



Consolidated Financial Results  
for the Six Months Ended September 30, 2020 [IFRS]  
(Abridged)



October 30, 2020

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 13, 2020  
 Preparation of explanatory materials for quarterly financial result: Yes  
 Assembly for briefing of quarterly financial results: Yes (for analysts)

(amounts rounded to the nearest million yen)

**1. Consolidated Financial Results for the Six Months Ended September 30, 2020**

(From April 1, 2020 to September 30, 2020)

(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, 2020	75,022	21.9	23,931	44.6	23,943	44.3	16,587	46.6
Six months ended Sep 30, 2019	61,545	15.5	16,549	19.3	16,597	18.6	11,312	17.5

	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, 2020	14,710	49.7	16,606	69.6	21.68	21.66
Six months ended Sep 30, 2019	9,825	15.4	9,793	-5.6	14.48	14.47

(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, 2020	232,374	181,068	175,276	75.4	257.65
As of March 31, 2020	221,839	171,601	166,111	74.9	244.24

**2. Dividends**

	Annual per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2020	—	0.00	—	8.50	8.50
Fiscal year ending March 31, 2021	—	0.00	—	—	—
Fiscal year ending March 31, 2021 (Forecast)	—	—	—	—	—

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

2 Dividend forecast for the fiscal year ending March 31, 2021 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, 2021

(From April 1, 2020 to March 31, 2021)

Consolidated financial results forecast for the fiscal year ending March 31, 2021 is undisclosed due to the inability to reasonably gauge the COVID-19 global pandemic impact on M3 group's business environment. Forecasts will be provided promptly once the environment allows for proper estimates.

#### ※ 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, 2020	678,717,400	shares
As of March 31, 2020	678,645,600	shares
(ii) Number of treasury stock at the end of the period		
As of September 30, 2020	44,799	shares
As of March 31, 2020	65,002	shares
(iii) Average number of shares during the period (cumulative)		
As of September 30, 2020	678,624,694	shares
As of September 30, 2019	678,406,283	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 Friday, October 30, 2020.

## 4. Qualitative Information on Quarterly Results

### (1) Explanation of consolidated operating results

In Japan, various services are provided for the 290,000+ 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 range for catering to various agendas and purposes of 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 provided 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 Solutions provides services supporting medical institutions.

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, healthcare professional education such as national examination preparatory services provided by TECOM Corporation, and LINE Healthcare Corporation established with LINE Corporation to provide online healthcare business, are all being expanded.

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. In China, the portal website designed for healthcare professionals has topped 3 million physician registrations, expanding at a healthy pace. We are also expanding operations in India.

Additionally, membership and panel participation at websites operated by M3 group starting with Japan, U.S., Europe, China, and Korea, now totals over 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, 2019 (April 1, 2019 to Sep 30, 2019, cumulative)	Six months ended Sep 30, 2020 (April 1, 2020 to Sep 30, 2020, cumulative)	Second quarter comparison		(Reference) Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)
Net sales	61,545	75,022	+13,476	+21.9%	130,973
Operating Profit	16,549	23,931	+7,383	+44.6%	34,337
Pre-Tax Profit	16,597	23,943	+7,346	+44.3%	34,610
Net Profit	11,312	16,587	+5,275	+46.6%	24,153

(Segment results)

(Unit: Million Yen)

		Six months ended Sep 30, 2019 (April 1, 2019 to Sep 30, 2019, cumulative)	Six months ended Sep 30, 2020 (April 1, 2020 to Sep 30, 2020, cumulative)	Second quarter comparison	
Medical Platform	Segment Net Sales	22,269	30,915	+8,646	+38.8%
	Segment Profit	7,404	13,748	+6,343	+85.7%
Evidence Solution	Segment Net Sales	10,739	9,603	-1,136	-10.6%
	Segment Profit	2,209	1,631	-578	-26.2%
Career Solution	Segment Net Sales	8,760	8,194	-565	-6.5%
	Segment Profit	3,150	2,824	-326	-10.3%
Site Solution	Segment Net Sales	5,634	7,976	+2,342	+41.6%
	Segment Profit	357	829	+472	+132.1%
Overseas	Segment Net Sales	13,977	18,314	+4,337	+31.0%
	Segment Profit	2,667	5,083	+2,416	+90.6%
Other Emerging Businesses	Segment Net Sales	1,506	1,430	-76	-5.1%
	Segment Profit	544	340	-204	-37.5%
Adjustment	Segment Net Sales	(1,340)	(1,411)	—	—
	Segment Profit	217	(524)	—	—
Total	Net Sales	61,545	75,022	+13,476	+21.9%
	Operating Profit	16,549	23,931	+7,383	+44.6%

#### 1) Medical Platform

Due to an exponential increase in demand from pharmaceutical companies in response to the COVID-19 pandemic, Medical Platform segment sales reached 30,915 million yen, higher by 38.8% versus previous year.

Upfront investments aimed for future growth such as new business initiatives and fortification of the marketing service teams have raised SG&A mainly around personnel costs, however, Medical Platform segment produced profits of 13,748 million yen, higher by 85.7% versus previous year.

#### 2) Evidence Solution

Temporary halt in projects due to the COVID-19 pandemic produced total sales of 9,603 million yen, lower by 10.6% versus previous year. Segment profit was 1,631 million yen, lower by 26.2% versus previous year.

3) Career Solution

Dampened activity from physicians and pharmacists due to COVID-19 impact resulted in sales of 8,194 million yen, lower by 6.5% versus previous year, and profit of 2,824 million yen, lower by 10.3% versus previous year.

4) Site Solution

An increase in affiliate medical institution brought segment sales to 7,976 million yen, higher by 41.6% versus previous year, and profit of 829 million yen, higher by 132.1% versus previous year. Negative impact from COVID-19 has proven to be limited regarding this segment.

5) Overseas

Tailwinds from the COVID-19 pandemic saw an increase in demand in online services from pharmaceutical companies, resulting in rapid growth in APAC regions. Segment sales were 18,314 million yen, higher by 31.0% versus previous year, and profit amounted to 5,083 million yen, higher by 90.6% versus previous year.

6) Other Emerging Businesses

Segment sales totaled 1,430 million yen, lower by 5.1% versus previous year, and profits were 340 million yen, lower by 37.5% versus previous year, as a result of negative influence from the COVID-19 pandemic combined with an increase in upfront investments in new businesses such as online consultations.

Combining all of the above, results for the entire group for the six months ended September 30, 2020, amounted to sales of 75,022 million yen, higher by 21.9% versus previous year, and operating profit of 23,931 million yen, higher by 44.6% versus previous year. Pre-tax profit was 23,943 million yen, higher by 44.3% versus previous year, and net profit was 16,587 million yen, higher by 46.6% versus previous year. Additionally, in response to the COVID-19 global pandemic impact on M3 group's business environment, an impairment loss of 820 million yen in intangible assets has been appropriated.

Disclaimer:

This document is a translation of the original Japanese version. The original Japanese version was prepared and disclosed by the Company in accordance with Japanese disclosure format. This document does not contain or constitute any guarantee and the Company will not compensate for any losses or damages arising from interpretations or actions taken based on this document. In the case of any discrepancies between the Japanese original and this document, the Japanese original is assumed to be correct.