

# **M3, Inc.**

## **Presentation Material**

February 2022



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.

# FY2021 Q3 Consolidated Results

(mn yen)	FY2020 Q1-Q3	FY2021 Q1-Q3	YoY
Sales	123,750	154,169	+25%
Operating Profit	42,468	84,627	+99%
Pre-tax Profit	42,481	85,177	+101%
Net Profit	29,507	58,535	+98%

**+26%**  
excluding  
stock  
valuation  
impact  
such as  
the  
Medlive  
IPO

 Steady progress to the year

# FY2021 Q3 Consolidated Results by Segment

(mn yen)

(mn yen)			FY2020 Q1-Q3	FY2021 Q1-Q3	YoY
Domestic	Medical Platform	Sales	55,629	64,672	+16%
		Profit	27,469	30,795	+12%
	Evidence Solution	Sales	14,427	16,188	+12%
		Profit	2,648	3,844	+45%
	Career Solution	Sales	10,965	11,024	+1%
		Profit	3,353	4,027	+20%
	Site Solution	Sales	12,530	25,657	+105%
		Profit	1,510	4,554	+202%
	Emerging Businesses	Sales	2,395	2,463	+3%
		Profit	718	1,258	+75%
Overseas		Sales	29,814	37,860	+27%
		Profit	8,378	41,473	+395%

- Marketing support sales +17%
- Continued upfront investment in staff reinforcement

- Acceleration in clinical trials

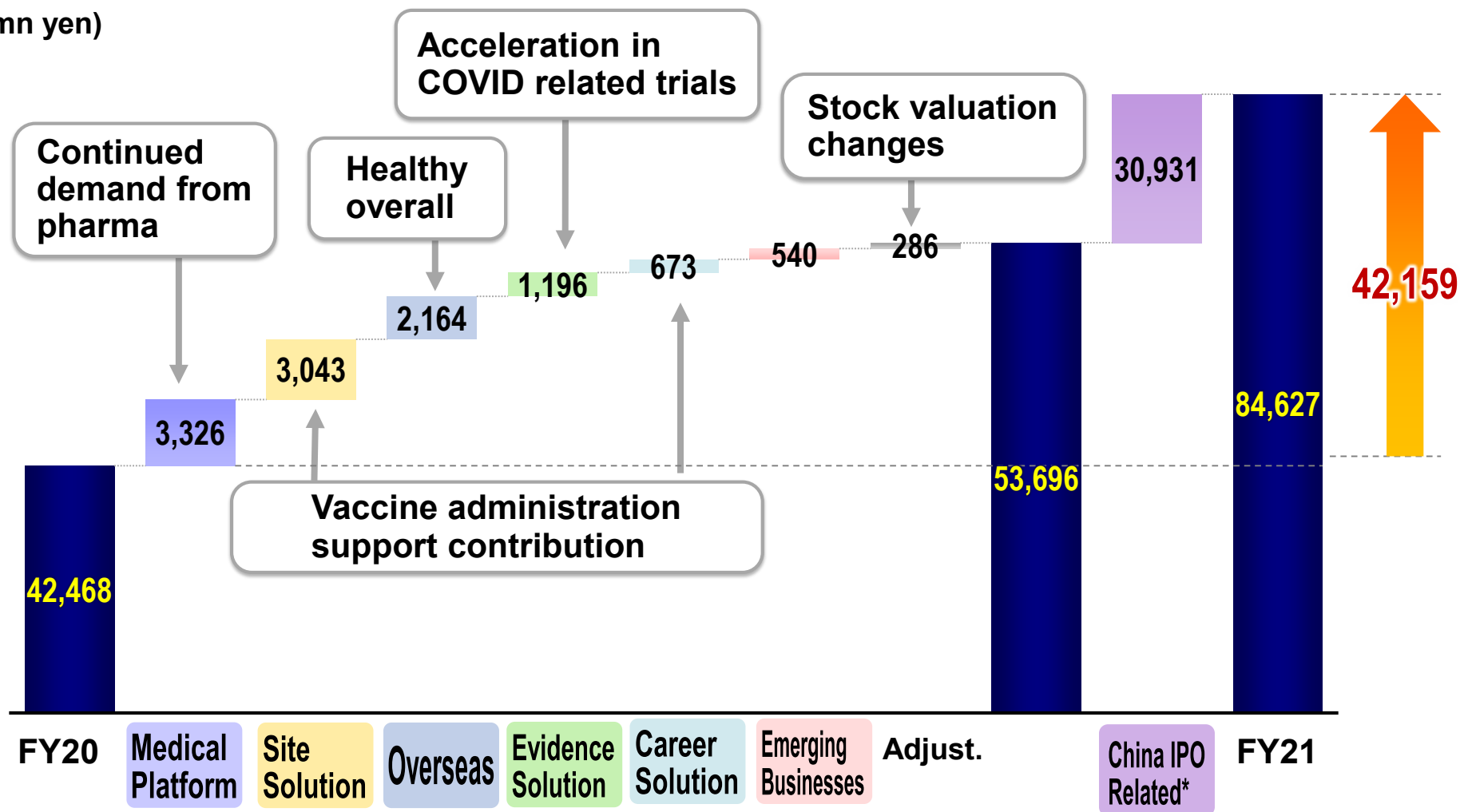
- Contribution partly from vaccine support services for corporates and municipalities

- Uplift from TamaBio transfer

- 25% profit growth excluding 30.9 bn yen profit from Medlive IPO (40% also excluding Medlive contribution)

# FY2021 Q3 Consolidated Operating Profit Contribution

(mn yen)



**👉 1/3 of profit growth contribution from Medical Platform, and 2/3 from other segments.**

# FY2021 Q3 Overview

## Medical Platform

- Continued growth in Q3 from digital transformation momentum
- Staff reinforcement initiatives launched mid-Q2 showing healthy staffing results, to become a growth driver

## Evidence Solution

- On recovery path as COVID related negative impact dissipates
- Orders backlog increased to 30.0 bn yen with increase in COVID related projects (vaccines and treatments)

## Career Solution

- Business expanded with contribution partly from vaccine administration support services
- Core business remain on recovery path with alleviation from negative COVID impact

## Site Solution

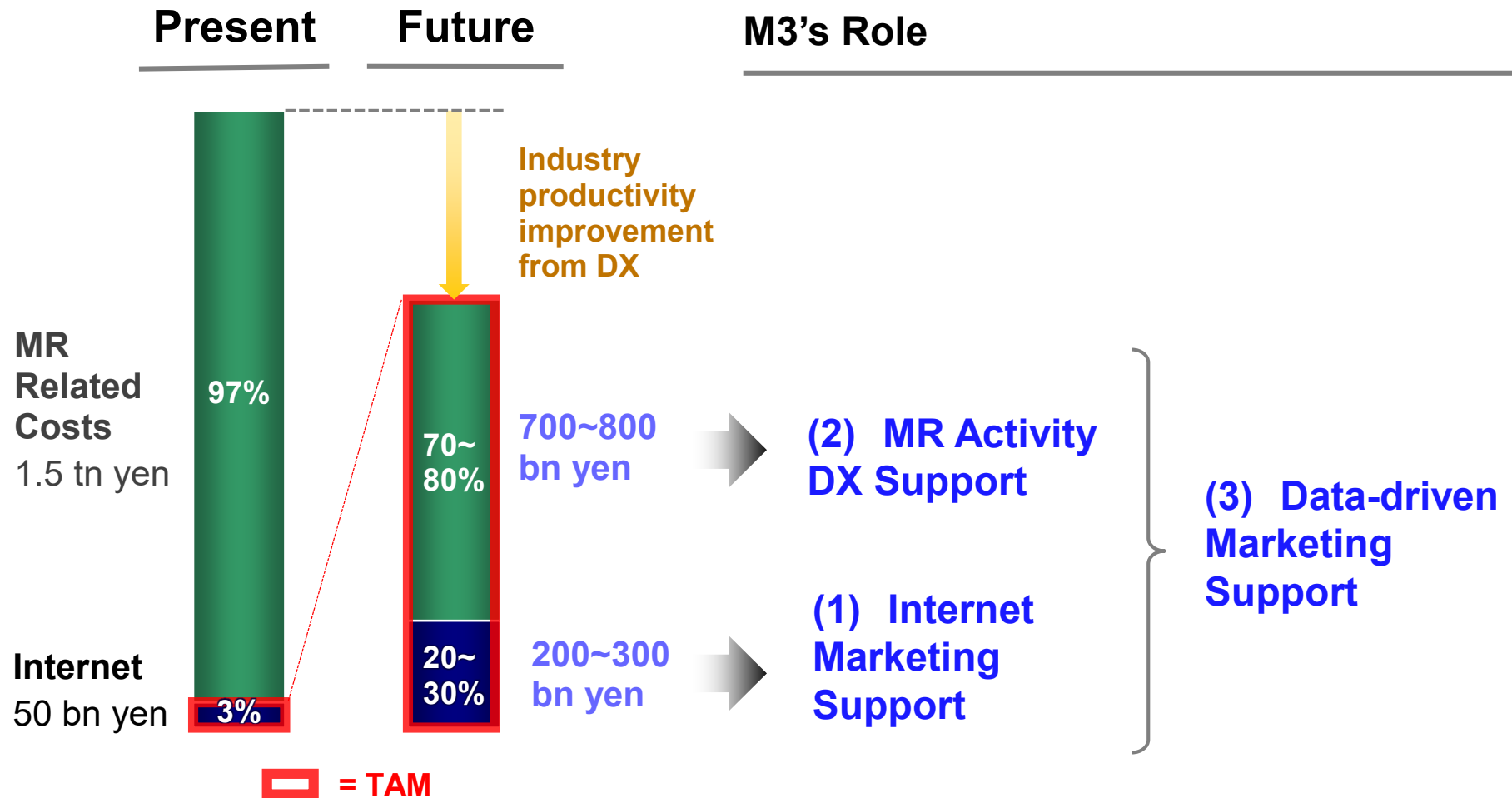
- Vaccine administration support services remain strong
- Growth seen in core businesses such as the home nursing care services

## Overseas

- Segment profit ex-Medlive grew 40% YoY, with all regions doing well
- US & EU especially strong with 45% profit growth YoY

# 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**



# Service Scope Expansion

	Per Product Support		Firm-Wide DX Support
Theme	Efficient promotion	➡	Fundamental <b>productivity improvement</b> of the marketing and sales processes
Client	Product manager	➡	<b>Top management</b>
Service Coverage	Marketing per individual drug	➡	Optimization of marketing and sales of <b>entire drug portfolio</b>
Service Strategy	MR-kun, Web Conference, etc.	➡	Complete solution provision such as marketing strategy planning and <b>resource allocation</b> data
Contract Format	Contracts per product	➡	<b>Comprehensive strategic alliances</b>



**Drastic structural reinforcement implemented to support pharmaceutical DX support... a new paradigm shift in collaboration with pharma companies.**

# m3.com Media Strength: megaWebinars



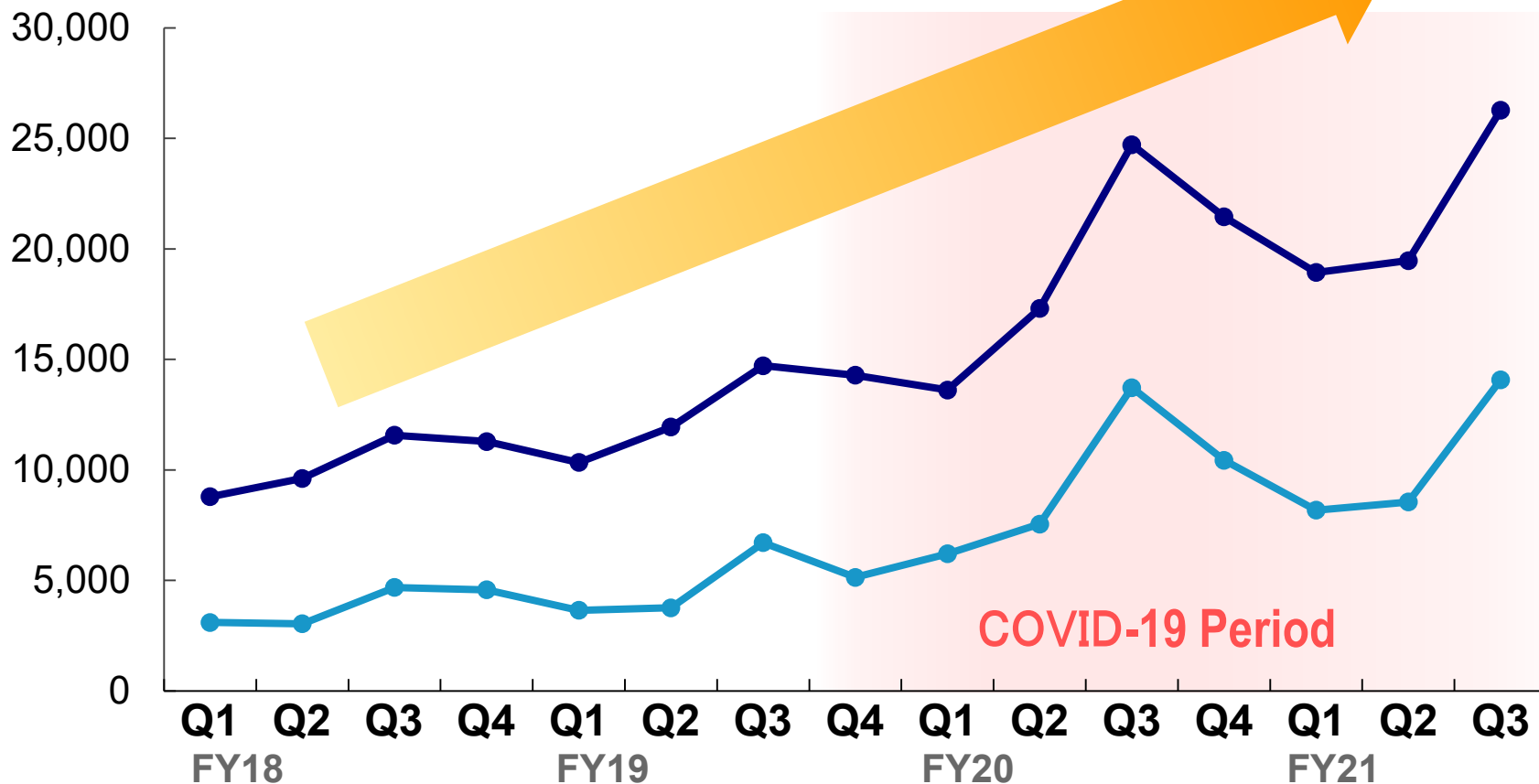
- Highest number of live viewers topped **33,000**, equivalent to 10% of all physicians in Japan
- On-demand broadcasts attract over double that of live ...roughly **70,000** viewers attainable

👉 m3.com media power continues to increase. Equivalent to 10% of busy physicians joining live (on-demand attracts over 20%, analogous to a massive stadium).

# Medical Platform Segment Performance

Unit: million yen

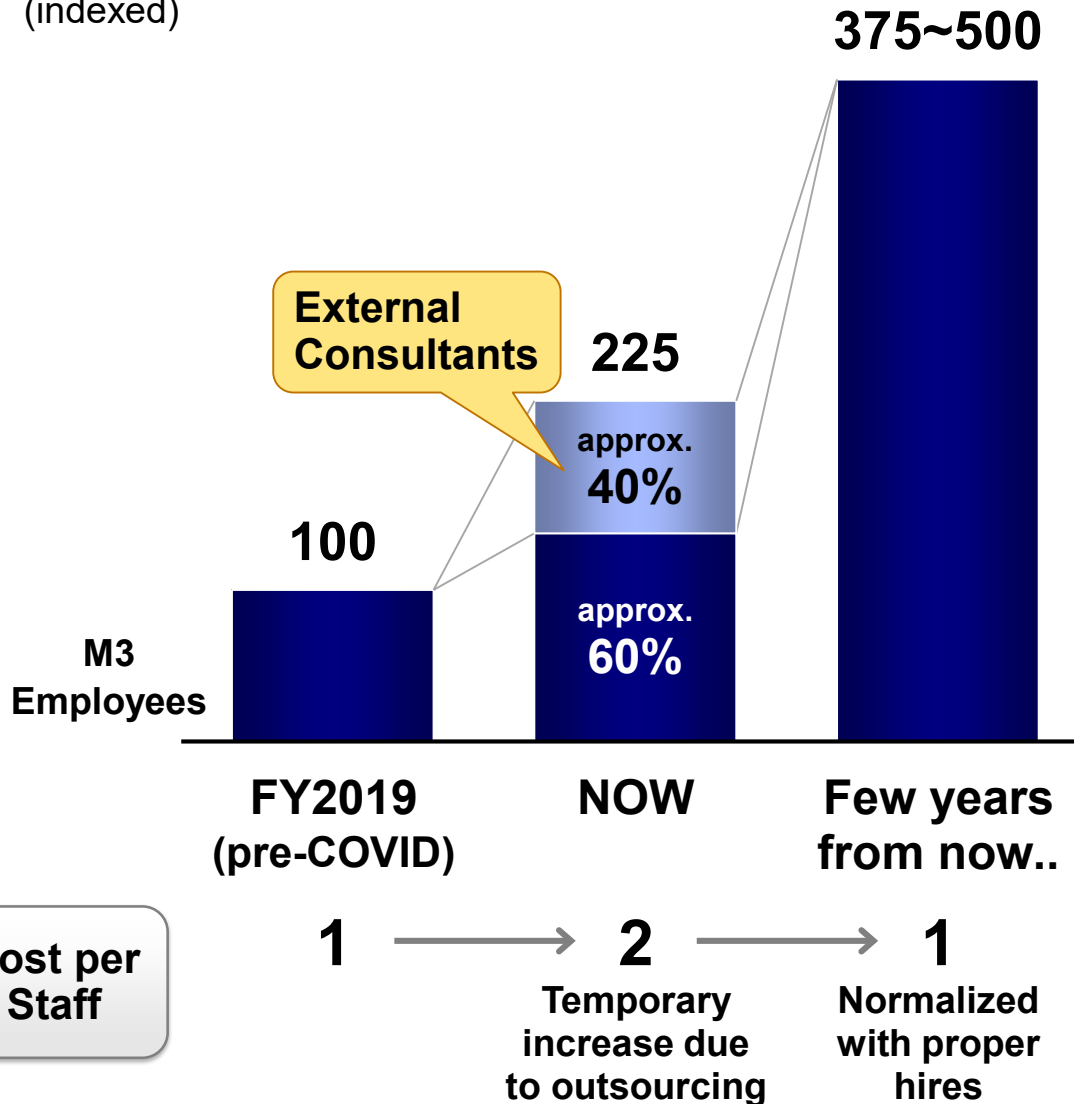
● Sales  
● Profit



**Structural DX progression supported Q3 growth**

# Professional Staff Fortification Plan

(indexed)



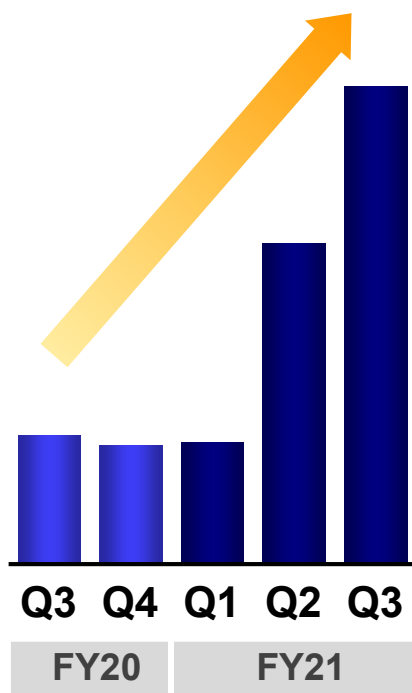
## Staff Fortification Initiatives

- HR capacity increase
- Recruiter reinforcement (fee scale)
- New grad recruitment fortification
- Appeal potential M3 career paths and merit (skill acquirement, compensation, etc.)

# M3 Professional Staff Employment

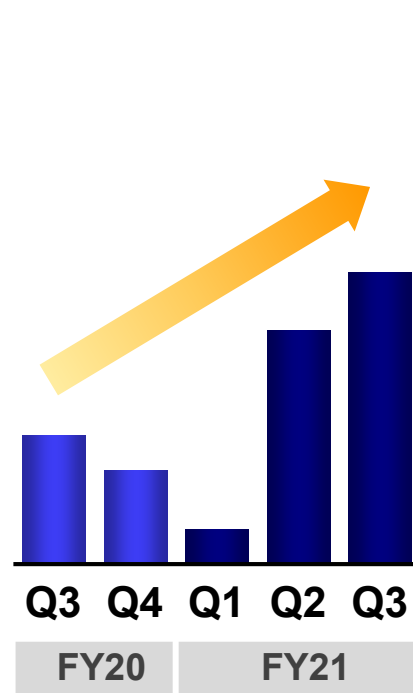
## Interviewees

~ 3.7x



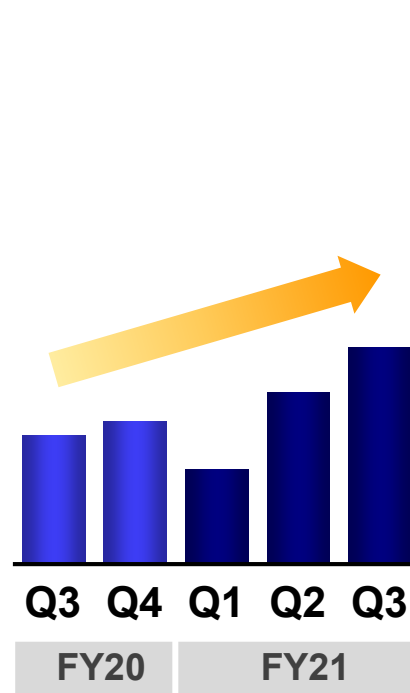
## Offers

~2.3x



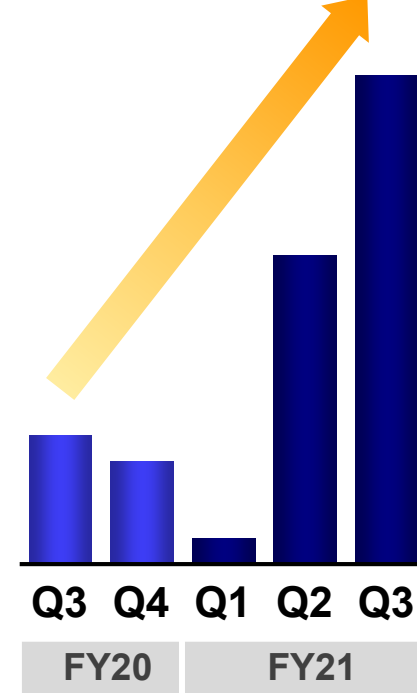
## Acceptance Rate

~1.7x



## Employment







~3.8x



 Hiring fortification initiatives have dramatically increased the number of applicants and hires. Sales expected to follow suit next FY, although outsourcing costs will remain elevated.

# **DX of the Clinical Scene**

# Potential in DX of Clinics

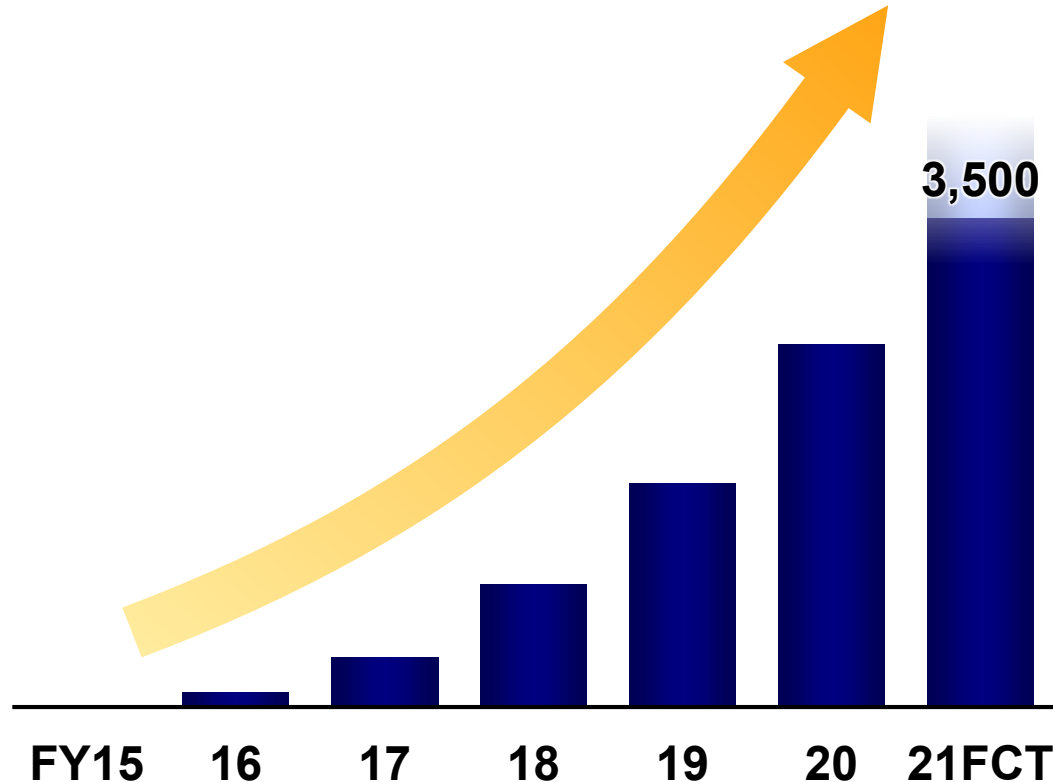
		Current		Post DX
Access		Long waiting time in lobbies	➔	Online reservations
Diagnosis		Offline	➔	Online/Offline Hybrid
Payment		Wait to pay at service desk	➔	Head straight home (digital payments)
Rx		Local pharmacy	➔	Delivered to home or office
Medical Records		Difficult access	➔	Review own health records online
Midnight Emergencies		Wait until next morning	➔	24/7 Online Service



**Advancement in DX of the clinical scene offers a complete renewal of the patient experience.**

# M3 DigiKar EHR Growth

## Number of Sites Using M3 DigiKar



- Over 3,000 medical sites have adopted DigiKar
- No.1 in annual adoptions across both cloud and on-premise electronic health record systems
- 3,500 expected adoptions for this FY

 **Incontestable #1 market share within cloud based digital health records, with almost 70 million charts on record**



# DX of Medical Field: M3 DigiKar Smart

## Medical Institutions: Managing System

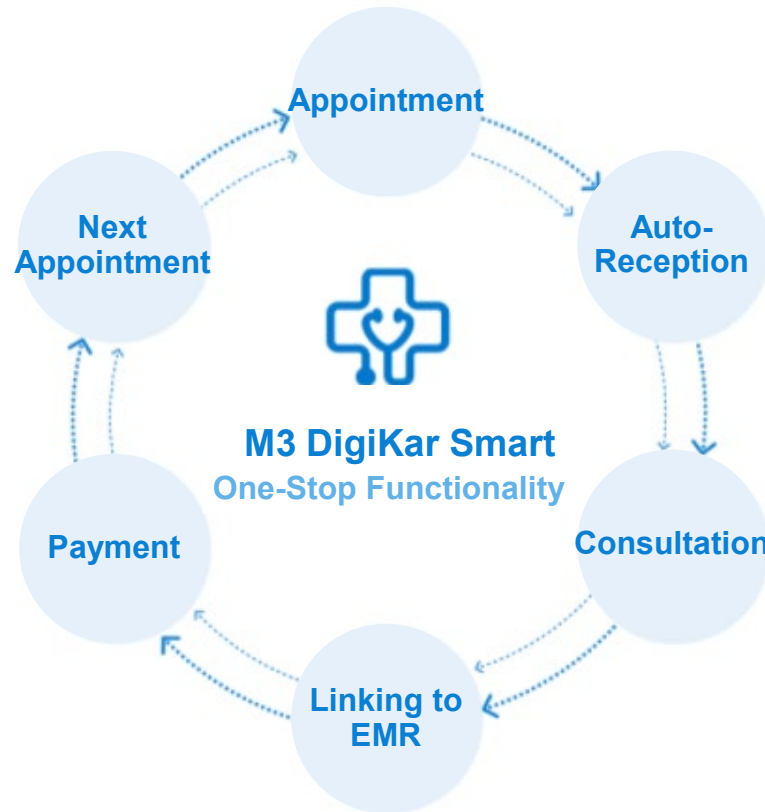


- Less reception work
- Less system costs
- Infectious disease control
- Facilitation of return visits and continuity of Care

## Patients: Mobile App



- No bulky patient cards
- Cashless payments
- Less wait time
- Treatment continuation with appointment reminders



**Several hundred applications since launch in October.  
60x faster pick-up pace compared to DigiKar launch days.**

# M3 Growth Strategy for 2020's

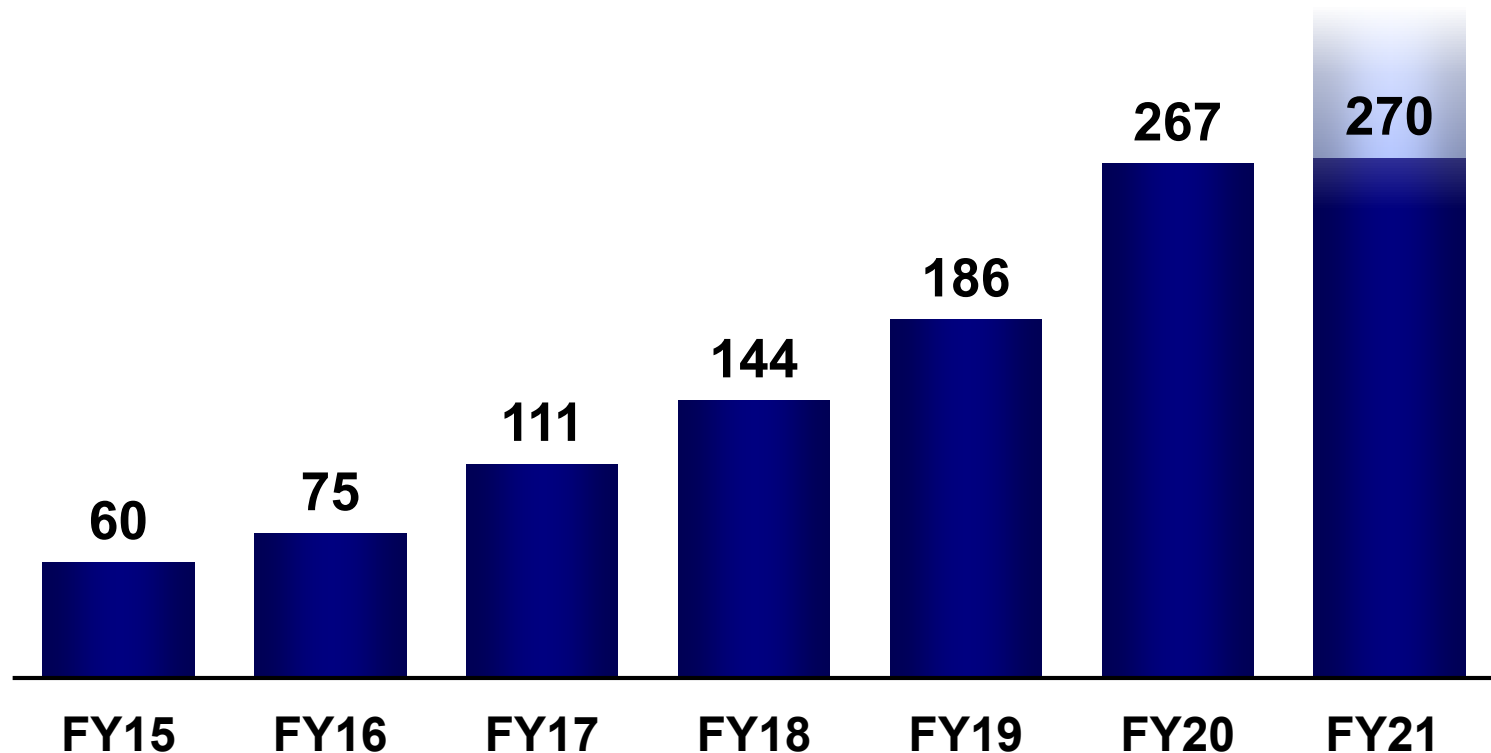
# Business Scope Expansion and Growth Potential

		2010		2015		2020	
Country	:	3	→	8 (2.5x)	→	11 (3.5x)	
Business Types	:	6	→	15 (2.5x)	→	35 (6.0x)	Similar pace of growth expected over the next 10 years
Business Units (Type x Country)	:	10	→	24 (2.5x)	→	56 (5.5x)	
Sales (bn)	:	14.0	→	64.7 (4.5x)	→	169.1 (12x)	

 **Aggressive business development to ensue in reaching growth potentials exceeding 10~20x current levels...**

# Increase in M&A

## Number of Deals That Were Evaluated



**M&A activity and pipeline continue rapid acceleration in line with business expansion. Number of executions and size are also increasing.**




# Establishment of M3 AI, Inc.



- Platform that offers various medical AI for hospitals and clinics
- Excellent medical AI discernment and marketing know-how
- Joint venture between M3 and PSP (60:40)

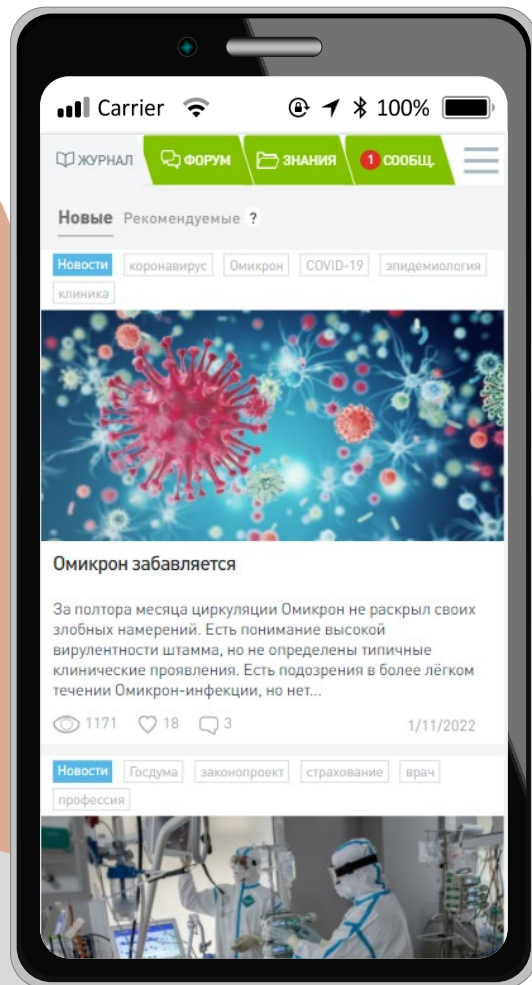
**👉 Furthering AI assisted clinical DX through offering outstanding AI engines. Already utilized in over 1 million diagnoses at over 200 medical sites.**

# Consolidation of 3H Group

	Clinical Trial Recruitment	DCT (Decentralized Clinical Trials)	ePRO
			
3H Business Outline	Large scale patient panel expansion for protocol based patient recruitment	Clinical trial and studies independent of need for the patient to visit a hospital	Provision of app “P-guardian”: Efficient patient symptom reporting data collection
Synergies with M3	Over <b>1.5 million</b> combined (M3 & 3H) <b>registered patients</b> , becoming the largest panel by far.	Further strengthening of M3’s positioning as an <b>powerful DCT leader</b>	<b>Integration of M3 DigiKar Smart and M3 Digikar</b> ; development of patient-physician <b>communication platform</b>

 **Establishing an invincible lead position within digitalization of clinical trials in addition to pharma marketing arena.**

# Consolidation of MirVracha



- Established in 2011, operates a specialized website for medical professionals with **over 400,000 physicians, equivalent to 60% of all physicians in Russia**
- Full-scale launch of a physician platform-based business in Russia

# M3 US&EU Business Region Snapshot

2021 (Jan-Dec)

**Sales**

**40 bln yen scale**

**Operating Profit**

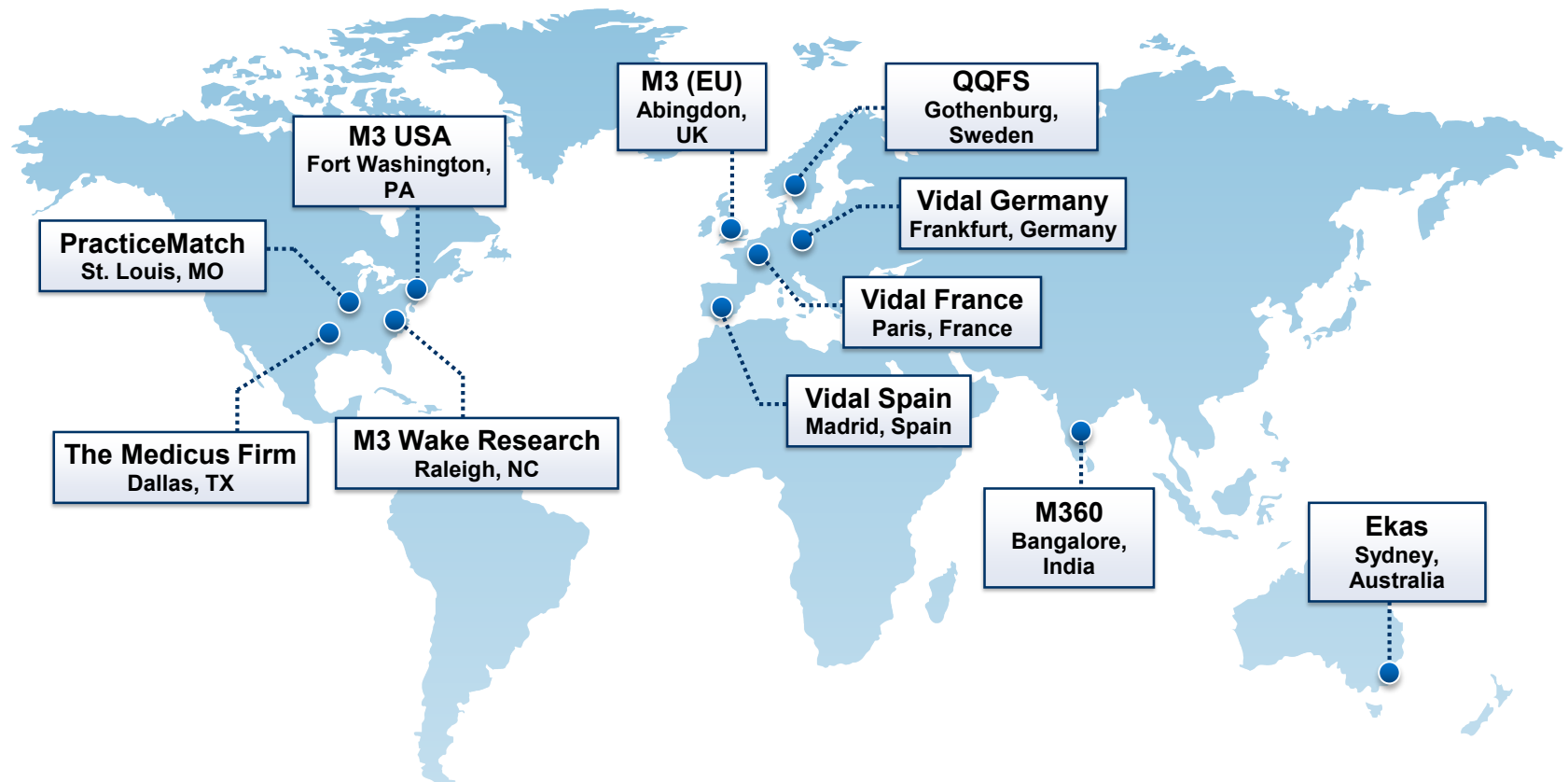
**10 bln yen scale**

**Employees**

**approx. 1,700**

**Countries**

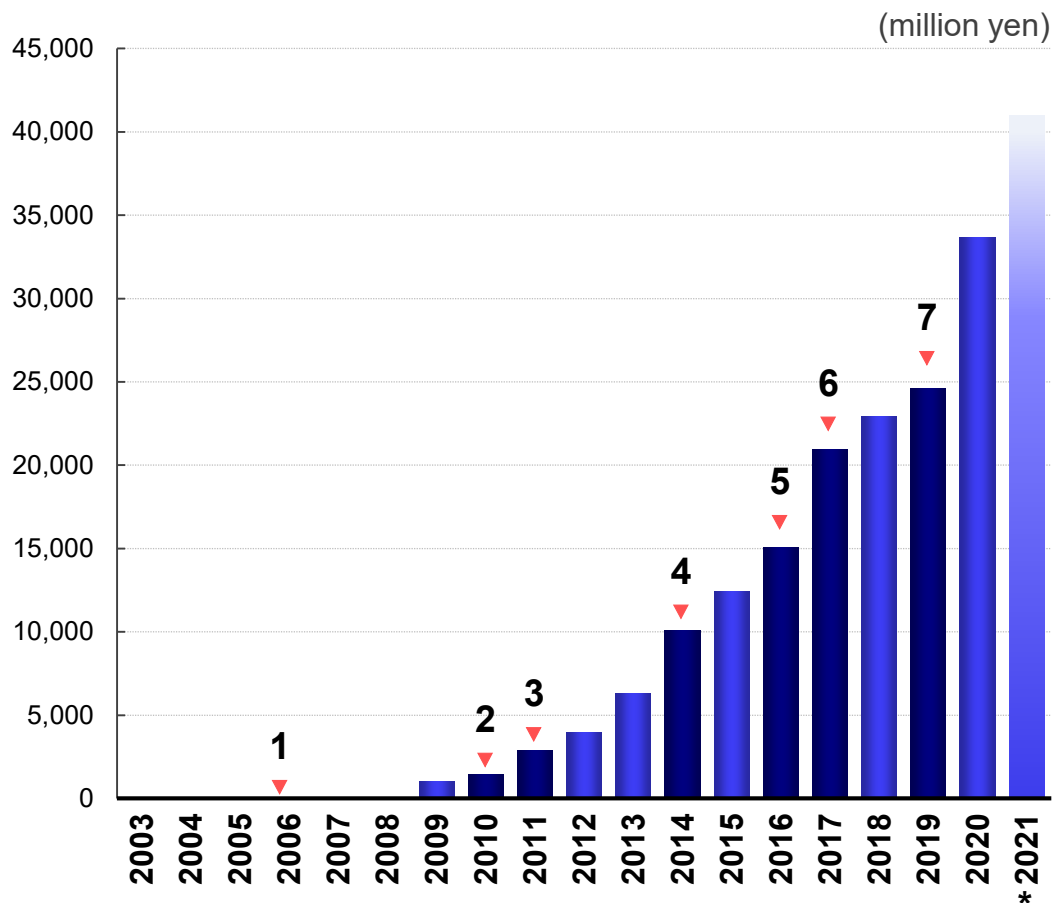
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# US&EU Business Expansion

## US&EU Business Sales Trend



1. Acquisition of MDLinx in the US. Launch of promotion business in the US.
2. Acquisition of market research business in the UK. Launch of M3 Global Research
3. Acquisition of Doctors.net.uk. Launch of promotion business in the UK.
4. Acquisition of PracticeMatch. Launch of job placement business in the US
5. Acquisition of Vidal. Launch of pharma DB business in France, Germany, and Spain.
6. Acquisition of Wake Research. Launch of clinical trial site management business in the US.
7. Acquisition of Weda. Launch of EHR business in France.

 **60% of sales and profit growth from synergies and organic growth.**

\* 2021Q4 is estimated

# US&EU Business Areas

## US&EU Business Sales Breakdown

2021

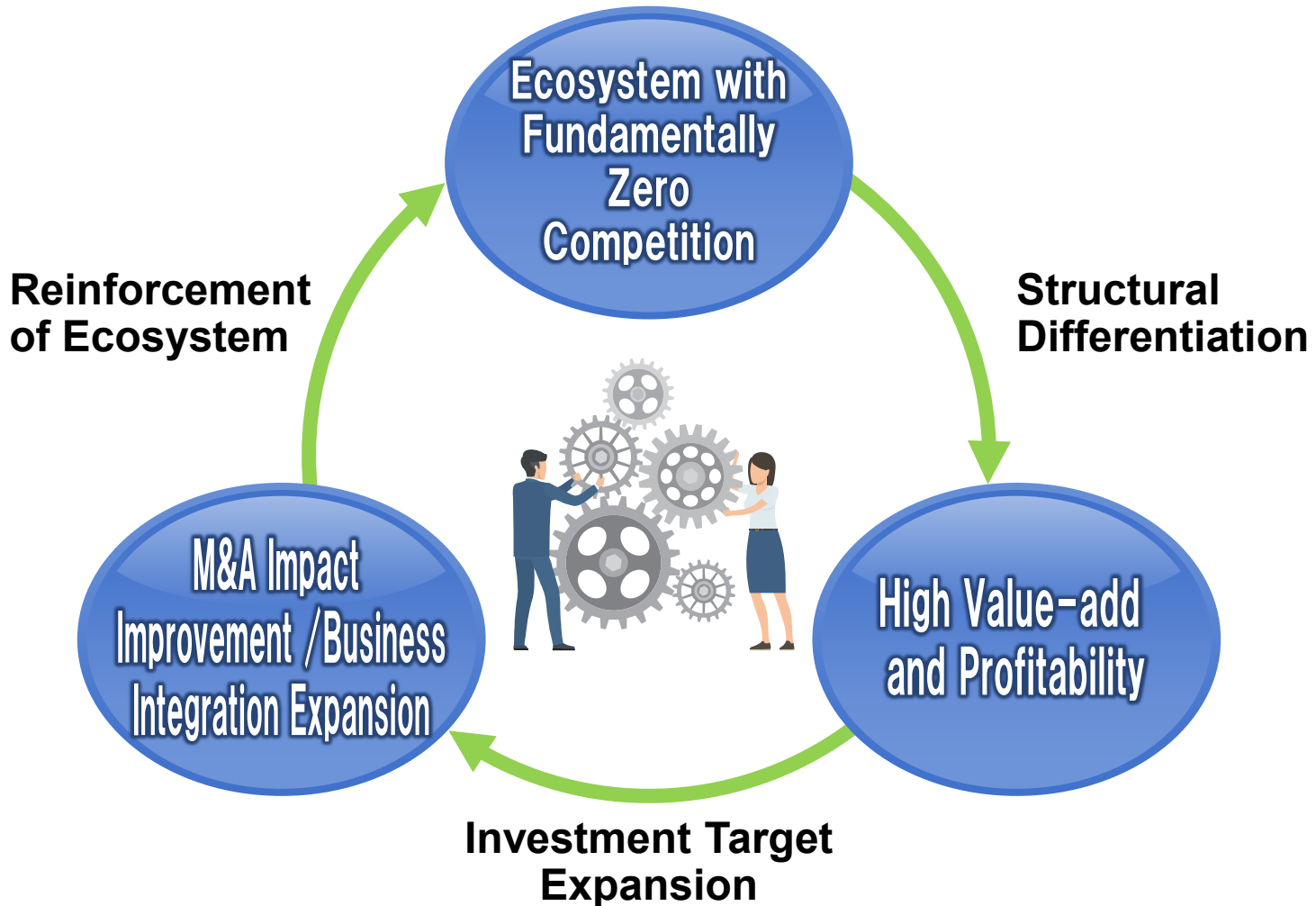


## Representative Brands

- |                               |                      |
|-------------------------------|----------------------|
| ■ Pharma Marketing & Research | – M3 Global Research |
|                               | – Doctors.net.uk     |
|                               | – Vidal              |
|                               | – MDLinx             |
| <hr/>                         |                      |
| ■ Clinical Trials             | – M3 Wake Research   |
| <hr/>                         |                      |
| ■ Career                      | – PracticeMatch      |
|                               | – The Medicus Firm   |
| <hr/>                         |                      |
| ■ Pharma DB & CDS             | – Vidal              |
| <hr/>                         |                      |
| ■ EHR                         | – Weda               |
| <hr/>                         |                      |




 **US Clinical Trials business: Orders for mRNA studies (non COVID-19) continue to increase**


# Ecosystem Synergy Creation Flow



 Self-reinforcing expansion cycle powered by superbly capable staff. Talent fortification structure development to further bolster cycle sustainability.

# COVID Vaccine and Treatment Related Initiatives

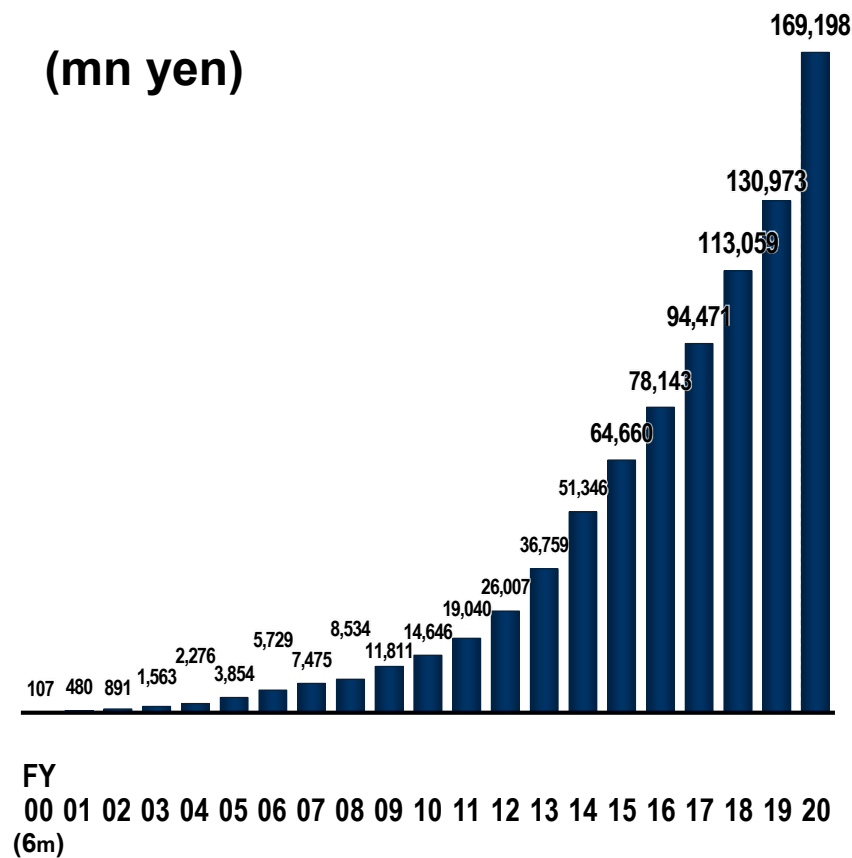
	Vaccine Administration		Clinical Trials
	Corporates 	Municipalities 	Medical Sites 
Japan	○ (168 corporates)	○ (183 municipalities)	○ (vaccines, treatments)
Overseas	×	×	○ (vaccines, treatments, boosters)

 Vaccine services to support 9.23 million administrations.  
Expected orders for booster administration in Japan and global clinical trials, with high potential for new demand emergence.

# Annual Results

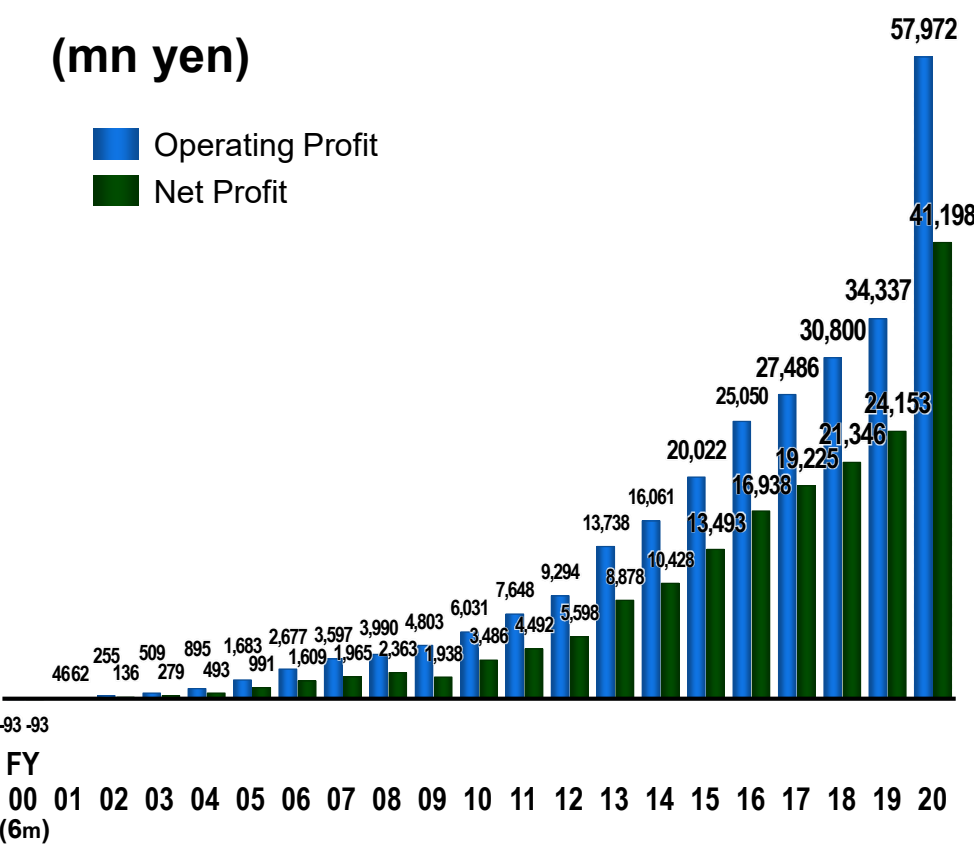
## Sales

(mn yen)



## Operating Profit & Net Profit

(mn yen)



👉 Forecasts were not given due to unpredictable variables, basic outlook is for continued growth.