



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

Apr 28, 2023

Listed Company: M3, Inc. Listed Stock Exchange: Tokyo
 Securities Code: 2413 URL: <https://corporate.m3.com/>
 Representative: (Title) CEO (Name) Itaru Tanimura
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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.

4. Qualitative Information on Quarterly 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.

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