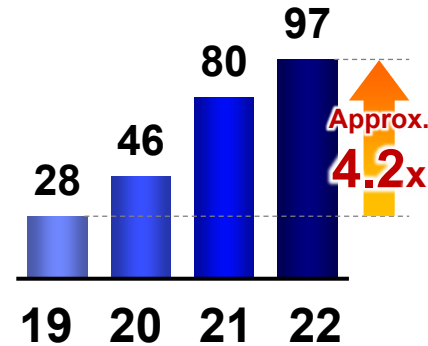
Business Intelligence

(M3 Global Research: Expanding in North America, Europe, and Asia)



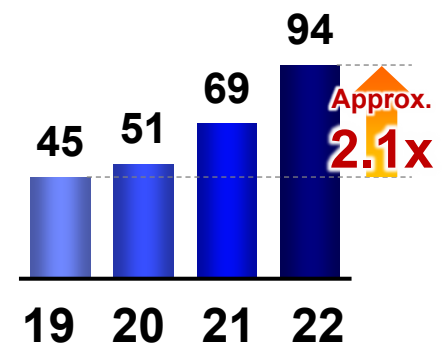
Clinical Trials

(Clinical Trials sites in North America, growing into one of the top 5 companies in the US)



Career for Doctors

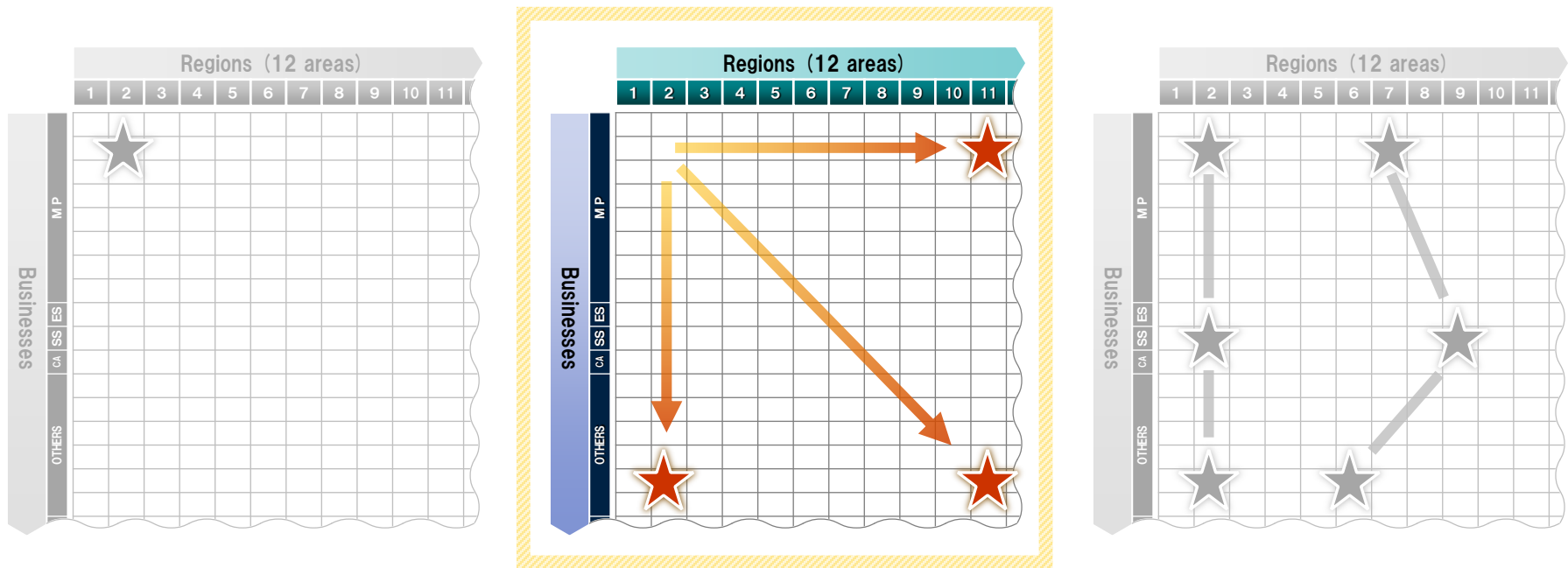
(Human resources business centered on doctors in North America and Europe)



Achieve growth trends in various business types

* Aggregated based on each subsidiary's primary business

Growth Engine 2: Ecosystem Expansion (Sagrada Familia)



4. Social Impact Creation → CSV

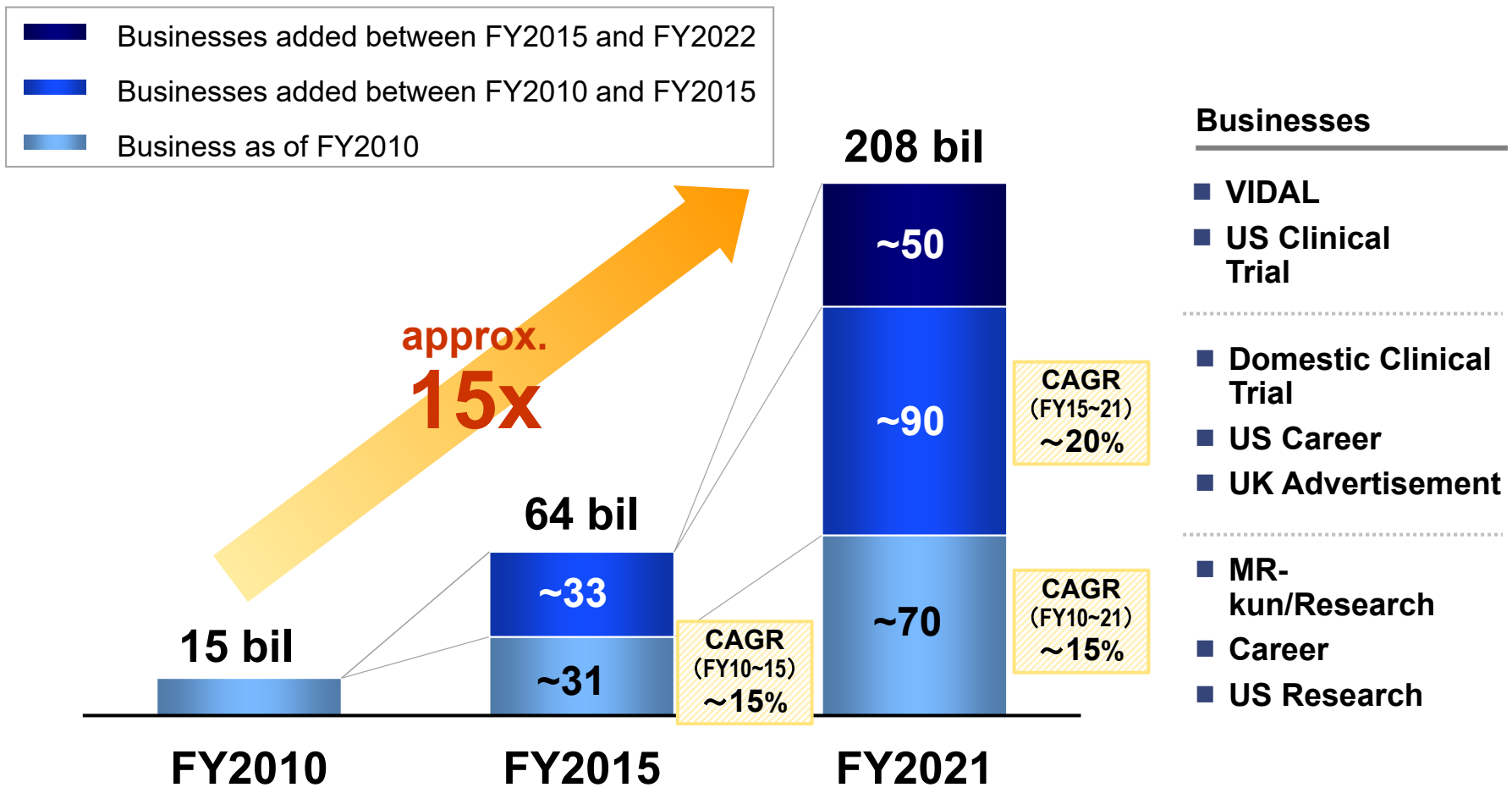
Business Scope Expansion and Growth Potential

	2010	2015	2020	2022
Country	: 3 →	8 (2.5x) →	11 (3.5x) →	16 (5.5x)
Business Types	: 6 →	15 (2.5x) →	35 (6.0x) →	38 (6.0x)
Business Units (Type x Country)	: 10 →	24 (2.5x) →	56 (5.5x) →	69 (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

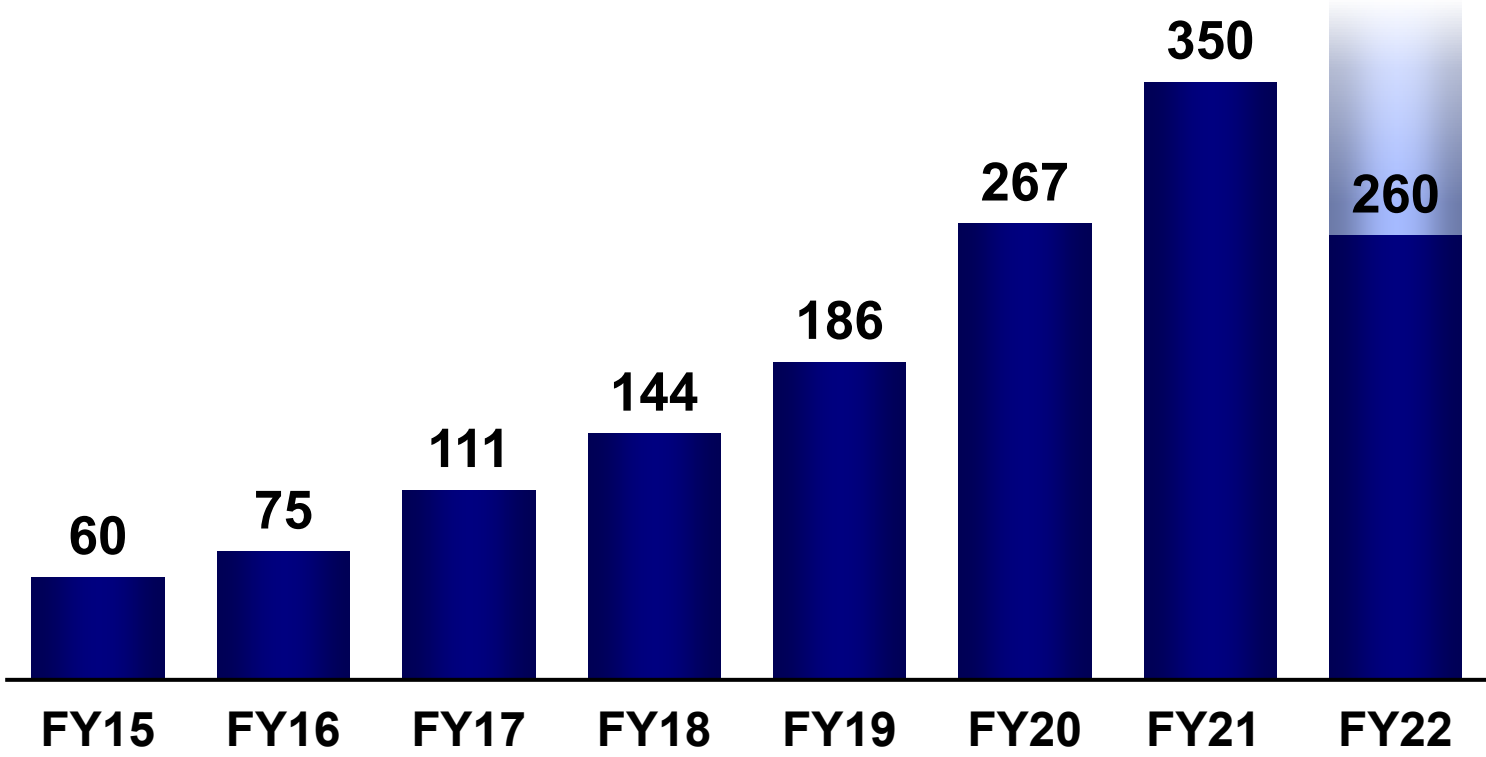
Sales Trend (JPY)



👉 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



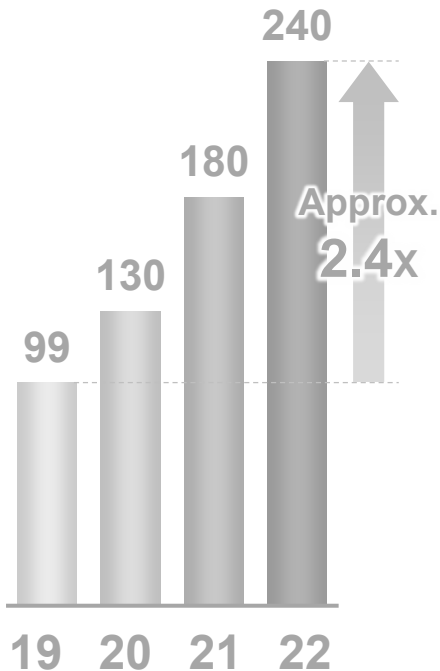
 **Steadily continue to consider MA. Number of executions and size are also increasing**

Overseas: New M&A for Career

Unit: JPY 100MM

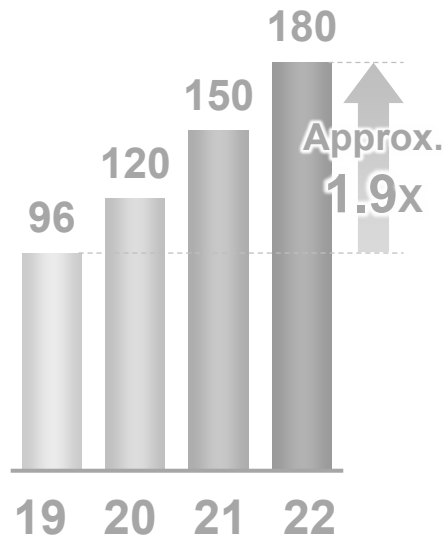
Service for Doctors

(Platform for doctors in North America, Europe, and Asia and EHR)



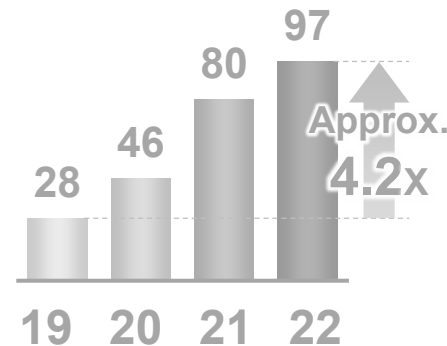
Business Intelligence

(M3 Global Research: Expanding in North America, Europe, and Asia)



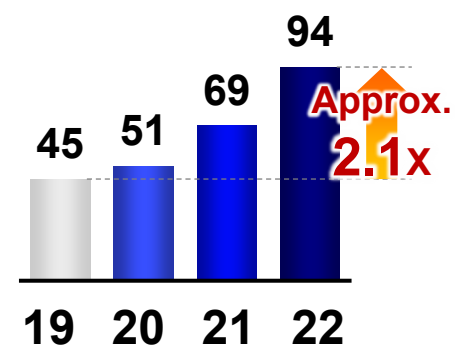
Clinical Trials

(Clinical Trials sites in North America, growing into one of the top 5 companies in the US)



Career for Doctors

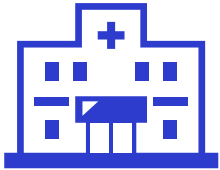
(Human resources business centered on doctors in North America and Europe)



Achieve growth trends in various business types

* Aggregated based on each subsidiary's primary business

Acquisition of Remedium (U.K.)



More than **100**
facilities supported



More than
3,000 doctor
referrals



Total cost savings of
GBP300M

- Supporting the NHS (National Health Service) in the U.K., which has a shortage of medical personnel, to recruit doctors from overseas
- Expertise in a series of operations for doctors from Asia, Africa, and the Middle East, including immigration to the UK, obtaining medical licenses, and assignment to local medical facilities
- M3's global doctor membership base will also be utilized

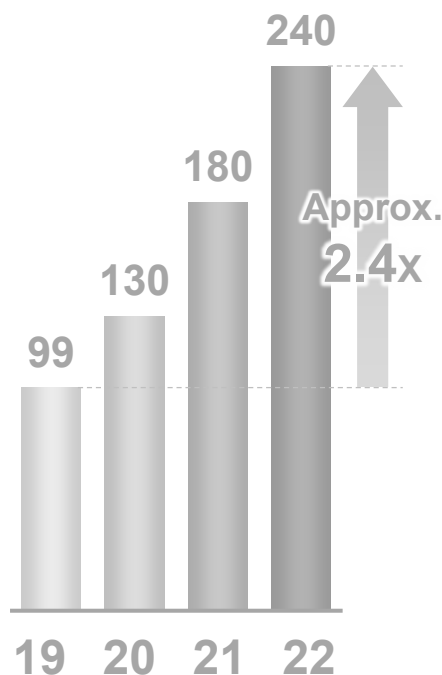
 **New entry into the international doctor recruiting support business by making Remedium a subsidiary, and strengthening the relationship with the NHS (can also support domestic doctor recruitment in the U.K.)**

Overseas: New M&A for Business Intelligence

Unit: JPY 100MM

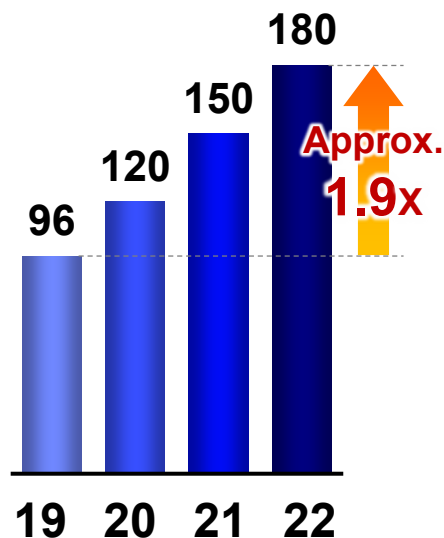
Service for Doctors

(Platform for doctors in North America, Europe, and Asia and EHR)



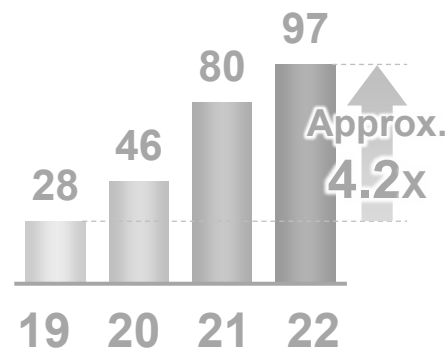
Business Intelligence

(M3 Global Research: Expanding in North America, Europe, and Asia)



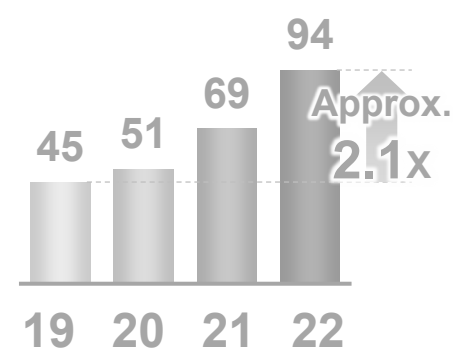
Clinical Trials

(Clinical Trials sites in North America, growing into one of the top 5 companies in the US)



Career for Doctors

(Human resources business centered on doctors in North America and Europe)



 **Achieve growth trends in various business types**

* Aggregated based on each subsidiary's primary business

Acquisition of Michael Allen Company (U.S.)



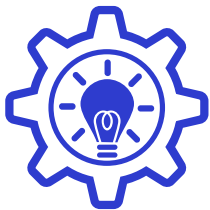
Disease areas covered:

Over **100**



Projects in more than

40 countries



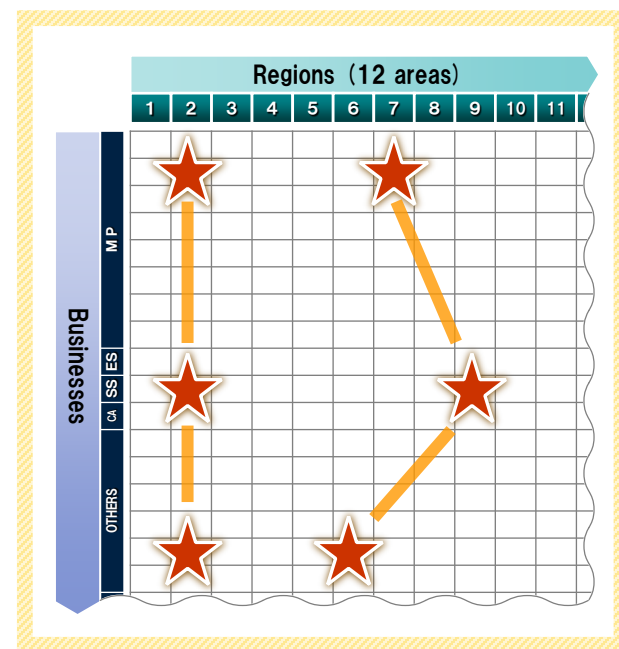
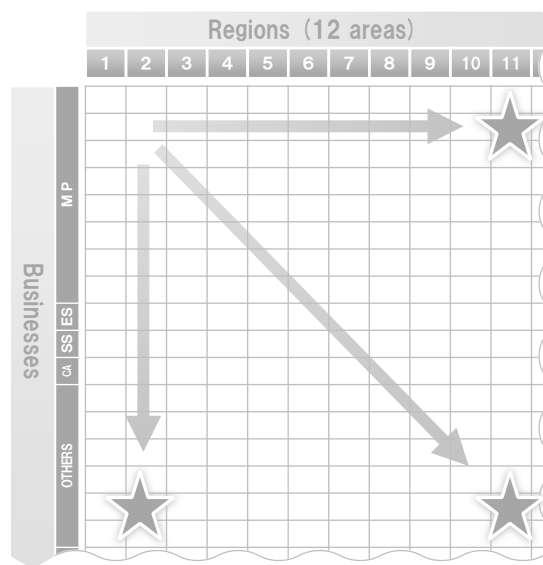
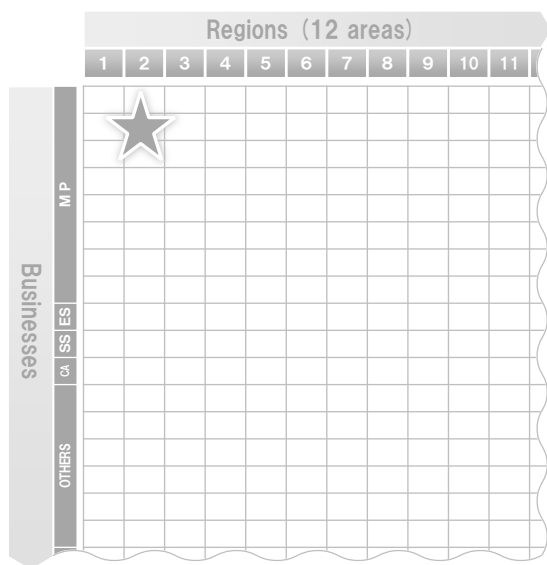
Over **200** projects
in the last 3 years

- Consulting firm specializing in the pharmaceutical industry and dealing directly with pharmaceutical companies
- Supporting clients' product development from clinical trials to post-launch by utilizing a phase-oriented framework



Aiming for further growth through M3's global physician network and expect to contribute to strengthening the relationship between the M3 Group and pharmaceutical companies

Growth Engine 3: Ecosystem Synergy Creation

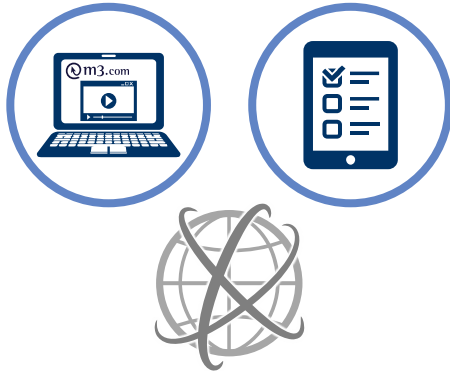


4. Social Impact Creation → CSV

M3's Paradigm Shift

Movement 1: 2000-2009

Internet Service



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

Movement 2: 2010-2019

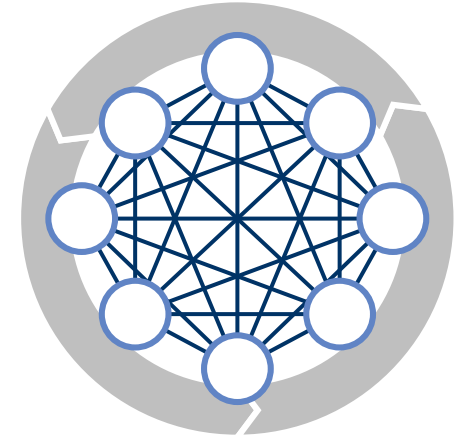
e x Real Operations



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

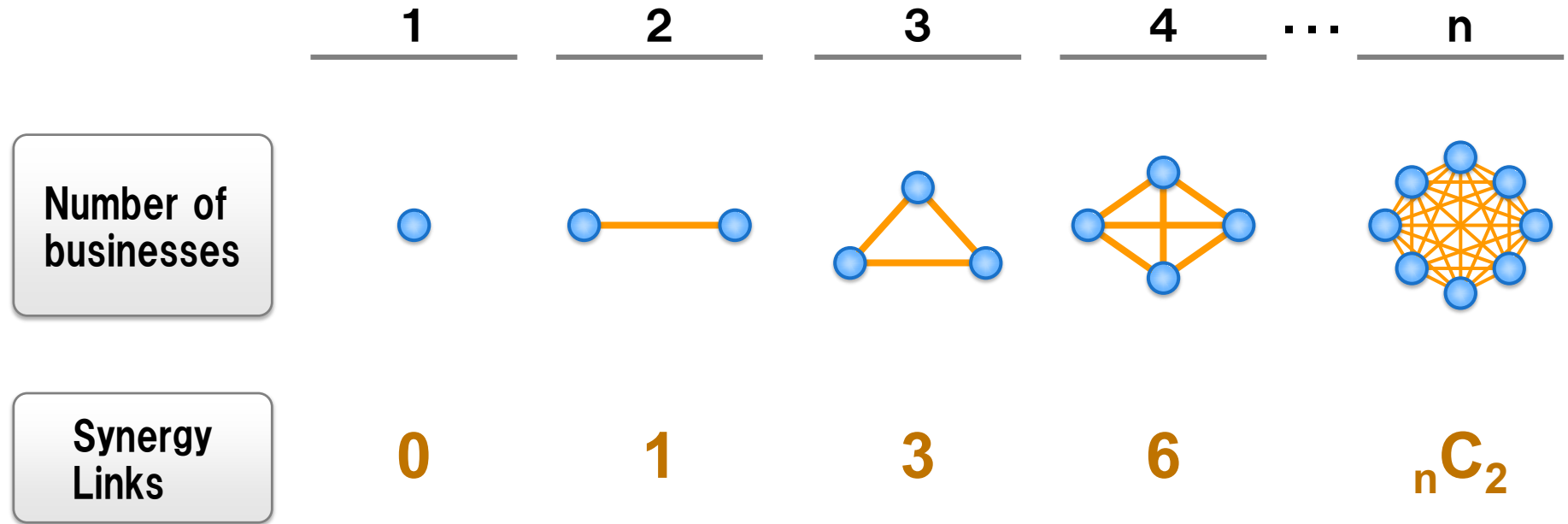
Movement 3: 2020-

Ecosystem Synergies



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

Cross-Business Synergy Creation Potential

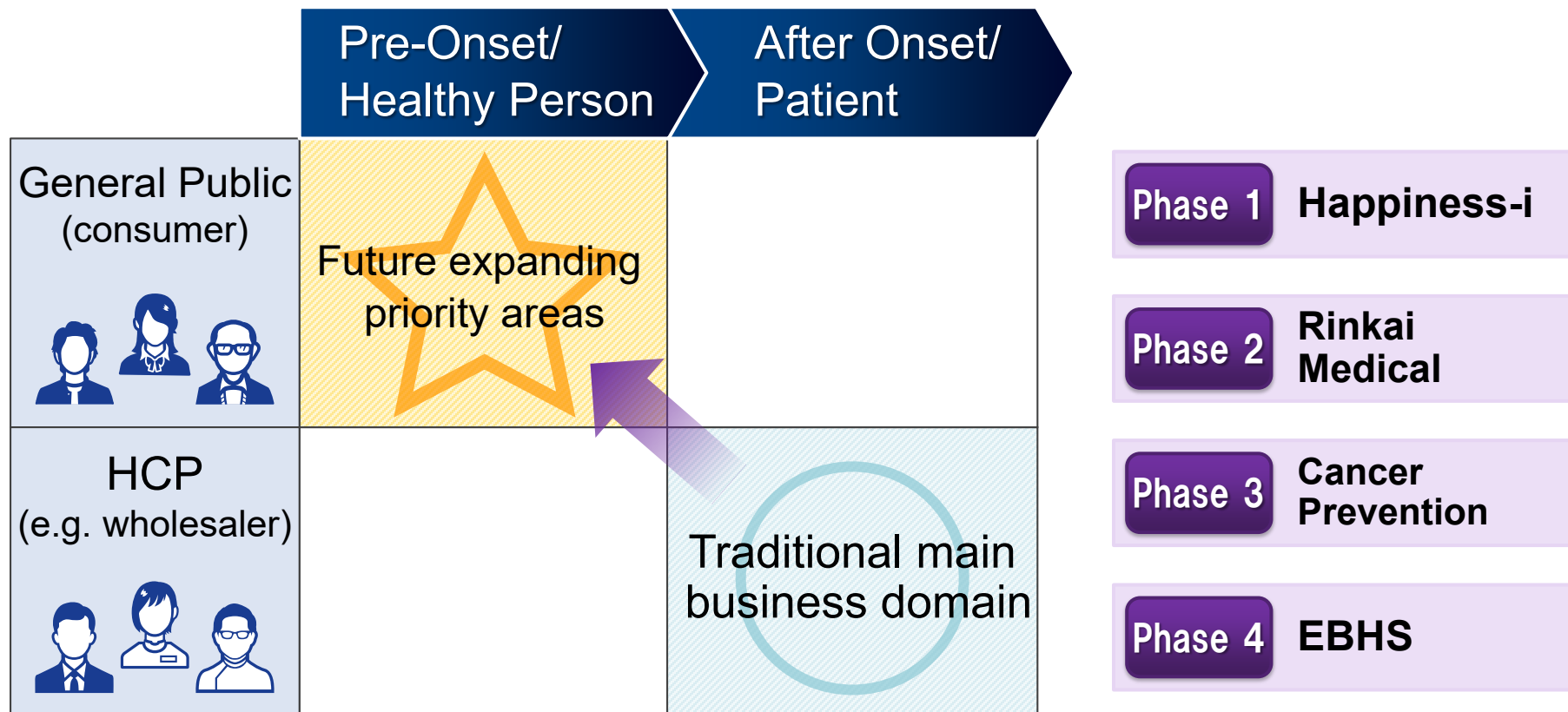


Business Scope Expansion and Growth Potential

	2010	2015	2020	2022
Country	: 3 →	8 (2.5x) →	11 (3.5x) →	16 (5.5x)
Business Types	: 6 →	15 (2.5x) →	35 (6.0x) →	38 (6.0x)
Business Units (Type x Country)	: 10 →	24 (2.5x) →	56 (5.5x) →	69 (7.0x)
Sales (bn)	: 14.6 →	64.7 (4.5x) →	169.1 (12x) →	208.1 (15.0x) FY2021

 Business synergy potential: ${}_{69}C_2 = 2,346$ linkage potential

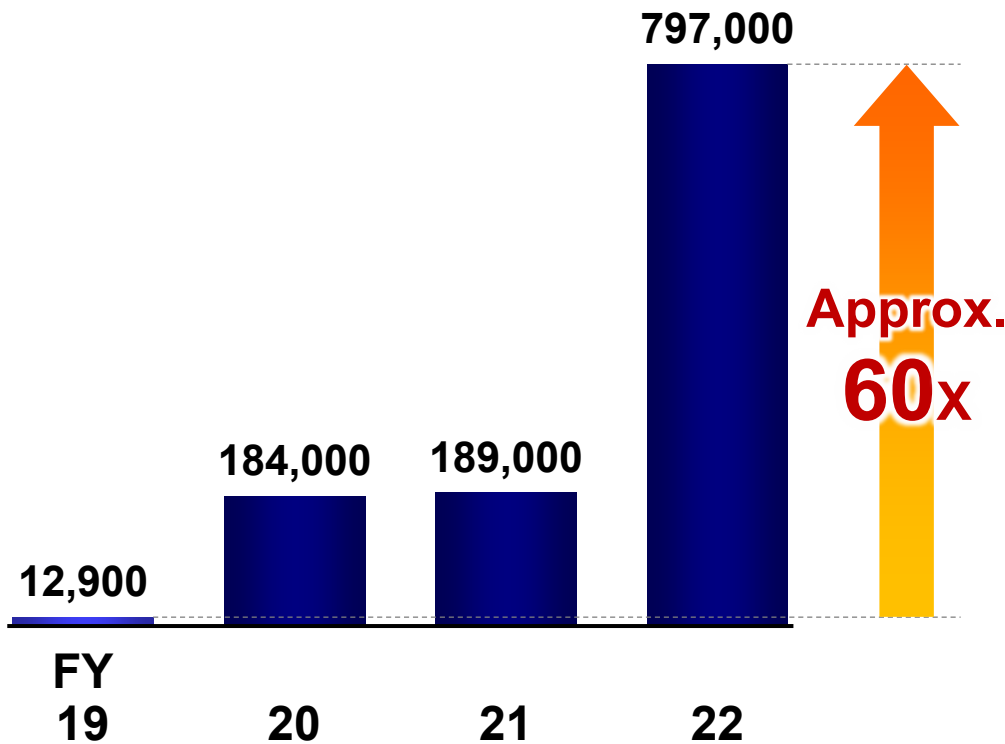
“The White Jack Project”



 **Steady progress is also being made on the White Jack project, which realizes M3's mission from a more upstream perspective**

Expand Coverage of Enterprise Services

Number of employees covered by corporate services*



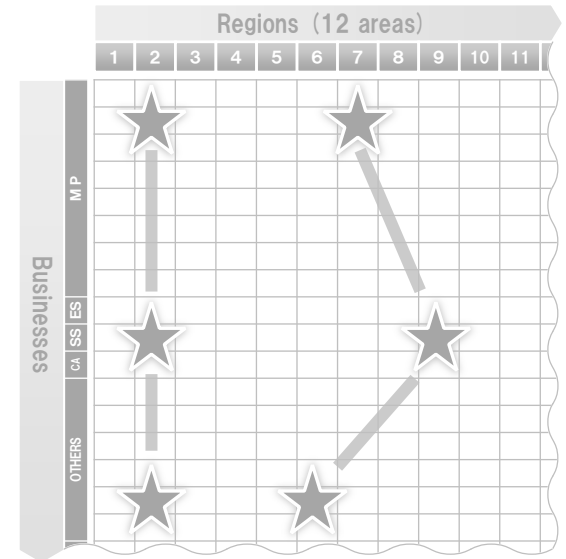
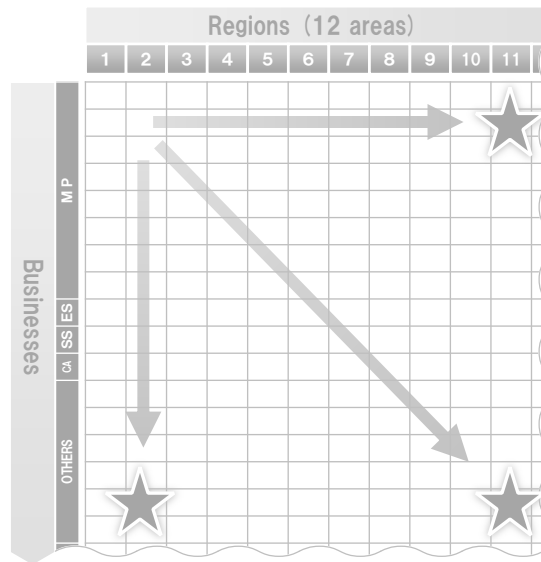
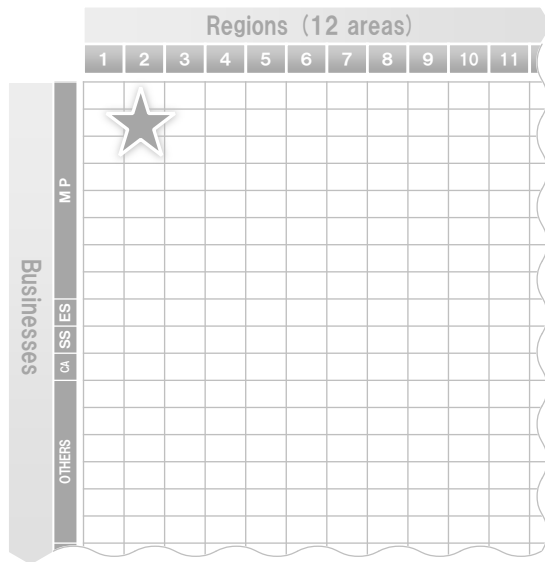
Covering approx. 800,000 employees, offering the following services

- EBHS Life
- Cancer prevention, PSP
- Ask Doctors
- Medical Checkup Appointment & Implementation
- Employee health data management, etc.

 **Steadily expanding business base to create ecosystem synergies as well. Plans to expand both the number of people covered and services**

* Subject to PSP, Happiness Partners, Cancer Prevention, EBHS Life, etc. Forecast for FY22

Social Impact Creation



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	○ (174 Corporates)	○ (253 Municipalities)	○ (Vaccines, treatments for mild cases, boosters)
Overseas	×	×	○ (Vaccines, treatments, boosters)

 At present, we have supported approximately 11 million vaccinations (cumulative orders), and have supported the development of many vaccines and therapeutics in Japan and overseas. Orders for Omicron strain-compatible bivalent vaccination also received from both municipalities and corporates

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

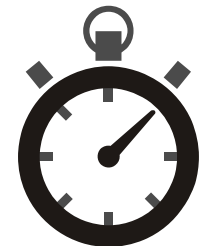
26 wishes granted through the CaNoW program; over 1.5 million PVs of videos and articles documenting the grants

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



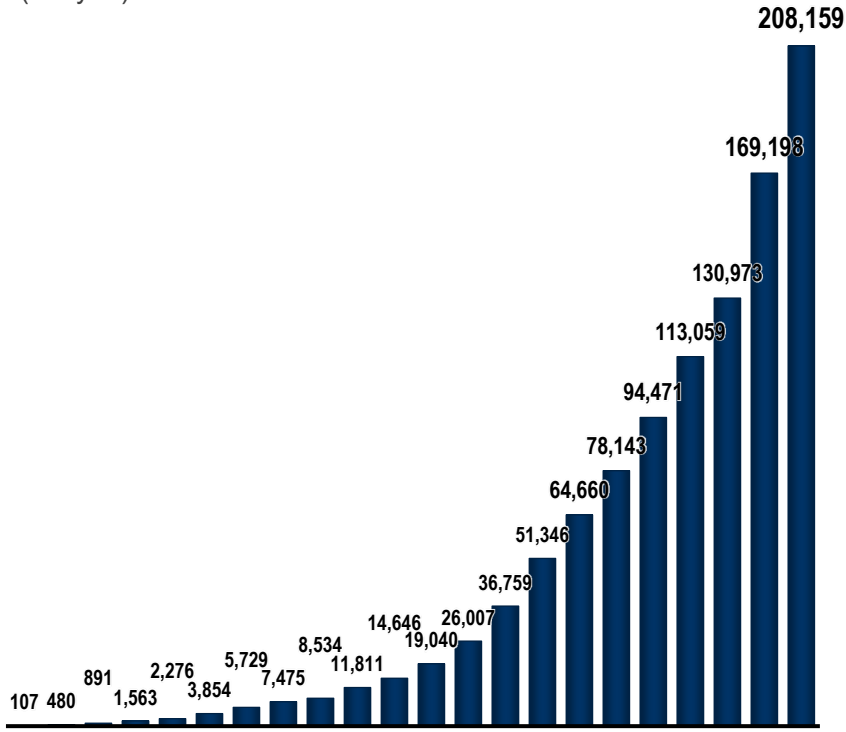
 **Actualizing M3's mission across various areas, to reduce unnecessary medical costs and to support healthier lives using digital technologies... social contribution through business creation**

* CSV = Creating Shared Value

Annual Results

Sales

(mn yen)

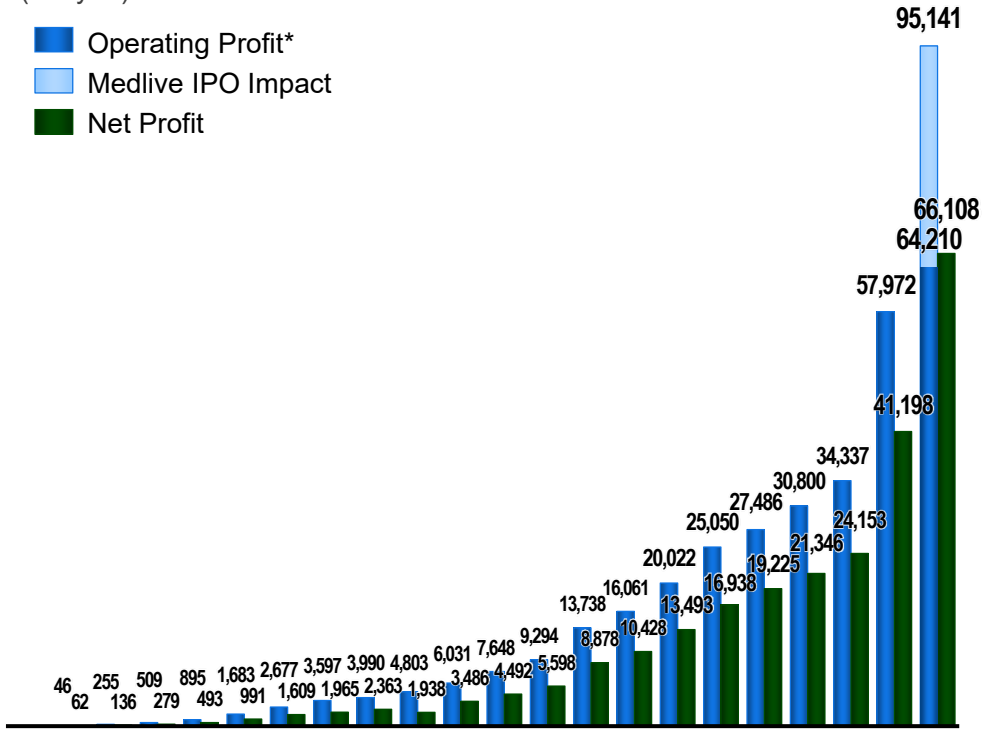


FY
00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21
(6m)

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