



Summary of Consolidated Financial Results
for the Fiscal Year Ended March 31, 2022 [IFRS]

Apr 27, 2022

Listed Company: M3, Inc. Listed Stock Exchange: Tokyo
 Securities Code: 2413 URL: <https://corporate.m3.com/>
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 Contact: (Title) Director (Name) Eiji Tsuchiya
 General Meeting of Shareholders: June 28, 2022
 Dividend payment commencement date: June 13, 2022
 Submission of securities report: June 29, 2022
 Preparation of explanatory materials for quarterly financial result: Yes
 Assembly for briefing of financial results: Yes (For Analysts)

(Amounts of less than one million yen are rounded)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

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

(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, 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
Fiscal Year ended March 31, 2021	169,198	29.2	57,972	68.8	58,264	68.3	41,198	70.6	37,822	74.8	43,766	96.0

	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, 2022	94.06	93.98	27.9	31.1	45.7
Fiscal Year ended March 31, 2021	55.73	55.68	20.7	23.5	34.3

(Ref) Equity in earnings of affiliated companies for the fiscal year ended March 31, 2022: -2,430 million yen
 Equity in earnings of affiliated companies for the fiscal year ended March 31, 2021: -28 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, 2022	345,981	263,954	257,840	74.5	378.75
As of March 31, 2021	273,123	207,260	199,813	73.2	293.64

(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, 2022	52,108	-23,407	-16,371	104,253
Fiscal year ended March 31, 2021	46,627	3,592	-11,615	89,144

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, 2021	—	0.00	—	12.00	12.00	8,145	21.5	4.5
Fiscal year ended March 31, 2022	—	0.00	—	16.00	16.00	10,862	17.0	4.8
Fiscal year ending March 31, 2023 (Forecast)	—	0.00	—	—	—		—	

(Note) 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. Forecast for the Consolidated Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Forecasts for the fiscal year ending March 31, 2023 are undisclosed due to inability to reasonably estimate the global COVID-19 pandemic impact on M3 group's domestic and overseas businesses. Although there may be certain areas of increased clarity, overall impact has been prolonged and complicated, still presenting high uncertainty. Forecasts will be promptly released as soon as conditions allow for reasonable 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 stock)		
As of March 31, 2022	678,904,600	shares
As of March 31, 2021	678,785,600	shares
(ii) Number of treasury stock at the end of the period		
As of March 31, 2022	45,081	shares
As of March 31, 2021	45,067	shares
(iii) Average number of shares during the period (cumulative)		
As of March 31, 2022	678,769,542	shares
As of March 31, 2021	678,664,147	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 Wednesday, April 27, 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 (as of April 27, 2022) 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 for 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.” The company was publicly listed 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 results for the fiscal year (cumulative)

(Unit: Million Yen)

	Fiscal year ended March 31, 2021 (April 1, 2020 to Mar 31, 2021, cumulative)	Fiscal year ended March 31, 2022 (April 1, 2021 to Mar 31, 2022, cumulative)	Fiscal year comparison	
Net sales	169,198	208,159	+38,962	+23.0%
Operating Profit	57,972	95,141	+37,169	+64.1%
Pre-Tax Profit	58,264	96,187	+37,922	+65.1%
Net Profit	41,198	66,108	+24,911	+60.5%

(Segment results)

(Unit: Million yen)

		Fiscal year ended March 31, 2021 (April 1, 2020 to Mar 31, 2021, cumulative)	Fiscal year ended Mar 31, 2022 (April 1, 2021 to Mar 31, 2022, cumulative)	Fiscal year comparison	
Medical Platform	Segment Net Sales	77,076	85,928	+8,852	+11.5%
	Segment Profit	37,903	39,553	+1,651	+4.4%
Evidence Solution	Segment Net Sales	19,473	22,756	+3,282	+16.9%
	Segment Profit	3,618	5,654	+2,037	+56.3%
Career Solution	Segment Net Sales	13,537	14,094	+557	+4.1%
	Segment Profit	3,753	4,646	+893	+23.8%
Site Solution	Segment Net Sales	16,555	35,184	+18,629	+112.5%
	Segment Profit	1,537	3,399	+1,862	+121.2%
Overseas	Segment Net Sales	42,147	51,831	+9,684	+23.0%
	Segment Profit	12,599	44,837	+32,239	+255.9%
Other Emerging Businesses	Segment Net Sales	3,328	3,360	+32	+1.0%
	Segment Profit	950	-601	-1,551	—
Adjustment	Segment Net Sales	-2,919	-4,994	—	—
	Segment Profit	-2,387	-2,348	—	—
Total	Net Sales	169,198	208,159	+38,962	+23.0%
	Operating Profit	57,972	95,141	+37,169	+64.1%

1) Medical Platform

Due to the strong demand remaining from pharmaceutical companies, Medical Platform segment sales reached 85,928 million yen, higher by 11.5% versus previous year. Upfront investments aimed for strengthening the pharmaceutical marketing team and future growth have raised SG&A mainly around personnel costs. Combined, Medical Platform segment produced profits of 39,553 million yen, higher by 4.4% versus previous year.

2) Evidence Solution

The effect of temporary halts in projects due to the COVID-19 pandemic in previous term alleviated, and an acceleration in COVID-19 related clinical trials have further supported the recovery process. The segment produced total sales of 22,756 million yen, higher by 16.9% versus previous year. Segment profit was 5,654 million yen, higher by 56.3% versus previous year.

3) Career Solution

Dampened activity mainly from pharmacists due to COVID-19 impact remained, however, services for doctors remained robust. Furthermore, with the expansion of COVID-19 related vaccine support services, the segment resulted in sales of 14,094 million yen, higher by 4.1% versus previous year. Improvement in sales composition mentioned above, and the expansion of vaccine support projects produced segment profits of 4,646 million yen, higher by 23.8% versus previous year.

4) Site Solution

In addition to the increase in affiliate medical institutions, the expansion of COVID-19 related vaccine support services produced segment sales of 35,184 million yen, higher by 112.5% versus previous year. Impairment on intangible assets incurred on overseas assets in the fourth quarter was offset by an overall increase in sales and profits, resulting in segment profits of 3,399 million yen, higher by 121.2% versus previous year.

5) Overseas

Business across all regions remained robust, with segment sales at 51,831 million yen, higher by 23.0% versus previous year. In addition to the sales increase, profit from the IPO on the Hong Kong Stock Exchange of Medlive Technology Co., Ltd., which owns subsidiaries operating businesses in China, produced total segment profits of 44,837 million yen, higher by 255.9% versus previous year. Medlive was deconsolidated as of June 18, 2021 and is now an equity-method affiliate of M3.

6) Other Emerging Businesses

Recovery from negative impact of COVID-19 has brought segment sales to 3,360 million yen, higher by 1.0% versus previous year. Gains from transfer of subsidiary shares were offset by fluctuation in stock valuations as well as impairment on equity-method investments, producing segment losses of 601 million yen (profit in previous fiscal year was 950 million yen.)

Combining all of the above, results for the entire group for the twelve months ended March 31, 2022, amounted to sales of 208,159 million yen, higher by 23.0% versus previous year, and operating profit of 95,141 million yen, higher by 64.1% versus previous year. Pre-tax profit was 96,187 million yen, higher by 65.1% versus previous year, and net profit was 66,108 million yen, higher by 60.5% versus previous year.

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