

M3, Inc.

Presentation Material

February 2025



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.

FY2024 Q1-Q3 Consolidated Results

Unit: JPY MM

	FY2023 Q1 - Q3	FY2024 Q1 - Q3	YoY
Revenue	179,189	205,521	+15%
Operating profit	54,963	50,101	-9%
Profit before tax	57,325	52,513	-8%
Profit	38,914	35,535	-9%

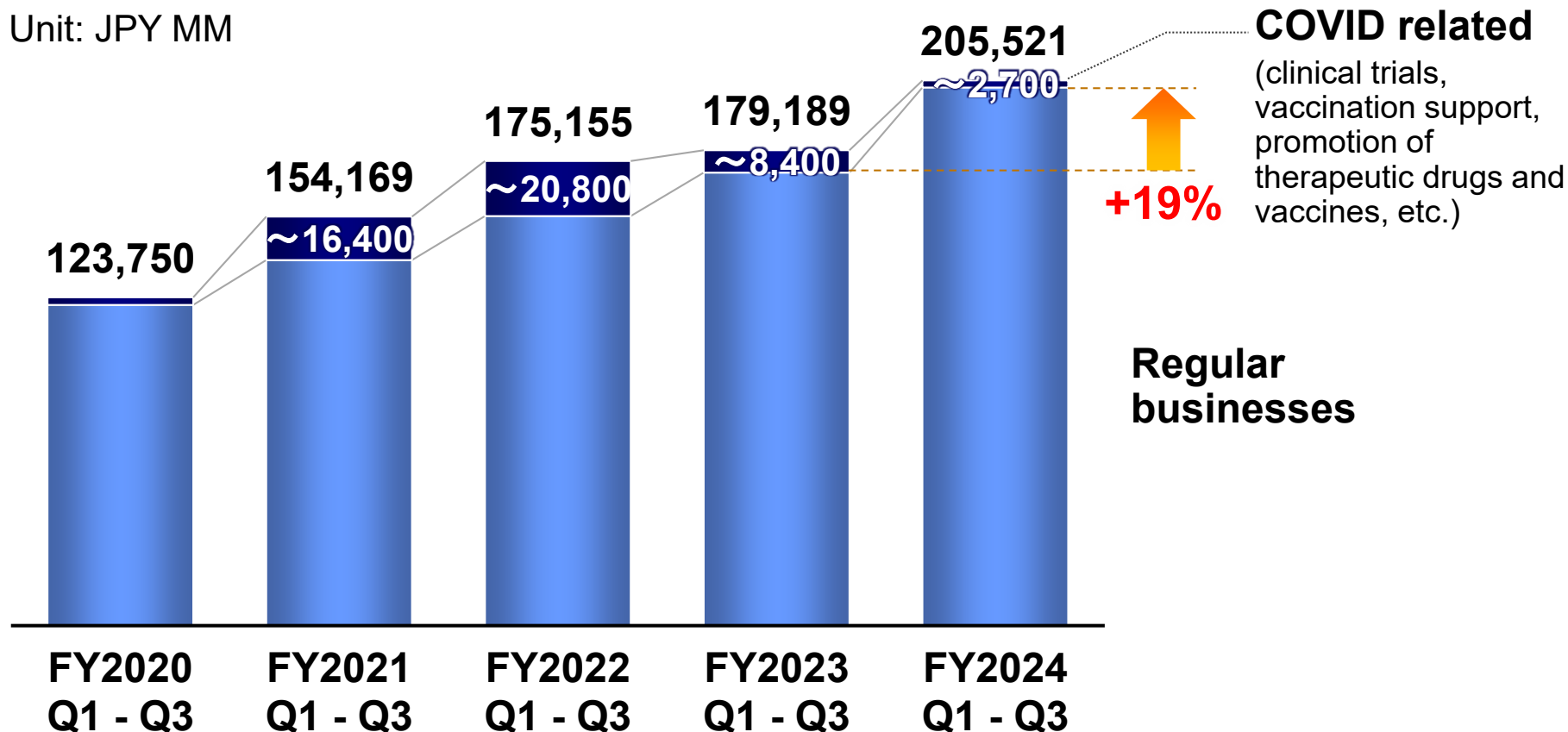
YoY growth excluding COVID related revenues, sales +19%

 Q3YTD results were in line with the expectation. Both revenue and operating profit increased YoY in the quarter of October to December. ELAN consolidation also started as planned.

* YoY growth for revenue and operating profit was +27% and +3% respectively in the quarter of October to December

Consolidated Revenue Trend and COVID Impact

Unit: JPY MM



 **At the end of Q3, a negative impact of approx. JPY 6bn was materialized mainly in the Medical Platform and Evidence Solution segments**

* FY23 Actuals: Q1 ~3.0 Bn, Q2 ~2.7 Bn, Q3 ~2.7 Bn, Q4 ~2.0 Bn

FY24 Actuals: Q1 ~1.1 Bn, Q2 ~0.9 Bn, Q3 ~0.8 Bn

FY2024 Q1-Q3 Consolidated Results by Segment

Unit: JPY MM

			FY2023 Q1-Q3	FY2024 Q1-Q3	YoY
Domestic	Medical Platform	Revenue	71,480	68,397	-4%
		Profit	30,369	25,977	-14%
	Evidence Solution	Revenue	20,321	18,119	-11%
		Profit	5,121	3,150	-38%
	Career Solution	Revenue	12,530	16,058	+28%
		Profit	3,887	4,777	+23%
	Site Solution	Revenue	23,368	34,562	+48%
		Profit	2,618	4,576	+75%
	Patient Solution	Revenue	-	8,462	-
		Profit	-	145	-
	Emerging Businesses	Revenue	1,934	1,836	-5%
		Profit	533	716	+34%
Overseas	Revenue	52,123	60,942	+17%	
	Profit	12,894	12,593	-2%	

- Pharma marketing: The impact of a decline in COVID-related sales drove revenue decline, but the fundamental DX is still progressing
- Other businesses such as DX of the clinical scene showed steady growth

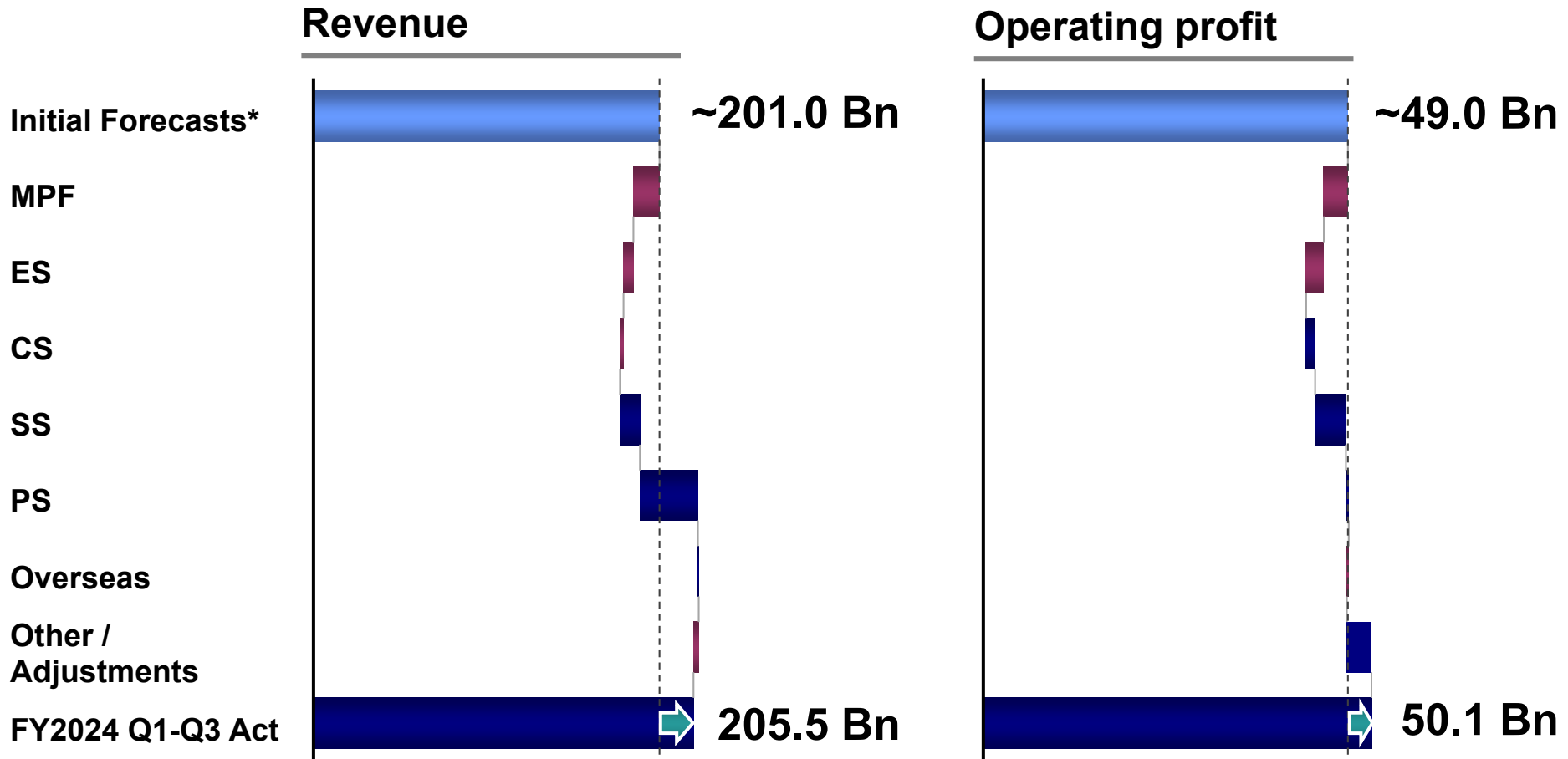
- Order backlog: JPY 35.5 Bn
- Contract renewals drove the backlog increase. With the reform of the sales function, the order backlog for the next fiscal year has been steadily accumulating

- Business for physicians and pharmacists both performed well

- New segment through the acquisition of ELAN
- Profit was more than JPY 100MM even with the acquisition cost

- Both revenue and profit increased YoY in the quarter of Oct to Dec due to improved US clinical trial business
- Making proactive investments to drive growth

FY2024 Q1-Q3 Forecasts vs. Actuals

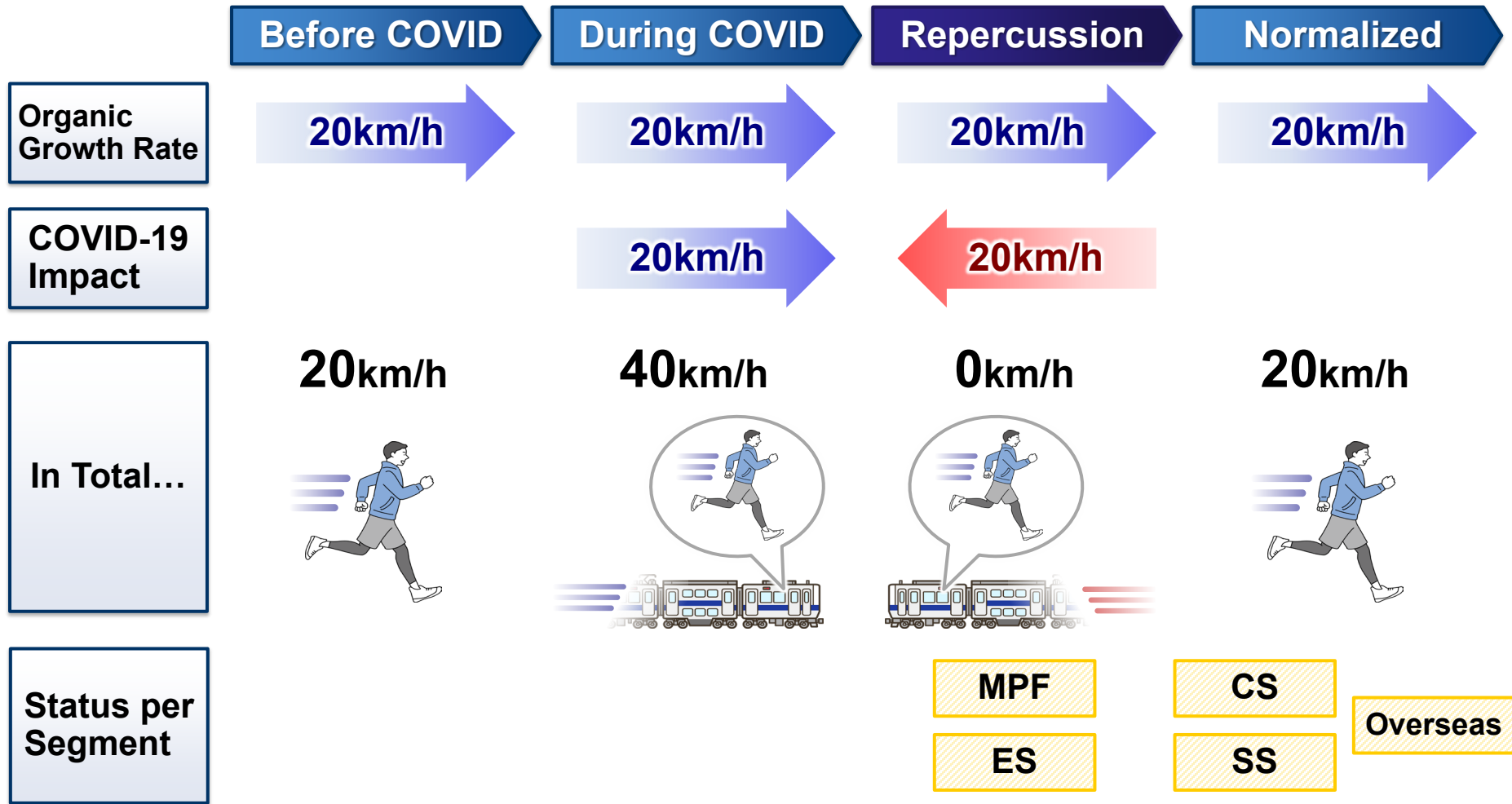


👉 While MPF and ES slightly fell short, solid performance in SS and newly established PS contributed to the overall revenue and operating profit being in line with the initial forecasts

* The numbers of the initial forecasts for revenue and operating profit on the graphs are the median of the range of FY2024 financial forecasts disclosed on April 2024

Note: MPF: Medical Platform, ES: Evidence Solution, CS: Career Solution, SS: Site Solution, PS: Patient Solution

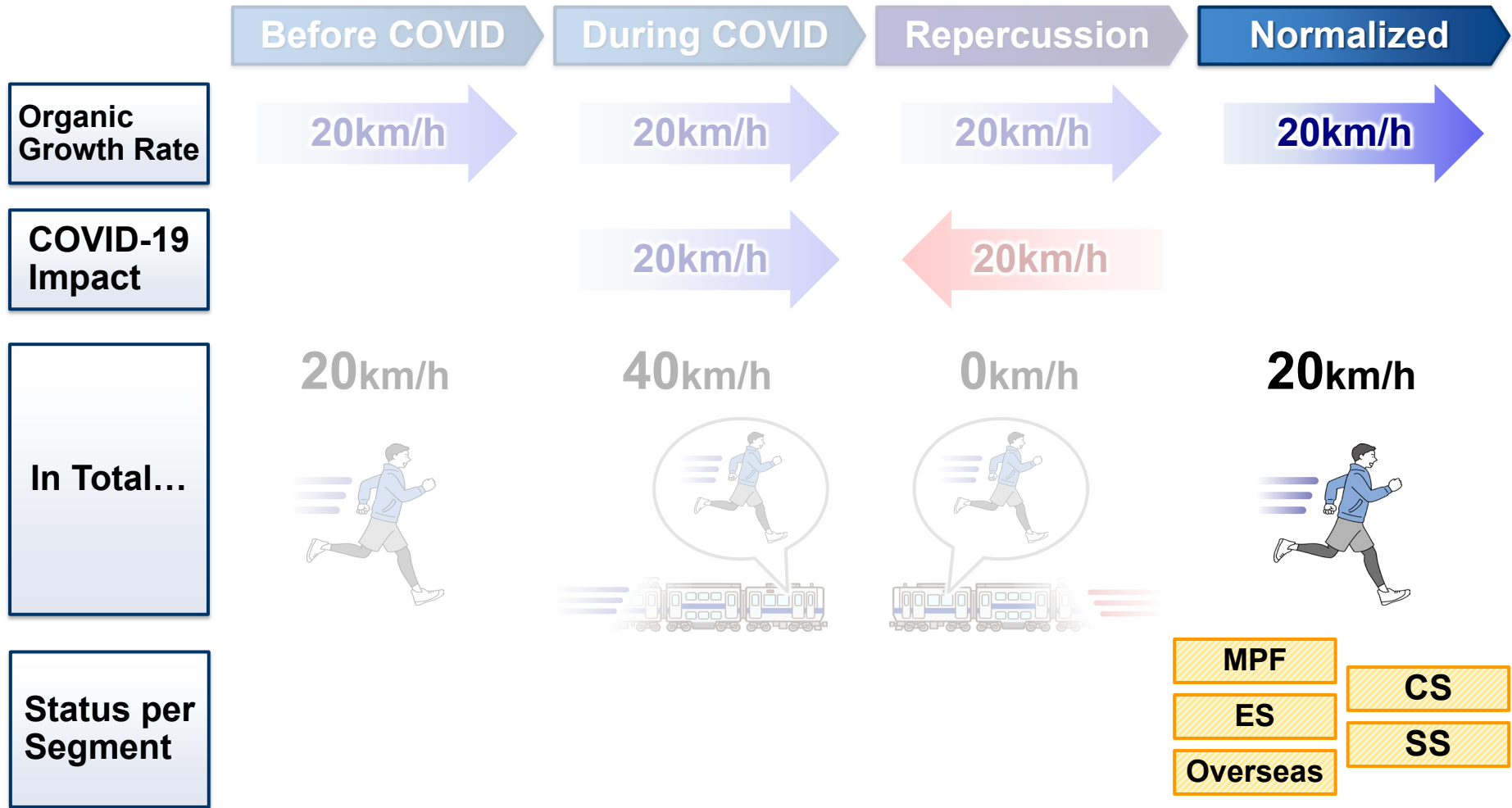
Growth Rate and COVID Relationship in FY2024



👉 Currently, each segment and business is in a different phase, and the outlook for growth rate also varies

* MPF: Medical Platform, ES: Evidence Solution, CS: Career Solution, SS: Site Solution

Growth Rate and COVID Relationship in FY2025

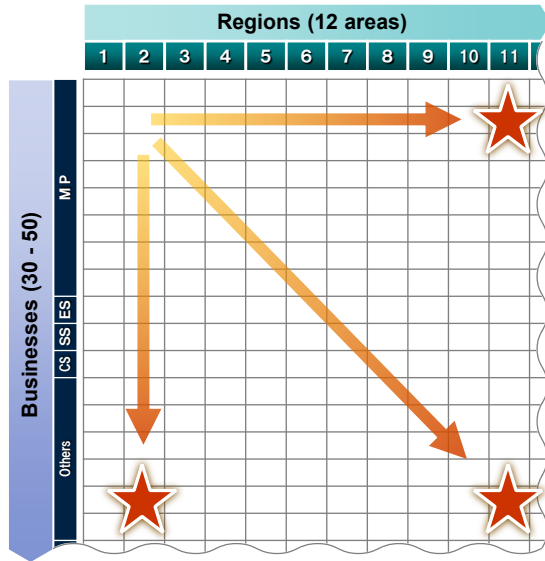


👉 The negative impact of COVID is to finish in FY2024. The business is expected to normalize after FY2025 and reflect the actual growth

* MPF: Medical Platform, ES: Evidence Solution, CS: Career Solution, SS: Site Solution

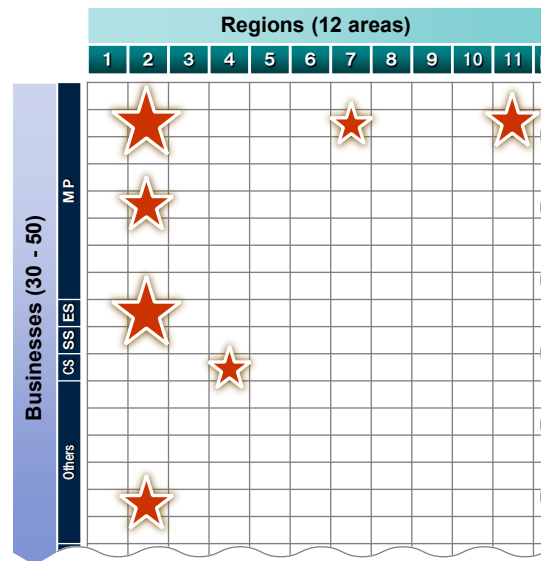
M3's Triple Growth Engine + CSV

1. Ecosystem Expansion (Sagrada Familia)



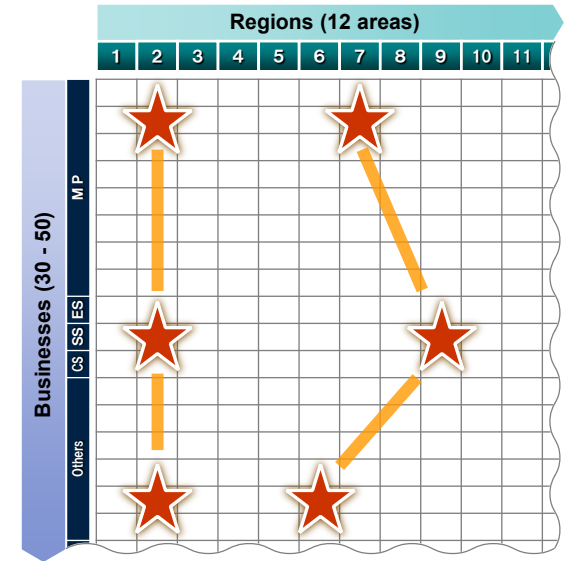
- Continuous new business entries

2. Individual Business Development



- Pharma marketing / Clinical Scene DX

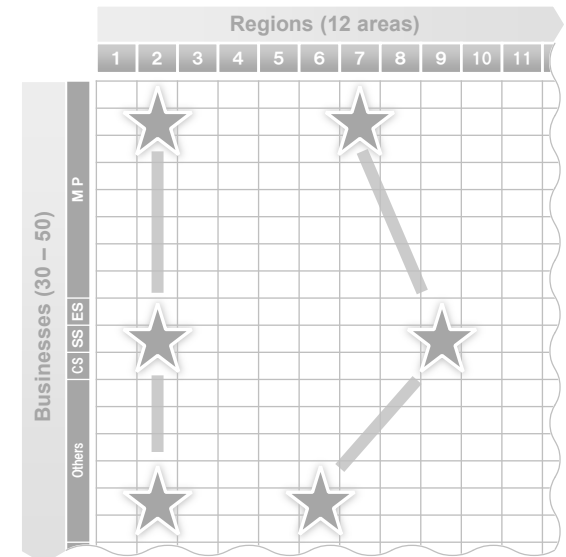
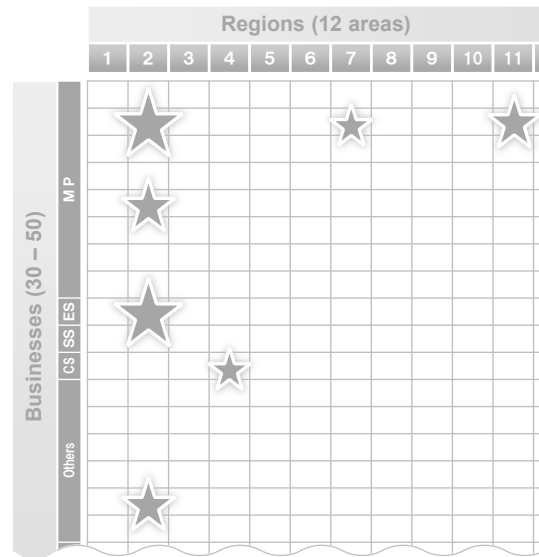
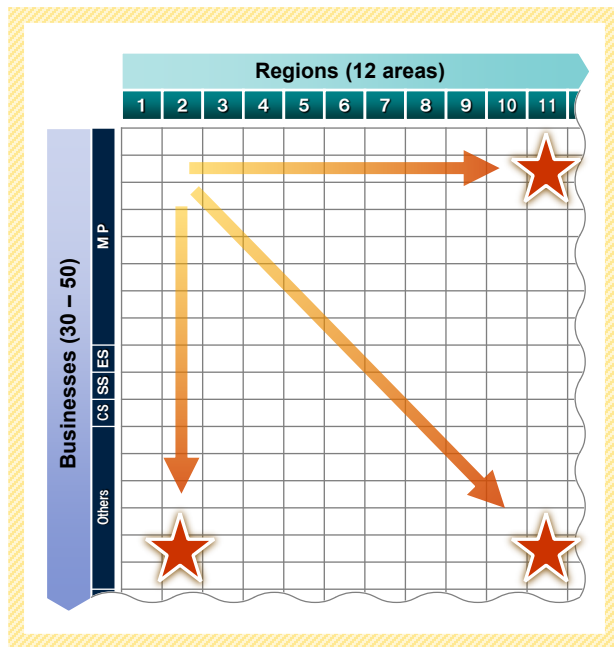
3. Ecosystem Synergy Creation



- Cross-cell synergy maximization

4. Social Impact Creation → CSV

Growth Engine 1: Ecosystem Expansion (Sagrada Familia)



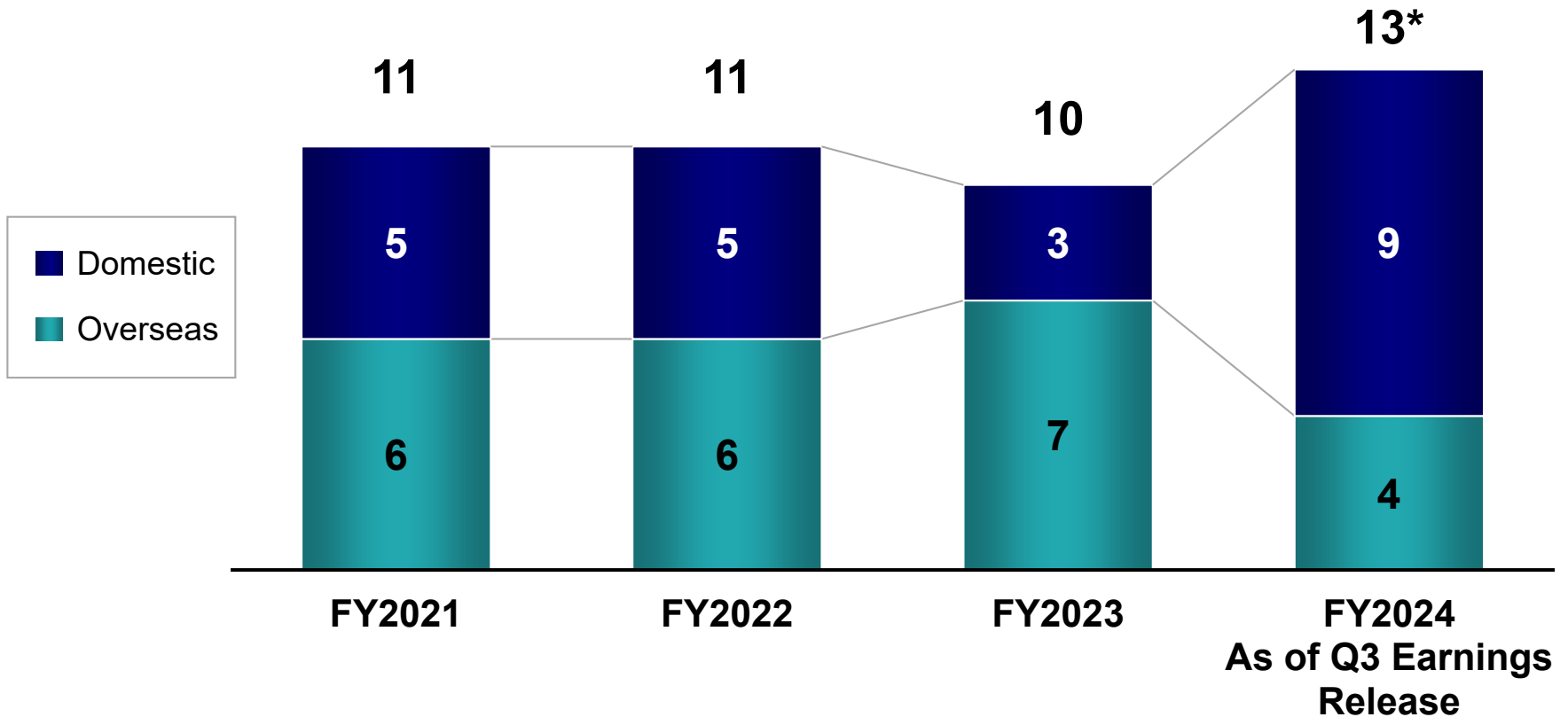
4. Social Impact Creation → CSV

Business Scope Expansion and Growth Potential

FY	: 2010	2015	2020	2023
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) →	73 (7.0x)
Sales (bn)	: 14.6 →	64.7 (4.5x) →	169.2 (12.0x) →	238.9 (16.5x)

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

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



M&A is completed with approximately 10 companies annually. For FY2024, in addition to *Infrastructure for On Call Cooperation*, Medicare, and MinaCare, the tender offer for ELAN was carried out. We will continue to pursue M&A opportunities actively

* 2 out of 9 domestic deals, and 2 out of 4 overseas deals were conducted by CUC

Impact of ELAN Acquisition

■ Consolidation started from Q3

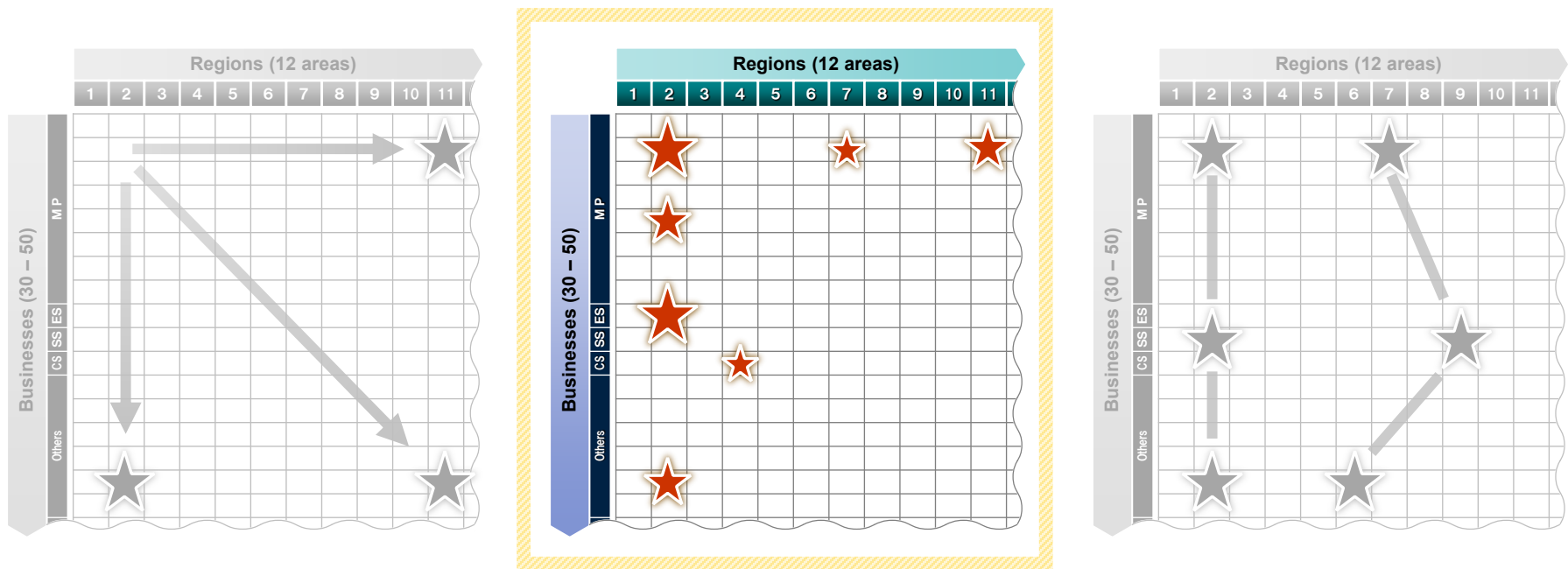
- Newly established the Patient Solution segment
- Contribution in operating profit was more than JPY 100MM even with the acquisition cost

■ Progress of Synergy Creation

- [Short Term] Started initiatives such as sales collaboration
- [Mid-to-long Term] Initiated consideration to explore a broader range of synergy creation opportunities

 **A good start overall. Accelerate efforts to accumulate quick wins from now on**

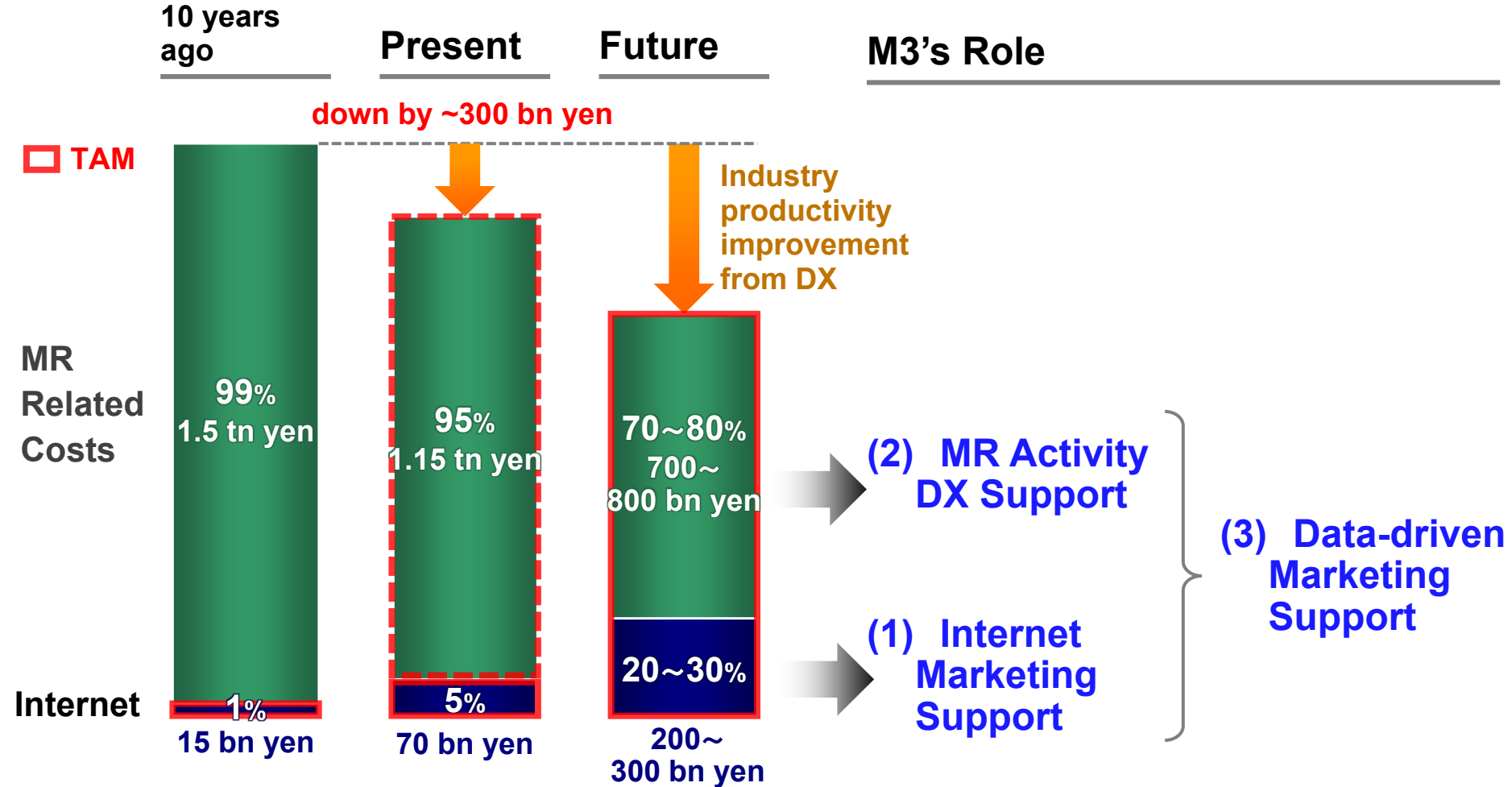
Growth Engine 2: Individual Business Development



4. Social Impact Creation → CSV

Pharmaceutical Sales & Marketing DX

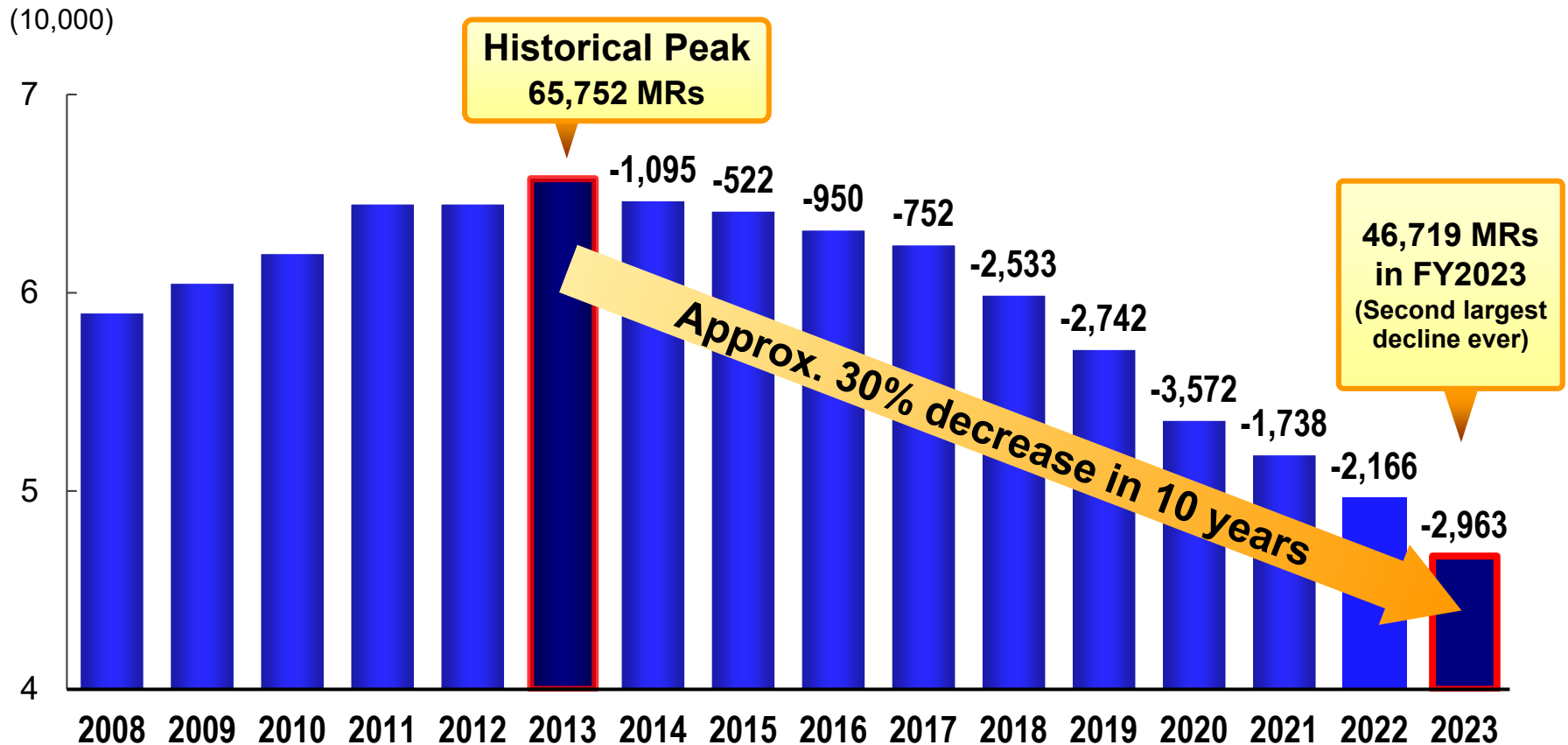
Pharma Marketing Cost and TAM for M3



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

Ref: M3 survey and estimate; numbers are approximate

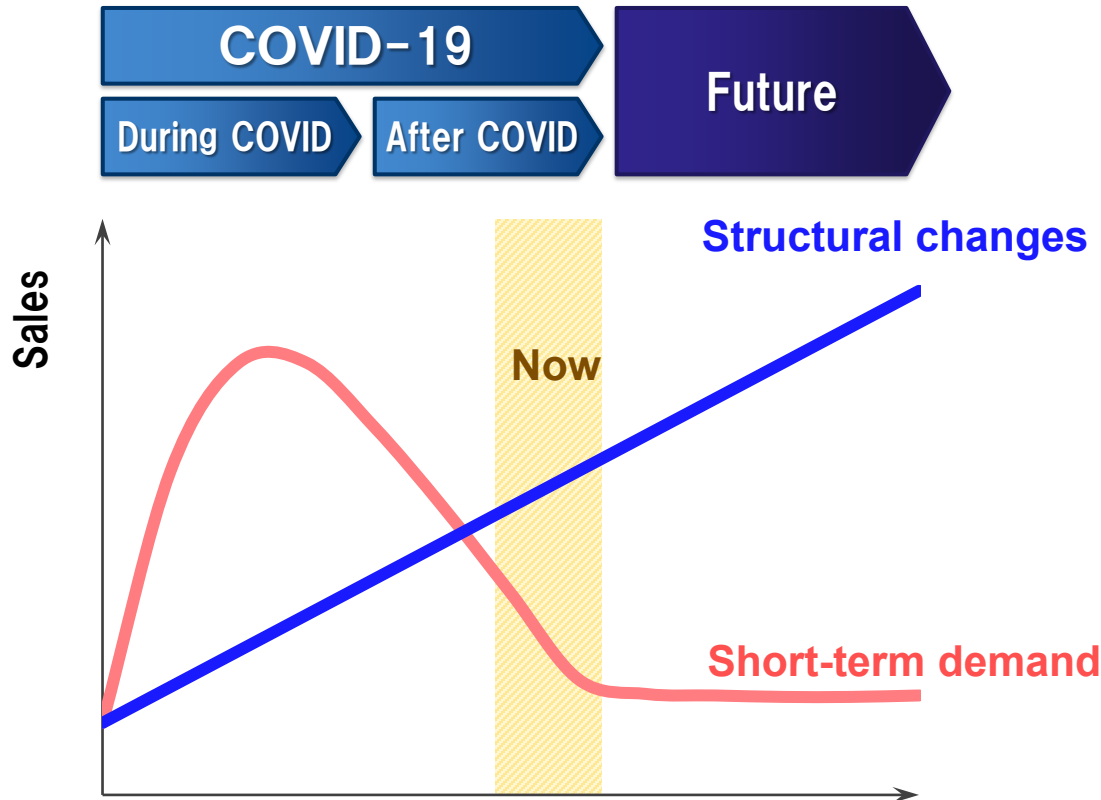
Trend of Domestic Pharmaceutical Sales Reps (MRs)



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

Current Status of Pharmaceutical Marketing

Demand and Its Trend



Positive Factors

- Advancement of structural digital transformation (DX)
- Further penetration of data-driven marketing
- Projects on a larger scale

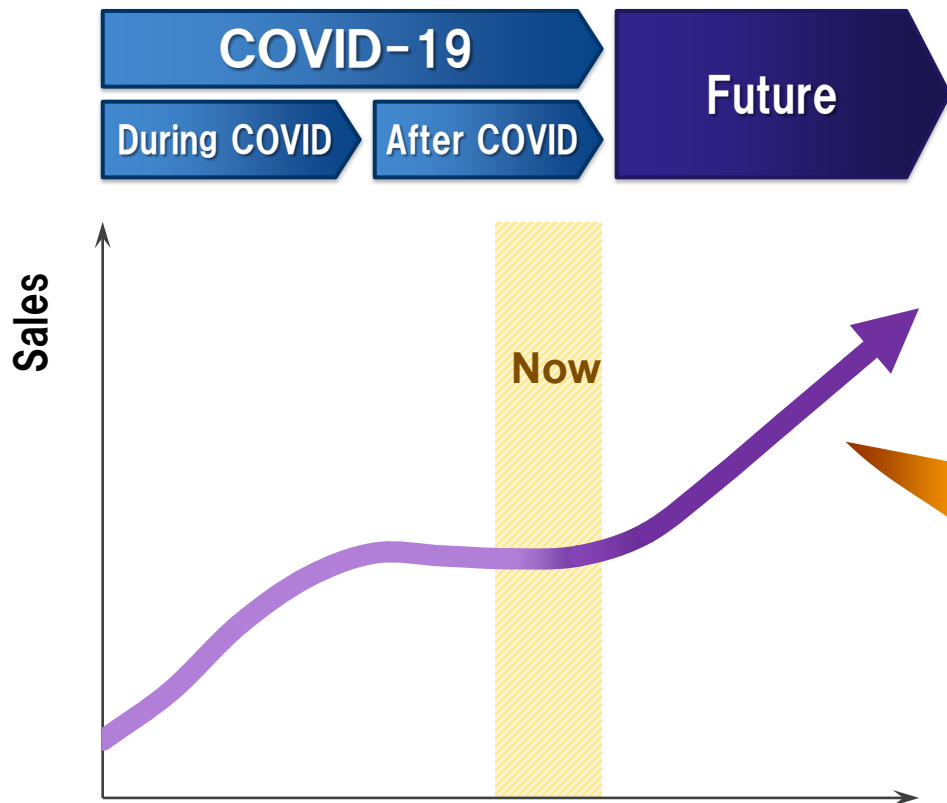
Negative Factors

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

 The impact of the decline of COVID-19 revenue (for vaccines and treatment drugs) expanded from the initial forecast with the possibility to have a negative impact of approx. JPY 6bn for the full year

As a Strategic Partner to Pharma Companies

Overall Trend



Efforts for Renewed Growth

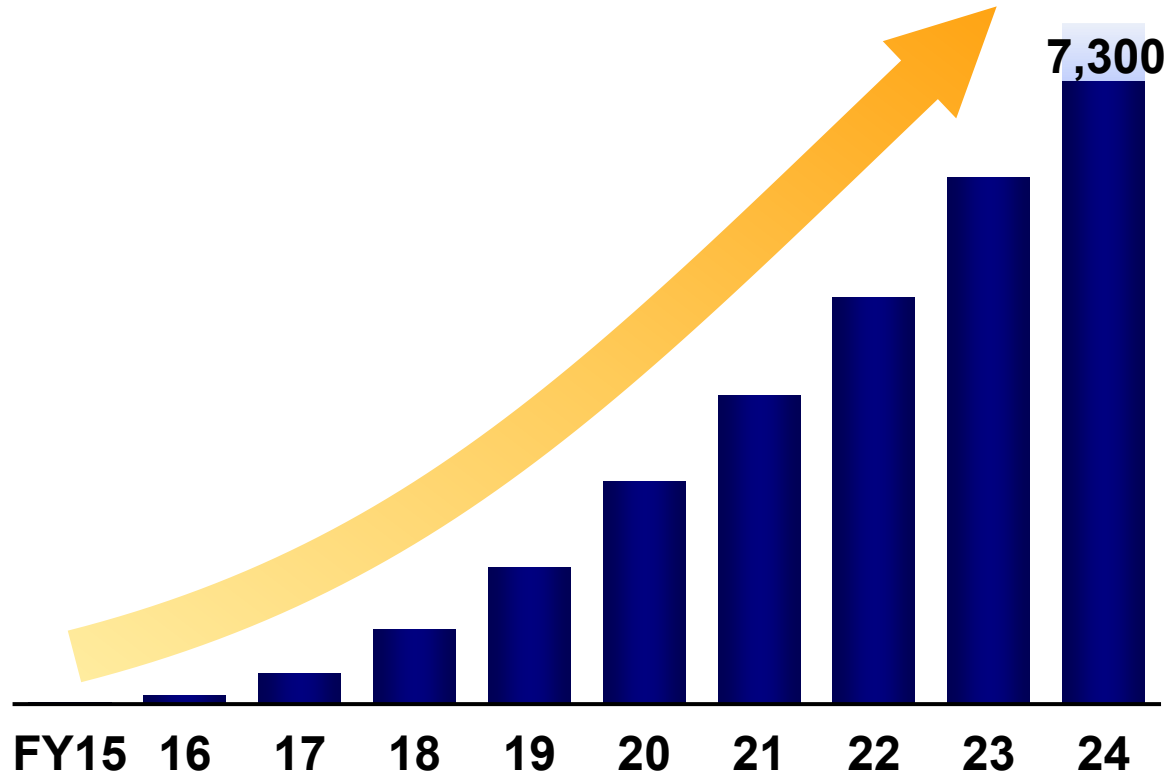
- Rejuvenate and strengthen leadership
- Our Products
 - Continual development of services that dramatically improve the productivity of pharmaceutical company sales and marketing (currently at level 50%)
- Our Professional Staff
 - Continuously expanding the team by several tens of people each year (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

M3 DigiKar EHR Growth

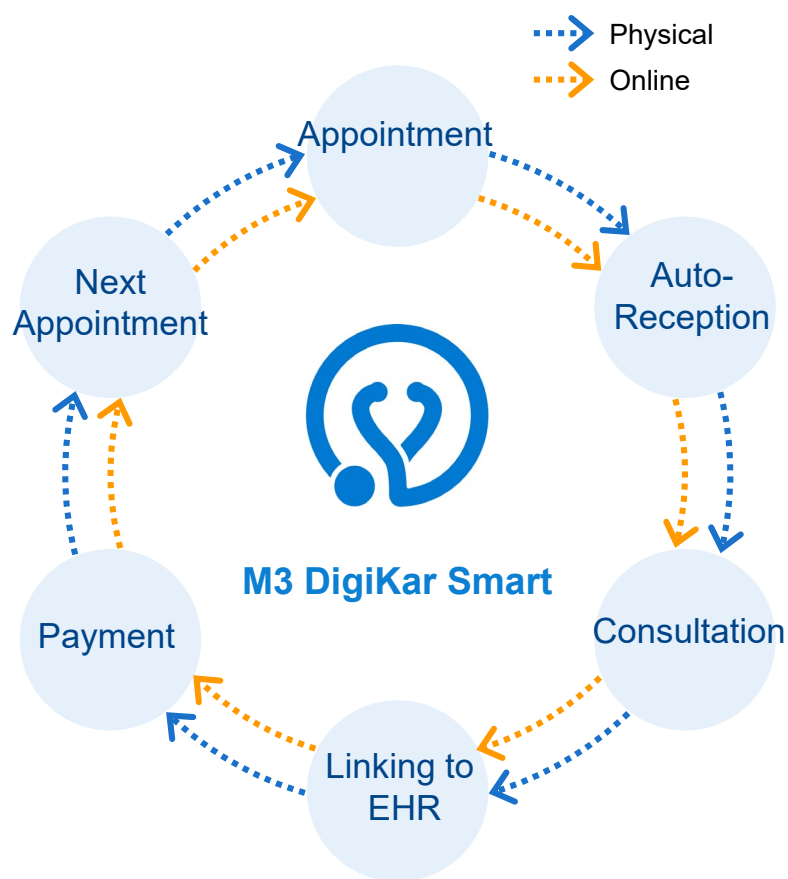
Number of Medical Institutions Using M3 DigiKar



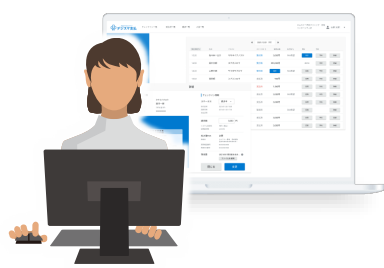
- Cumulative number of installations is approx. 7,300. Steady progress
- Co-selling with DigiKarSmart further increases the added value of DigiKar

👉 Incontestable #1 market share within cloud-based digital health records, approx. 310 million charts

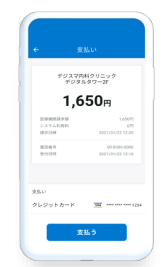
DX of Clinics: DigiKar Smart



Medical Institutions: Managing System



Patients: Mobile App





M3 デジタルスマート診察券
DigiKar, Inc

開く

4.4 万件の評価 年齢 ランキング デベロ

4.6 12+ #2 DigiKar,

★★★★★ 歳 メディカル

評価とレビュー >

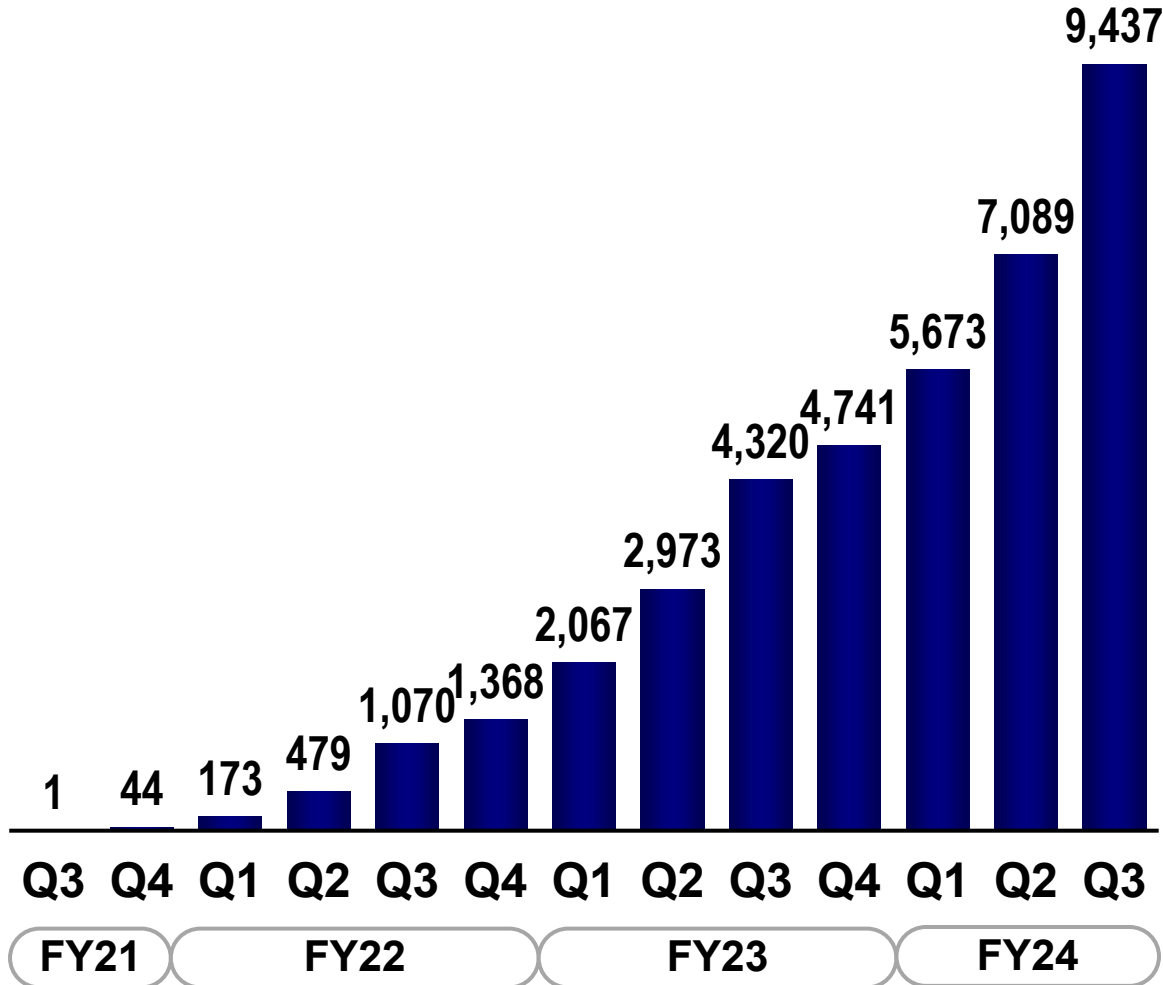
4.6 ★★★★★ 4.4 万件の評価

👉 44,000 reviews with a rating of 4.6 from users, a new patient experience created, and a high rating in the category

* Taken from the following URL, as of January 16, 2025
<https://apps.apple.com/jp/app/m3%E3%83%87%E3%82%B8%E3%82%AB%E3%83%AB%E3%82%B9%E3%83%9E%E3%83%BC%E3%83%88%E8%A8%BA%E5%AF%9F%E5%88%B8/id1563102530>

No. of DigiKar Smart Users

Unit: Index with FY2021Q3 as 1



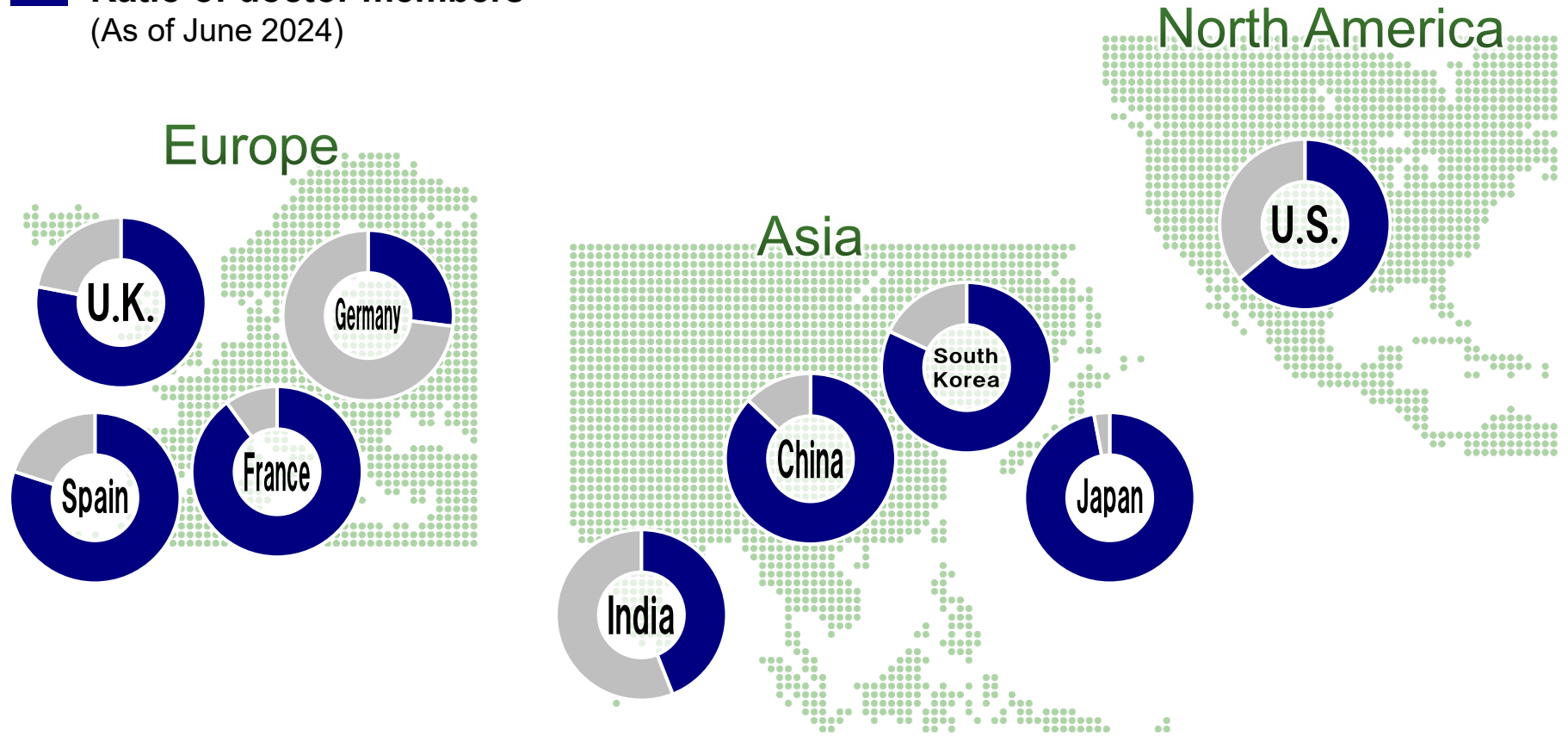
- Rapid market penetration of DigiKar Smart as the clinics' infrastructure
of Users: 2.2x YoY
Txn Amount: 3.2x YoY
- Video call has been added and is expanding as an infrastructure for telemedicine

* Quarterly sum of monthly UUs

Overseas

Number of Doctor Members and Panelists (Global)

■ Ratio of doctor members
(As of June 2024)

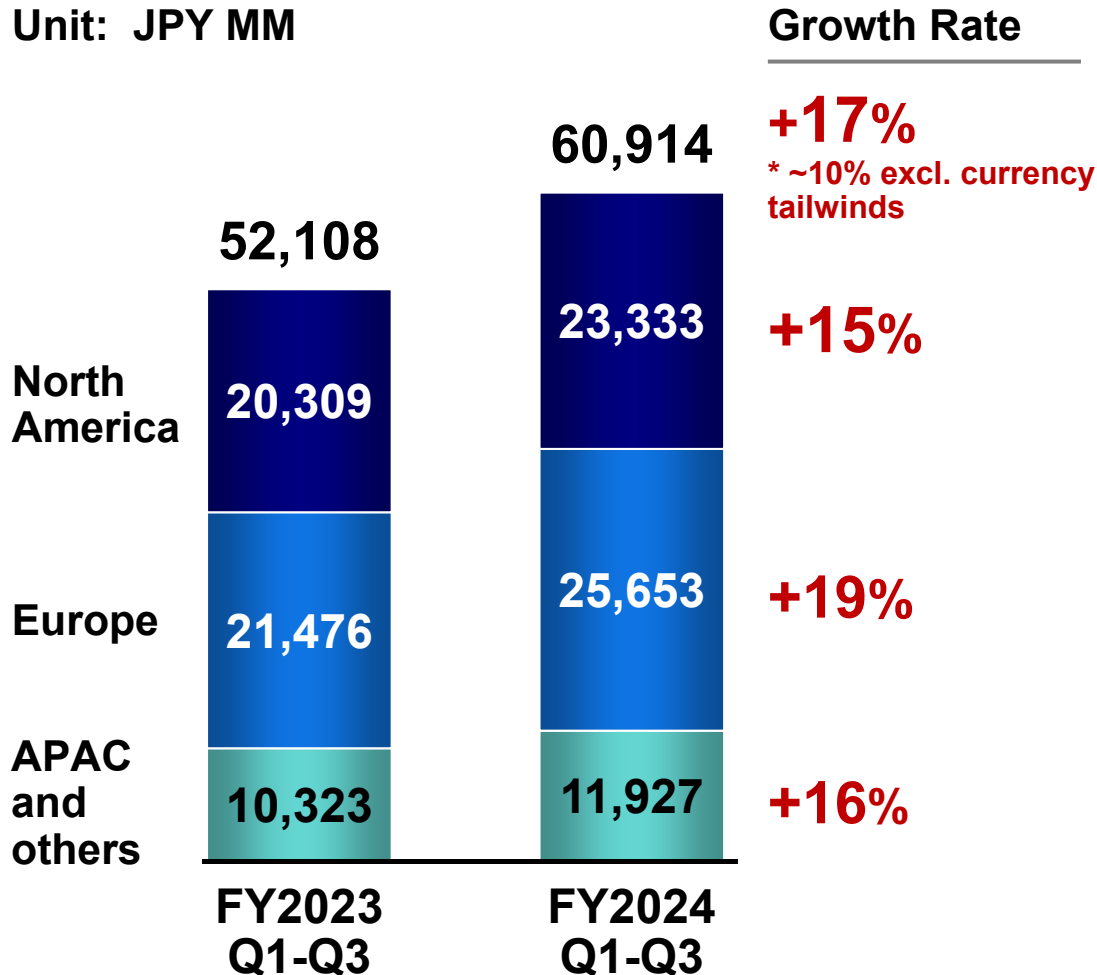


👉 Including regions not mentioned above, more than 6.5 million doctor members and panelists, covering over 50% of doctors worldwide

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

Overseas Segment: Sales by Region

Unit: JPY MM



North America

- Continued strong performance
- Clinical trial business: Strengthening management base and muscularization in progress for recovery in growth. Confirmed improvement in Q3 as expected, while monitoring the trends in Q4

Europe

- Steady progress in France and the UK

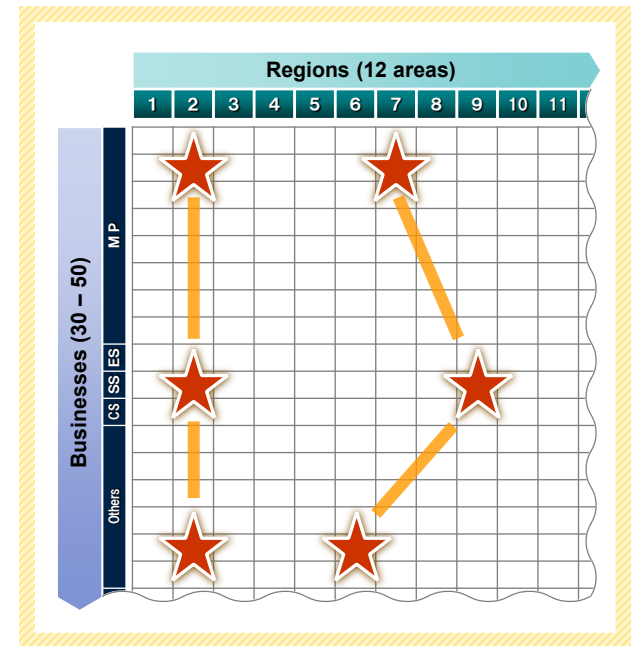
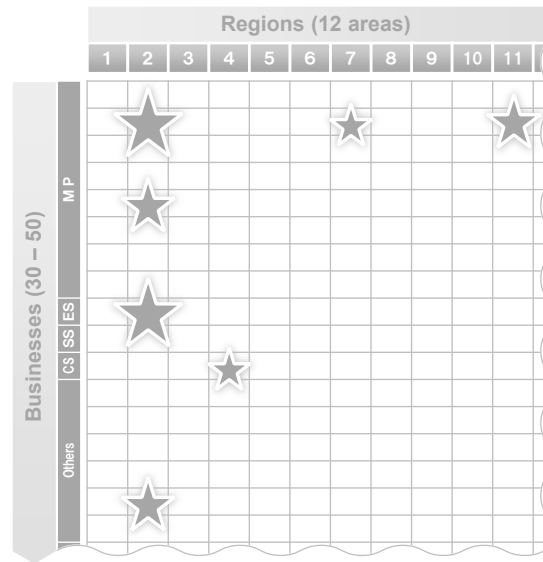
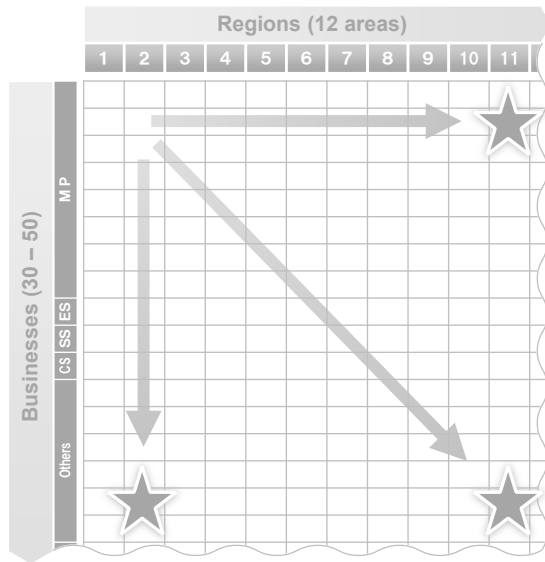
APAC

- Continued solid momentum, along with DBMCI contributions



Overall performance remains solid. Accelerating new initiatives for the future such as M&A and structural reforms

Growth Engine 3: Ecosystem Synergy Creation

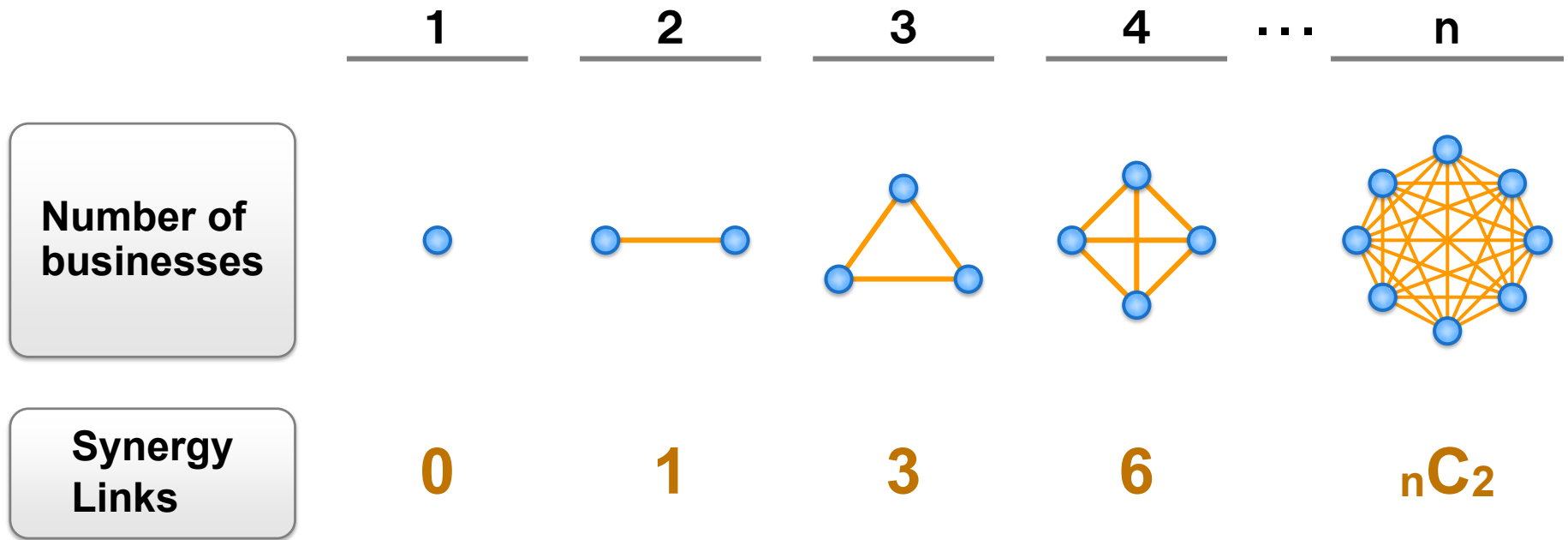


4. Social Impact Creation → CSV

Business Scope Expansion and Growth Potential

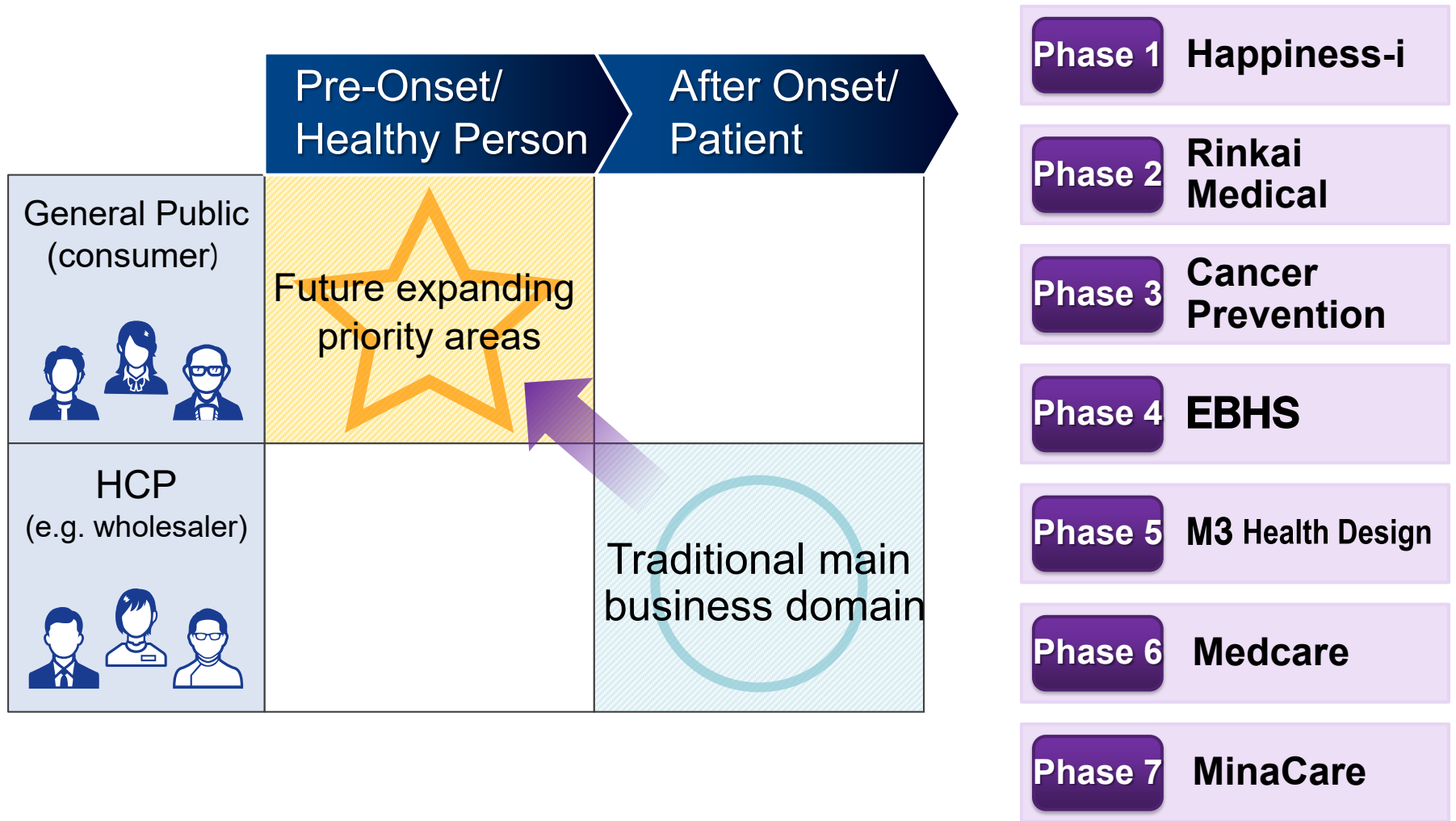
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Cross-Business Synergy Creation Potential



 Synergy potential between businesses: $73C_2 = 2,628$ possible linkages

“The White Jack Project”

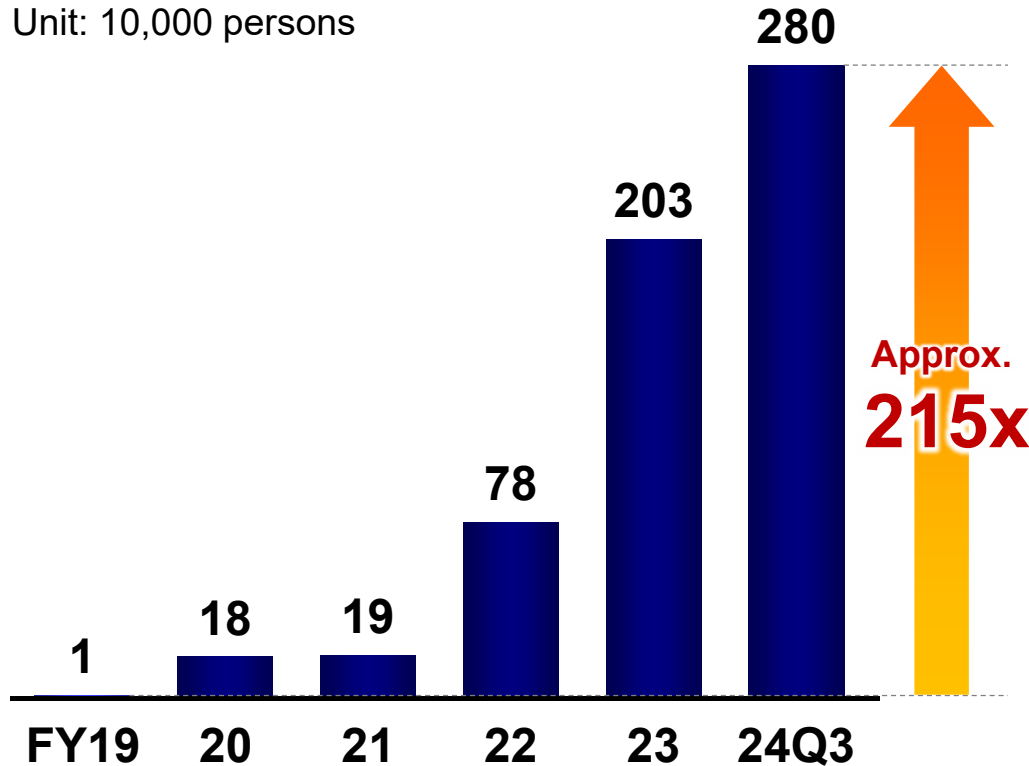


 Steady progress is also being made on the White Jack project, which realizes M3's mission from a more upstream perspective

Expand Coverage of Enterprise Services

Number of Employees Covered by Enterprise Services

Unit: 10,000 persons



Covers approximately 2.8 million employees in FY24Q3, with the following services

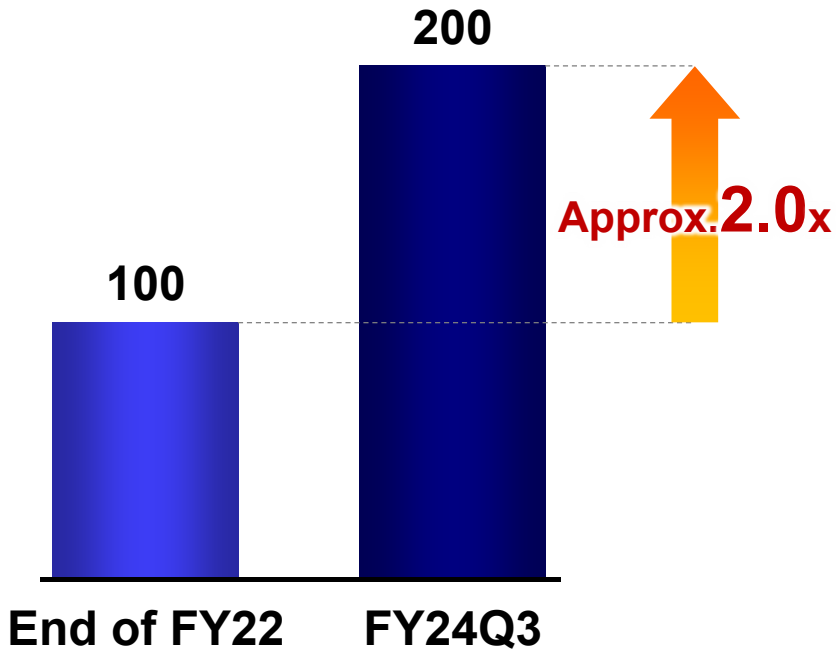
- EBHS Life
- Cancer prevention, PSP
- Ask Doctors
- Booking & conducting medical check-ups
- Employee health data management
- Dispatch of industrial physicians and stress checks
- Services for health insurance associations

 Steadily expanding the business base to create ecosystem synergies as well... With the consolidation of Medicare and MinaCare, coverage has spread to health insurance associations, achieving 2.8 million employee coverage

KPI Trend of Main Services

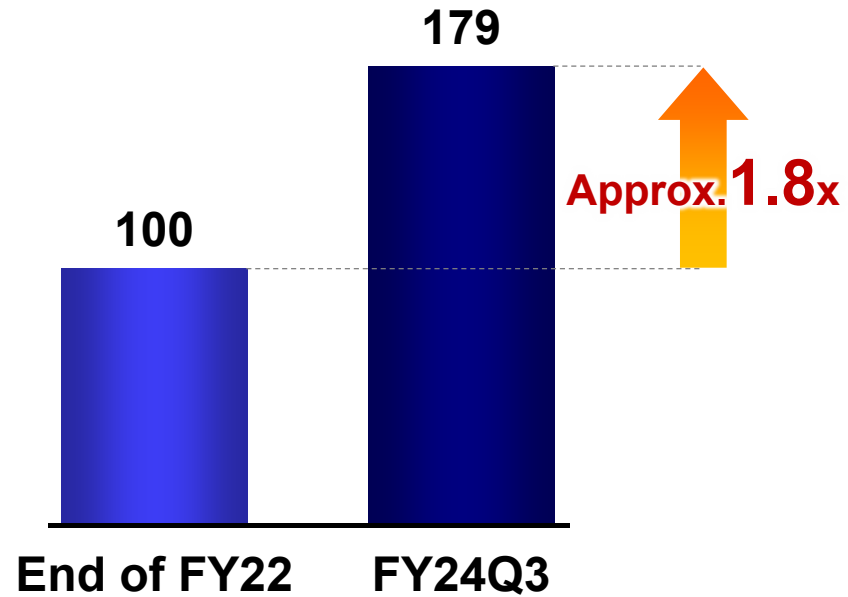
of Accounts for Employee Health Data Management Service⁽¹⁾

Unit: Index with the end of FY22 as 100



of Client Worksites for the Occupational Physician Dispatch Service⁽²⁾

Unit: Index with the end of FY22 as 100

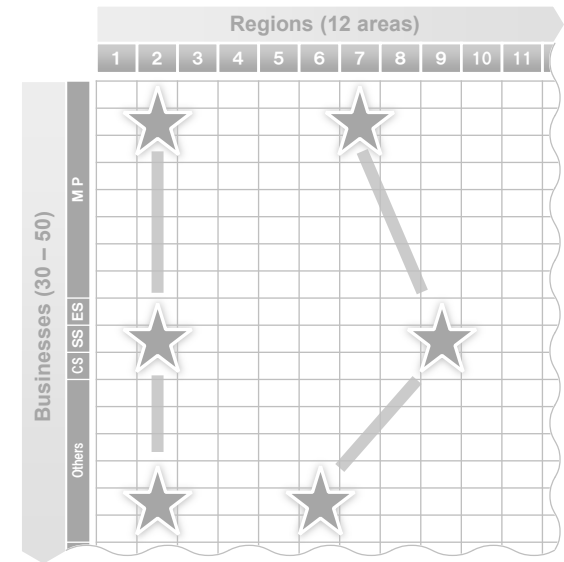
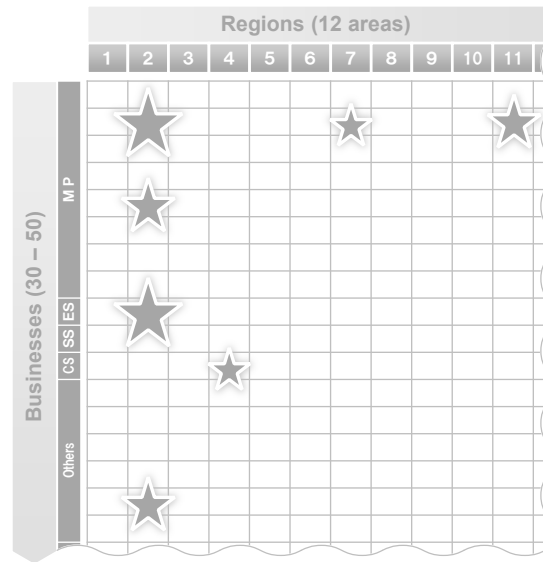
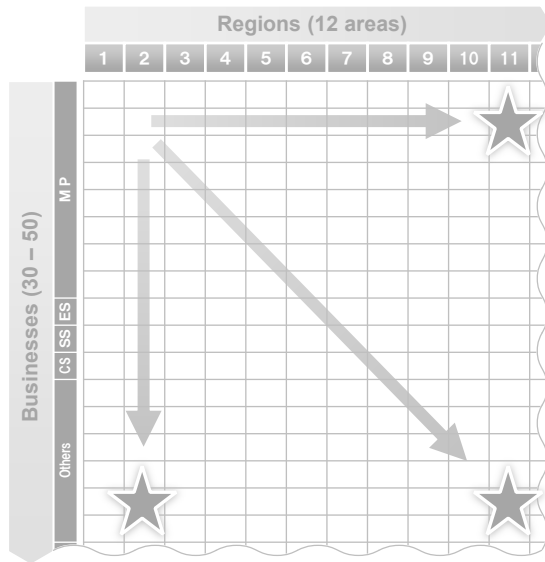


The development of individual services in “The White Jack Project” is progressing smoothly

(1) “Happiness Partners” provided by M3 Health Design

(2) Provided by M3 Career

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

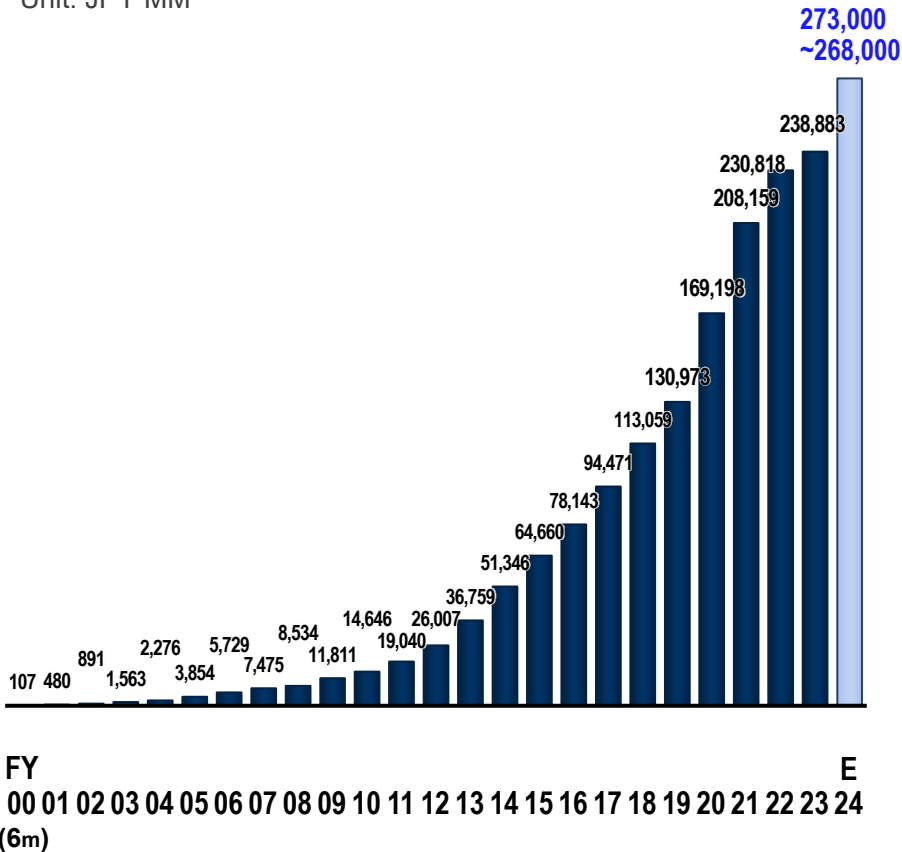
Under M3's mission of "Making use of the Internet to increase, as much as possible, the number of people who can live longer and healthier lives, and to reduce, as much as possible, the amount of unnecessary medical costs," we are also committed to SDGs through its CSV activities

FY2024 Outlook

Annual Results and Forecasts

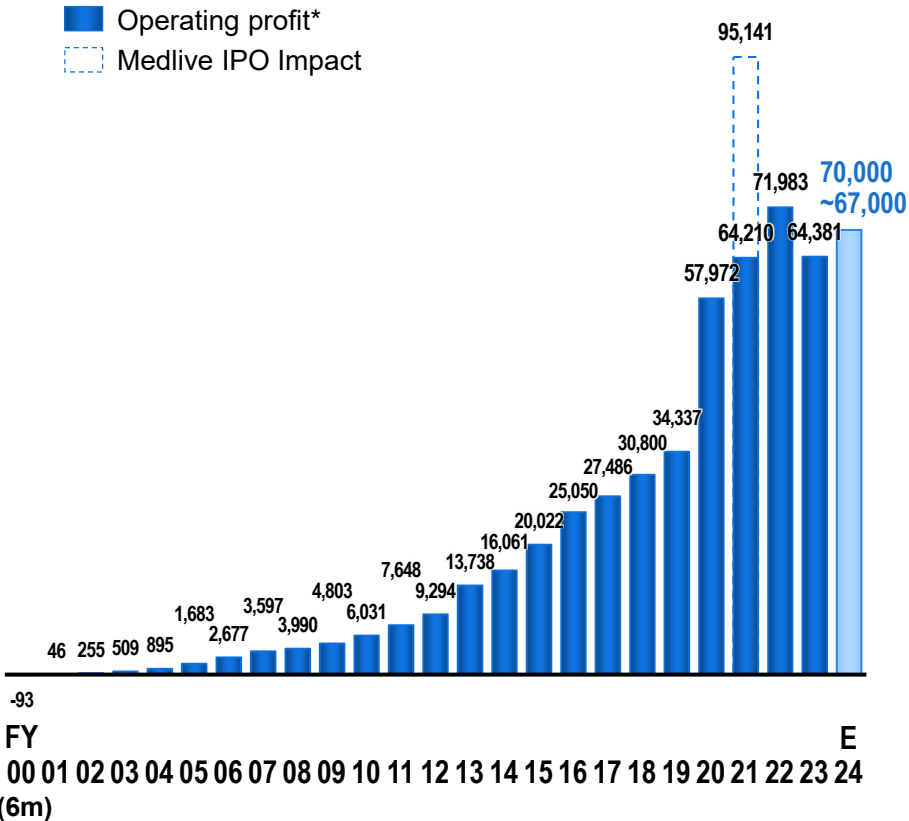
Revenue

Unit: JPY MM



Operating Profit

Unit: JPY MM



In line with tradition, aim to expand our business foundation and achieve growth from a medium to long-term perspective

*FY2021 excludes gains related to Medlive IPO

