
M3, Inc.

Presentation Material

January 2024



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.

FY2023 Q1-Q3 Consolidated Results

Unit: JPY MM

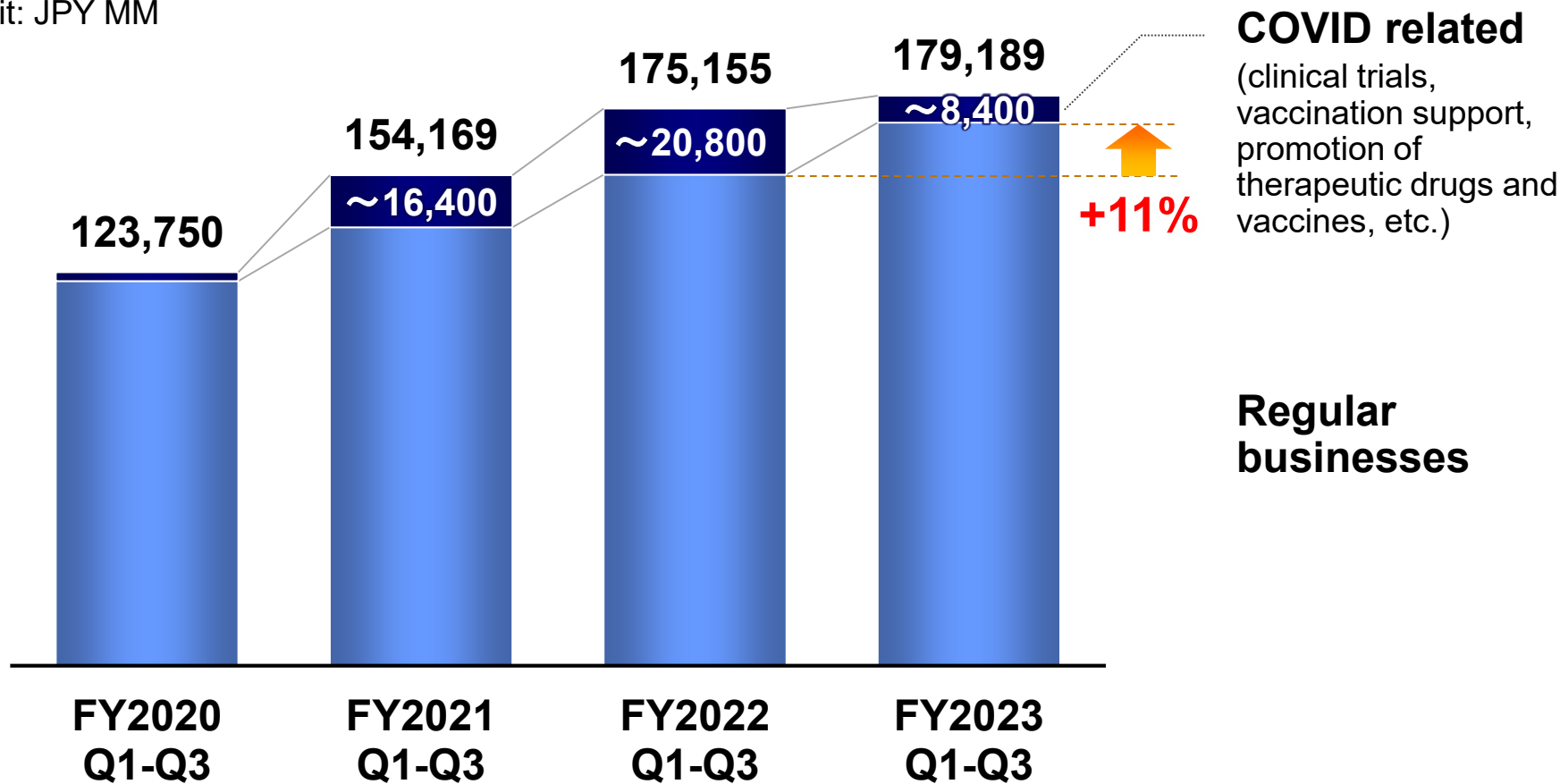
| | FY2022 Q1-Q3 | FY2023 Q1-Q3 | YoY |
|------------------|-----------------|-----------------|-----|
| Sales | 175,155 | 179,189 | +2% |
| Operating Profit | 58,734 | 54,963 | -6% |
| Pre-tax Profit | 60,249 | 57,325 | -5% |
| Net Profit | 41,844 | 38,914 | -7% |

YoY growth in business excluding COVID related revenues sales +11%

 Apart from COVID-related activities, regular business has achieved double-digit percentage growth in sales

Consolidated Sales Trends and COVID Impact

Unit: JPY MM



COVID related
(clinical trials, vaccination support, promotion of therapeutic drugs and vaccines, etc.)

Regular businesses

👉 COVID-related sales saw a decrease of approximately 12 billion yen in Q1 to Q3, with a significant impact on profits. Meanwhile, regular business sales continue to grow at a double-digit rate.

*FY22 Actuals: Q1 ~8.1 Bn, Q2 ~6.4 Bn, Q3 ~6.2 Bn, Q4 ~3.5 Bn

FY23 Actuals: Q1 ~3.0 Bn, Q2 ~2.7 Bn, Q3 ~2.7 Bn

FY 2023 Q1-Q3 Consolidated Results by Segment

Unit: JPY MM

| | | | FY2022 Q1-Q3 | FY2023 Q1-Q3 | YoY |
|----------|---------------------|--------|-----------------|-----------------|------|
| Domestic | Medical Platform | Sales | 69,763 | 71,480 | +2% |
| | | Profit | 32,087 | 30,369 | -5% |
| | Evidence Solution | Sales | 20,061 | 20,321 | -1% |
| | | Profit | 6,048 | 5,121 | -15% |
| | Career Solution | Sales | 11,459 | 12,530 | +9% |
| | | Profit | 4,199 | 3,887 | -7% |
| | Site Solution | Sales | 27,530 | 23,368 | -15% |
| | | Profit | 3,229 | 2,618 | -19% |
| | Emerging Businesses | Sales | 2,435 | 1,934 | -21% |
| | | Profit | 366 | 533 | +46% |
| Overseas | Sales | 47,261 | 52,123 | +10% | |
| | Profit | 13,924 | 12,894 | -7% | |

- Pharma marketing: The year-end budget utilization was limited, but the fundamental DX is still progressing
- Negative impact from one-time gain of 0.8 bil. yen in last year

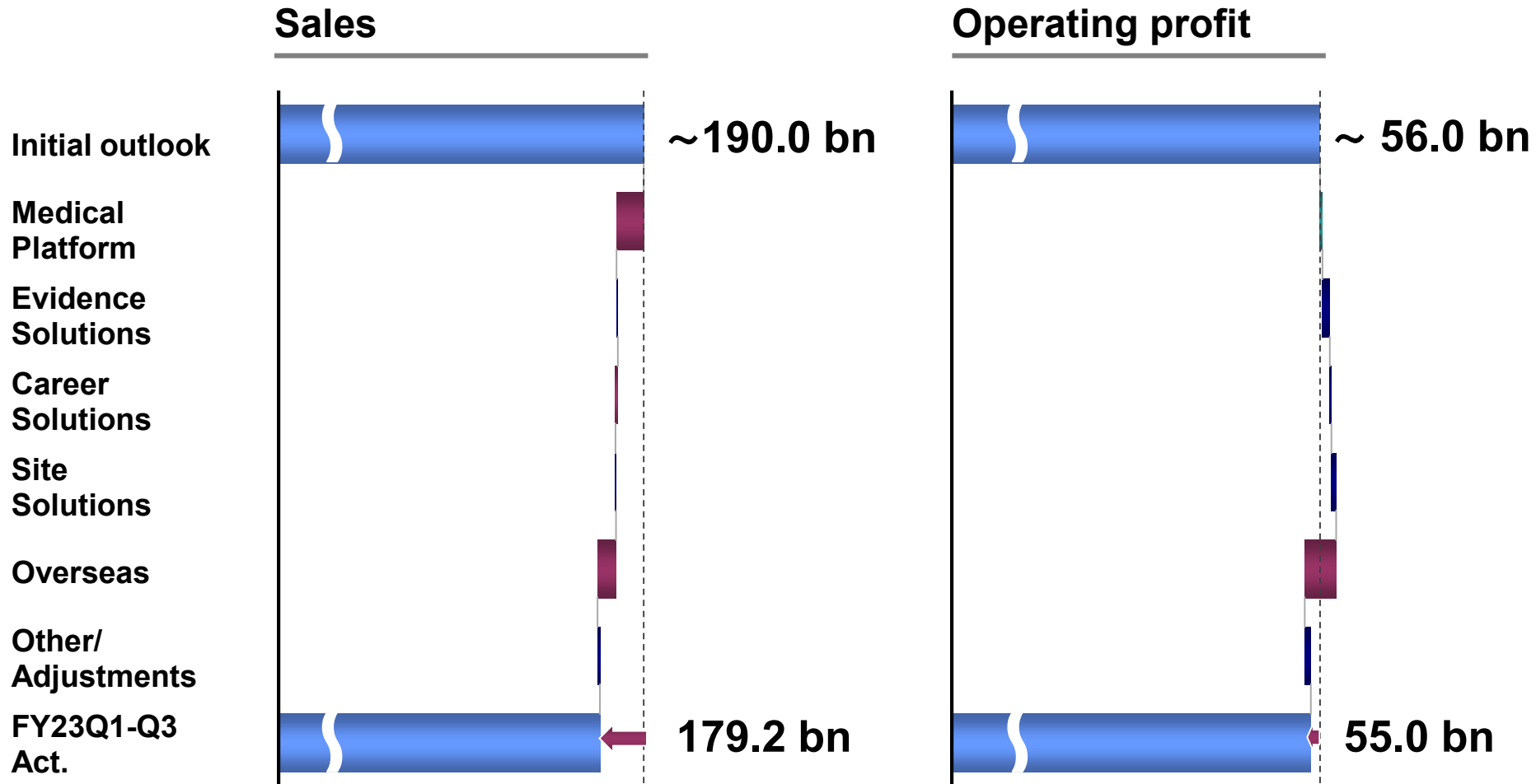
- Order backlog: 32.2 bil.
- Excluding COVID-related clinical trials, sales +8%

- Business for pharmacists continued to recover
- Sales +18% excluding COVID related revenues

- Sales excluding COVID related revenues +29%

- Sales +18% and profit grew, excluding COVID
- US clinical trial business revamp in progress
- Europe and APAC region steady

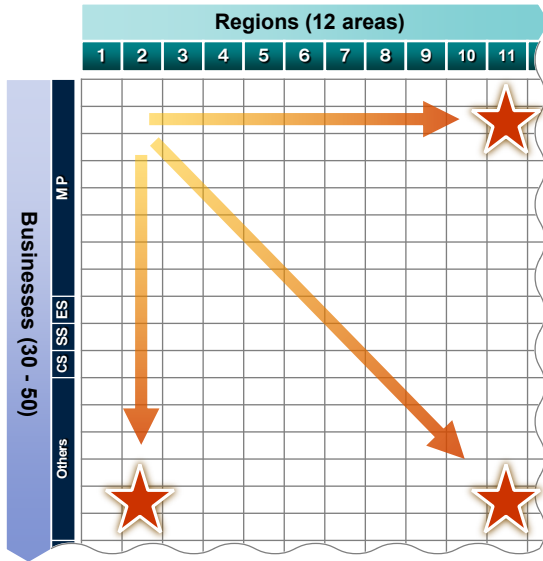
Budget Progress in FY2023 Q1-Q3



The biggest challenge on the profit front is in the Overseas business

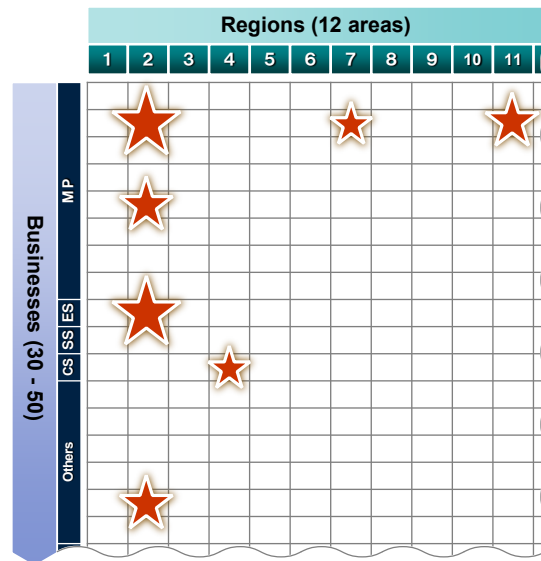
M3's Triple Growth Engine + CSV

1. Ecosystem Expansion (Sagrada Familia)



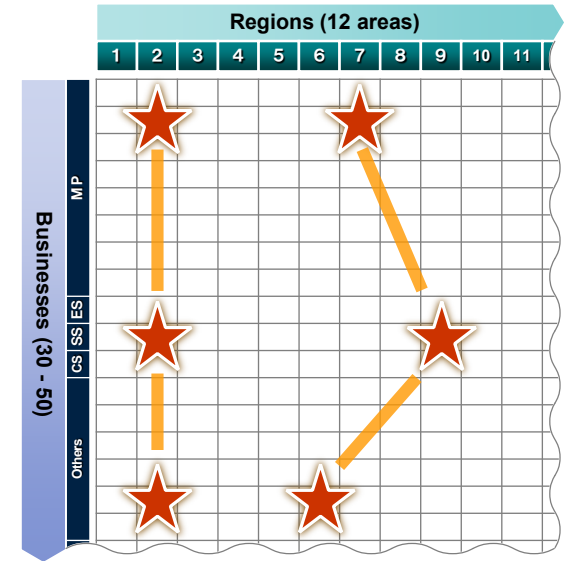
- Continuous new business entries

2. Individual Business Development



- Pharma marketing / Clinical Scene DX

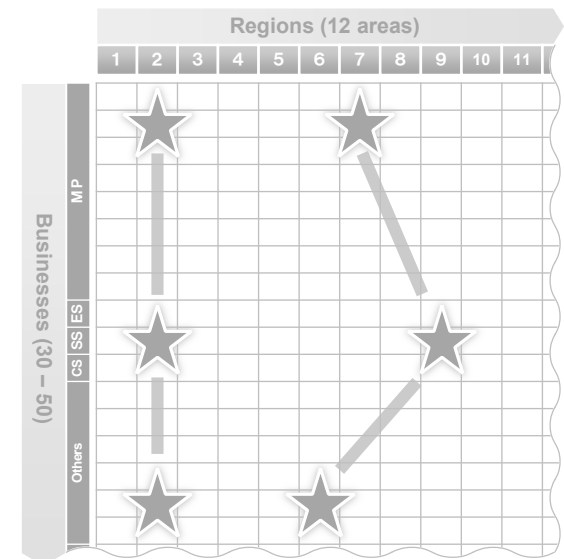
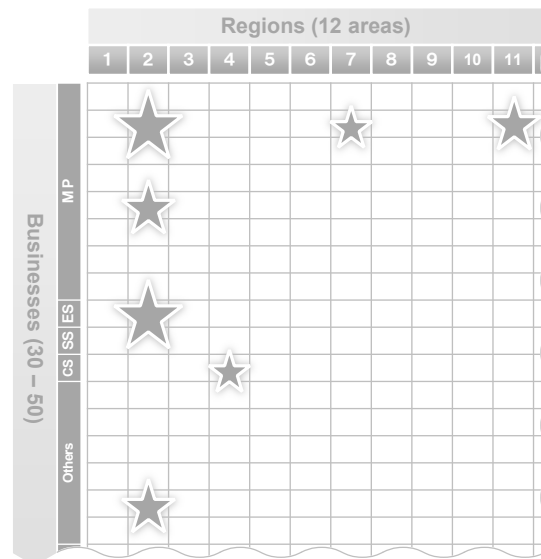
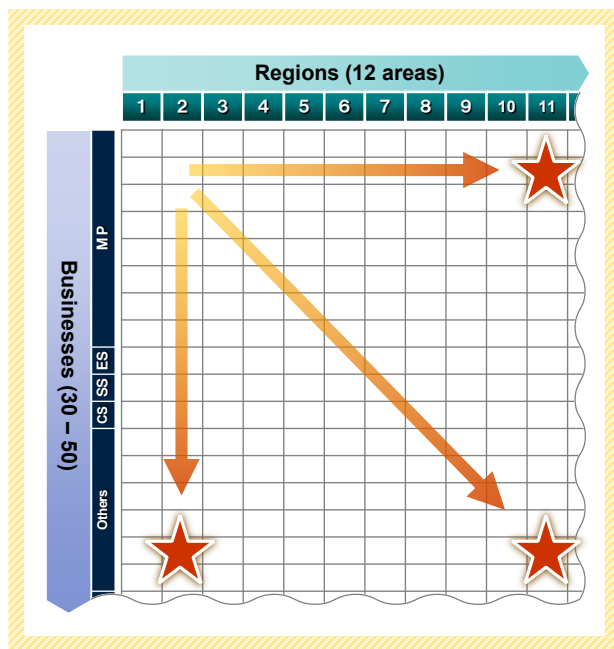
3. Ecosystem Synergy Creation



- Cross-cell synergy maximization

4. Social Impact Creation → CSV

Growth Engine 1: Ecosystem Expansion (Sagrada Familia)



4. Social Impact Creation → CSV

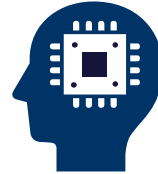
Leverage 3 Major Resources to Solve Healthcare Issues

Healthcare
Issues



6.5 mil. registered doctors worldwide

Overwhelming
Platform



Top-notch technical professionals
State-of-the-art Technology



Experts from varied fields unite
Problem Solving Skills

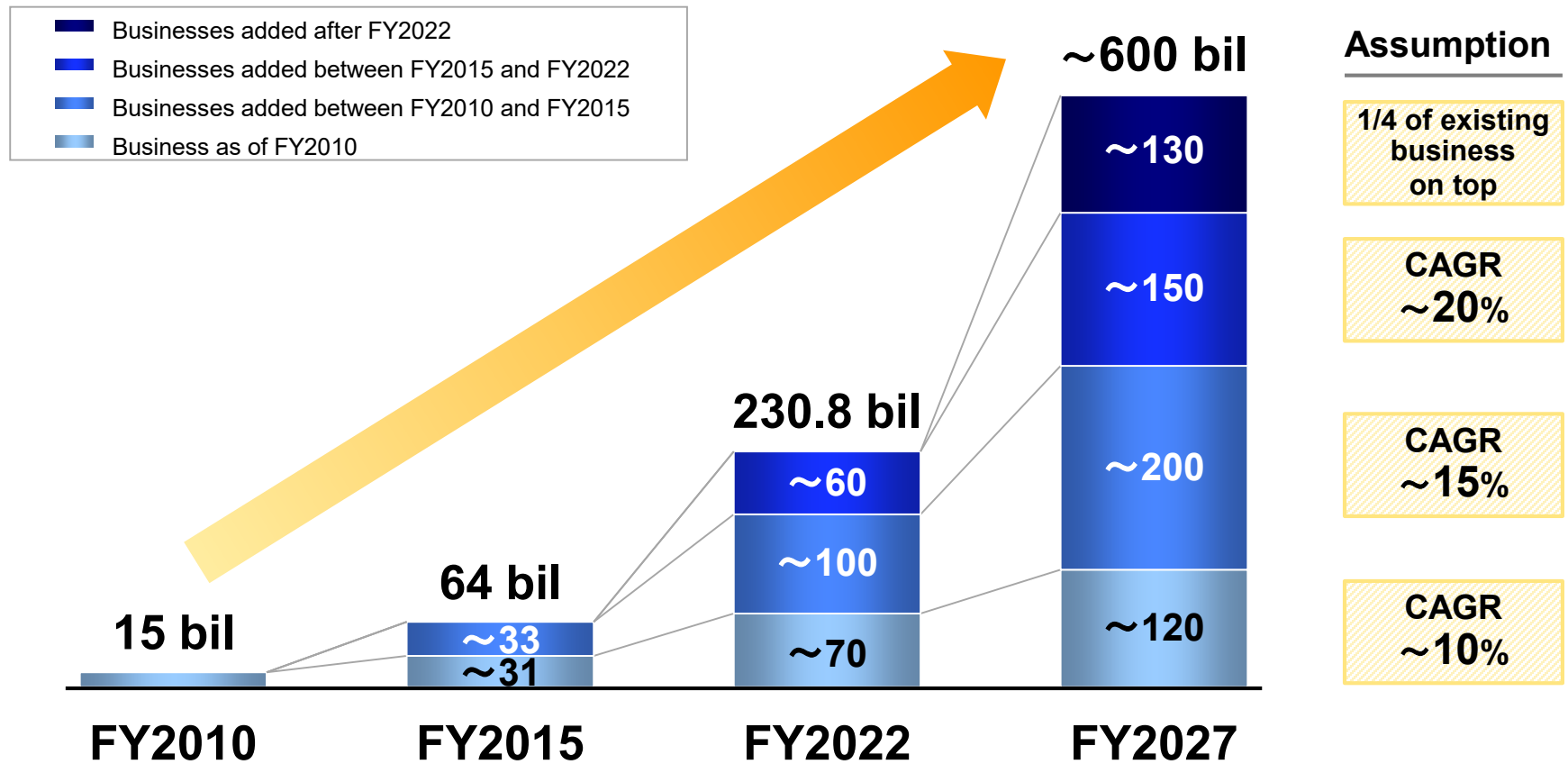
Business Scope Expansion and Growth Potential

| | : 2010 | 2015 | 2020 | 2022 |
|------------------------------------|----------|---------------|-----------------|---------------|
| Country | : 3 → | 8 (2.5x) → | 11 (3.5x) → | 17 (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) → | 71 (7.0x) |
| Sales (bn) | : 14.6 → | 64.7 (4.5x) → | 169.1 (12.0x) → | 230.8 (16.0x) |

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

Growth Image per Business Expansion Phases

Sales Trend (JPY)



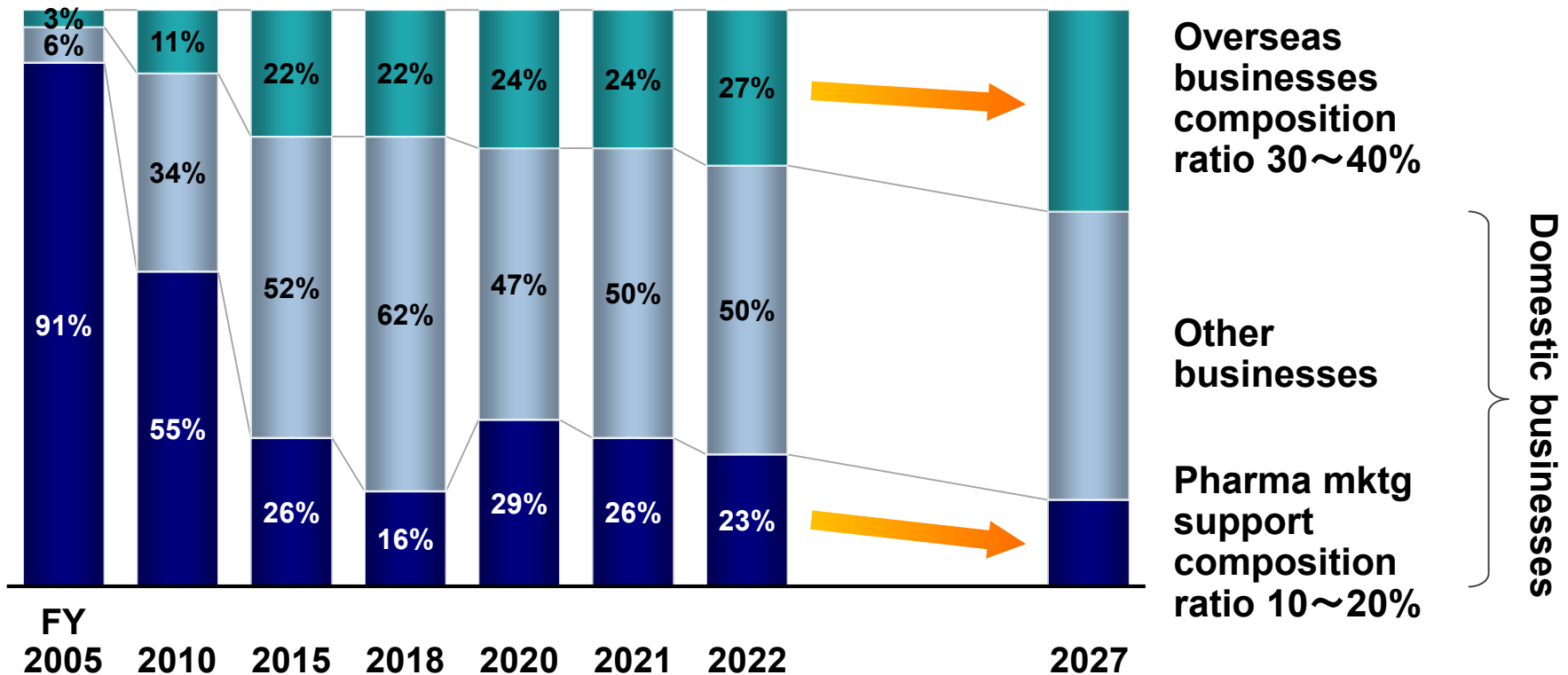
👉 Aim to continue to grow business as before through new business development, new business growth, and existing business growth

Sales Composition Ratio: Past and Future Image

Consolidated Sales Composition Ratio

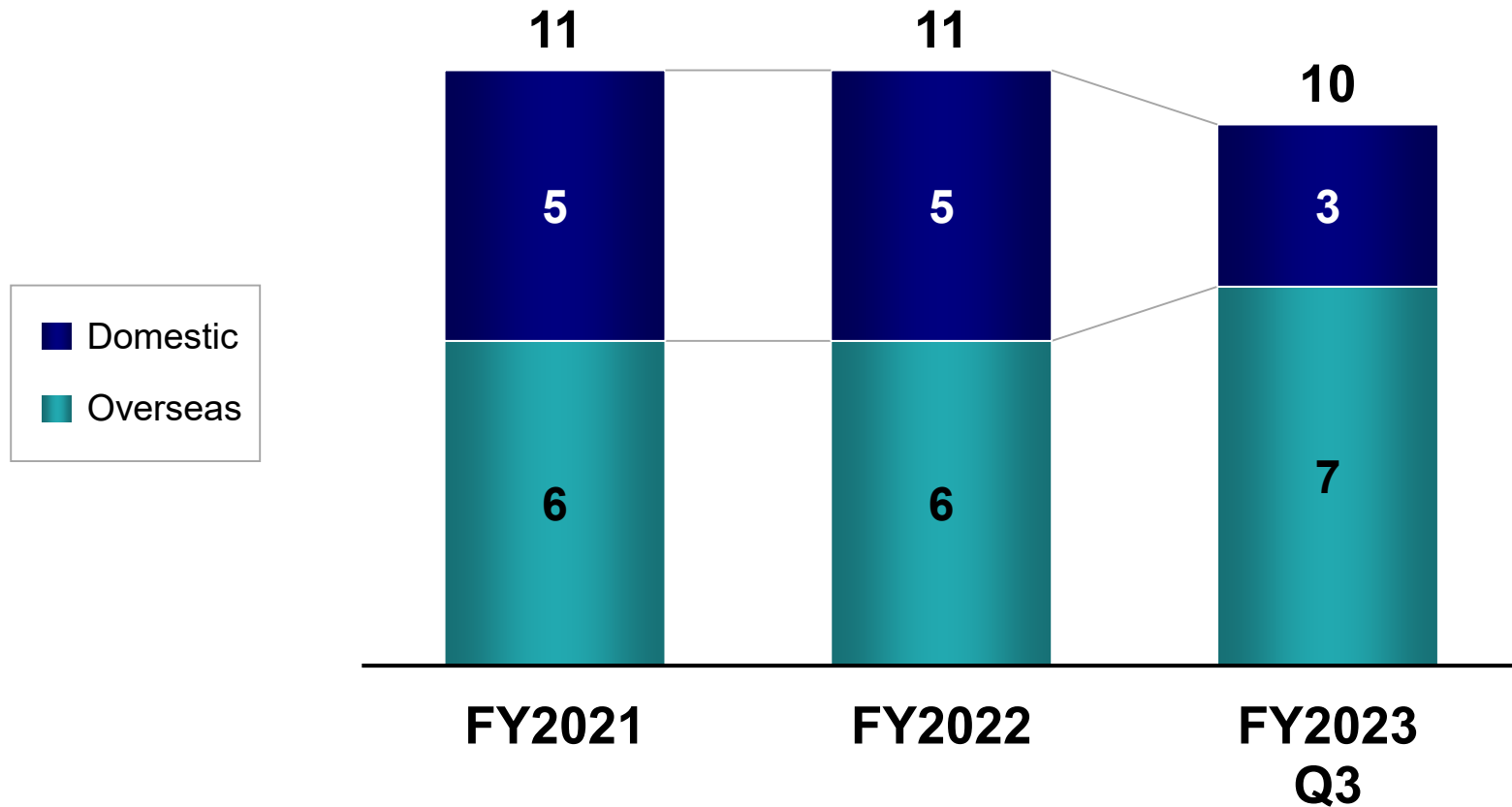
100%= JPY 230.8bil.

JPY 600bil.



👉 The pharmaceutical marketing business itself will continue to grow, but overseas/other domestic businesses are expected to grow faster

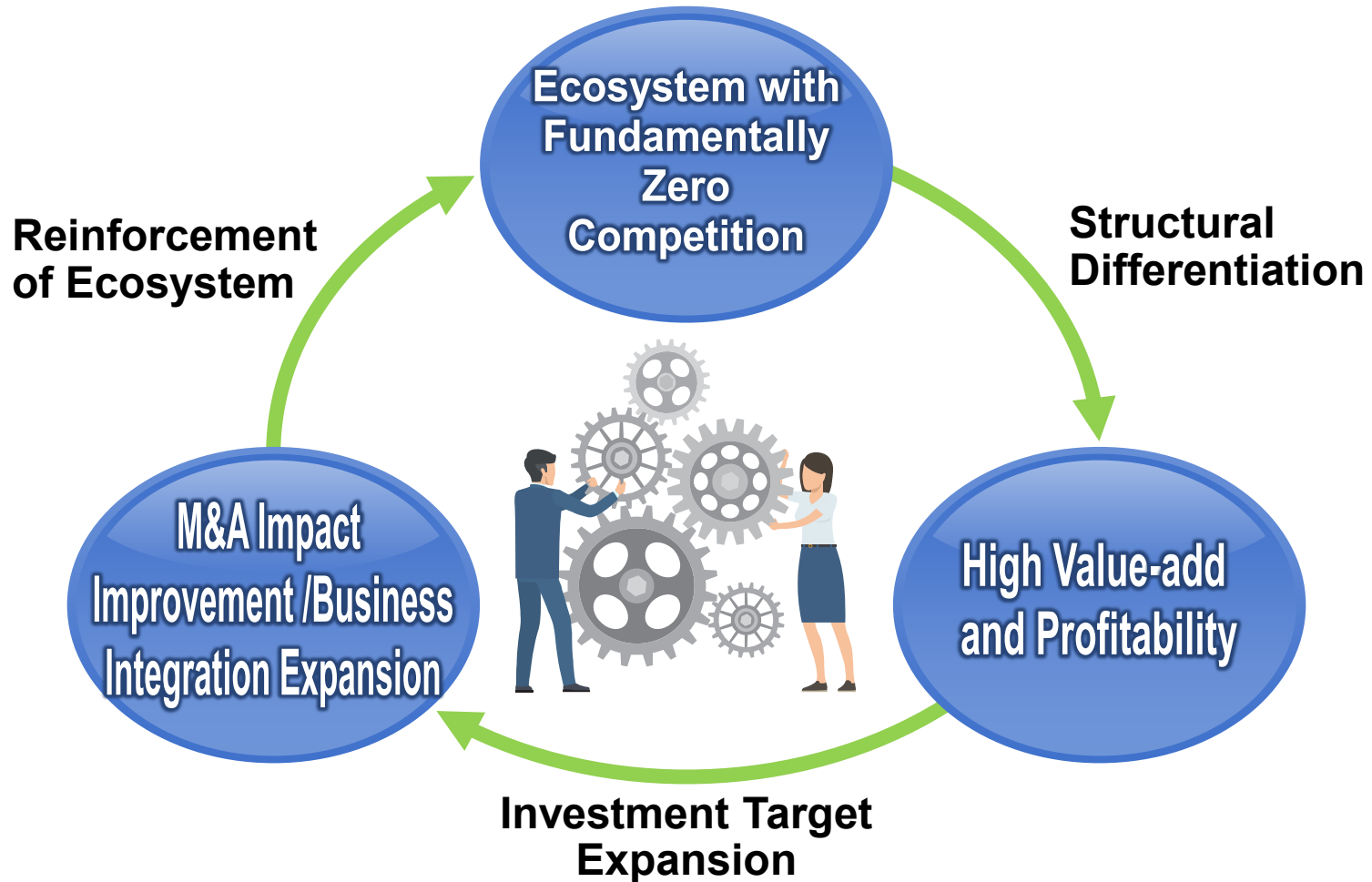
Trend in M&A Volume: Programmatic M&A Strategy



M&A completed with approximately 10 companies annually, will continue to actively pursue M&A opportunities.

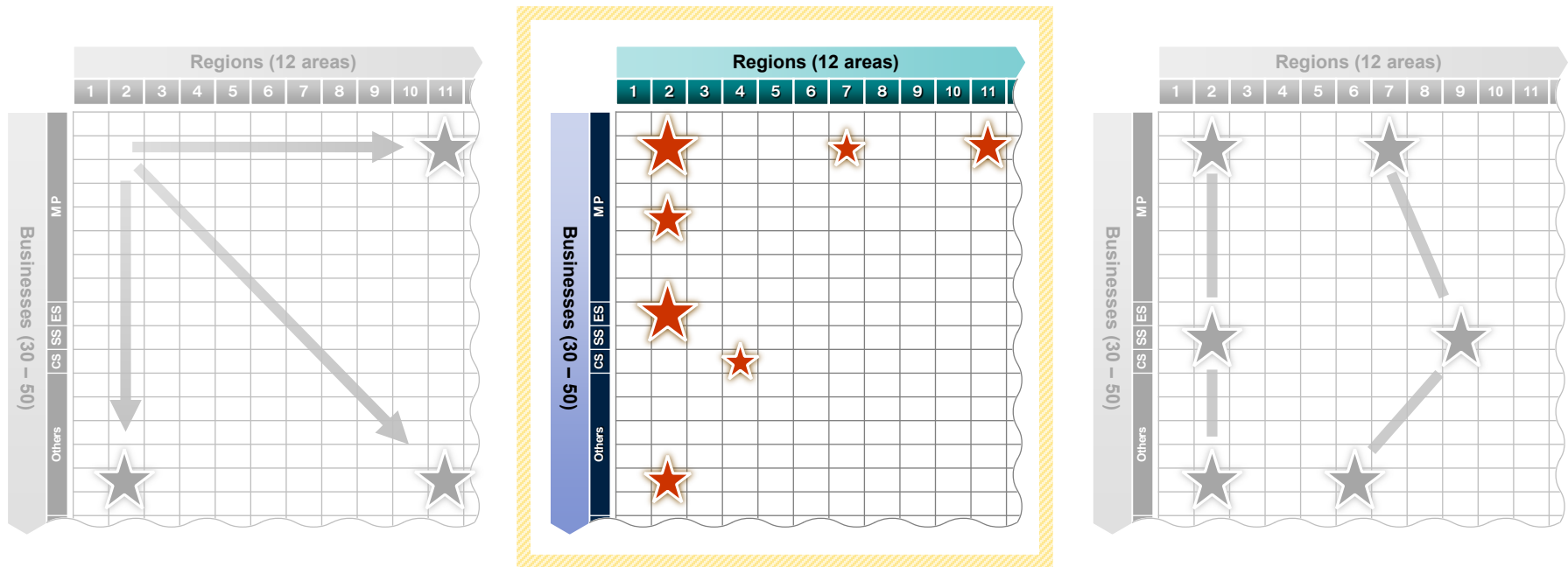
FY23: 7 projects already conducted abroad, DBMCI and Albaron Podiatry (through CUC) consolidations were announced in Q3

Business Expansion Creation Flow



 Self-reinforcing expansion cycle = "superbly capable staff" base also expands, and continuity is further strengthened... "business snowball" to multiply rapidly

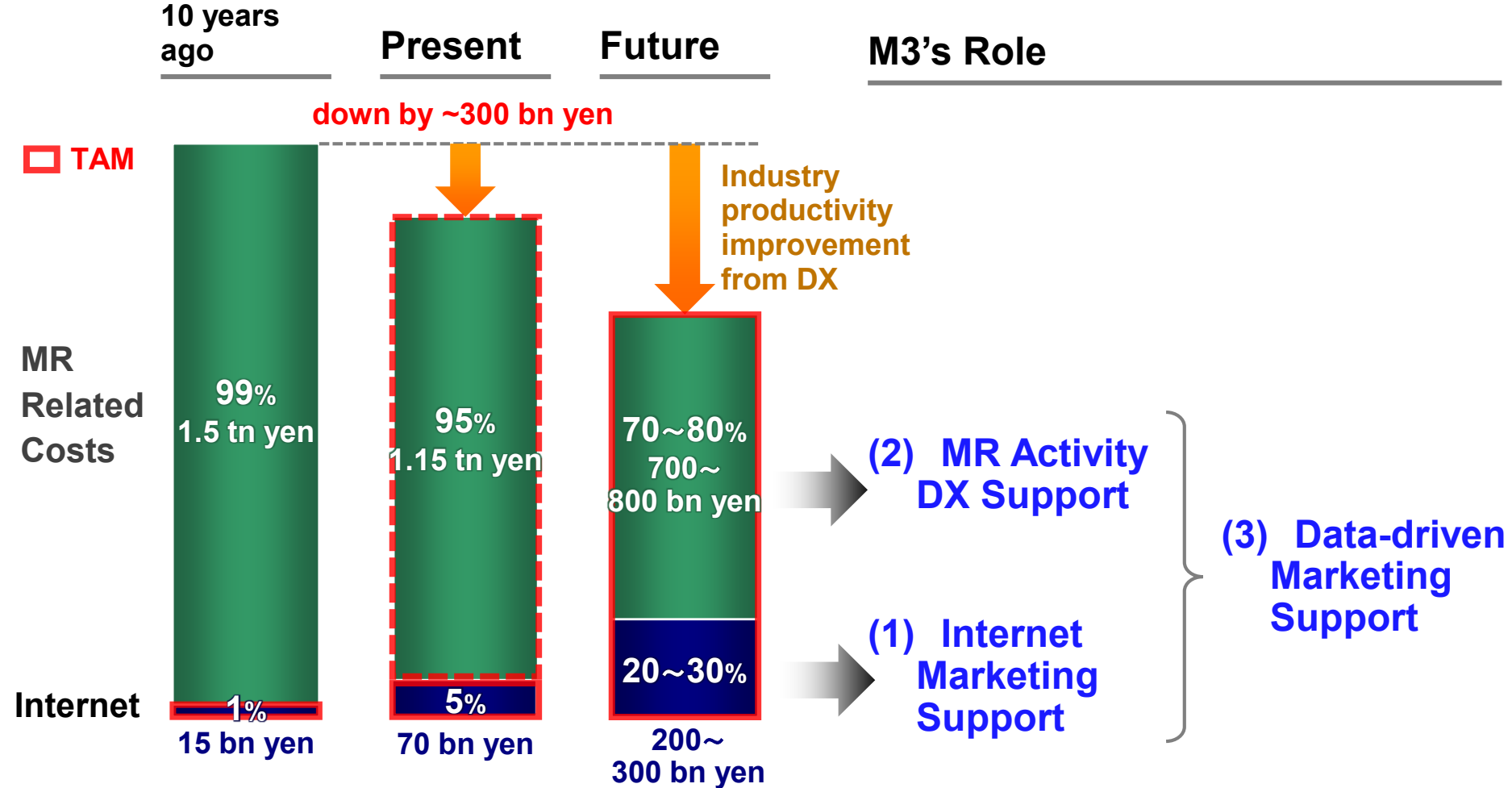
Growth Engine 2: Individual Business Development



4. Social Impact Creation → CSV

Pharmaceutical Sales & Marketing DX

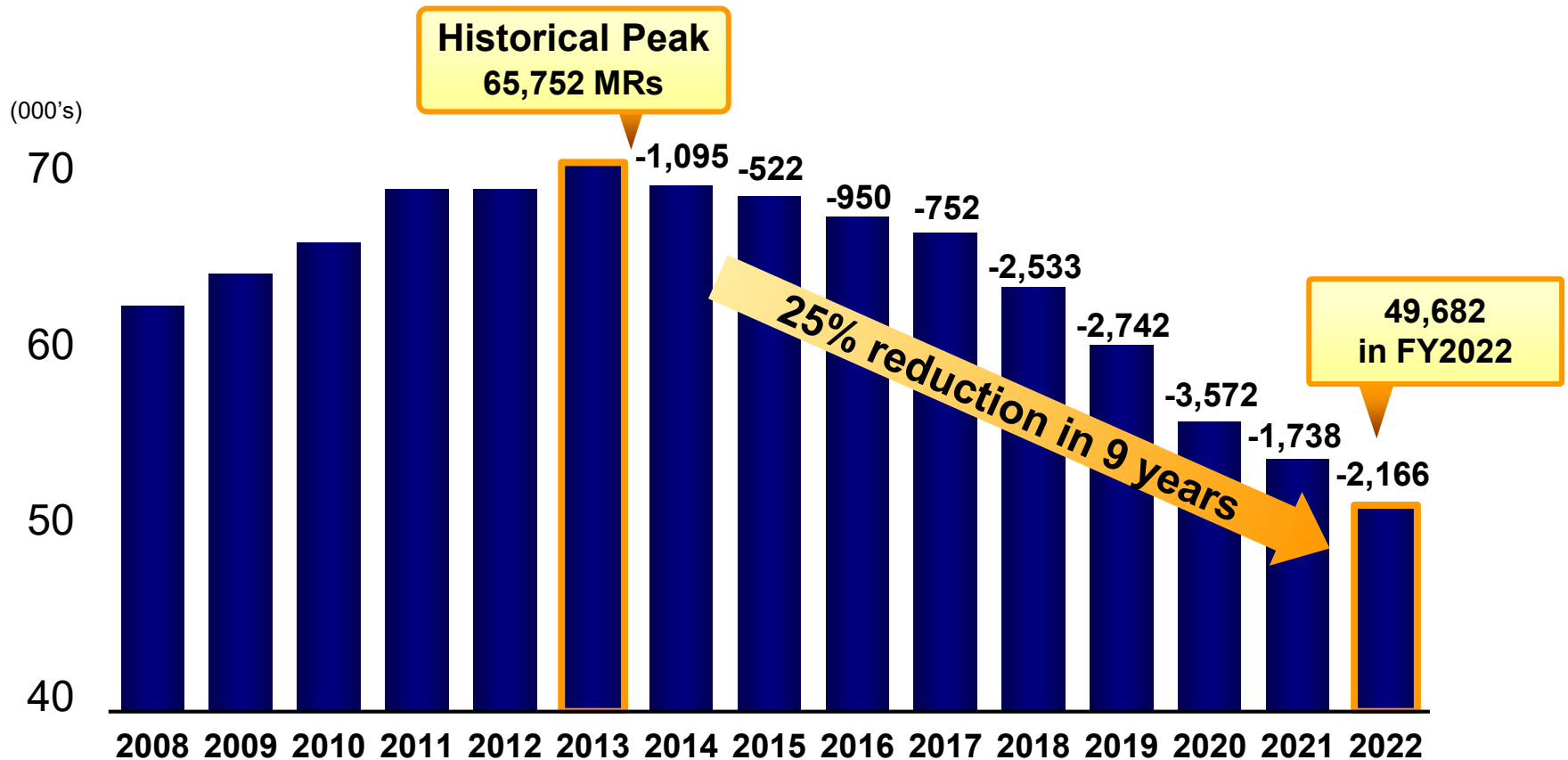
Pharma Marketing Cost and TAM for M3



👉 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)

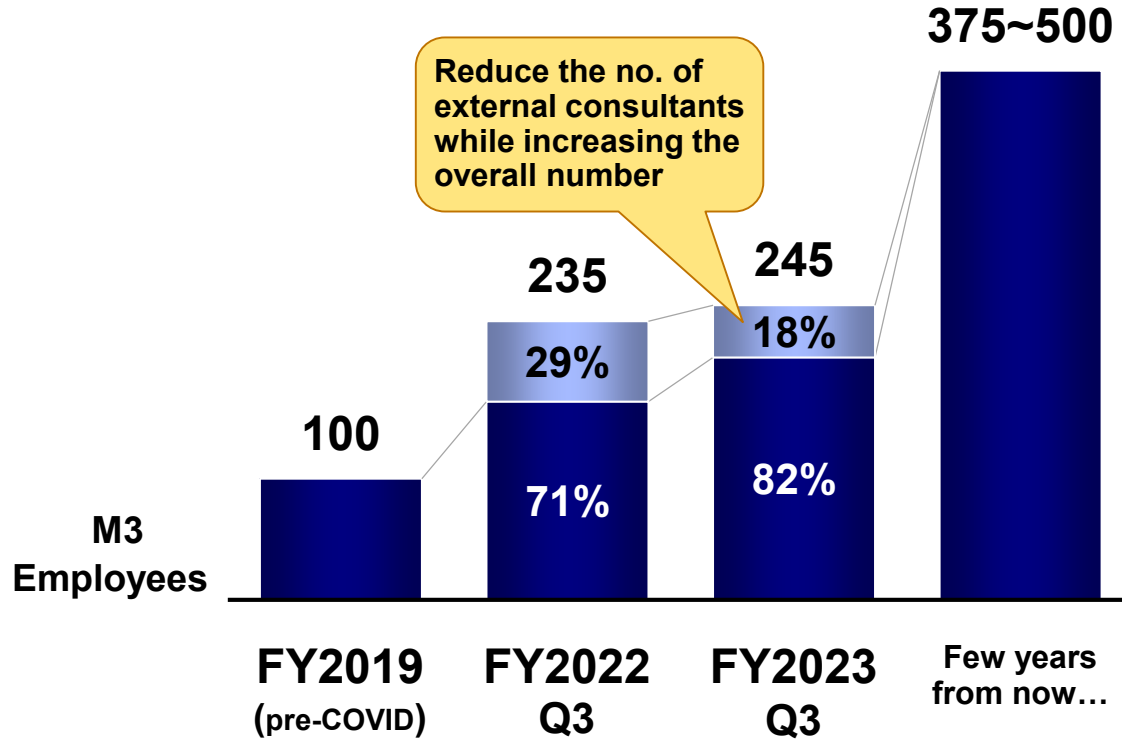


In addition to a decrease in the number of MRs, increasing number of contract reps and online reps who work exclusively online or by phone.... The trend toward sales efficiency is expected to continue

* Source: MR Certification Center "2023 MR White Paper"

Professional Staff Fortification Plan

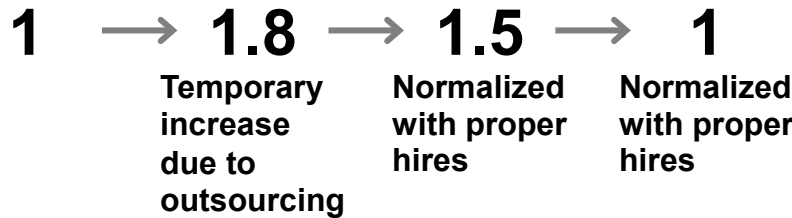
Unit: Index with FY2019 as 100



Staff Fortification Initiatives

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

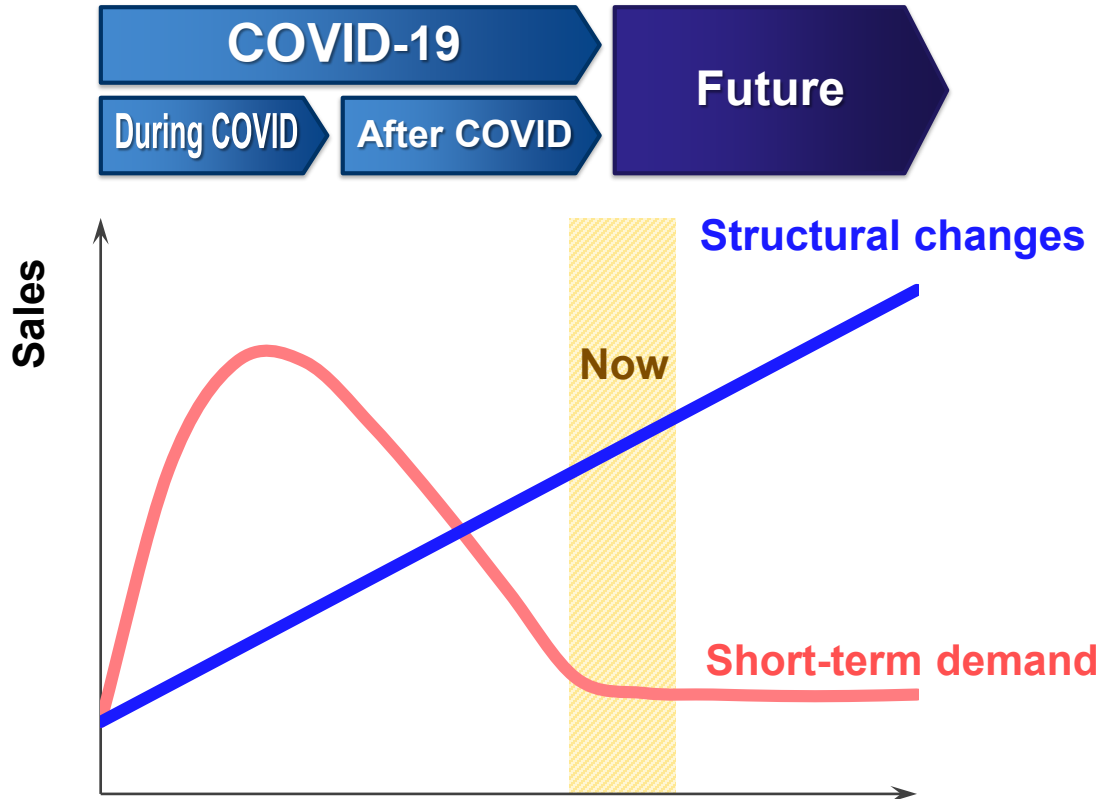
Cost per Staff



Professional staffing, 6% growth in total (+23% for in-house, -35% for external) with the number of hiring decisions for the Q1-Q3 period up by approximately 1.3x YoY

Current Status of Pharmaceutical Marketing

Demands and Trends



Positive Factors

- Progress in essential digital transformation
- Advancement of structural digital transformation (DX)
- Projects on a larger scale

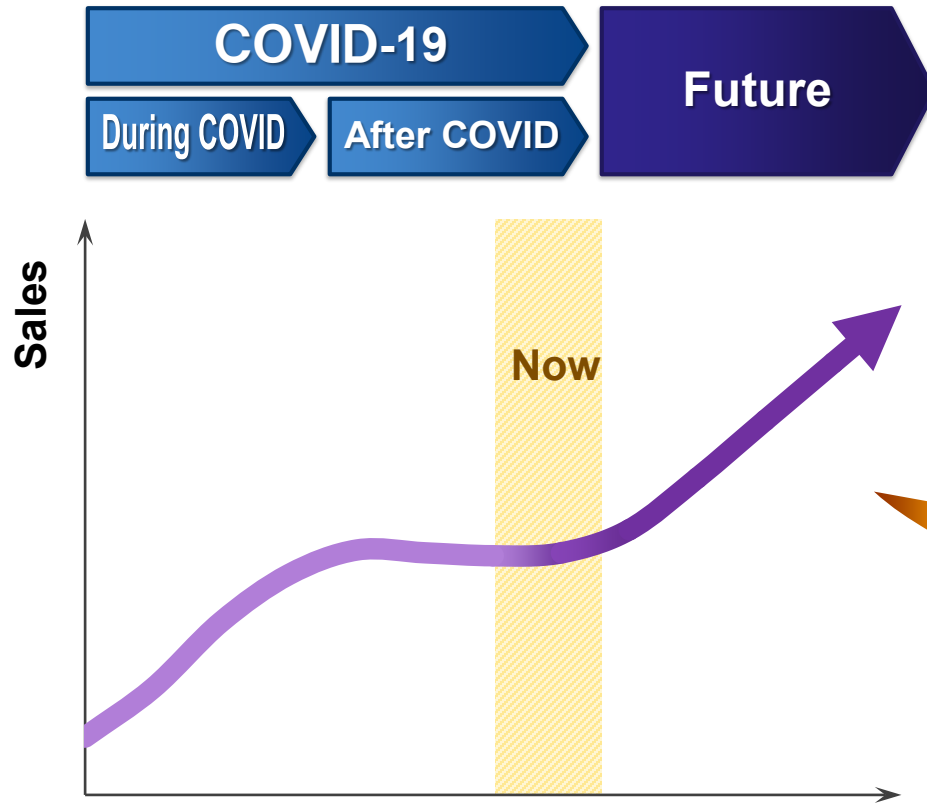
Negative Factors

- Temporary decline in demand during the COVID period
- Cost reduction at some global pharma companies

 **Positive and negative factors are in balance; currently, both are in equilibrium**

As a Strategic Partner to Pharma Companies

Overall Trend









Efforts for Renewed Growth

- **Our Products**
Continual development of services that dramatically improve the productivity of pharmaceutical company sales and marketing (currently at level 50%)
- **Our Professional Staffs**
Continuously expanding the team by several tens of people each year (currently at level 50%)
- **Productivity Per Staff**
Standardization of service proposals, skills enhancement, improvement in per-person productivity through DX (currently at level 75%)

 **Further accelerating essential DX initiatives as a strategic partner to pharmaceutical companies**

DX of the Clinical Scene

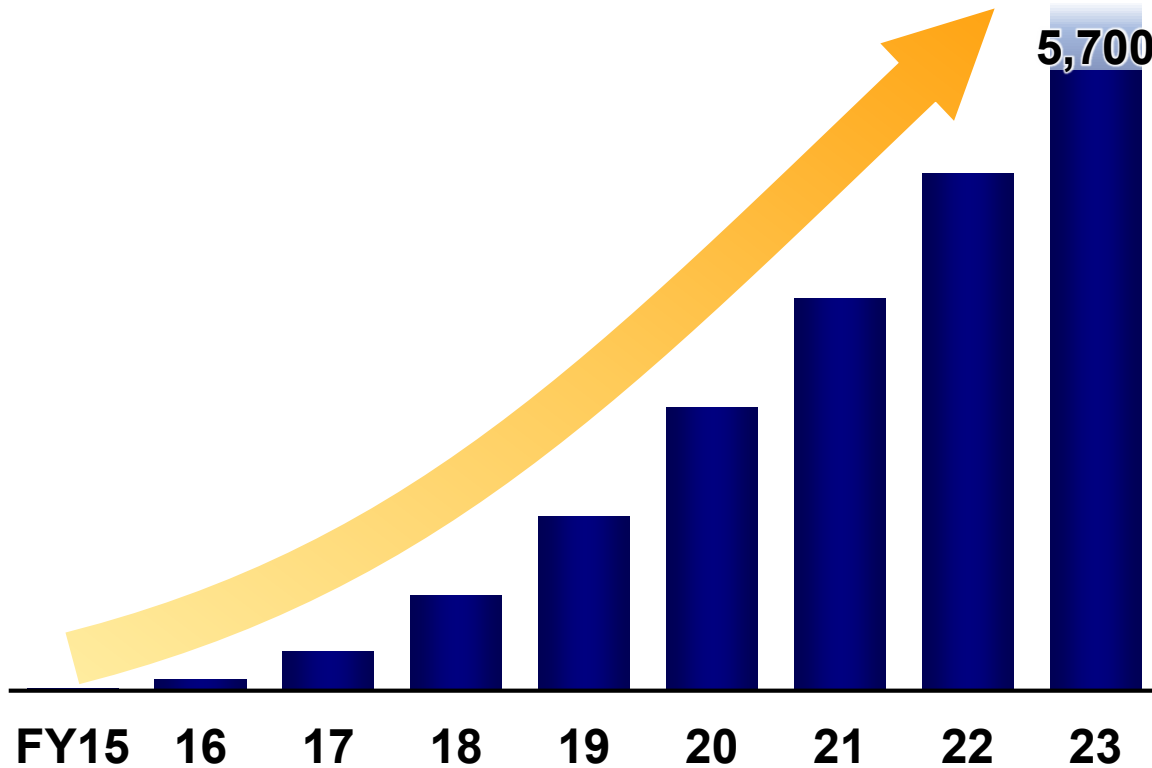
DX of Clinics: Creating a New Patient Experience

| | | <u>Current</u> | | <u>Post DX</u> <small>(new patient experience)</small> |
|----------------------|---|------------------------------|---|--|
| 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”**

M3 DigiKar EHR Growth

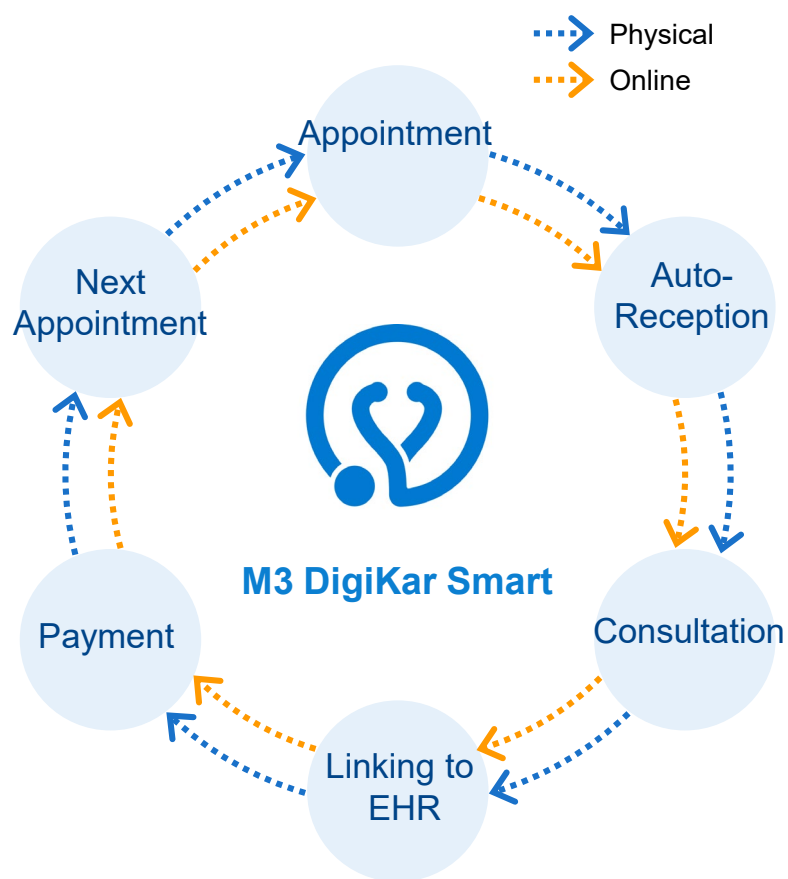
Number of Sites Using M3 DigiKar



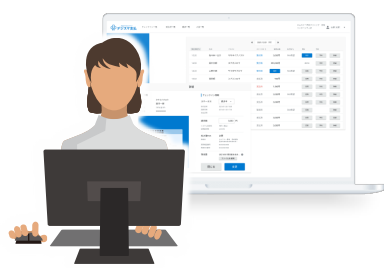
- Cumulative number of installations is approximately 5,700. Steady progress
- Co-selling with DigiKarSmart further increases the added value of DigiKar

👉 Incontestable #1 market share within cloud based digital health records, approximately 210 million charts

DX of Clinics: DigiKar Smart



Medical Institutions: Managing System



Patients: Mobile App





M3 デジタルスマート診察券
 メディカル

開く

2万件の評価 年齢 ランキング

4.6 12+ #4

★★★★☆ 歳 メディカル

評価とレビュー すべて表示

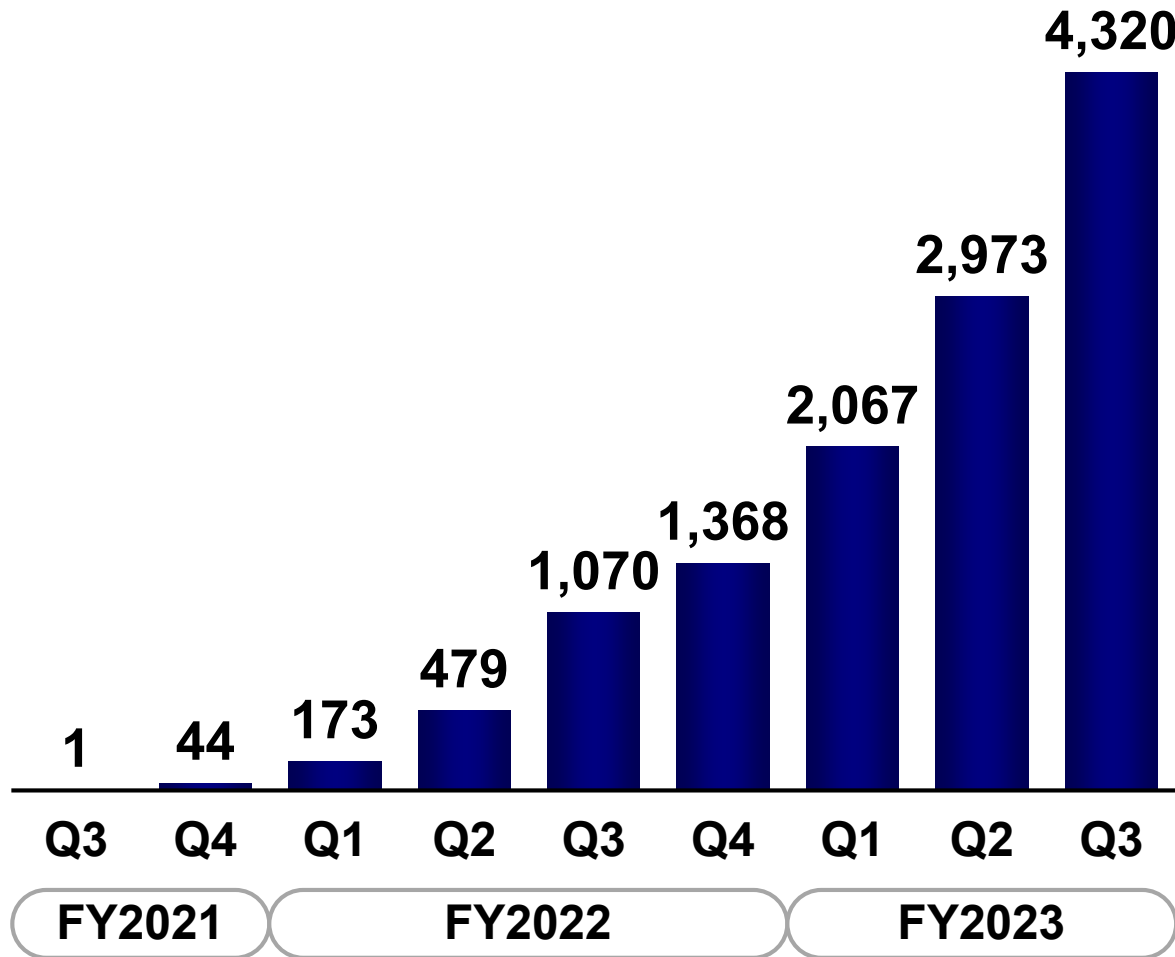
4.6 ★★★★★

5段階評価中 2万件の評価

👉 20,000 reviews with a rating of 4.6 from users, new patient experience created and high rating in the category

No. of DigiKar Smart Users

Unit: Index with FY2021Q3 as 1



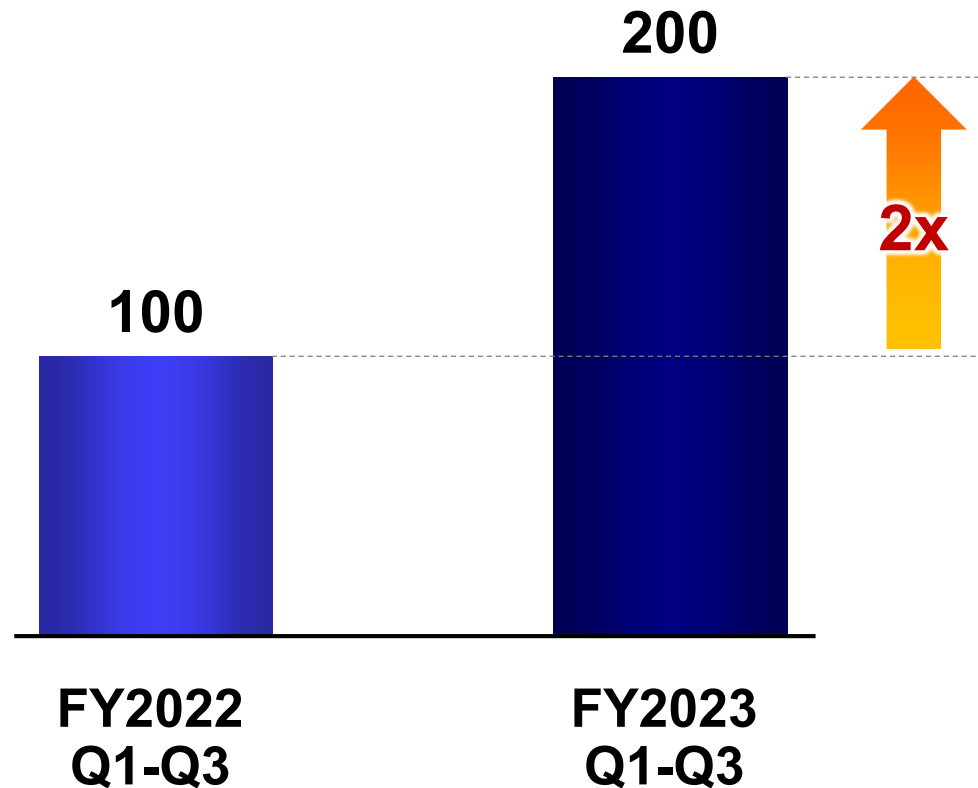
- Users are rapidly penetrating DigiKar Smart as the clinic's infrastructure. 4 times higher than in the previous year
- Video call has been added and is expanding as an infrastructure for telemedicine

* Quarterly sum of monthly UUs

Ecosystem Synergy: Medical Data Business

Unit: Index with FY2022 Q1-Q3 as 100

Sales of Medical Data Business*

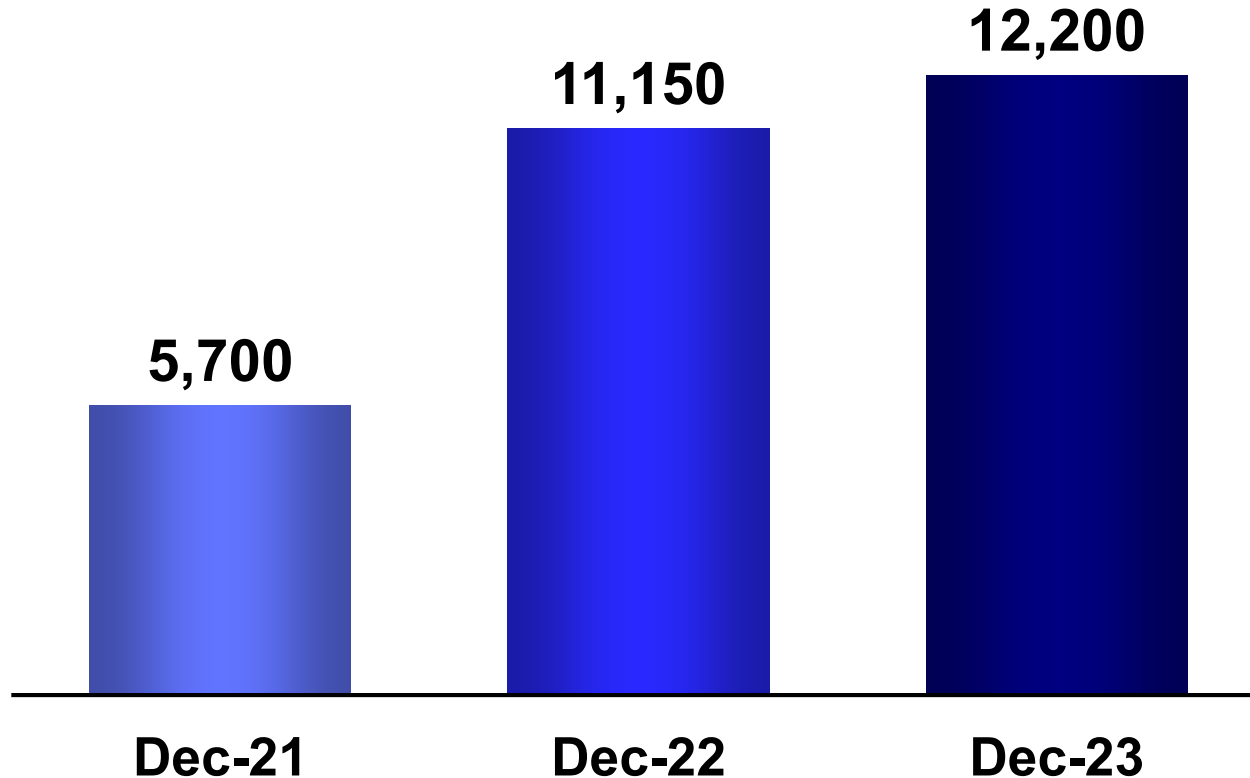


 Medical data business (actual medical practice, physician practice standards, etc.) also grew significantly along with the increase in the volume of data accumulated. Steady creation of ecosystem synergies

* 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

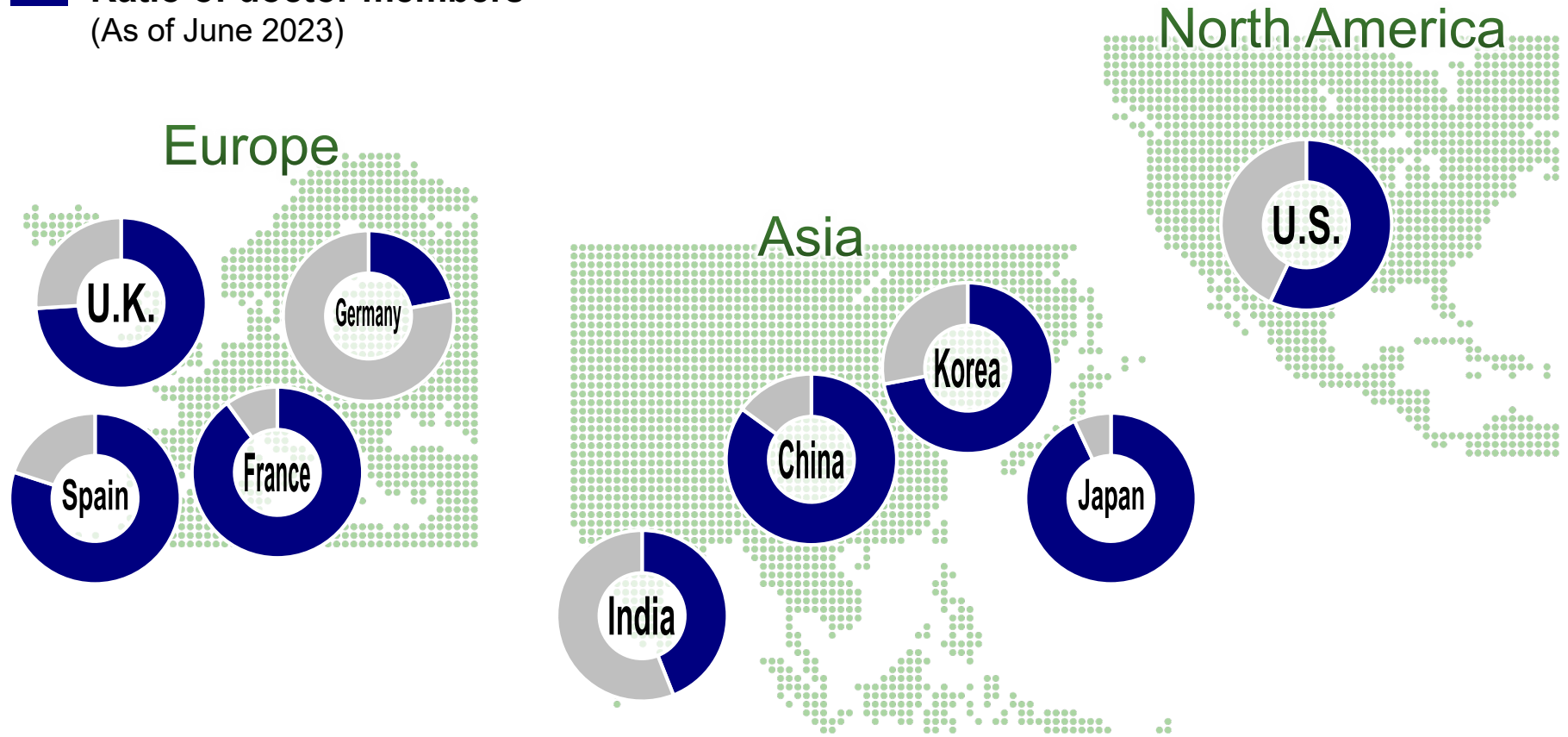


 **Organic coverage continues to expand even after M&A in July 2022... Plans to offer a wide range of DX promotion services, including EHR, in-hospital operational efficiency, and patient tools**

Overseas

Number of Doctor Members and Panelists (Global)

Ratio of doctor members
(As of June 2023)

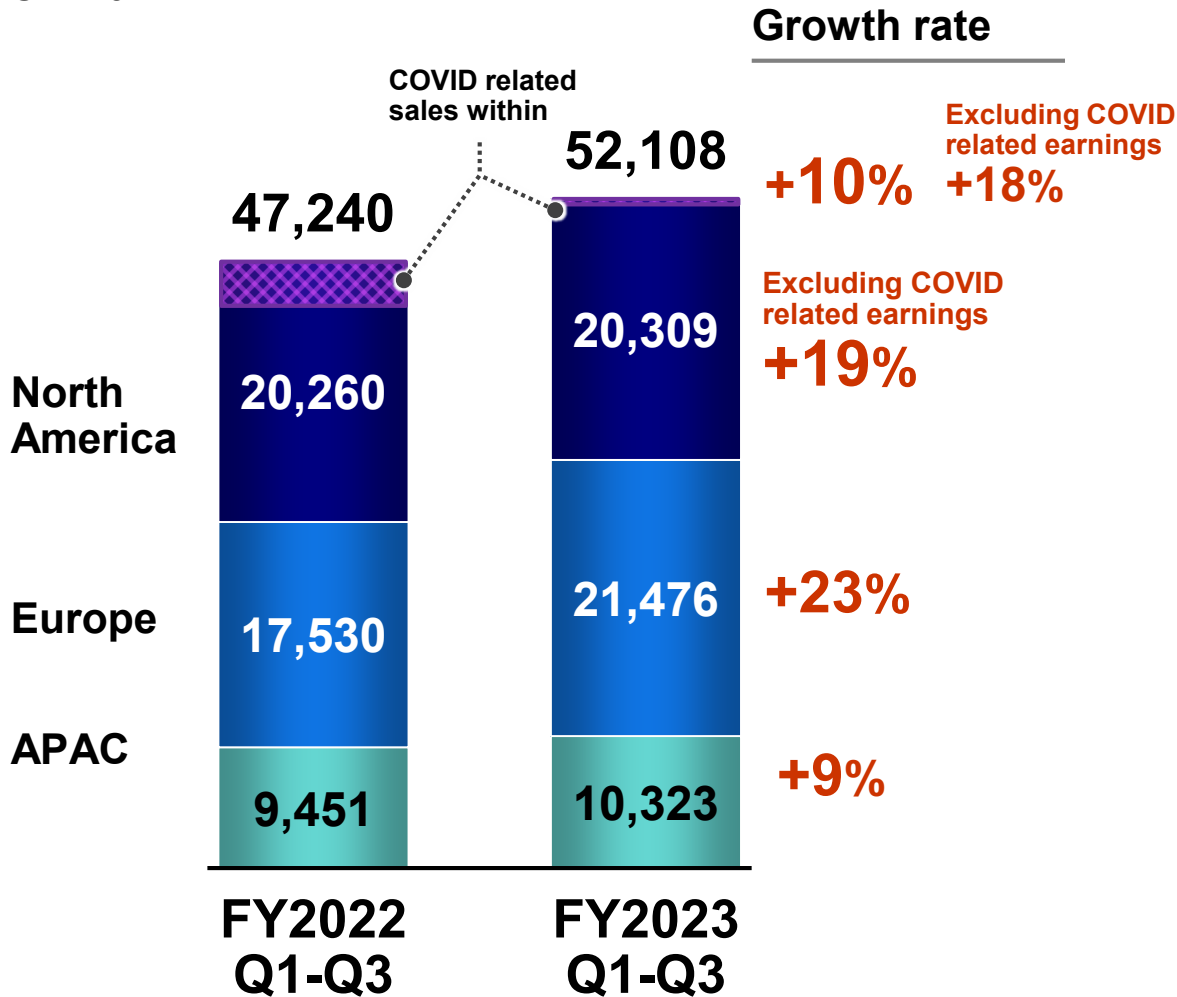


👉 Including regions not mentioned above, more than 6.5 million doctor members and panelists, covering over 50% of doctors worldwide

*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



North America

- Career business remains solid
- Clinical trial business: Management structure renewal and strengthening of patient recruitment and sales structure are progressing

Europe

- Steady progress in France
- Contribution from M&A effect (e.g. Remedium, some of Kantar)

APAC

- Rapid growth after COVID pauses

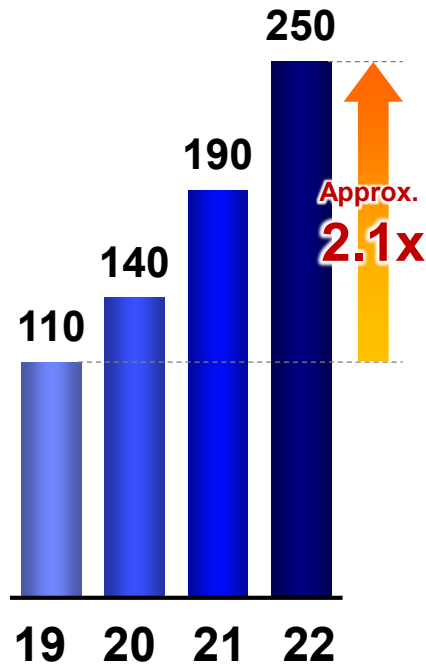
 **Accelerating new initiatives for the future such as M&A and structural reforms**

Overseas Growth Trends by Business (FY)

Unit: JPY 100MM

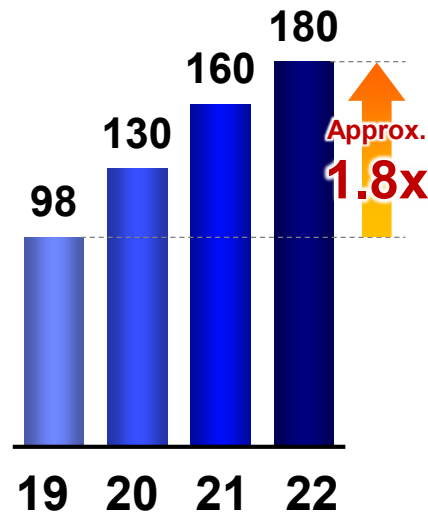
Service for Doctors

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



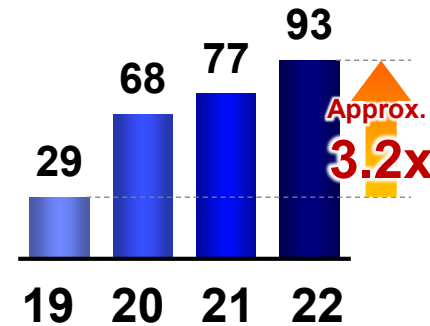
Business Intelligence

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



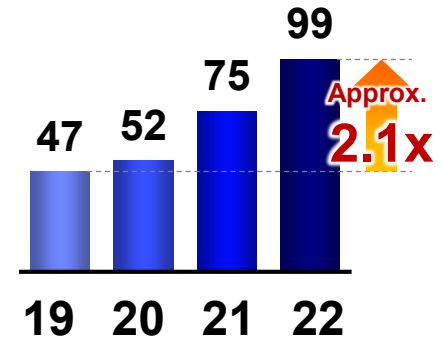
Clinical Trials

(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

* Based on each subsidiary's principal business, aggregated by fiscal year

Consolidation of DBMCI in India

M3

Online Learning App



Neuroglia Health Pvt Ltd

- **Technology**
- **Expertise in app management**
- **Online contents**

X

DBMCI

Offline Prep School



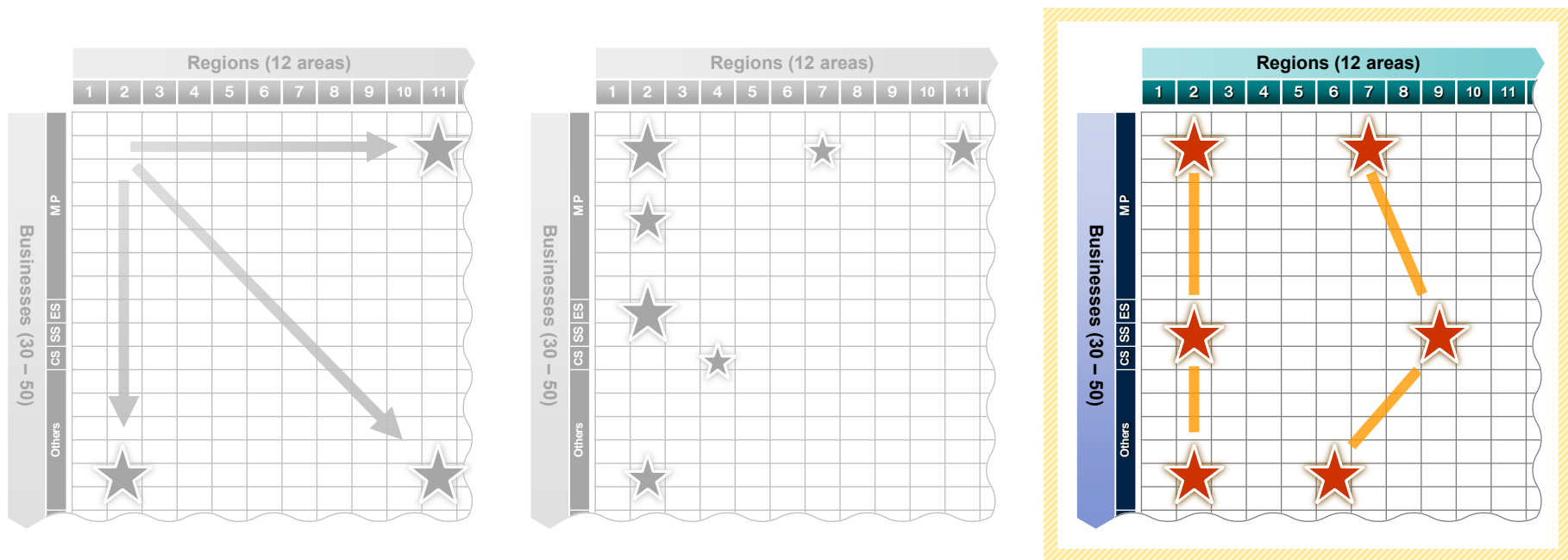
Estd. 1996

- **Operation know-how**
- **History and brand**
- **Offline contents**

- **Entry into the offline preparatory school business for Indian doctors and medical students**
- **M3 combines its online expertise with DBMCI's offline know-how, creating synergy**
- **Considering new learning styles post-COVID, addressing the diverse needs of learners**

👉 Providing high-quality hybrid learning opportunities by leveraging M3's expertise in online learning applications and DBMCI's offline prep school

Growth Engine 3: Ecosystem Synergy Creation

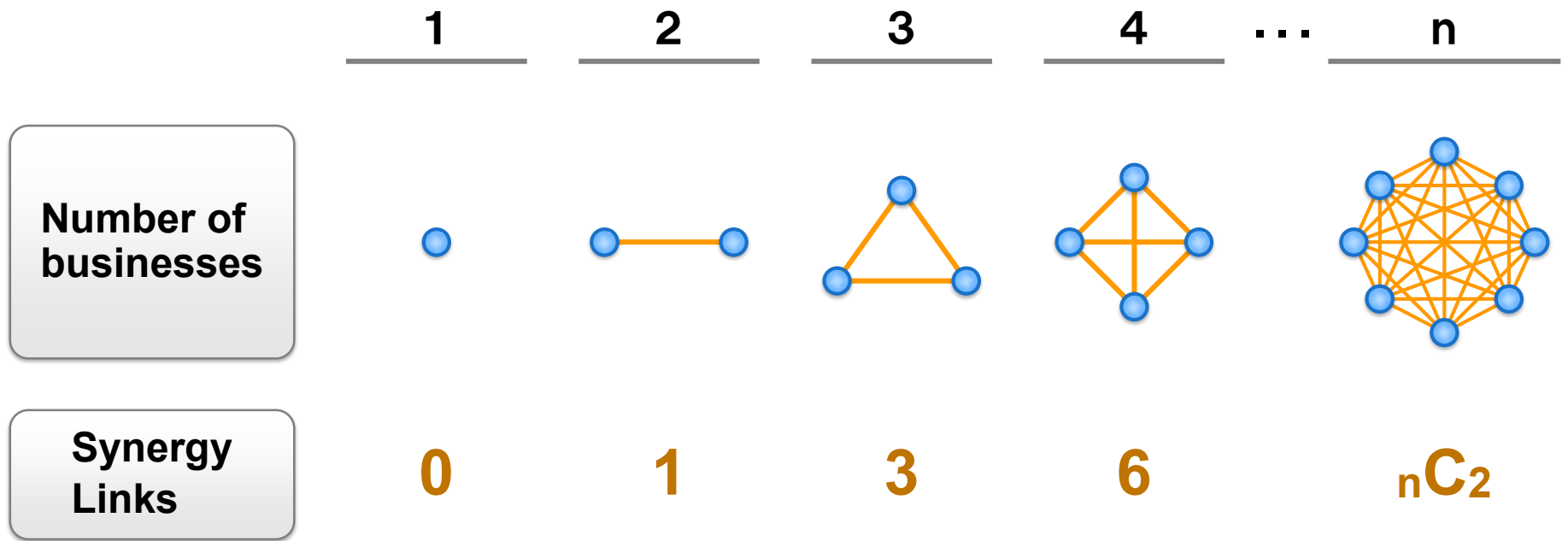


4. Social Impact Creation → CSV

Business Scope Expansion and Growth Potential

| | 2010 | 2015 | 2020 | 2022 |
|------------------------------------|------|-------------|---------------|---------------|
| Country | 3 | 8 (2.5x) | 11 (3.5x) | 17 (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) | 71 (7.0x) |
| Sales (bn) | 14.6 | 64.7 (4.5x) | 169.1 (12.0x) | 230.8 (16.0x) |

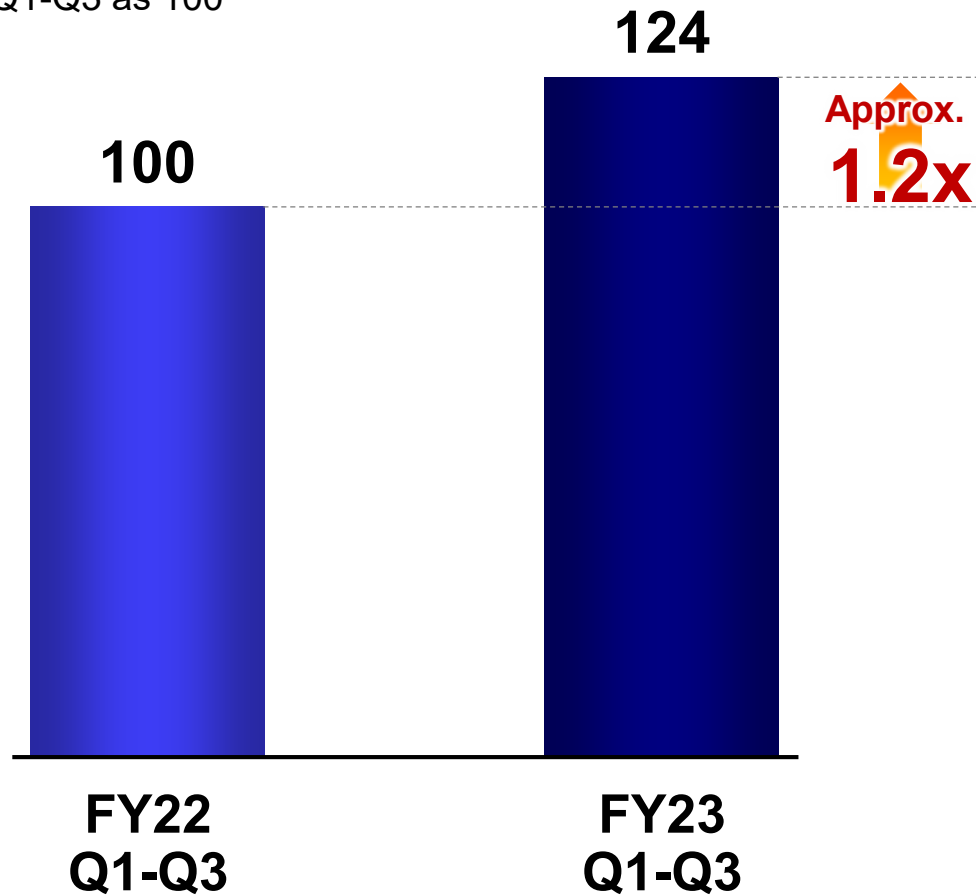
Cross-Business Synergy Creation Potential



 Synergy potential between businesses: ${}_{71}C_2 = 2,485$ possible linkages

Ecosystem Synergy Value Creation

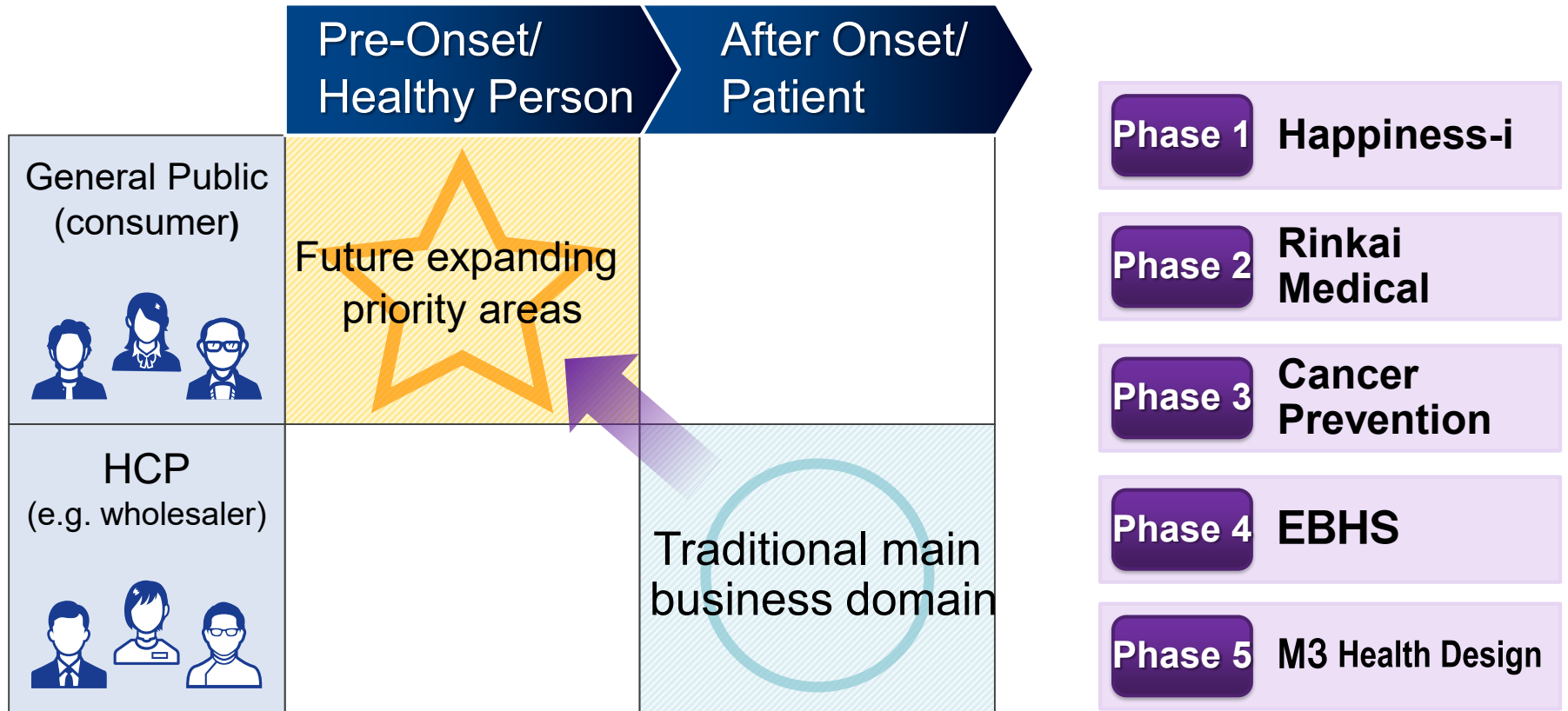
Unit: Index with FY2022 Q1-Q3 as 100



 The next ten years will be based on ecosystem synergies, including internal and external collaborations, to further promote healthcare problem-solving/social impact creation and business expansion

*Sum of value additive projects spanning across multiple business lines and data utilization. Definitions will be reviewed as necessary, including this time

“The White Jack Project”

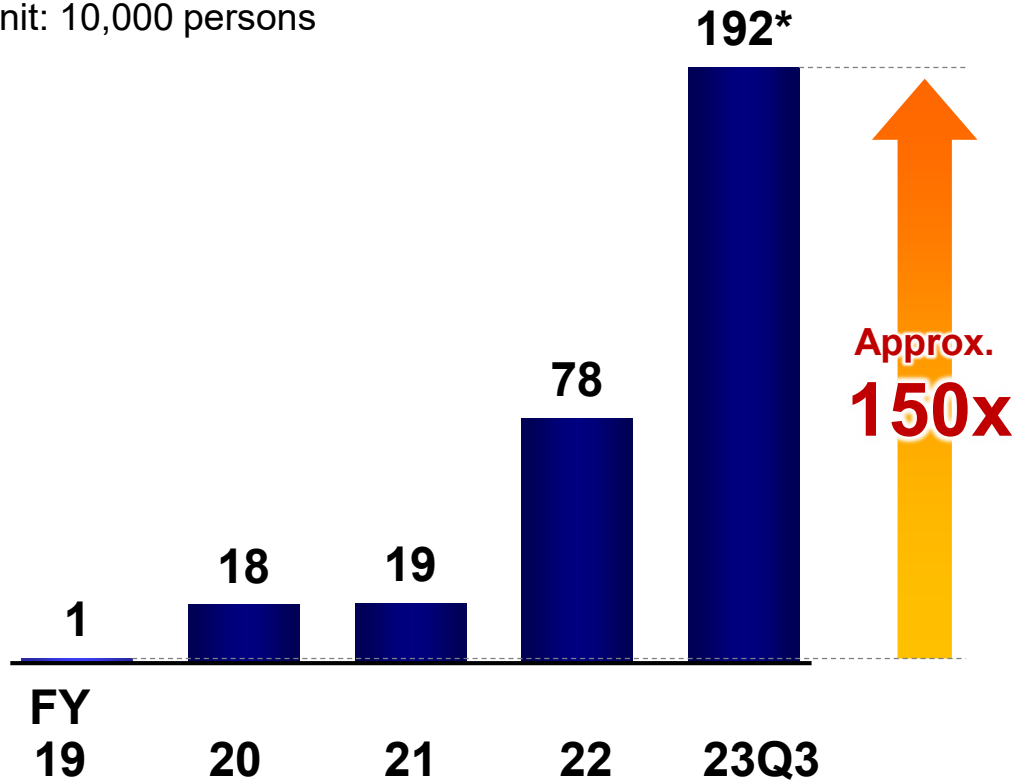


👉 Steady progress is also being made on the White Jack project, which realizes M3's mission from a more upstream perspective

Expand Coverage of Enterprise Services

Number of employees covered by corporate services

Unit: 10,000 persons



Covers approximately 1.9 million employees in FY23Q3, with the following services under development

- EBHS Life
- Cancer prevention, PSP
- Ask Doctors
- Booking & conducting medical check-ups
- Employee health data management

In addition to Happiness Partners, the introduction of EBHS Life is gradually expanding. Dispatch of industrial physicians and stress checks also supported

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

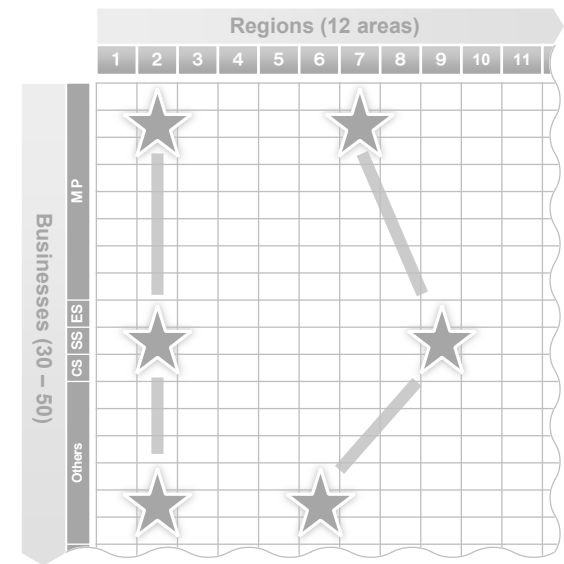
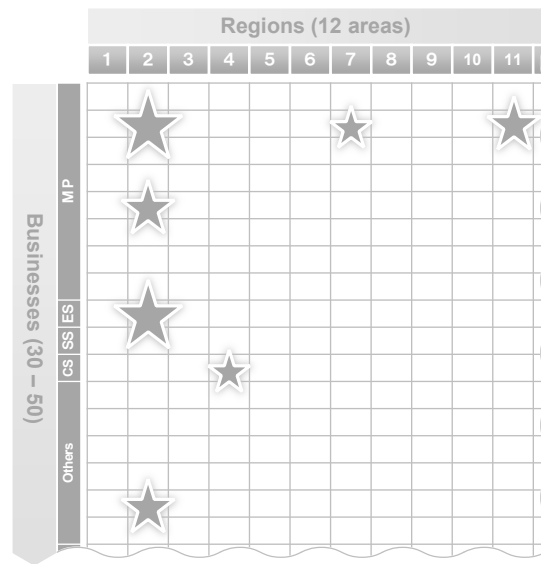
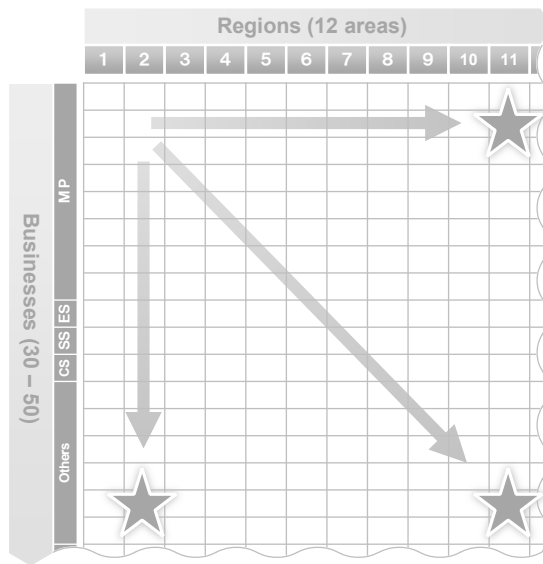
*About 800,000 additional people is added from FY2023 for dispatching industrial physicians and providing stress check services

Status of Tender Offer for Benefit One

| Date | Event | Details |
|--------------|---|---|
| Nov 14, 2023 | Tender Offer announcement | M3 announced the tender offer and capital/business alliance for Benefit One (TOB Period: Nov 15 ~ Dec 13, 2023) |
| Dec 7, 2023 | Announcement by Dai-ichi Life HD | Dai-ichi Life HD announced a planned commencement of Tender Offer for Benefit One (Planned commencement date: mid-Jan of 2024) |
| Dec 12, 2023 | 1st Extension | M3 announced a 20 business day extension of the tender offer period in response to a request from Benefit One to consider the proposal from Dai-ichi Life HD (TOB Period: Nov 15 ~ Jan 17, 2024) |
| Jan 11, 2024 | Announcement of status by Dai-ichi Life HD | Dai-ichi Life HD announced that it aims to commence the tender offer around the end of January, considering the status of discussions and negotiations with Benefit One and Pasona Group |
| Jan 16, 2024 | 2nd Extension | Benefit One again requested an extension of the tender offer period. M3, therefore, announced another extension of 20 business days (TOB Period: Nov 15 ~ Feb 15, 2024) |
| Jan 30, 2024 | Announcement of status by Dai-ichi Life HD | Dai-ichi Life HD again announced that it aims to commence the tender offer around the middle of February 2024, considering the status of discussions and negotiations with Benefit One and Pasona Group |

* As of 0:00am, January 31st, 2024

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)

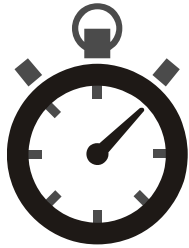
Initiatives by companies to solve social problems through their core business

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

M3's CSV Impact (1/2): Patients/End Users



Providing a Seamless Healthcare Experience

Number of medical consultations using Digikar Smart: 1MM
FY2022

29.3 million hours of patient waiting time reduced
FY2022, from a total of about 27 million receptions

Professional Advice Provision for Health Concerns

Offering physician answers on-line to daily health concerns; 300,000+ posted questions gathering over 67 million UU views annually
FY2022



Granting Wishes for Severely Ill Patients

37 wishes granted through the CaNoW program;
over 1.5 million PVs of videos and articles documenting the grants
As of April 2023, since service launch in 2019

Support for corporate health management and employee health promotion

Accelerate efforts in pre-symptomatic state and preventive medicine, with approximately 800,000 employees covered
FY2022



* CSV = Creating Shared Value

M3's CSV Impact (2/2): Medical Professionals

Information Provision for all HCPs

Over 12 million viewers in total for web conferences, etc.

FY2022



Medical Examination Support

Supporting medical examinations through management of information across 200 million electronic health records, domestically and abroad

As of FY2022

Productivity Improvement for Pharma Companies

Distribution of 120 million e-details = workload of 60,000+ MRs (more than total number of MRs in Japan)

FY2022



 **Actualizing M3's mission across various areas, to reduce unnecessary medical costs and to support healthier lives using digital technologies**

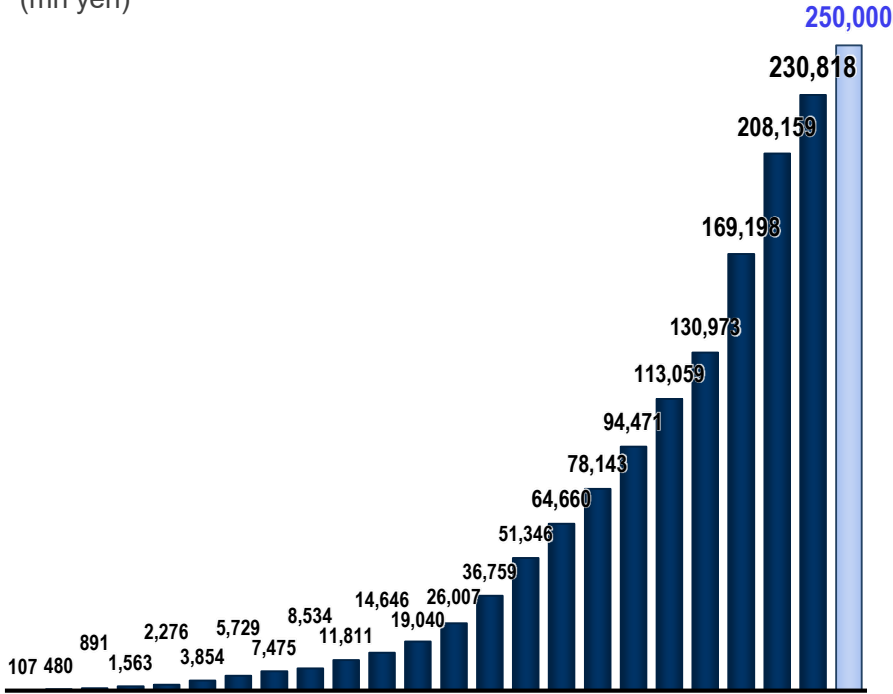
* CSV = Creating Shared Value

FY2023 Outlook

Annual Results

Sales

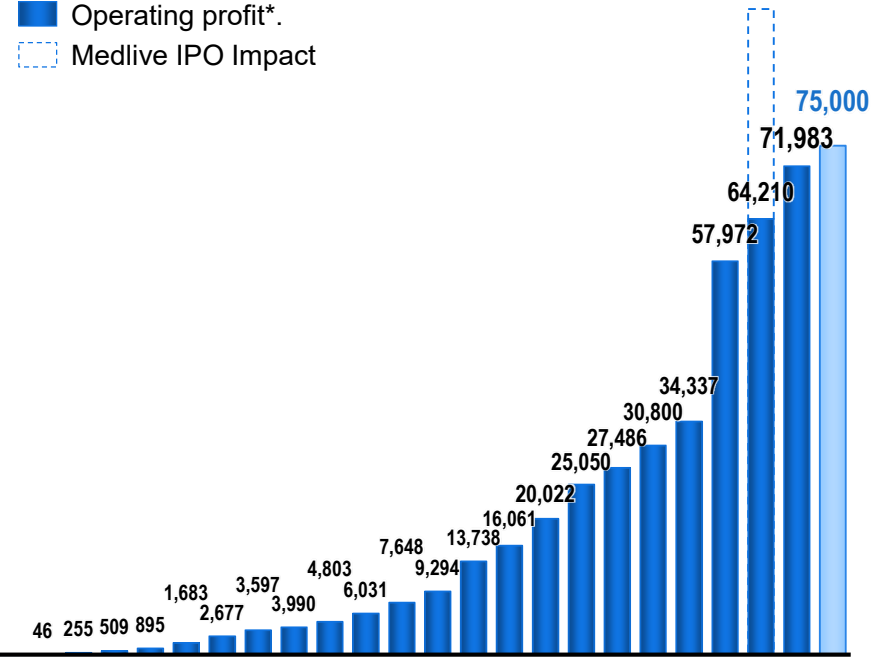
(mn yen)



FY 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23
(6m) E

Operating Profit

(mn yen)



-93
FY 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23
(6m) E

Aiming to achieve sustained medium- to long-term growth as before

*FY2021 excludes gains related to China IPO