



Consolidated Financial Results for the Six Months Ended September 30, 2023 [IFRS]



(Abridged)

October 27, 2023

Listed company:	M3, Inc.	Listing: Tokyo Stock Exchange
Securities code:	2413	URL: https://corporate.m3.com/en/
Representative:	Itaru Tanimura, Representative Director	
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Scheduled date to file quarterly securities report:		November 10, 2023
Scheduled date to commence dividend payments:		—
Preparation of supplementary materials on quarterly financial results:	Yes	
Holding of quarterly financial results briefing:	Yes (for analysts and institutional investors)	

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Pre-tax profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2023	115,795	2.8	34,559	(4.8)	37,322	(2.0)	25,136	(3.2)
September 30, 2022	112,616	15.3	36,293	(41.4)	38,067	(38.8)	25,966	(39.3)

	Net profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Yen	Yen
Six months ended September 30, 2023	23,406	(2.7)	37,702	(4.2)	34.47	34.45
September 30, 2022	24,060	(41.0)	39,364	(8.4)	35.44	35.42

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity per share attributable to owners of the parent
	Million yen	Million yen	Million yen	%	Yen
As of September 30, 2023	461,018	345,175	331,622	71.9	486.79
March 31, 2023	400,645	309,518	302,630	75.5	444.22

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2023	—	0.00	—	19.00	19.00
Fiscal year ending March 31, 2024	—	0.00	—	—	—
Fiscal year ending March 31, 2024 (Forecast)	—	—	—	—	—

Notes:

- 1 Revisions to the forecast of dividends most recently announced: None
- 2 Dividend forecast for the fiscal year ending March 31, 2024 is currently undetermined. It is to be determined after consideration of capital needs and condition of cash flows hereafter.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Pre-tax profit		Net profit		Net profit attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	250,000	8.3	75,000	4.2	75,000	0.9	52,000	0.0	50,000	2.0	73.65

Note: Revisions to the forecast of the consolidated financial results most recently announced: None

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in 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 shares)

(i) Total number of shares issued at the end of the period (including treasury shares)	
As of September 30, 2023	679,012,800 shares
As of March 31, 2023	678,964,100 shares
(ii) Number of treasury shares at the end of the period	
As of September 30, 2023	45,151 shares
As of March 31, 2023	45,151 shares
(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	
Six months ended September 30, 2023	678,929,200 shares
Six months ended September 30, 2022	678,873,546 shares

- This quarterly financial report is not subject to quarterly review procedures by certified public accountants or an audit firm.

- Proper use of financial results forecasts and other special matters

(1) Disclaimer about forward-looking statements

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) Supplementary materials on quarterly financial results

Supplementary materials on quarterly financial results will be posted on our website on Friday, October 27, 2023.

4. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

In Japan, we provide various services designed for healthcare professionals, centered on our website at m3.com with a membership of more than 320,000 physicians.

In Medical Platform segment, we offer a wide menu of services on the platform at m3.com, catering to various agendas and purposes of our clients. The services include MR-kun family services, which allow its registered physicians to proactively receive continuous and frequent information, marketing research services using our panel of member healthcare professionals, and QOL-kun marketing support services for non-healthcare companies desiring to advertise their daily life services to doctors. In addition, our group companies engage in the provision of next-generation medical representatives or medical marketers and healthcare advertising agency services.

In Evidence Solution segment, our group companies operate businesses serving as the following organizations: CRO that supports clinical development operations and large-scale clinical research; SMO that supports the overall management and operations of clinical trials at medical institutions conducting clinical trials; and PRO that provides support for recruiting test subjects and carrying out peripheral operations necessary to conduct clinical development, clinical research, etc.

In Career Solution segment, M3 Career, Inc. provides job search and placement support services to physicians and pharmacists.

Site Solution segment provides services that assist medical institutions with their operations.

It also provides consumer-facing services, such as AskDoctors at <<https://www.AskDoctors.jp/>> (available in Japanese only). On this website, the member physicians of m3.com will answer questions from public users about health and diseases. Furthermore, M3 Education, Inc. provides medical and welfare professional education such as preparatory services for national examinations.

In Overseas segment, MDLinx, a U.S. portal website designed for healthcare professionals, continues to expand its member network-based services catering toward pharmaceutical companies. The services include career support services for physicians and clinical trial support services. In Europe, Doctors.net.uk, a U.K. portal website designed for physicians, offers services to pharmaceutical companies. We also offer pharmaceutical database services in France, Germany, and Spain through the Vidal Group and provide iDoctus, a medical practice mobile app for healthcare professionals, in Spain and Latin America through eDoctores Soluciones, S.L. We steadily expand business in Asia as well.

The M3 Group operates websites for healthcare professionals and has panels of physicians around the world, including Japan, the U.S., Europe, China, and South Korea. The total number of healthcare professionals who have signed up for the websites and participated in the panels is now approximately 6.5 million. Using the panels of physicians, we also provide global marketing research services.

Consolidated financial results for the six months ended September 30, 2023 are as below.

(Millions of yen, unless otherwise stated)

	Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Year-on-year change		Reference: Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net sales	112,616	115,795	+3,179	+2.8%	230,818
Operating profit	36,293	34,559	(1,734)	(4.8%)	71,983
Pre-tax profit	38,067	37,322	(745)	(2.0%)	74,318
Net profit	25,966	25,136	(830)	(3.2%)	51,983

Consolidated financial results by segment

(Millions of yen, unless otherwise stated)

		Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Year-on-year change	
Medical Platform	Segment net sales	42,537	45,503	+2,967	+7.0%
	Segment profit (loss)	18,762	18,426	(336)	(1.8%)
Evidence Solution	Segment net sales	14,003	13,843	(160)	(1.1%)
	Segment profit (loss)	4,248	3,581	(668)	(15.7%)
Career Solution	Segment net sales	8,366	9,033	+667	+8.0%
	Segment profit (loss)	3,464	3,337	(127)	(3.7%)
Site Solution	Segment net sales	18,779	15,346	(3,433)	(18.3%)
	Segment profit (loss)	2,312	1,776	(537)	(23.2%)
Overseas	Segment net sales	30,189	32,655	+2,466	+8.2%
	Segment profit (loss)	8,118	7,299	(819)	(10.1%)
Other Emerging Businesses	Segment net sales	1,506	1,201	(305)	(20.2%)
	Segment profit (loss)	90	16	(74)	(82.2%)
Adjustment	Segment net sales	(2,764)	(1,787)	–	–
	Segment profit (loss)	(701)	125	–	–
Total	Net sales	112,616	115,795	+3,179	+2.8%
	Operating profit (loss)	36,293	34,559	(1,734)	(4.8%)

1) Medical Platform

Segment net sales amounted to 45,503 million yen, up 7.0% year on year. This is attributable to strong businesses such as marketing support for pharmaceutical companies and digitalization support for medical practices. Despite the increased net sales, segment profit amounted to 18,426 million yen, down 1.8% year on year. This is attributable to the unfavorable comparison to one-time gain resulting from the reversal of the impairment loss in the same period of the previous fiscal year.

2) Evidence Solution

Segment net sales amounted to 13,843 million yen, down 1.1% year on year, with segment profit of 3,581 million yen, down 15.7% year on year. This is because COVID-related clinical trial projects, etc. made lower contributions to net sales compared to the same period of the previous fiscal year although ordinary businesses such as CRO remained solid.

3) Career Solution

Segment net sales amounted to 9,033 million yen, up 8.0% year on year. This is attributable to a recovery trend in net sales from job search and placement support services for pharmacists that had been affected by the pandemic, despite

the impact of lower contributions from COVID vaccination support projects compared to the same period of the previous fiscal year. Segment profit amounted to 3,337 million yen, down 3.7% year on year, due in part to changes in our sales composition, primarily resulting from the absence of profitable vaccination support projects.

4) Site Solution

Segment net sales amounted to 15,346 million yen, down 18.3% year on year, with segment profit of 1,776 million yen, down 23.2% year on year. This is mainly attributable to the impact of lower contributions from COVID vaccination support projects and clinical trial projects compared to the same period of the previous fiscal year, despite robust ordinary businesses.

5) Overseas

Segment net sales amounted to 32,655 million yen, up 8.2% year on year. This is attributable to solid performance mainly in Europe and APAC regions. Despite the increased net sales, segment profit amounted to 7,299 million yen, down 10.1% year on year. This is attributable to lower contributions from COVID-related clinical trial projects being carried out mainly in North America region compared to the same period of the previous fiscal year and the impact of pharmaceutical companies reducing their budgets.

6) Other Emerging Businesses

Segment net sales amounted to 1,201 million yen, down 20.2% year on year, with segment profit of 16 million yen, down 82.2% year on year.

Combining all of the above, net sales of the M3 Group for the six months ended September 30, 2023 amounted to 115,795 million yen, up 2.8% year on year, with operating profit of 34,559 million yen, down 4.8% year on year, pre-tax profit of 37,322 million yen, down 2.0% year on year, and net profit of 25,136 million yen, down 3.2% year on year.

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