



Consolidated Financial Results
for the Nine Months Ended December 31, 2021 [IFRS]
(Abridged)



February 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: February 10, 2022
 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 Nine Months Ended December 31, 2021

(From April 1, 2021 to December 31, 2021)

(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	%
Nine months ended Dec 31, 2021	154,169	24.6	84,627	99.3	85,177	100.5	58,535	98.4
Nine months ended Dec 31, 2020	123,750	28.5	42,468	57.7	42,481	57.3	29,507	58.5

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Million Yen	%	Million Yen	%	Yen	Yen
Nine months ended Dec 31, 2021	56,169	110.3	59,737	103.8	82.75	82.68
Nine months ended Dec 31, 2020	26,711	61.0	29,306	61.5	39.36	39.32

(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 Dec 31, 2021	324,823	252,686	246,612	75.9	362.32
As of March 31, 2021	273,123	207,260	199,813	73.2	293.64

2. Dividends

	Annual Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	0.00	—	12.00	12.00
Fiscal year ending March 31, 2022	—	0.00	—		
Fiscal year ending March 31, 2022 (Forecast)				—	—

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

2 Dividend forecast for the fiscal year ending March 31, 2022 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, 2022

(From April 1, 2021 to March 31, 2022)

Consolidated financial results forecast for the fiscal year ending March 31, 2022 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 December 31, 2021	678,822,100	shares
As of March 31, 2021	678,785,600	shares
(ii) Number of treasury stock at the end of the period		
As of December 31, 2021	45,081	shares
As of March 31, 2021	45,067	shares
(iii) Average number of shares during the period (cumulative)		
As of December 31, 2021	678,757,781	shares
As of December 31, 2020	678,644,883	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, February 2, 2022.

4. Qualitative Information on Quarterly Results

(1) Explanation of consolidated operating results

In Japan, various services are provided for the 300,000+ 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., and equity method affiliate LINE Healthcare Corporation established with LINE Corporation to operate an 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. Business expansion continues in Asia as well. Furthermore, Medlive Technology Co., Ltd., which operates the China business through its subsidiary, Jinye Tiancheng (Beijing) Technology Co., Ltd., has been deconsolidated from M3 as a result of M3’s loss of control, and has become an equity-method affiliate of M3, as stated in the June 18th press release titled “Announcement Regarding the Recognition of Gains Relating to Loss of Control Over Subsidiaries.” Additionally, the company IPOs on the Stock Exchange of Hong Kong in July 2021.

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)

	Nine months ended Dec 31, 2020 (April 1, 2020 to Dec 31, 2020, cumulative)	Nine months ended Dec 31, 2021 (April 1, 2021 to Dec 31, 2021, cumulative)	Third quarter comparison		(Reference) Previous consolidated fiscal year (April 1, 2020 to March 31, 2021)
Net sales	123,750	154,169	+30,419	+24.6%	169,198
Operating Profit	42,468	84,627	+42,159	+99.3%	57,972
Pre-Tax Profit	42,481	85,177	+42,696	+100.5%	58,264
Net Profit	29,507	58,535	+29,028	+98.4%	41,198

(Segment results)

(Unit: Million Yen)

		Nine months ended Dec 31, 2020 (April 1, 2020 to Dec 31, 2020, cumulative)	Nine months ended Dec 31, 2021 (April 1, 2021 to Dec 31, 2021, cumulative)	Third quarter comparison	
Medical Platform	Segment Net Sales	55,629	64,672	+9,043	+16.3%
	Segment Profit	27,469	30,795	+3,326	+12.1%
Evidence Solution	Segment Net Sales	14,427	16,188	+1,762	+12.2%
	Segment Profit	2,648	3,844	+1,196	+45.1%
Career Solution	Segment Net Sales	10,965	11,024	+59	+0.5%
	Segment Profit	3,353	4,027	+673	+20.1%
Site Solution	Segment Net Sales	12,530	25,657	+13,127	+104.8%
	Segment Profit	1,510	4,554	+3,043	+201.5%
Overseas	Segment Net Sales	29,814	37,860	+8,046	+27.0%
	Segment Profit	8,378	41,473	+33,095	+395.0%
Other Emerging Businesses	Segment Net Sales	2,395	2,463	+68	+2.8%
	Segment Profit	718	1,258	+540	+75.2%
Adjustment	Segment Net Sales	-2,009	-3,696	—	—
	Segment Profit	-1,609	-1,323	—	—
Total	Net Sales	123,750	154,169	+30,419	+24.6%
	Operating Profit	42,468	84,627	+42,159	+99.3%

1) Medical Platform

Due to continued healthy demand from pharmaceutical companies, Medical Platform segment sales reached 64,672 million yen, higher by 16.3% versus previous year. Upfront investments aimed for future growth have raised SG&A mainly around personnel costs, however, Medical Platform segment produced profits of 30,795 million yen, higher by 12.1% versus previous year.

2) Evidence Solution

Recovery from the temporary halt in projects due to the COVID-19 pandemic and acceleration of COVID-related clinical trial projects produced total sales of 16,188 million yen, higher by 12.2% versus previous year. Segment profit was 3,844 million yen, higher by 45.1% versus previous year.

3) Career Solution

Solid sales in services for physicians and COVID vaccination support project expansion offset the dampened activity from pharmacists, which resulted in segment sales of 11,024 million yen, higher by 0.5% versus previous year. Sales mix improvement and increased contribution from vaccination support projects produced segment profits of 4,027 million yen, higher by 20.1% versus previous year.

4) Site Solution

In addition to an increase in affiliate medical institutions, COVID vaccination support project expansion produced segment sales of 25,657 million yen, higher by 104.8% versus previous year, and profit of 4,554 million yen, higher by 201.5% versus previous year.

5) Overseas

All regions performed well, resulting in segment sales of 37,860 million yen, higher by 27.0% versus previous year. In addition to the increase in sales, appropriation of gains related to the IPO of Medlive which owns the subsidiary that operates the China business, resulted in segment profit of 41,473 million yen, higher by 395.0% versus previous year. Furthermore, Medlive Technology Co., Ltd., has been deconsolidated from M3 and has become an equity-method affiliate of M3 as of June 18, 2021.

6) Other Emerging Businesses

Recovery trend from negative impact of COVID-19 has brought segment sales to 2,463 million yen, higher by 2.8% versus previous year. Profits were 1,258 million yen, higher by 75.2% versus previous year as a result of valuation changes in held assets and capital gain on sales shares of subsidiaries.

Combining all of the above, results for the entire group for the nine months ended December 31, 2021, amounted to sales of 154,169 million yen, higher by 24.6% versus previous year, and operating profit of 84,627 million yen, higher by 99.3% versus previous year. Pre-tax profit was 85,177 million yen, higher by 100.5% versus previous year, and net profit was 58,535 million yen, higher by 98.4% versus previous year.

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