



Consolidated Financial Results for the Nine Months Ended December 31, 2023 [IFRS]



(Abridged)

January 31, 2024

Listed company:	M3, Inc.	Listing: Tokyo Stock Exchange
Securities code:	2413	URL: https://corporate.m3.com/en/
Representative:	Itaru Tanimura, Representative Director	Tel: +81-3-6229-8900
Contact:	Hirofumi Oba, Corporate Officer	February 9, 2024
Scheduled date to file quarterly securities report:		–
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 Nine Months Ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	179,189	2.3	54,963	(6.4)	57,325	(4.9)	38,914	(7.0)
December 31, 2022	175,155	13.6	58,734	(30.6)	60,249	(29.3)	41,844	(28.5)

	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
Nine months ended December 31, 2023	36,614	(6.8)	46,224	(8.1)	53.93	53.89
December 31, 2022	39,279	(30.1)	50,272	(15.8)	57.86	57.82

(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 December 31, 2023	463,840	351,128	337,102	72.7	494.76
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 December 31, 2023	679,047,800 shares
As of March 31, 2023	678,964,100 shares
(ii) Number of treasury shares at the end of the period	
As of December 31, 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)	
Nine Months Ended December 31, 2023	678,946,774 shares
Nine Months Ended December 31, 2022	678,882,462 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 Wednesday, January 31, 2024.

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 Nine Months Ended December 31, 2023 are as below.

(Millions of yen, unless otherwise stated)

	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)	Year-on-year change		Reference: Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net sales	175,155	179,189	+4,035	+2.3%	230,818
Operating profit	58,734	54,963	(3,771)	(6.4%)	71,983
Pre-tax profit	60,249	57,325	(2,924)	(4.9%)	74,318
Net profit	41,844	38,914	(2,930)	(7.0%)	51,983

Consolidated financial results by segment

(Millions of yen, unless otherwise stated)

		Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)	Year-on-year change	
Medical Platform	Segment net sales	69,763	71,480	+1,717	+2.5%
	Segment profit (loss)	32,087	30,369	(1,718)	(5.4%)
Evidence Solution	Segment net sales	20,601	20,321	(280)	(1.4%)
	Segment profit (loss)	6,048	5,121	(927)	(15.3%)
Career Solution	Segment net sales	11,459	12,530	+1,070	+9.3%
	Segment profit (loss)	4,199	3,887	(312)	(7.4%)
Site Solution	Segment net sales	27,530	23,368	(4,162)	(15.1%)
	Segment profit (loss)	3,229	2,618	(611)	(18.9%)
Overseas	Segment net sales	47,261	52,123	+4,862	+10.3%
	Segment profit (loss)	13,924	12,894	(1,030)	(7.4%)
Other Emerging Businesses	Segment net sales	2,435	1,934	(501)	(20.6%)
	Segment profit (loss)	366	533	+167	+45.6%
Adjustment	Segment net sales	(3,895)	(2,567)	—	—
	Segment profit (loss)	(1,119)	(459)	—	—
Total	Net sales	175,155	179,189	+4,035	+2.3%
	Operating profit (loss)	58,734	54,963	(3,771)	(6.4%)

1) Medical Platform

Segment net sales amounted to 71,480 million yen, up 2.5% year on year. This is attributable to strong businesses such as digitalization support for medical practices. Despite the increased net sales, segment profit amounted to 30,369 million yen, down 5.4% year on year. This was due to a decline in sales in the pharmaceutical marketing support business as a result of budget cuts by pharmaceutical companies, as well as an unfavorable comparison with a one-time gain from the reversal of an impairment loss in the same period of the previous fiscal year.

2) Evidence Solution

Segment net sales amounted to 20,321 million yen, down 1.4% year on year, with segment profit of 5,121 million yen, down 15.3% 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 12,530 million yen, up 9.3% 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 3,887 million yen, down 7.4% 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 23,368 million yen, down 15.1% year on year, with segment profit of 2,618 million yen, down 18.9% 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 52,123 million yen, up 10.3% year on year. This is attributable to solid performance mainly in Europe and APAC regions. Despite the increased net sales, segment profit amounted to 12,894 million yen, down 7.4% 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 1,934 million yen, down 20.6% year on year, with segment profit of 533 million yen, up 45.6% year on year.

Combining all of the above, net sales of the M3 Group for the Nine Months Ended December 31, 2023 amounted to 179,189 million yen, up 2.3% year on year, with operating profit of 54,963 million yen, down 6.4% year on year, pre-tax profit of 57,325 million yen, down 4.9% year on year, and net profit of 38,914 million yen, down 7.0% year on year.

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