



Summary of Consolidated Financial Results
for the Fiscal Year Ended March 31, 2023 [IFRS]

Full-Page Translated Version

Apr 28, 2023

Listed Company: M3, Inc. Listed Stock Exchange: Tokyo
 Securities Code: 2413 URL: <https://corporate.m3.com/>
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 General Meeting of Shareholders: June 28, 2023
 Dividend payment commencement date: June 12, 2023
 Submission of securities report: June 29, 2023
 Preparation of explanatory materials for quarterly financial result: Yes
 Assembly for briefing of financial results: Yes (For Analysts and institutional investors)

(Amounts of less than one million yen are rounded)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

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

(1) Consolidated Operating Results (Cumulative)

(% figure show year-on-year change)

	Net sales		Operating profit		Pre-tax profit		Net profit		Profit attributable to owners of the parent company		Total comprehensive profit	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Fiscal Year ended March 31, 2023	230,818	10.9	71,983	-24.3	74,318	-22.7	51,983	-21.4	49,028	-23.2	62,857	-11.3
Fiscal Year ended March 31, 2022	208,159	23.0	95,141	64.1	96,187	65.1	66,108	60.5	63,845	68.8	70,845	61.9

	Basic earnings per share	Diluted earnings per share	Net profit margin on equity attributable to owners of the parent company	Total asset to pre-tax profit ratio	Operating profit margin
	Yen	Yen	%	%	%
Fiscal Year ended March 31, 2023	72.22	72.17	17.5	19.9	31.2
Fiscal Year ended March 31, 2022	94.06	93.98	27.9	31.1	45.7

(Ref)Equity in earnings of affiliated companies for the fiscal year ended March 31, 2023: 1,471 million yen

Equity in earnings of affiliated companies for the fiscal year ended March 31, 2022: -2,430 million yen

(2) Consolidated Financial Position

	Total assets	Net equity	Equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company	Equity per share attributable to owners of the parent company
	Million Yen	Million Yen	Million Yen	%	Yen
As of March 31, 2023	400,645	309,518	302,630	75.5	444.22
As of March 31, 2022	345,981	263,954	257,840	74.5	378.75

(3) Consolidated Cash Flow Position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	Million Yen	Million Yen	Million Yen	Million Yen
Fiscal year ended March 31, 2023	57,113	-21,933	-22,837	118,319
Fiscal year ended March 31, 2022	52,108	-23,407	-16,371	104,253

2. Dividends

	Annual dividends per share					Dividend payout (Total)	Dividend payout ratio (Consolidated)	Dividend payout ratio attributable to the owners of the parent company (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
Fiscal year ended March 31, 2022	—	0.00	—	16.00	16.00	10,862	17.0	4.8
Fiscal year ended March 31, 2023	—	0.00	—	19.00	19.00	12,899	26.3	4.6
Fiscal year ending March 31, 2024 (Forecast)	—	0.00	—	—	—		—	

(Note) Dividend forecast for the fiscal year ending March 31, 2024 is currently undetermined. It is to be determined after consideration of capital needs and condition of cash flow hereafter.

3. Forecast for the Consolidated Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(% figure show year-on-year change for the full year and change in contrast to the corresponding quarter from one year prior for the quarter)

	Net sales		Operating profit		Pre-tax profit		Net profit		Profit attributable to owners of the parent company		Basic earnings per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
2 nd Quarter (cumulative)	120,000	6.6	32,000	-11.8	32,000	-15.9	22,200	-14.5	21,300	-11.5	31.37
Full Year	250,000	8.3	75,000	4.2	75,000	0.9	52,000	0.0	50,000	2.0	73.65

※ 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 stock)		
As of March 31, 2023	678,964,100	shares
As of March 31, 2022	678,904,600	shares
(ii) Number of treasury stock at the end of the period		
As of March 31, 2023	45,151	shares
As of March 31, 2022	45,081	shares
(iii) Average number of shares during the period (cumulative)		
As of March 31, 2023	678,889,214	shares
As of March 31, 2022	678,769,542	shares

※ This summary of financial reports is outside the scope of the review procedures for quarterly financial statements

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

(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.

(Explanatory materials for financial results)

Explanatory materials for financial results will be posted on our website on Friday, April 28, 2023.

Appendix

1. Qualitative Information on Consolidated Operating Results

(1) Explanation of consolidated operating results

In Japan, various services are provided for the 320,000+ physician members (as of April 28, 2023) 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 operates businesses such as CRO, which supports clinical development operations and large-scale clinical research, SMO, which supports the overall management and operation of clinical trials at medical institutions conducting clinical trials, and PRO, which provides support for recruiting test subjects and peripheral operations necessary for conducting clinical development and clinical research, etc., through its 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 results for the fiscal year (cumulative)

(Unit: Million Yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 to Mar 31, 2022, cumulative)	Fiscal year ended March 31, 2023 (April 1, 2022 to Mar 31, 2023, cumulative)	Fiscal year comparison	
Net sales	208,159	230,818	+22,659	+10.9%
Operating Profit	95,141	71,983	-23,158	-24.3%
Pre-Tax Profit	96,187	74,318	-21,868	-22.7%
Net Profit	66,108	51,983	-14,126	-21.4%

(Segment results)

(Unit: Million yen)

		Fiscal year ended March 31, 2022 (April 1, 2021 to Mar 31, 2022, cumulative)	Fiscal year ended Mar 31, 2023 (April 1, 2022 to Mar 31, 2023, cumulative)	Fiscal year comparison	
Medical Platform	Segment Net Sales	85,928	93,098	+7,170	+8.3%
	Segment Profit	39,553	41,147	+1,594	+4.0%
Evidence Solution	Segment Net Sales	22,756	27,157	+4,402	+19.3%
	Segment Profit	5,654	7,662	+2,007	+35.5%
Career Solution	Segment Net Sales	14,094	14,538	+445	+3.2%
	Segment Profit	4,646	4,644	-2	-0.0%
Site Solution	Segment Net Sales	35,184	35,295	+111	+0.3%
	Segment Profit	3,399	3,745	+346	+10.2%
Overseas	Segment Net Sales	51,831	62,095	+10,263	+19.8%
	Segment Profit	44,837	16,990	-27,847	-62.1%
Other Emerging Businesses	Segment Net Sales	3,360	3,284	-76	-2.3%
	Segment Profit	-601	945	+1,547	—
Adjustment	Segment Net Sales	-4,994	-4,649	—	—
	Segment Profit	-2,348	-3,151	—	—
Total	Net Sales	208,159	230,818	+22,659	+10.9%
	Operating Profit	95,141	71,983	-23,158	-24.3%

1) Medical Platform

In the area of pharmaceutical marketing support, some foreign-affiliated pharmaceutical companies had reduced their budgets in the term, and although digitalization support-related services were affected by this trend in the second half, businesses other than pharmaceutical marketing support, such as DX in the clinical scene, remained strong, resulting in segment revenue of 93,098 million yen, higher by 8.3% versus previous year. Upfront investments aimed for future growth, such as strengthening pharma marketing team, have raised SG&A mainly around personnel costs, however, Medical Platform segment produced profits of 41,147 million yen, higher by 4.0% 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 27,157 million yen, higher by 19.3% versus previous year. Segment profit was 7,662 million yen, higher by 35.5% versus previous year.

3) Career Solution

Despite the impact of lower contributions from the vaccination support services for COVID compared to the previous year, job search support services for physicians remained strong. As a result, segment sales revenue was 14,538 million yen, higher by 3.2% versus previous year, and segment profit was 4,644 million yen, lower by 0.0% versus previous year, partly due to a change in the sales composition.

4) Site Solution

Despite the impact of lower contributions from the vaccination support services for COVID compared to the previous year, an increase in the number of affiliated medical institutions and services used, etc., produced segment sales of 35,295 million yen, higher by 0.3% versus previous year. Segment profit was 3,745 million yen, higher by 10.2% versus previous year, mainly due to the non-recurrence of impairment losses recorded in the fourth quarter of the previous year, despite a year-on-year decline in the vaccination support services for COVID.

5) Overseas

In addition to solid performance in each region, affected by foreign exchange effects due to yen depreciation, resulted in segment sales of 62,095 million yen, higher by 19.8% versus previous year. Despite the increase in sales, due to the non-recurrence of a gain recorded in the previous year from the listing of Medlive (now an equity method affiliate,) which was a subsidiary operating in China on the Hong Kong Stock Exchange, the segment profit was 16,990 million yen, lower by 62.1% versus previous year.

6) Other Emerging Businesses

In response to changes in the market environment after COVID, segment sales resulted to 3,284 million yen, lower by 2.3% versus previous year. Segment profit, in addition to the non-recurrence of impairment losses recorded in the previous year, due to changes in equity in earnings of affiliates and valuation gains on equity securities, it resulted to 945 million yen (loss in previous year was 601 million yen.)

Combining all of the above, results for the entire group for the twelve months ended March 31, 2023, amounted to net sales of 230,818 million yen, higher by 10.9% versus previous year, and operating profit of 71,983 million yen, lower by 24.3% versus previous year. Pre-tax profit was 74,318 million yen, lower by 22.7% versus previous year, and net profit was 51,983 million yen, lower by 21.4% versus previous year.

(2) Summary of Consolidated Status of Financial Position

Total assets increased amounted to 400,645 million yen, up by 54,664 million yen from the end of the previous fiscal year. Current assets amounted to 203,471 million yen, up by 4,596 million yen, mainly due to a 14,066 million yen increase in cash and cash equivalents, which offset an 8,895 million yen decrease in other short-term financial assets. Non-current assets amounted to 197,174 million yen, up by 50,068 million yen, mainly due to a 13,521 million yen increase in goodwill and a 15,630 million yen increase in intangible assets resulting from the acquisition of a new consolidated subsidiary, and an 8,970 million yen increase in investments accounted for under the equity method resulting from favorable foreign exchange.

Total liabilities amounted to 91,126 million yen, up by 9,099 million yen from the end of the previous fiscal year. Current liabilities increased 2,363 million yen to 59,580 million yen, mainly due to a 3,887 million yen increase in trade and other payables. Non-current liabilities increased 6,736 million yen to 31,547 million yen, mainly due to a 3,139 million yen increase in other long-term financial liabilities and a 3,325 million yen increase in deferred tax liabilities.

Total shareholders' equity amounted to 309,518 million yen, up by 45,565 million yen from the end of the previous fiscal year. This was mainly due to an increase of 38,301 million yen in retained earnings, reflecting the recording of 49,028 million yen in net income attributable to owners of the parent, while 10,862 million yen was paid as dividends from surplus.

(3) Summary of Cash Flows for the Current Fiscal Year

The balance of cash and cash equivalents at the end of the current fiscal year was 118,319 million yen, an increase of 14,066 million yen from the end of the previous fiscal year.

Net cash provided by operating activities amounted to 57,113 million yen (52,108 million yen in the previous year). The main cash inflow was profit before taxes of 74,318 million yen, and the main cash outflow was income taxes paid of 23,132 million yen.

Net cash used in investing activities totaled 21,933 million yen (23,407 million yen in the previous year). The outflow mainly consisted of 19,960 million yen for the purchase of shares of subsidiaries resulting in change in scope of consolidation.

Net cash used in financing activities amounted to 22,837 million yen (16,371 million yen was used in the previous year). The outflow mainly consisted of 10,860 million yen for the dividends paid to owners of parent.

(4) Outlook

For the next consolidated fiscal year, the Group expects to achieve increases in both net sales and profit.

(1) Medical Platform

As growth mainly in marketing support services for pharmaceutical companies is expected, an increase in both net sales and profit for the segment is anticipated.

2) Evidence Solutions

As contributions from clinical trial projects related to the COVID-19 are expected to shrink compared to the previous fiscal year, net sales revenue is expected to remain flat year on year and operating income is expected to decrease.

3) Carrier Solutions

While the segment net sales is expected to increase due to the expected expansion of core business, segment profit is expected to be flat year-on-year due to upfront investment in human resources for growth and a contraction in the COVID-19 vaccination support business compared to the previous fiscal year.

4) Site Solutions

Both segment net sales and profit are expected to decrease due to a contraction of businesses related to COVID-19, such as vaccination support services and in-home clinical trials, compared to the previous fiscal year, as well as accelerated upfront investment for growth.

5) Overseas Business

For overseas business, both segment net sales and profit are expected to increase due to steady expansion of each service in each country.

Based on the above, the consolidated earnings forecast for the fiscal year ending March 31, 2024, is as follows.

	Net sales		Operating profit		Pre-tax profit		Net profit		Profit attributable to owners of the parent company	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
2 nd Quarter (cumulative)	120,000	6.6	32,000	-11.8	32,000	-15.9	22,200	-14.5	21,300	-11.5
Full Year	250,000	8.3	75,000	4.2	75,000	0.9	52,000	0.0	50,000	2.0

*This forecast is calculated based on information available as of the date of preparation of this document. Actual results may differ from these forecasts due to changes in economic conditions and other factors.

2. Approach to the Selection of Accounting Standards

The Group's mission is "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." The Group is developing its business not only in Japan but also in the U.S., Europe, China, and other regions of the world with this mission.

In light of these circumstances, the Company has been improving its comparability of our financial information and enhance disclosure in order to better serve our shareholders, investors, and other stakeholders both in Japan and overseas, and it has adopted International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2015

3. Consolidated Financial Statements and Major Notes

(1) A consolidated statement of financial position

(Million yen)

	Note	As of March 31, 2022	As of March 31, 2023
Assets			
Current assets			
Cash and cash equivalents		104,253	118,319
Trade and other receivables		50,879	50,537
Other financial assets		36,963	28,069
Other current assets		6,779	6,546
Total current assets		198,874	203,471
Non-current assets			
Property, plant and equipment		12,540	19,034
Goodwill		57,821	71,342
Intangible assets		25,081	40,711
Investments accounted for using equity method		37,152	46,122
Financial assets measured at fair value		7,596	10,527
Other financial assets		2,745	2,555
Deferred tax assets		2,137	2,420
Other non-current assets		2,034	4,463
Total non-current assets		147,107	197,174
Total assets		345,981	400,645

(Million yen)

	Note	As of March 31, 2022	As of March 31, 2023
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		28,978	32,864
Income taxes payable		11,123	9,831
Provisions for customer loyalty program		2,739	2,219
Other financial liabilities		3,812	4,158
Other current liabilities		10,565	10,506
Total current liabilities		57,216	59,580
Non-current liabilities			
Other financial liabilities		6,674	9,813
Deferred tax liabilities		13,479	16,805
Other non-current liabilities		4,658	4,929
Total non-current liabilities		24,811	31,547
Total liabilities		82,027	91,126
Equity			
Share capital		29,129	29,192
Capital surplus		29,704	25,081
Treasury shares		-36	-37
Other components of equity		6,131	17,180
Retained earnings		192,912	231,214
Total equity attributable to owners of parent		257,840	302,630
Non-controlling interests		6,113	6,888
Total equity		263,954	309,518
Total liabilities and equity		345,981	400,645

(2) A Consolidated Statement of Operations

(Million yen)

	Note	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Revenue		208,159	230,818
Cost of sales		-84,891	-95,632
Gross profit		123,268	135,186
Selling, general and administrative expenses		-56,067	-64,832
Share of profit (loss) of investments accounted for using equity method		-2,430	1,471
Gain relating to loss of control over subsidiaries		9,443	—
Gain on Change in Equity		21,906	—
Other income		1,996	1,774
Other expenses		-2,975	-1,617
Operating profit		95,141	71,983
Finance income		1,097	2,404
Finance costs		-52	-69
Profit before tax		96,187	74,318
Income tax expense		-30,078	-22,336
Profit		66,108	51,983
Profit (loss) attributable to			
Owners of parent		63,845	49,028
Non-controlling interests		2,263	2,955
Total		66,108	51,983
			(Yen)
Earnings per share			
Basic earnings per share	2	94.06	72.22
Diluted earnings per share	2	93.98	72.17

(3) A Consolidated Statement of Comprehensive Income

(Millions of yen)

	Not e	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit		66,108	51,983
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		16	100
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income		-36	84
Total of items that will not be reclassified to profit or loss		-21	184
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		4,424	4,487
Share of other comprehensive income of investments accounted for using equity method		334	6,203
Total of items that may be reclassified to profit or loss		4,758	10,690
Total other comprehensive income		4,737	10,874
Total		70,845	62,857
Comprehensive income attributable to			
Owners of parent		68,379	59,893
Non-controlling interests		2,467	2,964
Total		70,845	62,857

(4) A Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

Note	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Treasury shares	Other components of equity	Retained earnings	Total		
Balance at beginning of period	29,036	32,214	-36	1,448	137,151	199,813	7,447	207,260
Profit					63,845	63,845	2,263	66,108
Other comprehensive income				4,533		4,533	203	4,737
Total	—	—	—	4,533	63,845	68,379	2,467	70,845
Transactions with owners								
Dividends of surplus					-8,145	-8,145	-1,591	-9,736
Purchase and disposal of treasury shares			-0			-0		-0
Changes in ownership interest in subsidiaries		-2,600				-2,600	-749	-3,349
Acquisition of subsidiaries						—	20	20
Loss of control of subsidiaries				-8		-8	-1,481	-1,489
Share-based payment transactions	93	90		219		402		402
Transfer from other components of equity to retained earnings				-61	61	—		—
Total transactions with owners	93	-2,510	-0	150	-8,083	-10,351	-3,801	-14,152
Balance at end of period	29,129	29,704	-36	6,131	192,912	257,840	6,113	263,954

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Note	Equity attributable to owners of parent					Total	Non-controlling interests	Total
		Share capital	Capital surplus	Treasury shares	Other components of equity	Retained earnings			
Balance at beginning of period		29,129	29,704	-36	6,131	192,912	257,840	6,113	263,954
Profit						49,028	49,028	2,955	51,983
Other comprehensive income					10,865		10,865	9	10,874
Total		—	—	—	10,865	49,028	59,893	2,964	62,857
Transactions with owners									
Dividends of surplus						-10,862	-10,862	-1,797	-12,658
Purchase and disposal of treasury shares				-0			-0		-0
Changes in ownership interest in subsidiaries			-4,687				-4,687	-777	-5,463
Share-based payment transactions		63	63		319		445		445
Transfer from other components of equity to retained earnings					-135	135	—		—
Other							—	385	385
Total transactions with owners		63	-4,623	-0	184	-10,727	-15,103	-2,188	-17,292
Balance at end of period		29,192	25,081	-37	17,180	231,214	302,630	6,888	309,518

(5) A Consolidated Statement of Cash Flows

(Millions of yen)

	No te	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities			
Profit before tax		96,187	74,318
Depreciation and amortization		6,274	7,434
Impairment losses (reversal of impairment losses)		2,457	-24
Loss (gain) on sale of shares of subsidiaries		-1,236	—
Gain relating to loss of control over subsidiaries gain on Change in Equity		-9,443	—
Finance income		-21,906	—
Finance costs		-1,097	-2,404
Share of loss (profit) of investments accounted for using equity method		52	69
Change in financial assets measured at fair value through profit or loss		2,430	-1,471
Decrease (increase) in trade and other receivables		272	406
Increase (decrease) in trade and other payables		-8,836	3,085
Increase (decrease) in provisions for customer loyalty program		6,568	129
Decrease (increase) in other current assets		452	-525
Other		118	-1,394
Subtotal		-584	-621
Interest and dividends received		71,708	79,000
Interest paid		1,404	1,312
Income taxes paid		-52	-68
Net cash provided by (used in) operating activities		-20,953	-23,132
Cash flows from investing activities			
Payments into time deposits		-24,284	-16,012
Proceeds from withdrawal of time deposits		16,774	23,609
Purchase of financial assets measured at fair value		-3,262	-1,352
Proceeds from sale of financial assets measured at fair value		285	560
Purchase of financial assets measured at amortised cost		-6,000	—
Proceeds from sale or redemption of financial assets measured at amortised cost		2,600	1,400
Purchase of property, plant and equipment		-1,705	-5,911
Purchase of intangible assets		-1,512	-1,666
Payments for leasehold deposits and guarantee deposits		-504	-296
Proceeds from collection of leasehold deposits and guarantee deposits		235	480
Payments for loans receivable		-65	-4
Collection of loans receivable		549	17
Purchase of shares of subsidiaries resulting in change in scope of consolidation		-3,865	-19,960
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation		1,218	—
Purchase of investments accounted for using equity method		-480	-1,021
Payments for acquisition of businesses		-433	-2,298
Decrease due to loss of control over subsidiaries		-2,986	—
Other		29	522
Net cash provided by (used in) investing activities		-23,407	-21,933
Cash flows from financing activities			
Dividends paid to owners of parent		-8,144	-10,860
Dividends paid to non-controlling interests		-1,591	-1,790
Capital contribution from non-controlling interests		—	140
Payments for acquisition of interests in subsidiaries from non-controlling interests		-3,415	-5,730
Repayments of borrowings		-13	-809

Repayments of lease liabilities	-3,656	-3,902
Proceeds from issuance of shares	126	90
Other	322	24
Net cash provided by (used in) financing activities	-16,371	-22,837
Effect of exchange rate changes on cash and cash equivalents	2,780	1,723
Net increase (decrease) in cash and cash equivalents	15,109	14,066
Cash and cash equivalents at beginning of period	89,144	104,253
Cash and cash equivalents at end of period	104,253	118,319

(6) Notes on premise of a going concern

Not applicable

(7) Notes to Consolidated Financial Statements

1) Segment Information

(i) Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance. The Group has five reportable segments: "Medical Platform," "Evidence Solutions," "Career Solutions," "Site Solutions," and "Overseas."

The "Medical Platform" segment is engaged in various marketing-related businesses in Japan that utilize the Internet and real operations, with the "m3.com" dedicated to medical professionals at its core.

The "Evidence Solutions" segment provides operational support for clinical trials (clinical trials, large-scale clinical research, etc.), as well as management and operational support for all aspects of clinical trial operations at medical institutions conducting clinical trials.

The "Career Solutions" segment provides human resource services for medical professionals in Japan.

The "Site Solutions" segment provides operational support services for medical institutions and home nursing services.

The "Overseas" segment provides various services such as marketing support for medical-related companies, research, clinical trial support, and human resource services utilizing websites specialized for medical professionals in the United States, the United Kingdom, South Korea, India, France, Germany, Spain, and other countries.

(ii) Information about net sales, profit (loss), and other items for each reportable segment

The following tables show revenue, profit or loss, and other items by reporting segments of the Group. The intersegment revenue and transfers are based on prevailing market prices.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments						Other Emerging Businesses*1	Adjustments*2	Per consolidated financial statements
	Medical Platform	Evidence Solution	Career Solution	Site Solution	Overseas*3	Total			
Revenue									
Revenue from external customers	83,180	21,899	13,353	34,660	51,811	204,903	3,256	—	208,159
Intersegment revenue and transfers	2,749	856	740	525	20	4,890	104	-4,994	—
Total	85,928	22,756	14,094	35,184	51,831	209,793	3,360	-4,994	208,159
Operating profit (loss)	39,553	5,654	4,646	3,399	44,837	98,091	-601	-2,348	95,141
Finance income and costs, net									1,045
Profit before tax									96,187
Others									
Share of profit (loss) of investments accounted for using equity method	-69	—	—	—	-30	-99	-2,331	—	-2,430
Depreciation and amortization	2,839	211	97	1,117	1,796	6,061	214	—	6,274
Impairment losses(*4)	345	—	—	1,789	322	2,457	—	—	2,457

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments						Other Emerging Businesses*1	Adjustments	Per consolidated financial statements
	Medical Platform	Evidence Solution	Career Solution	Site Solution	Overseas	Total			
Revenue									
Revenue from external customers	90,196	26,527	13,869	34,979	62,070	227,641	3,177	—	230,818
Intersegment revenue and transfers	2,902	630	669	316	25	4,543	107	-4,649	—
Total	93,098	27,157	14,538	35,295	62,095	232,183	3,284	-4,649	230,818
Operating profit (loss)	41,147	7,662	4,644	3,745	16,990	74,189	945	-3,151	71,983
Finance income and costs, net									2,335
Profit before tax									74,318
Others									
Share of profit (loss) of investments accounted for using equity method	238	—	—	—	1,088	1,326	145	—	1,471
Depreciation and amortization	2,735	549	99	1,222	2,577	7,182	252	—	7,434
Impairment losses(*5)	796	—	—	—	—	796	—	—	796
Reversal of impairment loss	820	—	—	—	—	820	—	—	820

*1 The "Other Emerging Businesses" is a business segment not included in the reportable segments and includes services for consumers as well as medical and welfare national exam preparation services.

2 The details of the adjustments are as follows:

- ① Elimination of intersegment transactions
- ② Income and corporate expenses not attributable to any reportable segment

3 Segment profit of "Overseas" includes "Gain relating to loss of control over subsidiaries" of 9,443 million yen recognized based on the deconsolidation of Medlive and "Gain on change in equity" of 21,906 million yen due to Medlive's

issuance of new shares.

4 As a result of reviewing future profitability due to the impact of COVID-19, impairment losses on goodwill and intangible assets are recorded.

5 As a result of a review of future profitability, an impairment loss for goodwill was recognized.

2) Earnings per share

The basis for calculating earnings per share attributable to owners of the parent company is as follows:

	Fiscal year ended Mar 31 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended Mar 31 2023 (April 1, 2022 to March 31, 2023)
Net income attributable to owners of the parent (Million yen)	63,845	49,028
Basic average number of common shares during the period (shares)	678,769,542	678,889,214
Effect of dilutive potential common stock Stock option	577,202	438,669
Diluted average number of common shares during the period	679,346,744	679,327,883
Earnings per share (yen)		
Basic Earnings per Share	94.06	72.22
Diluted earnings per share	93.98	72.17
Summary of financial instruments not included in the calculation of diluted earnings per share due to anti-dilution effect	5 types of Stock Acquisition Rights (Number of stock acquisition rights: 560)	8 types of Stock Acquisition Rights (Number of stock acquisition rights: 1,839)

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