



Consolidated Financial Results
for the Six Months Ended September 30, 2022 [IFRS]
(Abridged)



Nov. 2, 2022

Listed Company: M3, Inc. Listed Stock Exchange: Tokyo
 Securities Code: 2413 URL: <https://corporate.m3.com/en/>
 Representative: (Title) CEO (Name) Itaru Tanimura TEL: 03-6229-8900
 Contact: (Title) Director (Name) Eiji Tsuchiya Dividend payment commencement date: —
 Submission of quarterly report: November 11, 2022
 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 Six Months Ended September 30, 2022

(From April 1, 2022 to September 30, 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	%
Six months ended Sep 30, 2022	112,616	15.3	36,293	-41.4	38,067	-38.8	25,966	-39.3
Six months ended Sep 30, 2021	97,647	30.2	61,941	158.8	62,232	159.9	42,747	157.7

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Million Yen	%	Million Yen	%	Yen	Yen
Six months ended Sep 30, 2022	24,060	-41.0	39,364	-8.4	35.44	35.42
Six months ended Sep 30, 2021	40,788	177.3	42,959	158.7	60.09	60.04

(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 Sep 30, 2022	377,747	291,306	284,479	75.3	417.71
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 September 30, 2022	678,939,600	shares
As of March 31, 2022	678,904,600	shares
(ii) Number of treasury stock at the end of the period		
As of September 30, 2022	45,151	shares
As of March 31, 2022	45,081	shares
(iii) Average number of shares during the period (cumulative)		
As of September 30, 2022	678,873,546	shares
As of September 30, 2021	678,750,113	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 result

Explanatory materials for quarterly financial results will be posted on our website on Wednesday, November 2, 2022.

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 second quarter (cumulative) is as below.

(Unit: Million Yen)

	Six months ended Sep 30, 2021 (April 1, 2021 to Sep 30, 2021, cumulative)	Six months ended Sep 30, 2022 (April 1, 2022 to Sep 30, 2022, cumulative)	Second quarter comparison		(Reference) Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)
Net sales	97,647	112,616	+14,969	+15.3%	208,159
Operating Profit	61,941	36,293	-25,647	-41.4%	95,141
Pre-Tax Profit	62,232	38,067	-24,165	-38.8%	96,187
Net Profit	42,747	25,966	-16,781	-39.3%	66,108

(Segment results)

(Unit: Million Yen)

		Six months ended Sep 30, 2021 (April 1, 2021 to Sep 30, 2021, cumulative)	Six months ended Sep 30, 2022 (April 1, 2022 to Sep 30, 2022, cumulative)	Second quarter comparison	
Medical Platform	Segment Net Sales	38,401	42,537	+4,136	+10.8%
	Segment Profit	16,725	18,762	+2,037	+12.2%
Evidence Solution	Segment Net Sales	10,132	14,003	+3,871	+38.2%
	Segment Profit	2,053	4,248	+2,196	+106.9%
Career Solution	Segment Net Sales	8,180	8,366	+187	+2.3%
	Segment Profit	3,445	3,464	+20	+0.6%
Site Solution	Segment Net Sales	17,480	18,779	+1,299	+7.4%
	Segment Profit	2,560	2,312	-247	-9.7%
Overseas	Segment Net Sales	24,398	30,189	+5,791	+23.7%
	Segment Profit	38,108	8,118	-29,990	-78.7%
Other Emerging Businesses	Segment Net Sales	1,518	1,506	-12	-0.8%
	Segment Profit	-429	90	+519	—
Adjustment	Segment Net Sales	-2,461	-2,764	—	—
	Segment Profit	-520	-701	—	—
Total	Net Sales	97,647	112,616	+14,969	+15.3%
	Operating Profit	61,941	36,293	-25,647	-41.4%

1) Medical Platform

In addition to the MR activity digitalization support service in pharmaceutical marketing support, businesses other than pharmaceutical marketing support also performed well., resulting in Medical Platform segment sales reaching 42,537 million yen, higher by 10.8% versus previous year. With Pharma marketing fortification etc., upfront investments aimed for future growth have raised SG&A mainly around personnel costs, however, Medical Platform segment produced profits of 18,762 million yen, higher by 12.2% 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 14,003 million yen, higher by 38.2% versus previous year. Segment profit was 4,248 million yen, higher by 106.9% 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 8,366 million yen, higher by 2.3% versus previous year. Segment profit was 3,464 million yen, higher by 0.6% 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 18,779 million yen, higher by 7.4% 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 2,312 million yen, lower by 9.7% 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 30,189 million yen, higher by 23.7% 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 8,118 million yen, lower by 78.7% 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 1,506 million yen, lower by 0.8% versus previous year. Segment profit, mainly due to changes in equity in earnings/losses of affiliates and stock valuation gains/losses, resulted to 90 million yen (a loss of 429 million yen in the same period of the previous year.)

Combining all of the above, results for the entire group for the six months ended September 30, 2022, amounted to sales of 112,616 million yen, higher by 15.3% versus previous year, and operating profit of 36,293 million yen, lower by 41.4% versus previous year. Pre-tax profit was 38,067 million yen, lower by 38.8% versus previous year, and net profit was 25,966 million yen, lower by 39.3% versus previous year.

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