



Consolidated Financial Results
for the Nine Months Ended December 31, 2022 [IFRS]
(Abridged)



February 3, 2023

Listed Company: M3, Inc. Listed Stock Exchange: Tokyo
 Securities Code: 2413 URL: <https://corporate.m3.com/en/>
 Representative: (Title) CEO (Name) Itaru Tanimura
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 Submission of quarterly report: February 10, 2023 Dividend payment commencement date: —
 Preparation of explanatory materials for quarterly financial result: Yes
 Assembly for briefing of quarterly financial results: Yes (for analysts and institutional investors)

(amounts rounded to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022

(From April 1, 2022 to December 31, 2022)

(1) Consolidated Operating Results (Cumulative)

(% figures show year-on-year change)

	Net sales		Operating profit		Pre-tax profit		Net profit	
	Million Yen	%	Million yen	%	Million Yen	%	Million Yen	%
Nine months ended Dec 31, 2022	175,155	13.6	58,734	-30.6	60,249	-29.3	41,844	-28.5
Nine months ended Dec 31, 2021	154,169	24.6	84,627	99.3	85,177	100.5	58,535	98.4

	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 Dec 31, 2022	39,279	-30.1	50,272	-15.8	57.86	57.82
Nine months ended Dec 31, 2021	56,169	110.3	59,737	103.8	82.75	82.68

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of the parent
	Million Yen	Million Yen	Million Yen	%	Yen
As of Dec 31, 2022	380,726	297,359	290,744	76.4	426.79
As of March 31, 2022	345,981	263,954	257,840	74.5	378.75

2. Dividends

	Annual Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2022	—	0.00	—	16.00	16.00
Fiscal year ending March 31, 2023	—	0.00	—	—	—
Fiscal year ending March 31, 2023 (Forecast)	—	—	—	—	—

(Note) 1 Amendments to forecasts of dividends recently announced: None

2 Dividend forecast for the fiscal year ending March 31, 2023 is currently undetermined. It is to be determined after consideration of capital needs and condition of cash flow hereafter.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023

(From April 1, 2022 to March 31, 2023)

With regard to the impact of the new coronavirus infection (COVID-19), although the outlook is improving in some areas, the impact itself is prolonged and complicated in others, and remains highly uncertain, making it difficult to reasonably calculate the impact on the Group's domestic and overseas business environment. Therefore, we have not disclosed a consolidated earnings forecast for the fiscal year ending March 31, 2023. We will promptly disclose the consolidated earnings forecast as soon as a reasonable calculation of the forecast becomes possible.

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries accompanying 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 stock)

(i) Number of shares outstanding at the end of the period (including treasury shares)		
As of December 31, 2022	678,951,500	shares
As of March 31, 2022	678,904,600	shares
(ii) Number of treasury stock at the end of the period		
As of December 31, 2022	45,151	shares
As of March 31, 2022	45,081	shares
(iii) Average number of shares during the period (cumulative)		
As of December 31, 2022	678,882,462	shares
As of December 31, 2021	678,757,781	shares

※ This quarterly financial report is outside the scope of the review procedures for quarterly financial statements.

※ Explanation of proper use of financial results forecasts, and other special matters

(1) Caution regarding statements concerning the future

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) Explanatory materials for quarterly financial results

Explanatory materials for quarterly financial results will be posted on our website on Friday, February 3, 2023.

4. Qualitative Information on Quarterly Results

(1) Explanation of consolidated operating results

In Japan, various services are provided for the 310,000+ physician members via the “m3.com” website designed for medical professionals.

Medical Platform includes services which allow member physicians to proactively receive continuous and frequent information via the “m3.com” platform such as the “MR-kun” family services, marketing research capabilities paneling the physician members, and “QOL-kun” which provides marketing support for non-healthcare related corporates desiring to advertise daily life services to doctors, offering a wide menu of services catering towards various agendas and purposes of our clients. Additionally, provision of next generation sales reps, or “Medical Marketers,” and healthcare advertisement agency services are also being expanded via group companies.

Evidence Solution includes clinical trial related services centered around “Mr. Finder” which excavates institutions and patient participants for clinical studies, large-scale clinical study services, assistance with clinical trial operations by CROs, and administrative and operations support across the entire clinical trial process by SMOs, all provided through various group companies.

Career Solution provides job search and placement services for physicians and pharmacists through M3 Career, Inc.

Site Solution provides services supporting medical institution operations.

Furthermore, consumer facing services such as the “AskDoctors” (<https://www.AskDoctors.jp/>) website which connects public users with “m3.com” member physicians for answers to daily health questions, medical professional education such as national examination preparatory services provided by M3 Education, Inc.

In Overseas, the U.S. portal website, “MDLinx,” designed for healthcare professionals, continues to expand its member network-based services catering towards pharmaceutical companies, as well as its career support services for physicians and clinical trial support services. In Europe, the “Doctors.net.uk” U.K. portal website is expanding services for pharmaceutical companies, along with pharmaceutical database services offered by the Vidal Group in France, Germany, and Spain, and offering iDoctus, a medical practice mobile app for healthcare professionals through eDoctores Soluciones, S.L., in Spain and Latin America. Business expansion continues in Asia as well.

Additionally, membership and panel participation at websites operated by M3 group starting with Japan, U.S., Europe, China, and Korea, now totals roughly 6 million physicians, enabling provision of marketing research services that span across a global scale.

Consolidated quarterly results for the Third quarter (cumulative) is as below.

(Unit: Million Yen)

	Nine months ended Dec 31, 2021 (April 1, 2021 to Dec 31, 2021, cumulative)	Nine months ended Dec 31, 2022 (April 1, 2022 to Dec 31, 2022, cumulative)	Third quarter comparison		(Reference) Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)
Net sales	154,169	175,155	+20,986	+13.6%	208,159
Operating Profit	84,627	58,734	-25,893	-30.6%	95,141
Pre-Tax Profit	85,177	60,249	-24,928	-29.3%	96,187
Net Profit	58,535	41,844	-16,691	-28.5%	66,108

(Segment results)

(Unit: Million Yen)

		Nine months ended Dec 31, 2021 (April 1, 2021 to Dec 31, 2021, cumulative)	Nine months ended Dec 31, 2022 (April 1, 2022 to Dec 31, 2022, cumulative)	Third quarter comparison	
Medical Platform	Segment Net Sales	64,672	69,763	+5,091	+7.9%
	Segment Profit	30,795	32,087	+1,293	+4.2%
Evidence Solution	Segment Net Sales	16,188	20,601	+4,413	+27.3%
	Segment Profit	3,844	6,048	+2,204	+57.3%
Career Solution	Segment Net Sales	11,024	11,459	+435	+3.9%
	Segment Profit	4,027	4,199	+172	+4.3%
Site Solution	Segment Net Sales	25,657	27,530	+1,873	+7.3%
	Segment Profit	4,554	3,229	-1,324	-29.1%
Overseas	Segment Net Sales	37,860	47,261	+9,402	+24.8%
	Segment Profit	41,473	13,924	-27,549	-66.4%
Other Emerging Businesses	Segment Net Sales	2,463	2,435	-28	-1.1%
	Segment Profit	1,258	366	-892	-70.9%
Adjustment	Segment Net Sales	-3,696	-3,895	—	—
	Segment Profit	-1,323	-1,119	—	—
Total	Net Sales	154,169	175,155	+20,986	+13.6%
	Operating Profit	84,627	58,734	-25,893	-30.6%

1) Medical Platform

In the area of pharmaceutical marketing support, some foreign-affiliated pharmaceutical companies are reducing their budgets, and although digitalization support-related services were affected by this trend in the third quarter, our analysis indicates that needs still continue to be high. In addition, business other than pharmaceutical marketing support remained strong, resulting in segment revenue of 69,763 million yen, higher by 7.9% versus previous year. Upfront investments aimed for future growth have raised SG&A mainly around personnel costs, however, Medical Platform segment produced profits of 32,087 million yen, higher by 4.2% versus previous year.

2) Evidence Solution

The impact of the temporary suspension of several clinical trial projects due to the spread of Covid-19 infection in the fiscal year ended March 31, 2021 has run its course in the previous fiscal year, and the recovery trend is continuing in the current fiscal year. Due to clinical trial projects related to COVID infection, etc. the

Evidence Solution segment produced total sales of 20,601 million yen, higher by 27.3% versus previous year. Segment profit was 6,048 million yen, higher by 57.3% versus previous year.

3) Career Solution

Despite the impact of lower contributions from the vaccination support services for COVID compared to the same period of the previous fiscal year, job search support services for physicians remained strong which resulted in segment sales of 11,459 million yen, higher by 3.9% versus previous year. Segment profit was 4,199 million yen, higher by 4.3% versus previous year.

4) Site Solution

Despite the impact of lower contributions from the vaccination support services for the COVID compared to the same period of the previous year, an increase in the number of affiliated medical institutions and services used, etc., produced segment sales of 27,530 million yen, higher by 7.3% versus previous year. Segment profit decreased mainly due to a year-on-year decline in the vaccination support services for Covid-19, which resulted to profit of 3,229 million yen, lower by 29.1% versus previous year.

5) Overseas

In addition to solid performance in each region, affected by foreign exchange effects due to yen depreciation, resulted in segment sales of 47,261 million yen, higher by 24.8% versus previous year. Despite the increase in sales, due to the absence of a gain recorded in the same period of the previous year from the listing of Medlive (now an equity method affiliate), which is a subsidiary operating in China on the Hong Kong Stock Exchange, the segment profit was 13,924 million yen, lower by 66.4% versus previous year.

6) Other Emerging Businesses

In response to changes in market conditions and other factors associated with the continuation of COVID, segment sales resulted to 2,435 million yen, lower by 1.1% versus previous year. Segment profit, mainly due to unfavorable comparison against capital gain on sales shares of subsidiaries in the same period last year as well as changes in equity in earnings/losses of affiliates, resulted to 366 million yen, lower by 70.9% versus the previous year.

Combining all of the above, results for the entire group for the nine months ended December 31, 2022, amounted to sales of 175,155 million yen, higher by 13.6% versus previous year, and operating profit of 58,734 million yen, lower by 30.6% versus previous year. Pre-tax profit was 60,249 million yen, lower by 29.3% versus previous year, and net profit was 41,844 million yen, lower by 28.5% versus previous year.

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