
M3, Inc.

Presentation Material

July 2024



The following presentation contains forecasts, future plans, management targets and other forward-looking projections relating to M3, Inc. and/or its group. These statements are drawn from assumptions of future events based on data currently available to us, and there exist possibilities that such assumptions are objectively incorrect and/or may produce differing actual results from those mentioned in the statements.

Furthermore, information and data other than those concerning the Company and its subsidiaries/affiliates are quoted from public information, and the Company has not verified and will not warrant its accuracy or dependency.

M3, Inc.

FY2024Q1 Consolidated Results

Unit: JPY MM

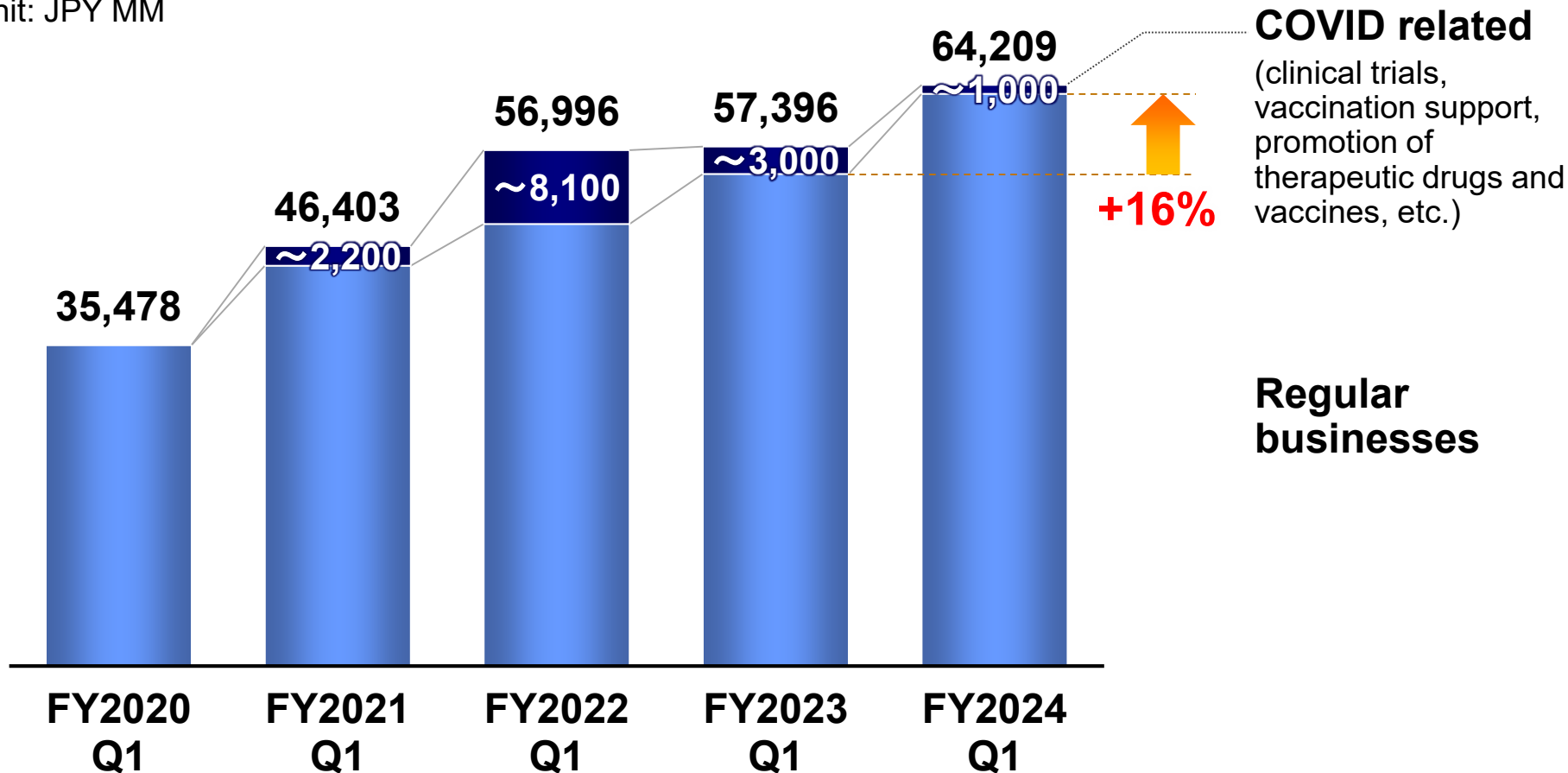
	FY2023 Q1	FY2024 Q1	YoY
Revenue	57,396	64,209	+12%
Operating Profit	18,004	16,899	-6%
Profit before tax	19,831	18,784	-5%
Profit	13,554	12,750	-6%

YoY growth in business excluding COVID related revenues, sales +16%

 The first half started in line with the expectation of higher revenue and lower profit

Consolidated Revenue Trend and COVID Impact

Unit: JPY MM



 In Q1, negative impact of approx. 2 billion yen was materialized mainly in the Medical Platform and Evidence Solution segments, with the possibility of larger negative impact for the full year

FY23 Actuals: Q1 ~3.0 Bn, Q2 ~2.7 Bn, Q3 ~2.7 Bn, Q4 ~2.0 Bn

FY24 Actuals: Q1 ~1.0 Bn

FY2024 Q1 Consolidated Results by Segment

Unit: JPY MM

			FY2023 Q1	FY2024 Q1	YoY
Domestic	Medical Platform	Revenue	21,947	20,969	-4%
		Profit	8,904	7,924	-11%
	Evidence Solution	Revenue	6,965	6,108	-12%
		Profit	1,885	1,013	-46%
	Career Solution	Revenue	5,588	7,212	+29%
		Profit	2,663	3,314	+24%
	Site Solution	Revenue	7,663	10,597	+38%
		Profit	831	1,342	+62%
	Emerging Businesses	Revenue	552	538	-3%
		Profit	-126	143	-
Overseas	Revenue	15,715	19,879	+26%	
	Profit	3,679	3,719	+1%	

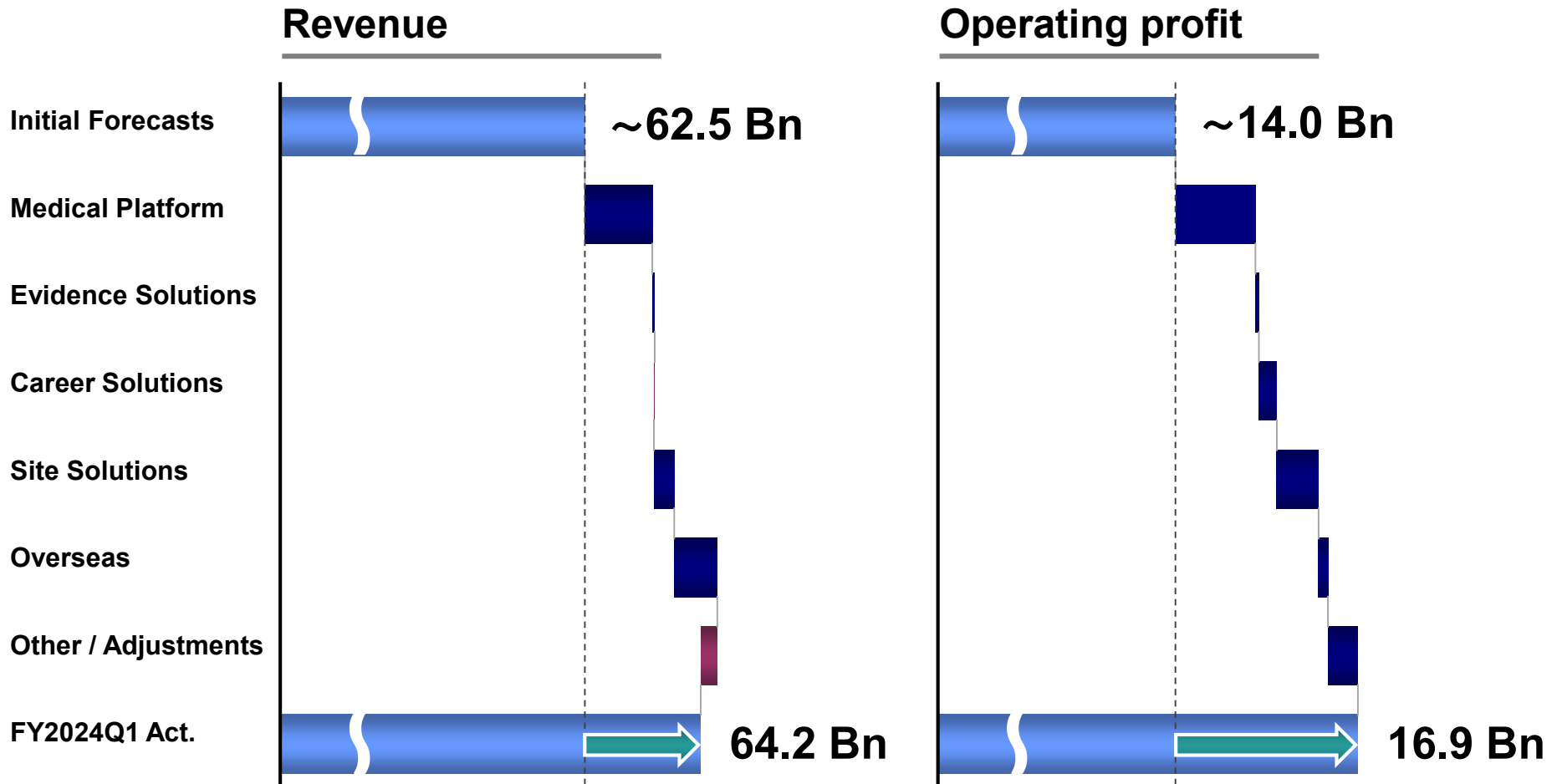
- Revenue +2% excluding COVID
- Pharma marketing: The impact of a decline in COVID-related sales became apparent, but the fundamental DX is still progressing
- Other businesses such as DX of the clinical scene showed steady growth


- Order backlog: 27.7 Bn
- Lower momentum in order activities. Temporary downtrend due to cyclical factors

- Business for physicians and pharmacists both performed well
- Additional physician-related demand driven by overtime work regulation

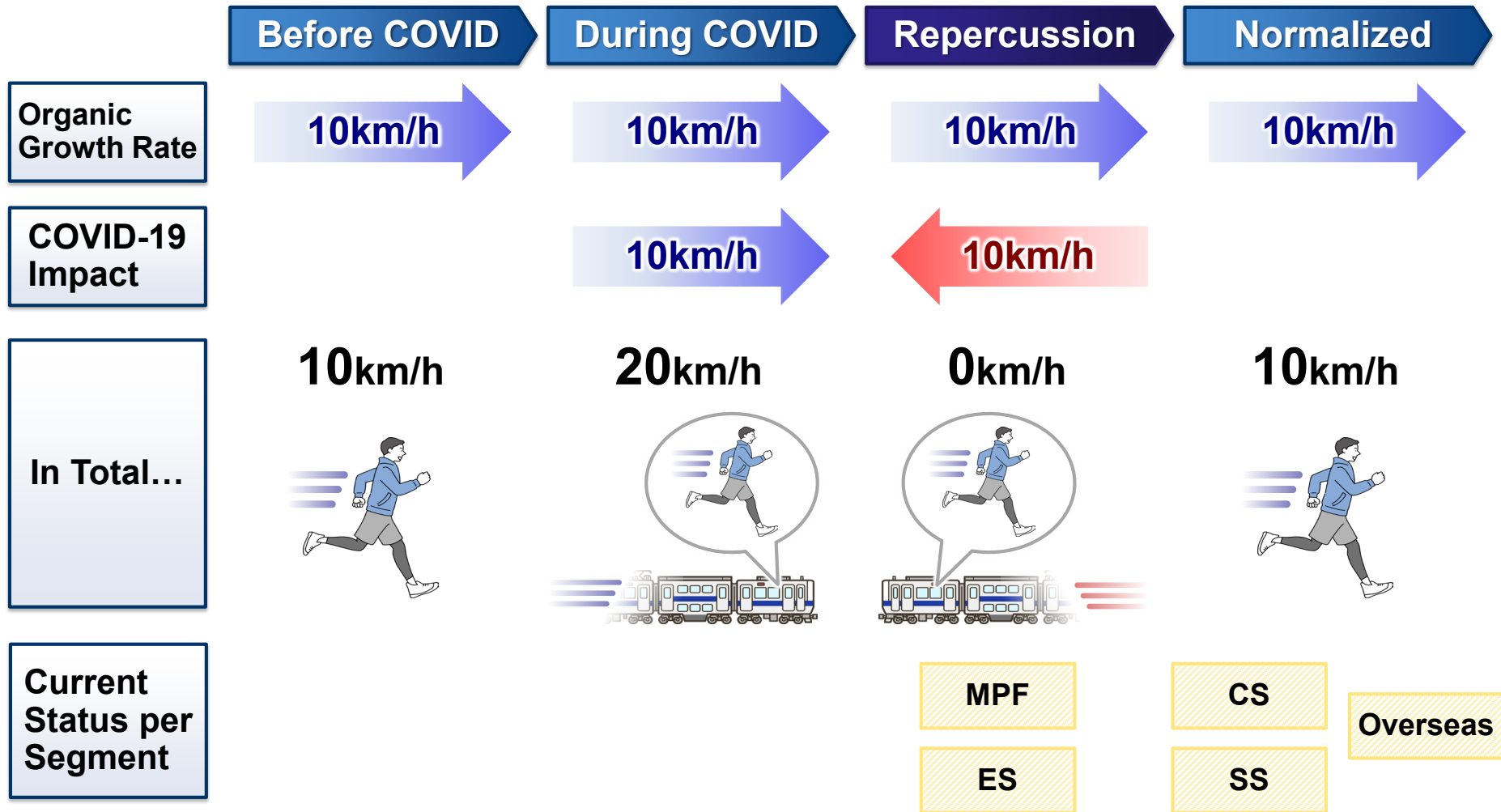
- OP more than +25% excluding US clinical trial business
- Partly influenced by positive currency tailwinds

FY2024Q1 Forecasts vs. Actuals



 Both revenue and operating profit are off to a solid start, partly due to the conservative initial forecasts for Medical Platforms, etc. mainly in the first half of the fiscal year

Relationship between Growth Rate and COVID

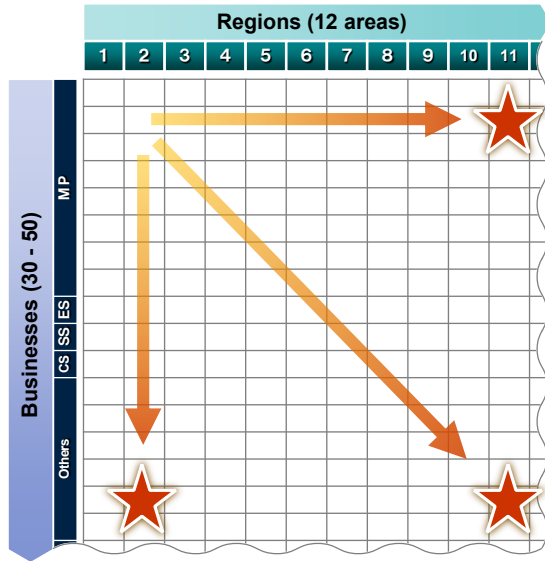


👉 Currently, each segment and business is in a different phase, and the outlook for growth rate also varies

* MPF: Medical Platform, ES: Evidence Solution, CS: Career Solution, SS: Site Solution

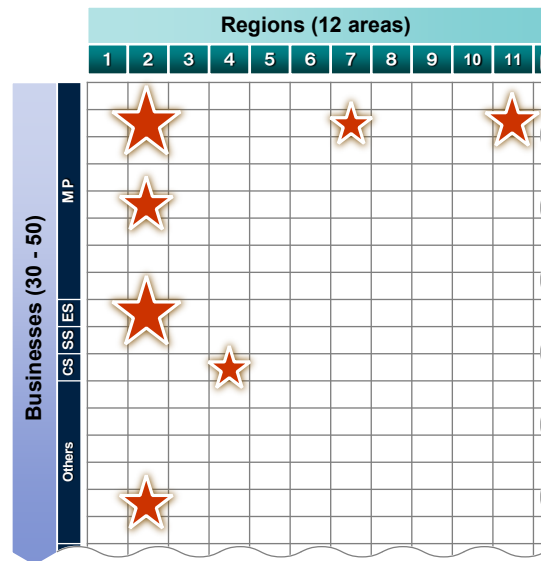
M3's Triple Growth Engine + CSV

1. Ecosystem Expansion (Sagrada Familia)



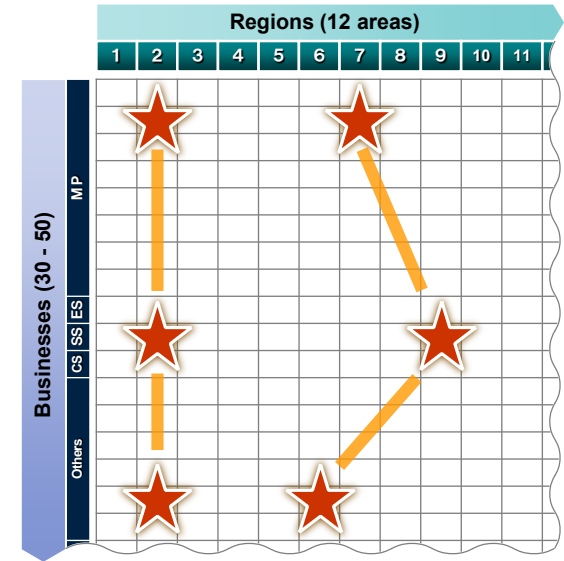
- Continuous new business entries

2. Individual Business Development



- Pharma marketing / Clinical Scene DX

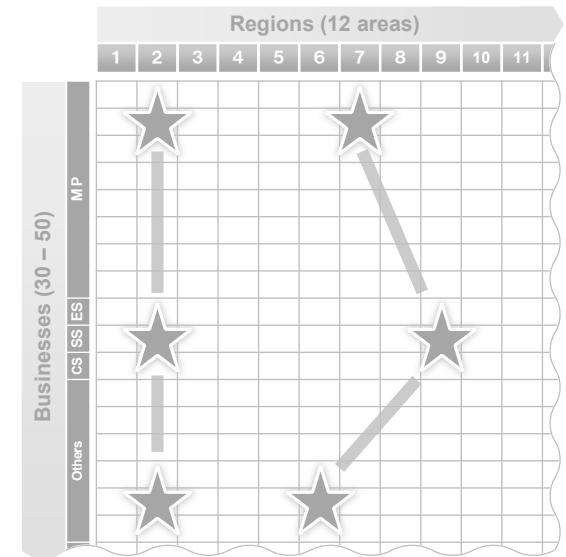
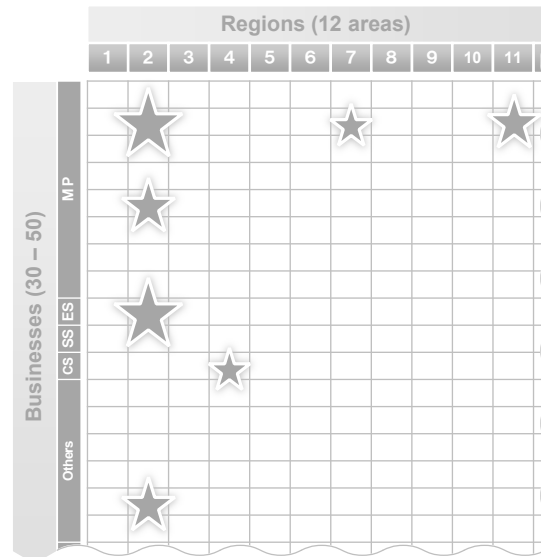
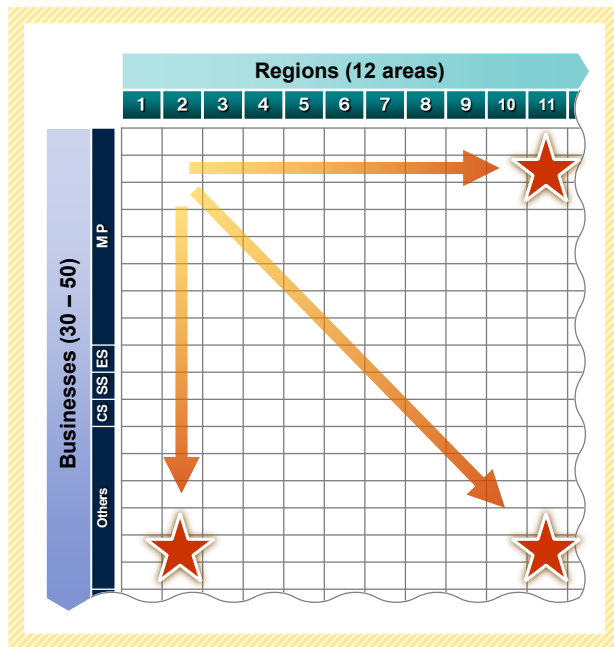
3. Ecosystem Synergy Creation



- Cross-cell synergy maximization

4. Social Impact Creation → CSV

Growth Engine 1: Ecosystem Expansion (Sagrada Familia)



4. Social Impact Creation → CSV

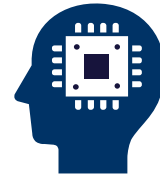
Leverage 3 Major Resources to Solve Healthcare Issues

Healthcare
Issues



6.5 mil. registered doctors worldwide

Overwhelming
Platform



Top-notch technical professionals
State-of-the-art Technology



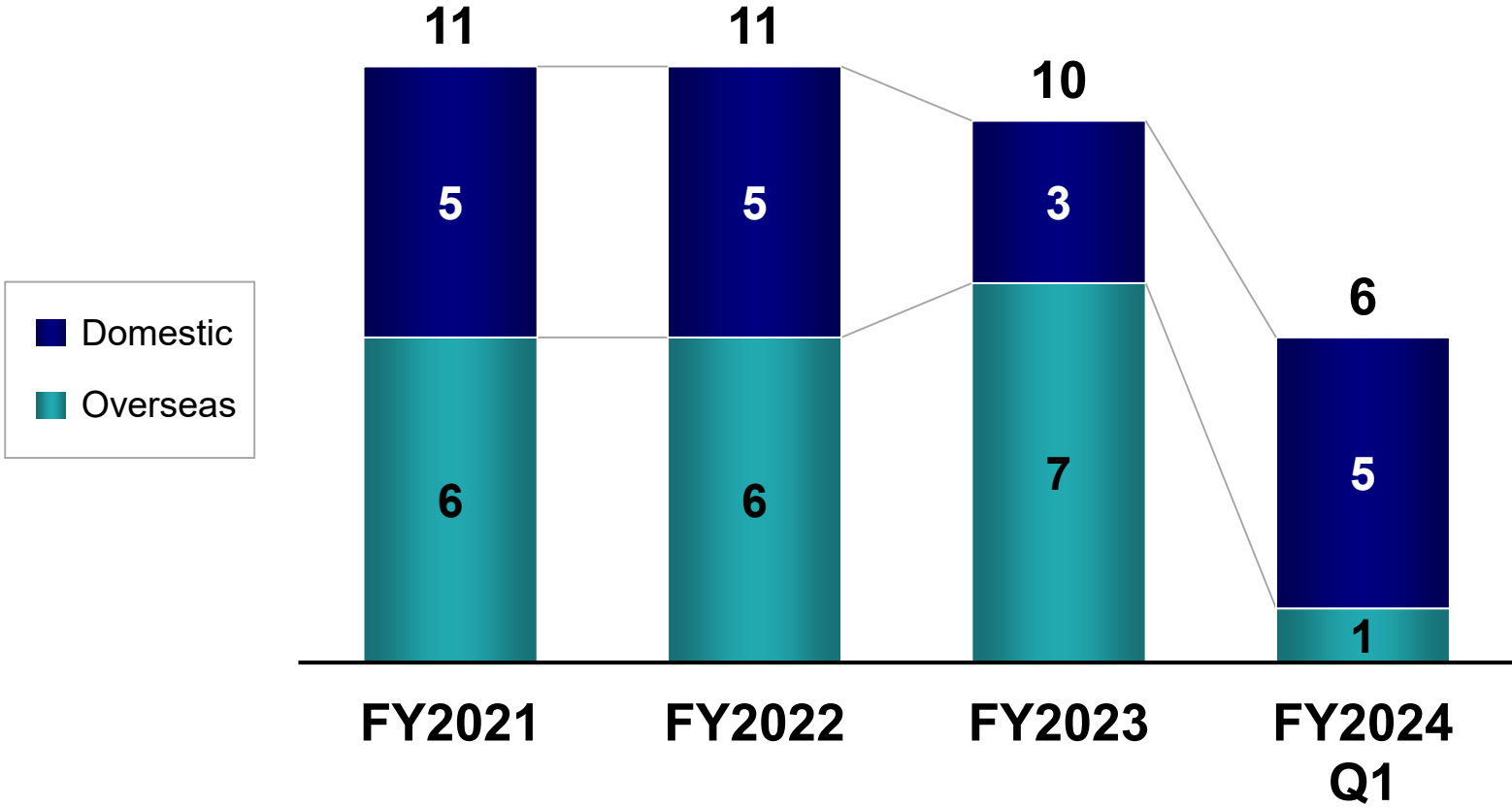
Experts from varied fields unite
Problem Solving Skills

Business Scope Expansion and Growth Potential

FY	: 2010	2015	2020	2023
Country	: 3 →	8 (2.5x) →	11 (3.5x) →	17 (5.5x)
Business Types	: 6 →	15 (2.5x) →	35 (6.0x) →	38 (6.0x)
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Sales (bn)	: 14.6 →	64.7 (4.5x) →	169.2 (12.0x) →	238.9 (16.5x)

 **Aggressive M&A to ensue in reaching growth potentials exceeding 10~20x current levels...**

Trend in M&A Volume: Programmatic M&A Strategy

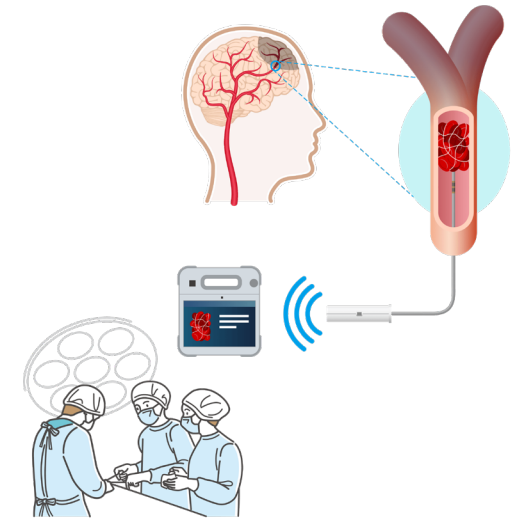


M&A is completed with approximately 10 companies annually. For FY2024 *Infrastructure for On Call Cooperation*, Medicare, and MinaCare consolidations were closed. We will continue to pursue M&A opportunities actively

Cosmotec : Capital and Business Alliance with Sensome

- Sensome is developing a smart clot-sensing guidewire that improves thrombectomy surgery for stroke treatment
- Cosmotec obtains exclusive distribution rights in Japan
- This product enables real-time monitoring of thrombus status and provision of data to physicians, a step toward faster and more accurate thrombectomy

Impact on Stroke Treatment*	Current	Expected Outcome
% of New Thrombus**	11%	2%
Ave. Stay in Hospital	9 Days	6 Days



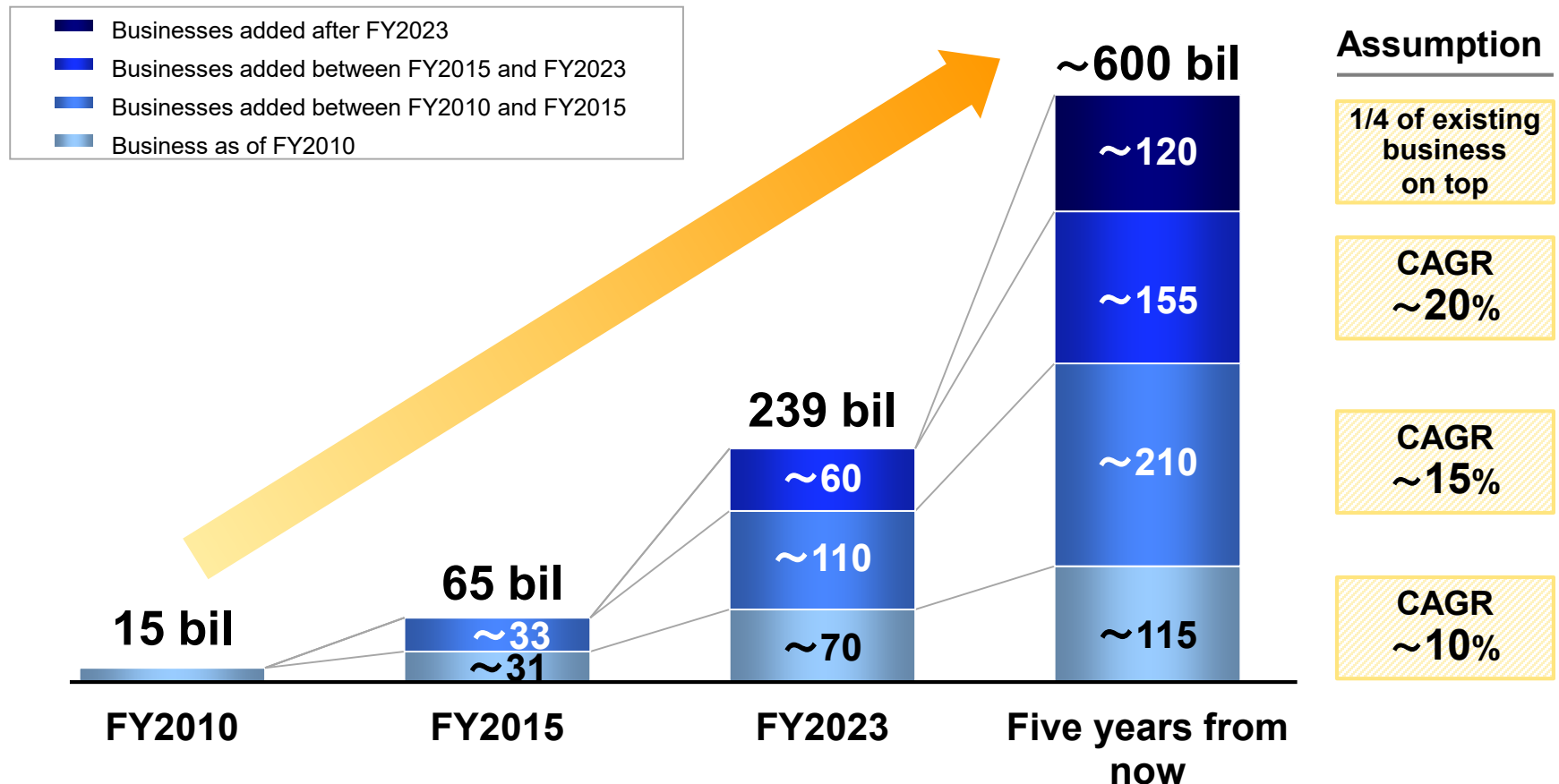
👉 Almost doubles thrombus removal rate in the first procedure, contributing to improving patient QOL, and reducing medical costs

*Reference: <https://jnls.bmj.com/content/13/12/1117#T1>

**If a device that is compatible with thrombus removal is not used, there is a possibility that the thrombus may jump to a new peripheral blood vessel during the surgery and become a new thrombus

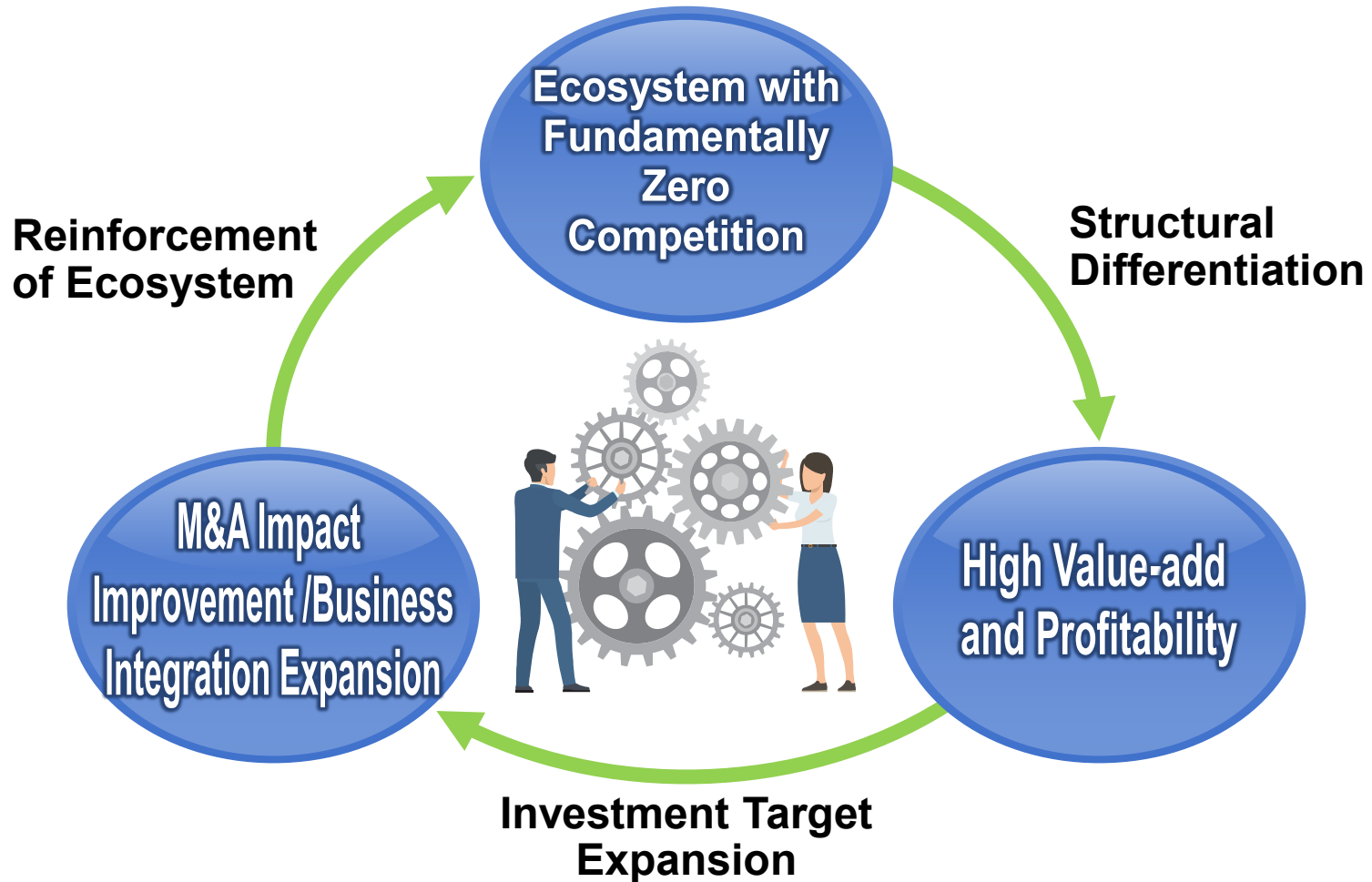
Growth Image per Business Expansion Phases

Sales Trend (JPY)



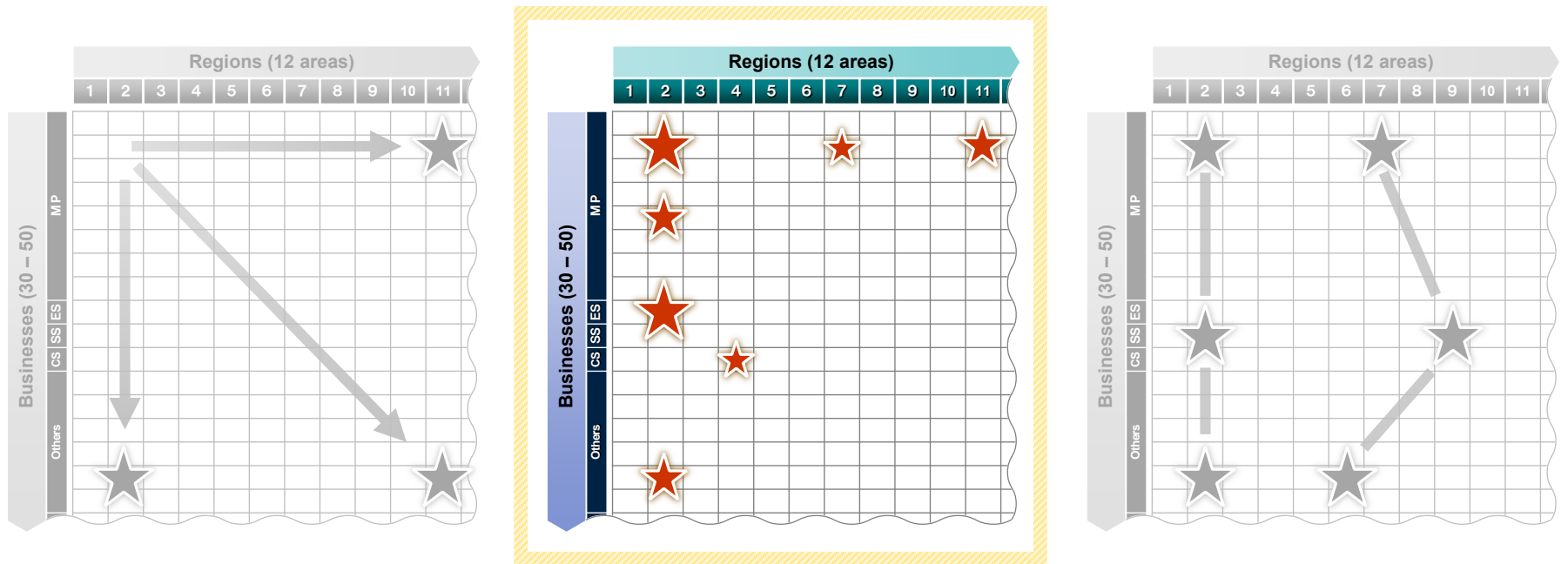
Simulations updated based on FY2023 results. No change in continuing to achieve similar business growth as before through new business development, new business growth, and existing business growth

Business Expansion Creation Flow



👉 Self-reinforcing expansion cycle = "superbly capable staff" base also expands, and continuity is further strengthened... "business snowball" to multiply rapidly

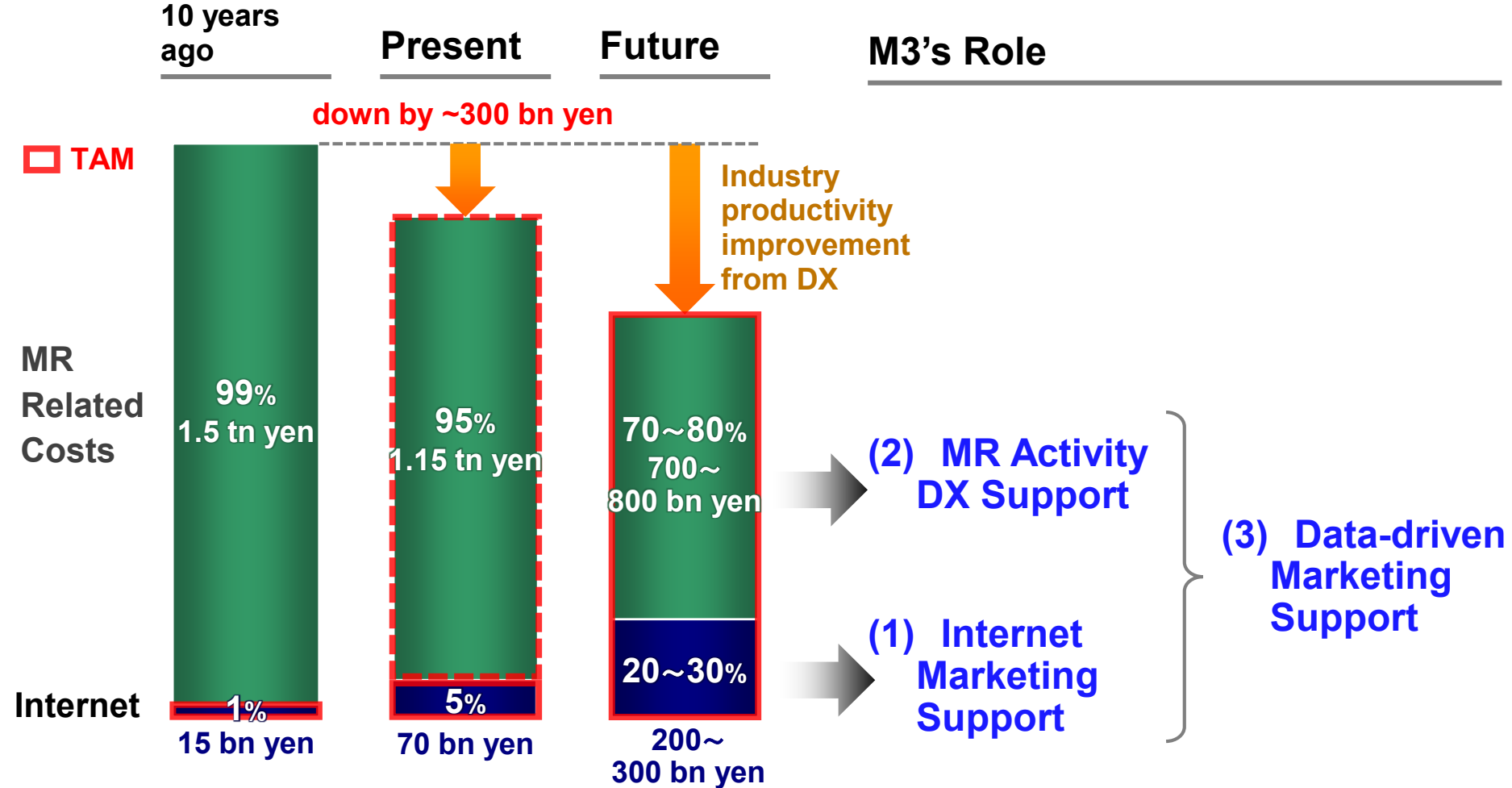
Growth Engine 2: Individual Business Development



4. Social Impact Creation → CSV

Pharmaceutical Sales & Marketing DX

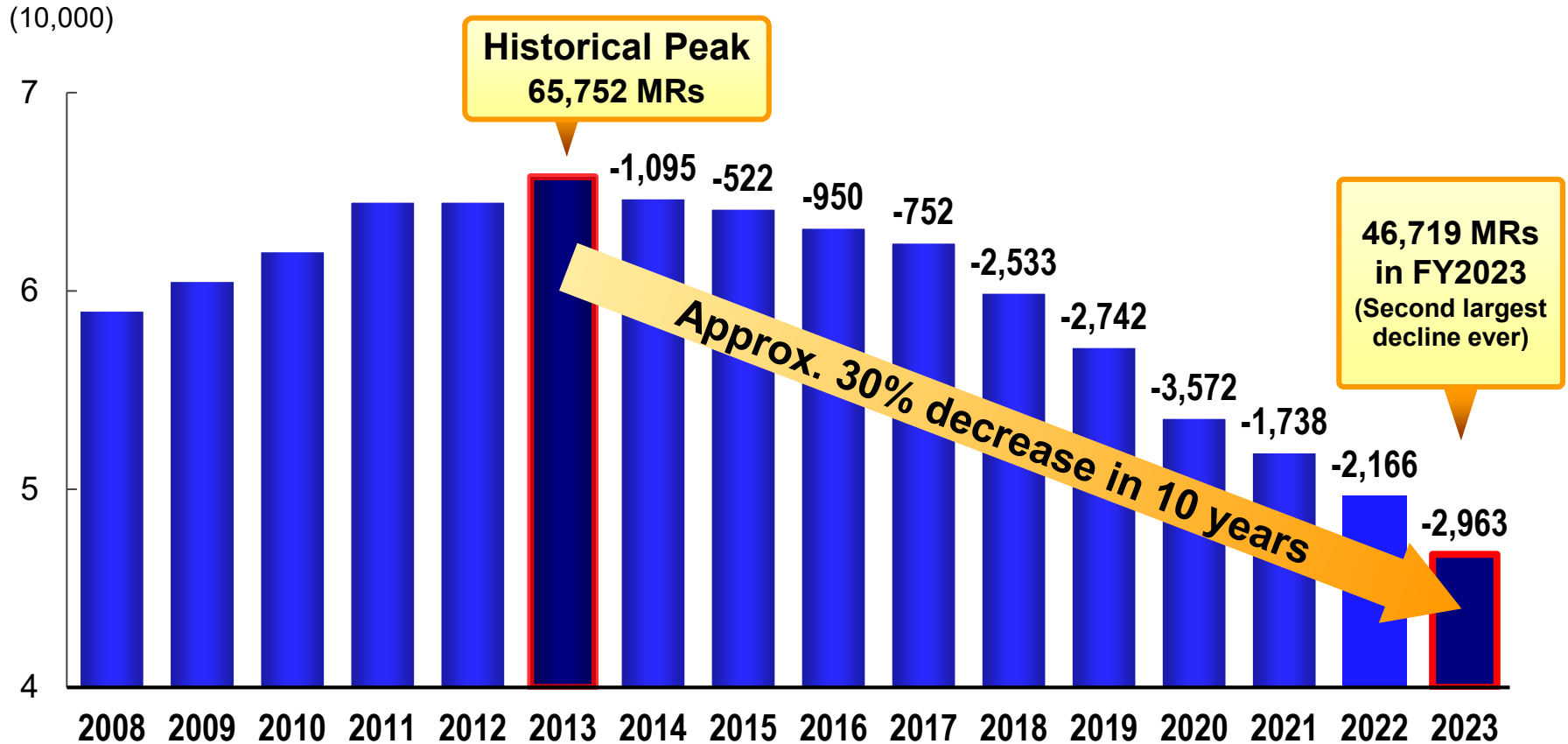
Pharma Marketing Cost and TAM for M3



👉 M3 involvement to go beyond the bounds of the internet to improve productivity across the entire industry

Ref: M3 survey and estimate; numbers are approximate

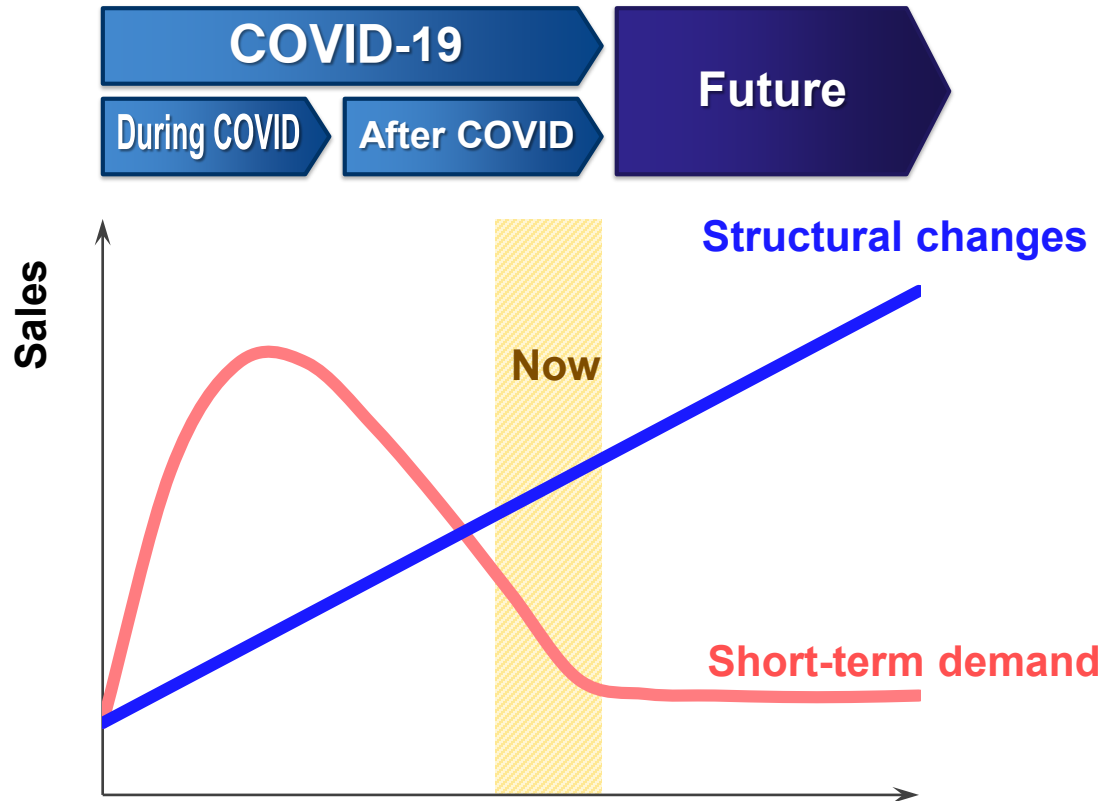
Trend of Domestic Pharmaceutical Sales Reps (MRs)



In addition to a decrease in the number of MRs, an increasing number of contract reps and online reps who work exclusively online or by phone.... The trend toward sales efficiency is expected to continue

Current Status of Pharmaceutical Marketing

Demand and Its Trend



Positive Factors

- Advancement of structural digital transformation (DX)
- Further penetration of data-driven marketing
- Projects on a larger scale

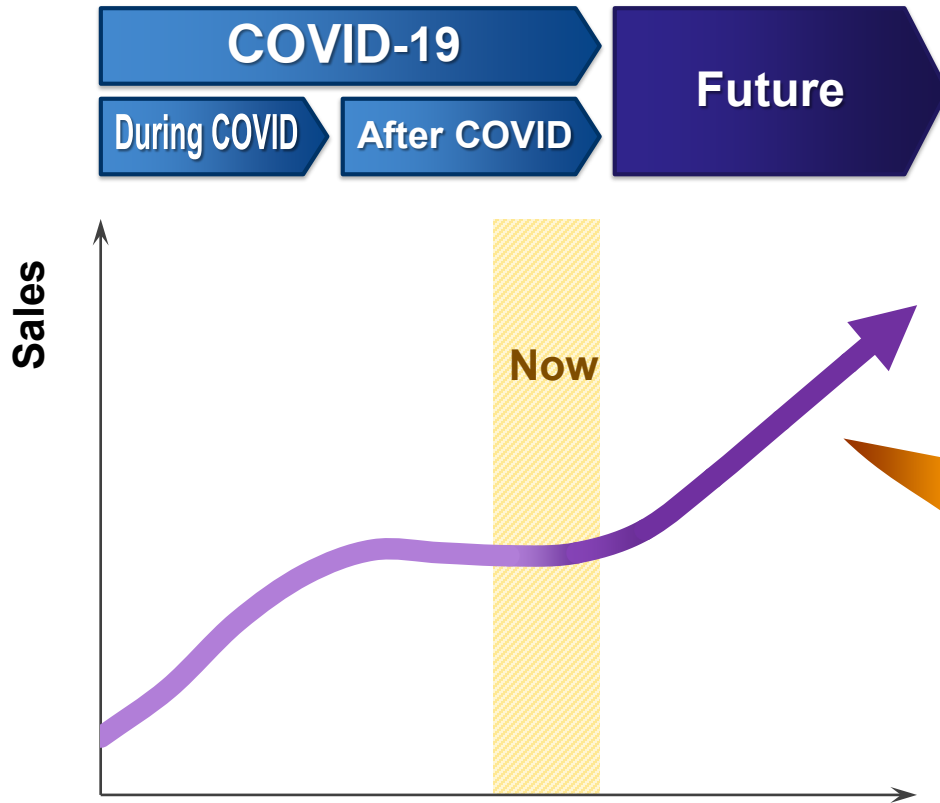
Negative Factors

- Temporary decline in demand during the COVID period
- Cost reduction at some global pharma companies

 The impact of the decline of COVID-19 revenue (for vaccines and treatment drugs) expanded from the initial forecast with the possibility to have a negative impact of approx. 6 billion yen for the full year

As a Strategic Partner to Pharma Companies

Overall Trend



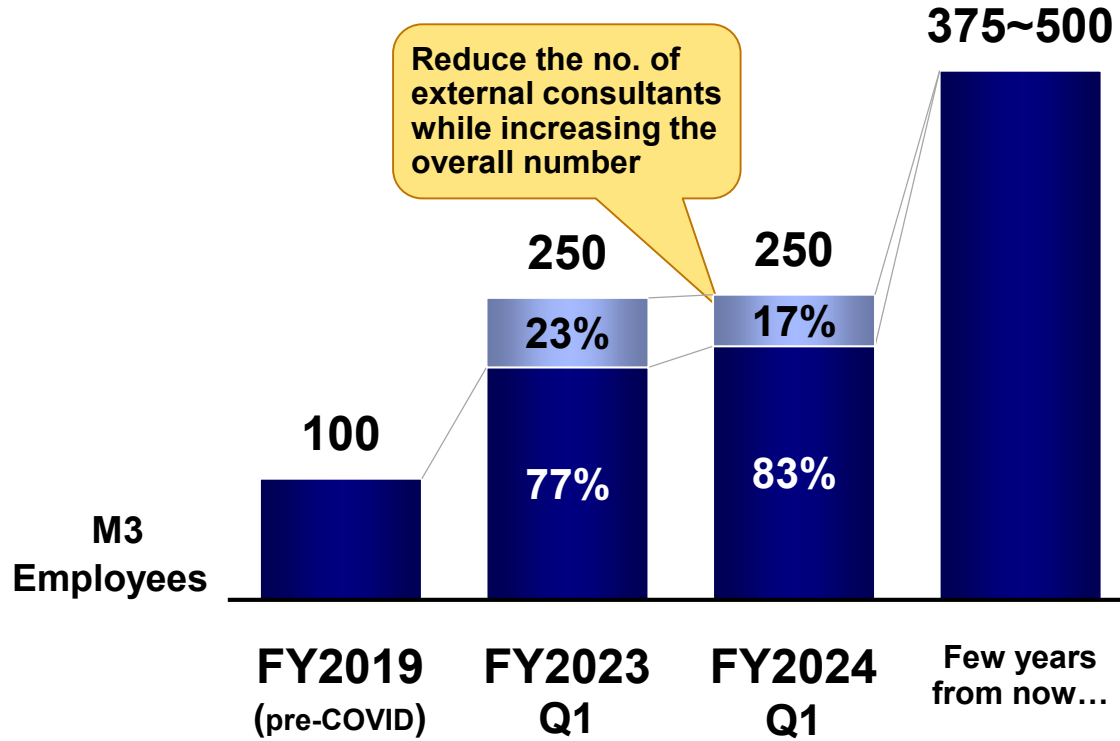
Efforts for Renewed Growth

- Rejuvenate and strengthen leadership
- Our Products
Continual development of services that dramatically improve the productivity of pharmaceutical company sales and marketing (currently at level 50%)
- Our Professional Staff
Continuously expanding the team by several tens of people each year (currently at level 50%)
- Productivity Per Staff
Standardization of service proposals, skills enhancement, improvement in per-person productivity through DX (currently at level 75%)

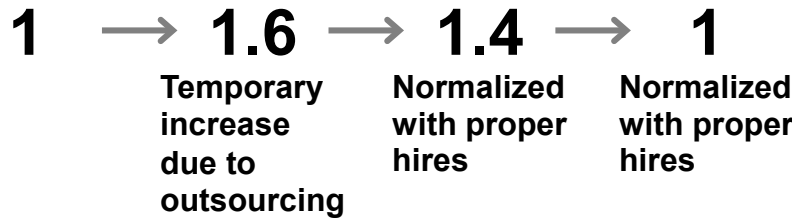
 Further accelerating essential DX initiatives as a strategic partner to pharmaceutical companies

Professional Staff Fortification Plan

Unit: Index with FY2019 as 100



Cost per Staff









Staff Fortification Initiatives

- HR capacity increase
- Recruiter reinforcement (fee scale)
- New grad recruitment fortification
- Improve costs while increasing headcount

Professional staffing, +1% in total (+9% for in-house, -26% for external), more focusing on strengthening recruitment of immediate workforce with a greater emphasis on the quality than in the past

DX of the Clinical Scene

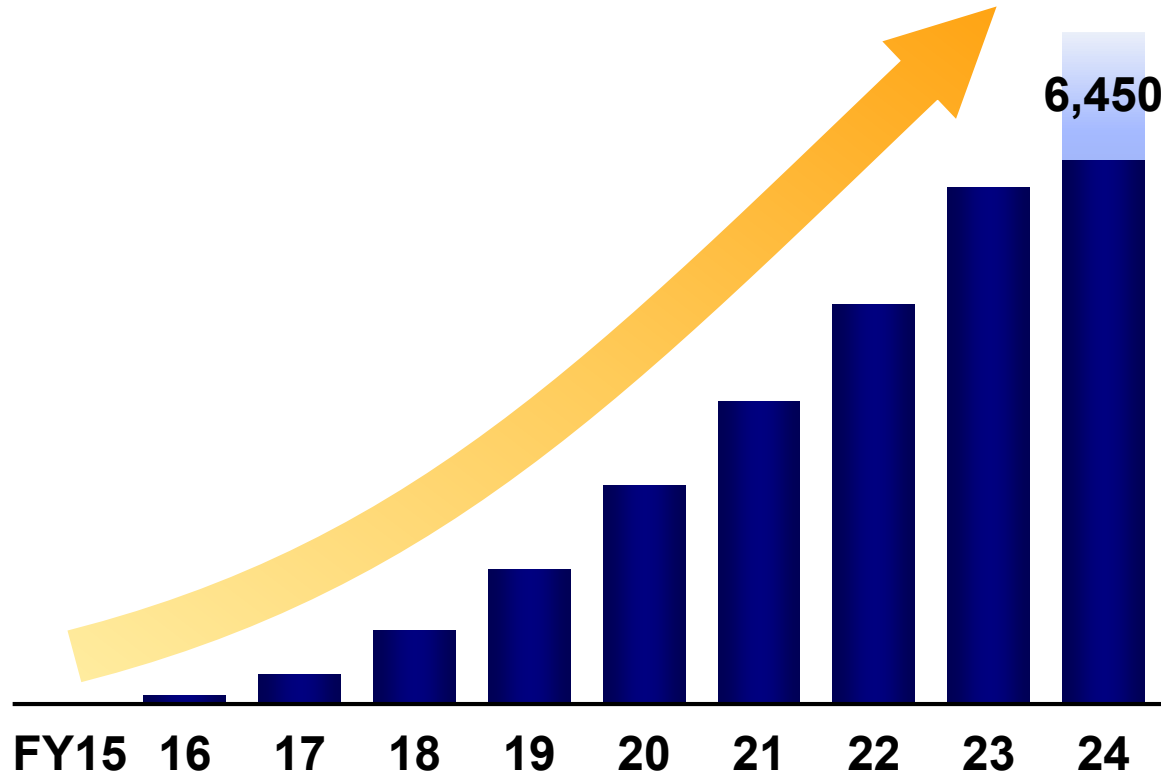
DX of Clinics: Creating a New Patient Experience

		Current		Post DX <small>(new patient experience)</small>
Access		Long waiting time in lobbies	➔	Online reservations
Diagnosis		Offline	➔	Online/Offline Hybrid
Payment		Wait to pay at service desk	➔	Head straight home (digital payments)
Rx		Local pharmacy	➔	Delivered to home or office
Medical Records		Difficult access	➔	Review own health records online
Midnight Emergencies		Wait until next morning	➔	24/7 Online Service

 **Creating a completely different patient experience through “DigiKar Smart”**

M3 DigiKar EHR Growth

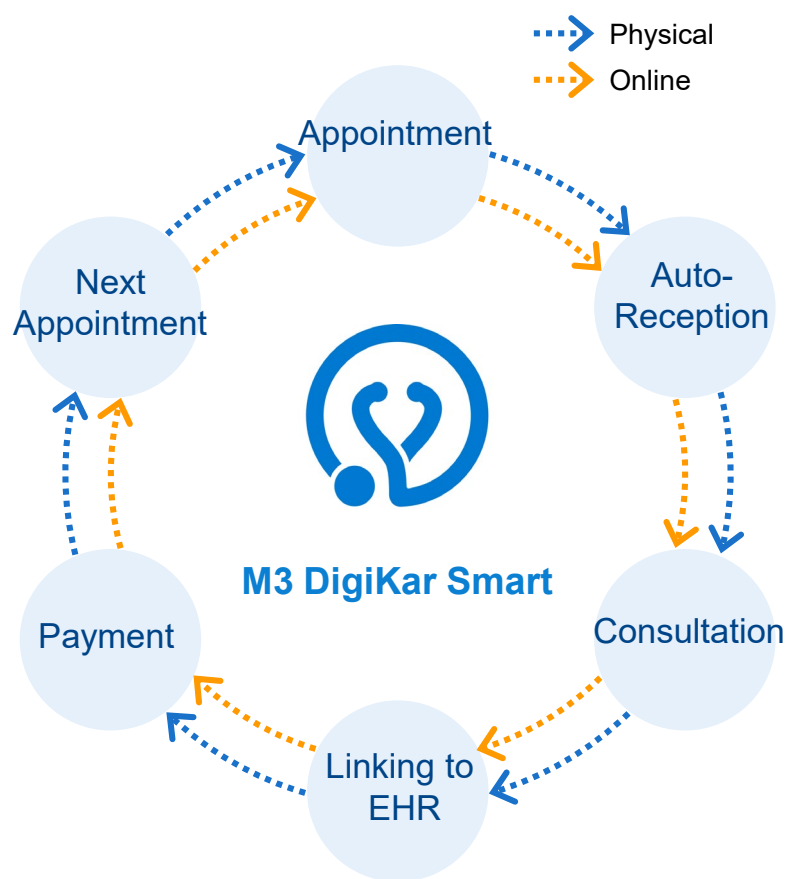
Number of Sites Using M3 DigiKar



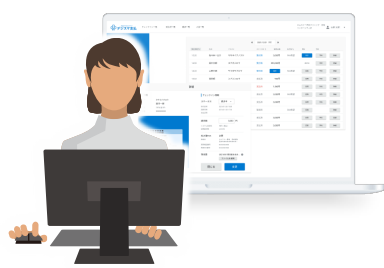
- Cumulative number of installations is approximately 6,450. Steady progress
- Co-selling with DigiKarSmart further increases the added value of DigiKar

 **Incontestable #1 market share within cloud-based digital health records, approximately 250 million charts**

DX of Clinics: DigiKar Smart



Medical Institutions: Managing System



Patients: Mobile App



M3 デジタルスマート診察券
DigiKar, Inc

開く

3.1万件の評価 年齢: 12+ 歳 ランキング: #2 カテゴリ: デジタル医療

4.6 ★★★★★

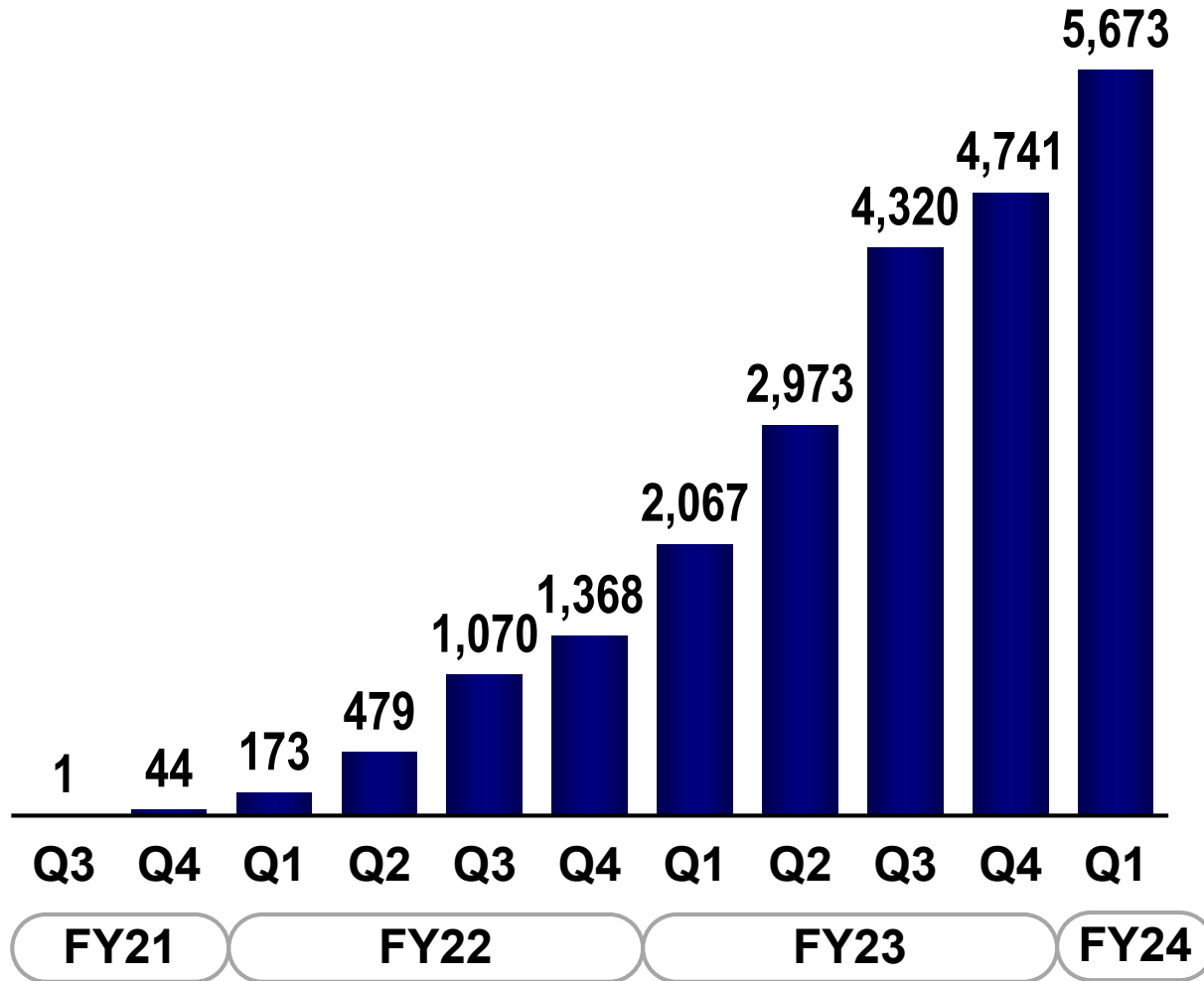
評価とレビュー すべて表示

4.6 5段階評価中 3.1万件の評価

👉 31,000 reviews with a rating of 4.6 from users, a new patient experience created, and a high rating in the category

No. of DigiKar Smart Users

Unit: Index with FY2021Q3 as 1



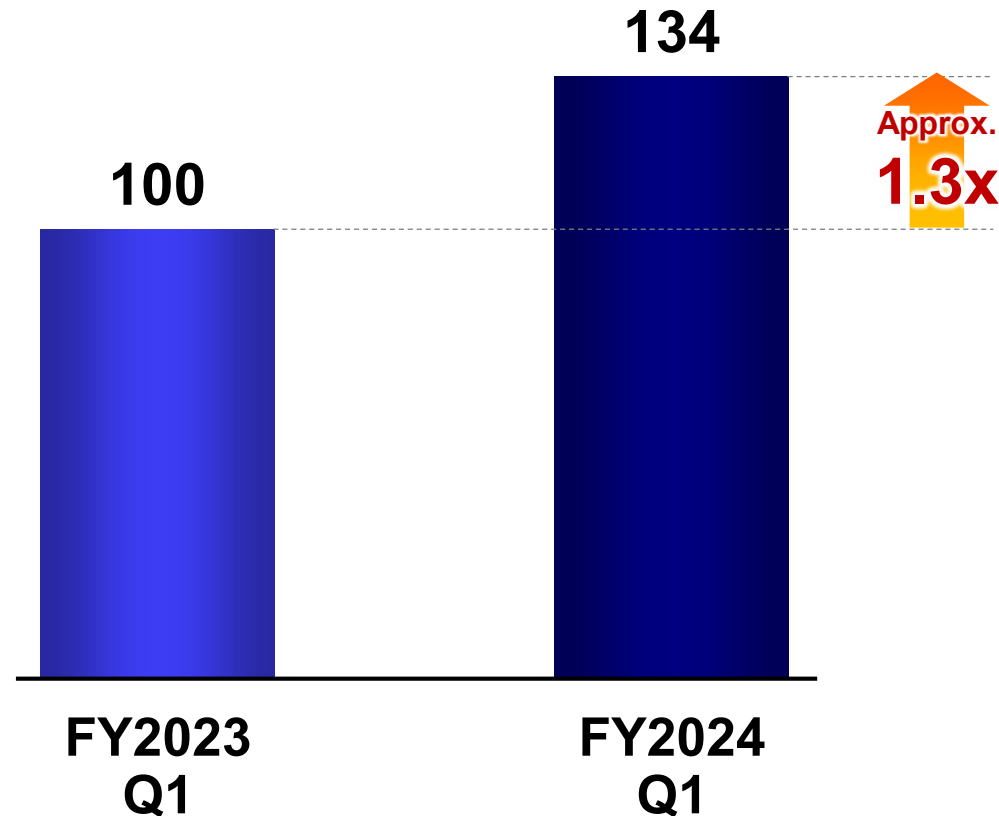
- Users are rapidly penetrating DigiKar Smart as the clinic's infrastructure. 2.7 times higher than FY23Q1
- Video call has been added and is expanding as an infrastructure for telemedicine

* Quarterly sum of monthly UUs

Ecosystem Synergy: Medical Data Business

Unit: Index with FY2023Q1 as 100

Sales of Medical Data Business*



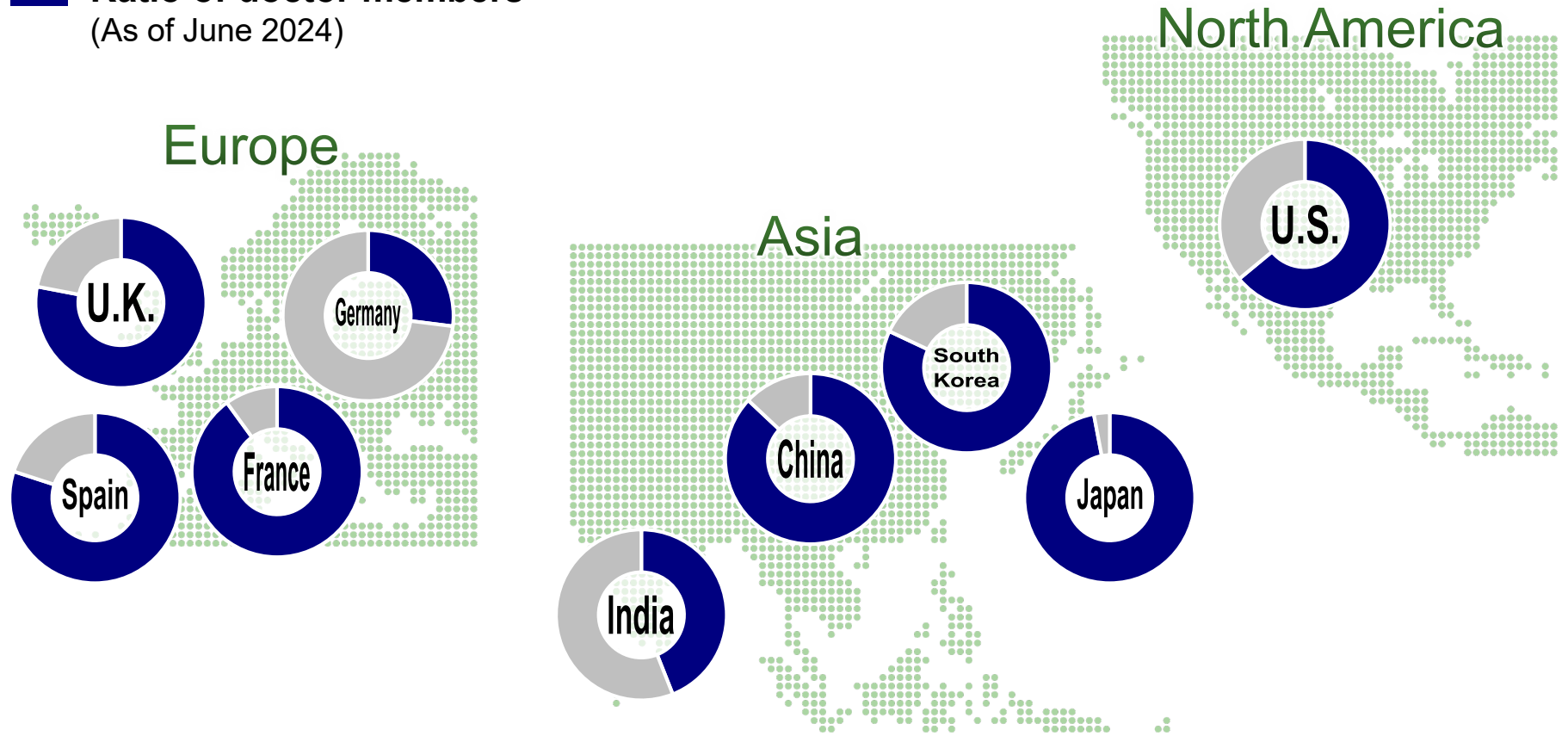
 **Medical data business (actual medical practice, physician practice standards, etc.) also grew significantly along with the increase in the volume of data accumulated. Steady creation of ecosystem synergies**

* Target: Real World Data, Estimation related services (part of Pharmaceutical Marketing business)

Overseas

Number of Doctor Members and Panelists (Global)

Ratio of doctor members
(As of June 2024)

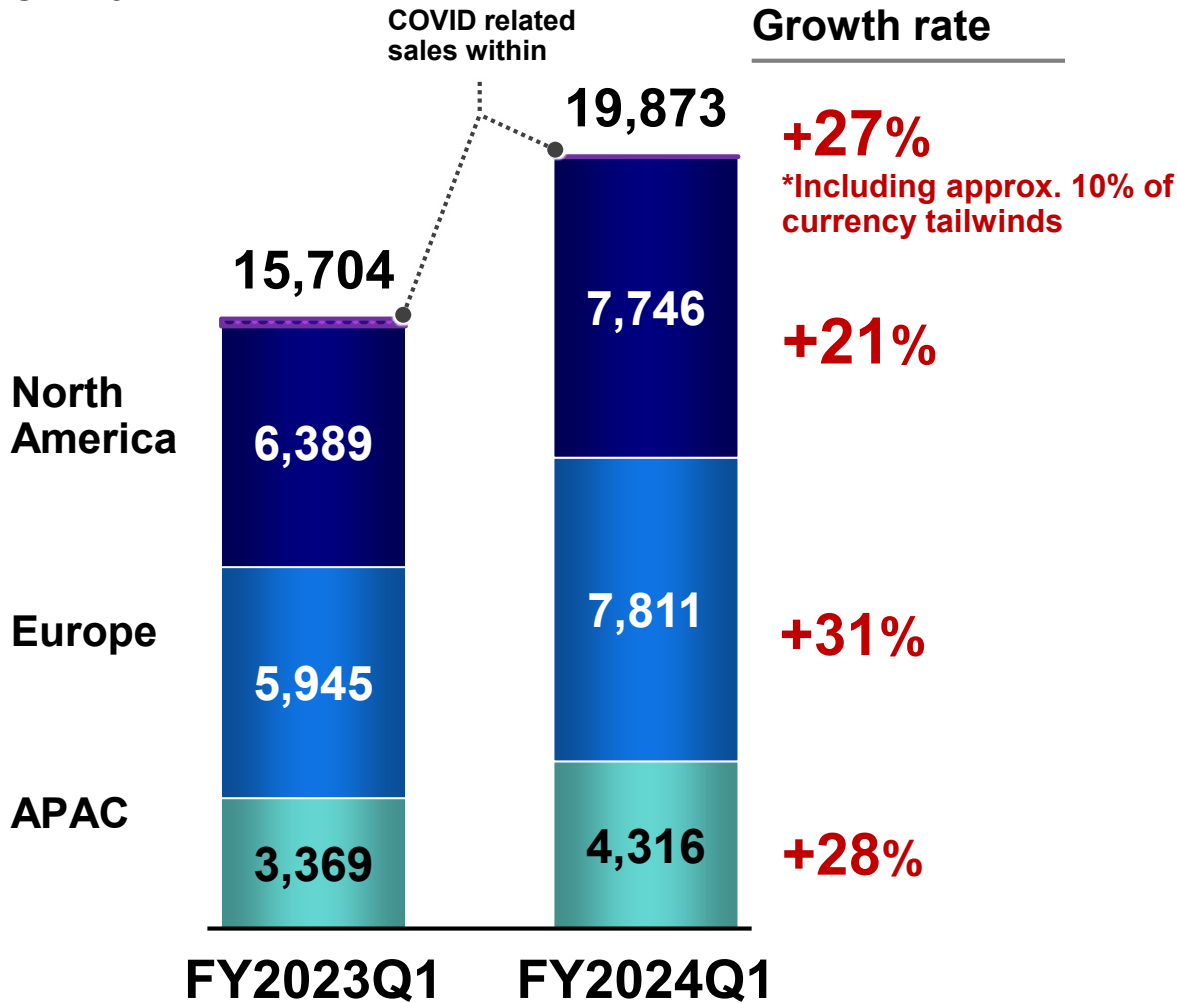


Including regions not mentioned above, more than 6.5 million doctor members and panelists, covering over 50% of doctors worldwide

*The no. of doctors in Japan is based on data from the Ministry of Health, Labour and Welfare (2022).
The no. of doctors in other countries is based on the latest data from WHO and other sources.

Overseas Segment: Sales by Region

Unit: JPY MM



North America

- Continued strong performance, including contribution from Kantar acquisition
- Clinical trial business: Strengthening management base and muscularization in progress for recovery in growth

Europe

- Steady progress in France and the UK, benefiting from M&A

APAC

- Continued solid momentum, along with DBMCI contributions



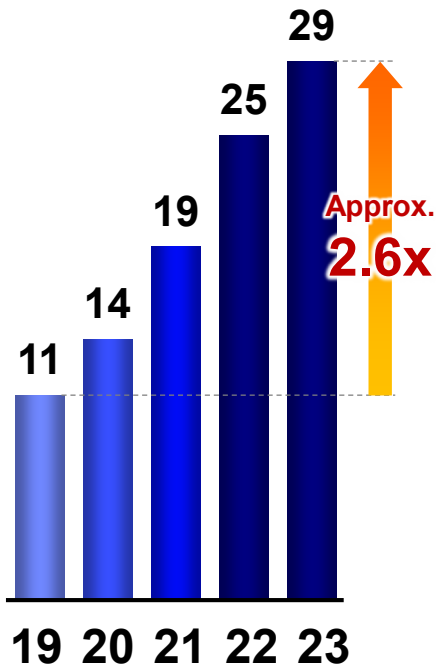
Accelerating new initiatives for the future such as M&A and structural reforms

Overseas Growth Trends by Business (FY)

Unit: JPY Bn

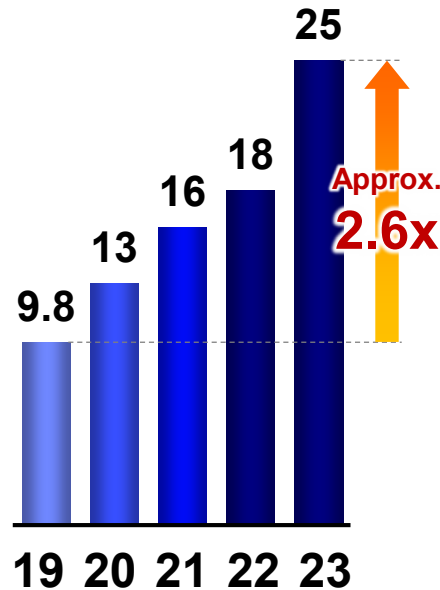
Service for Doctors

(Platform for doctors in North America, Europe, and APAC and EHR)



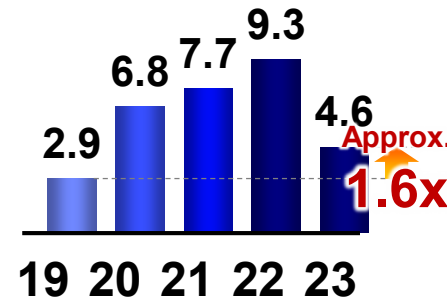
Business Intelligence

(M3 Global Research: Expanding in North America, Europe, and APAC)



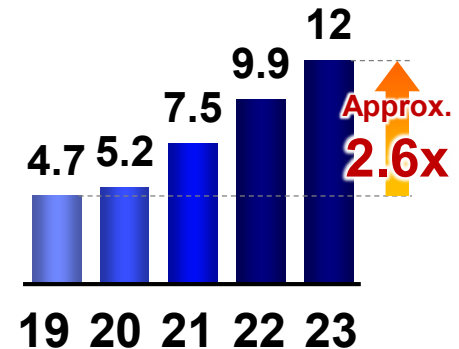
Clinical Trials

(Operation of clinical trials sites in North America)



Career for Doctors

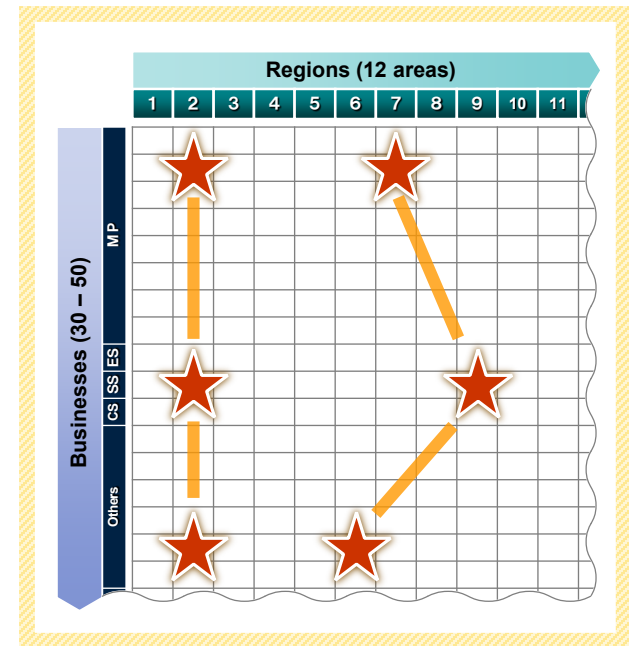
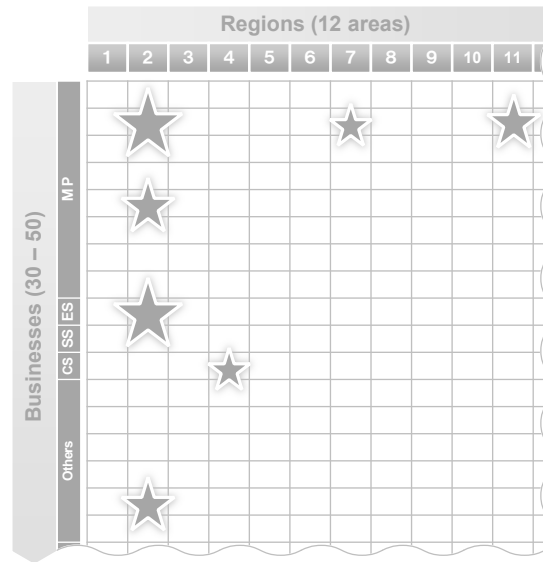
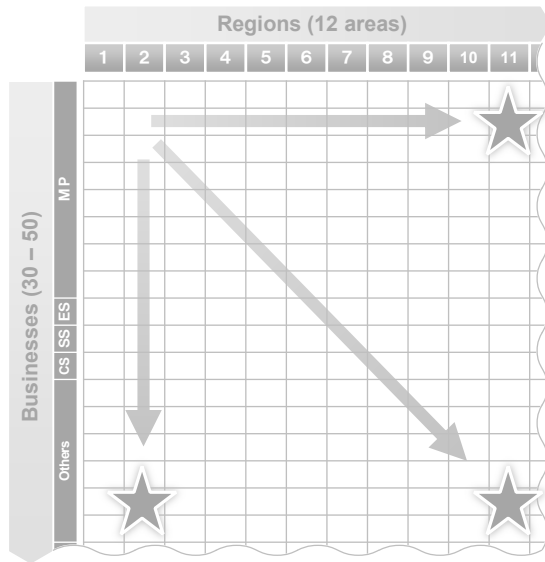
(Human resources business centered on doctors in North America and Europe)



Achieve growth trends in various business types

* Based on each subsidiary's principal business, aggregated by fiscal year

Growth Engine 3: Ecosystem Synergy Creation

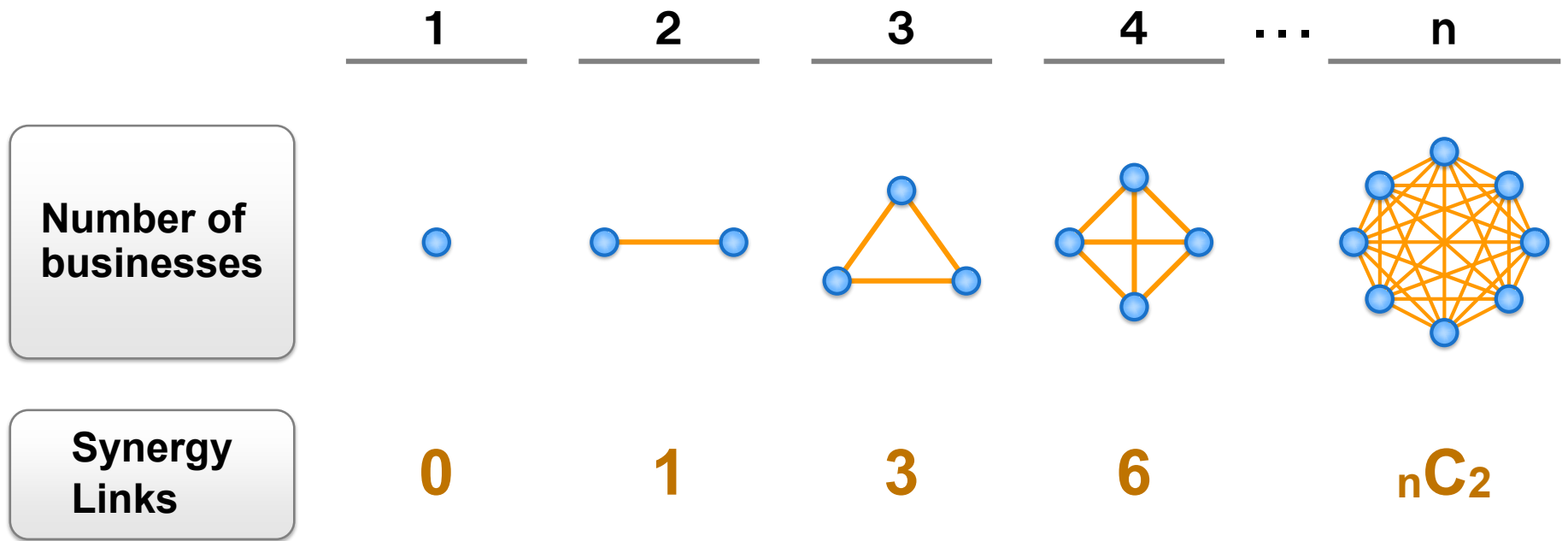


4. Social Impact Creation → CSV

Business Scope Expansion and Growth Potential

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Sales (bn)	: 14.6 →	64.7 (4.5x) →	169.2 (12.0x) →	238.9 (16.5x)

Cross-Business Synergy Creation Potential



 Synergy potential between businesses: ${}_{73}C_2 = 2,628$ possible linkages

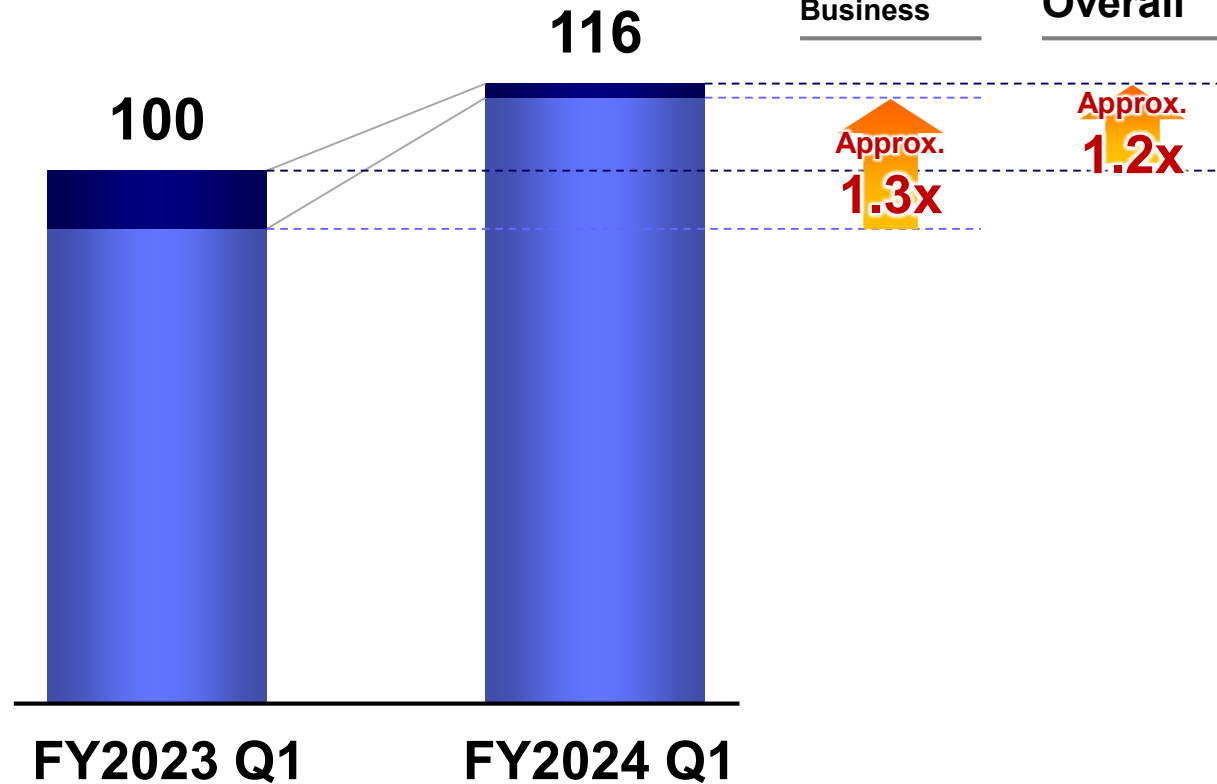
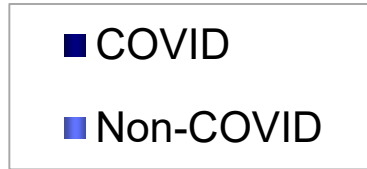
Ecosystem Synergy Value Creation

Unit: Index with FY2023Q1 as 100

Growth rate

Regular
Business

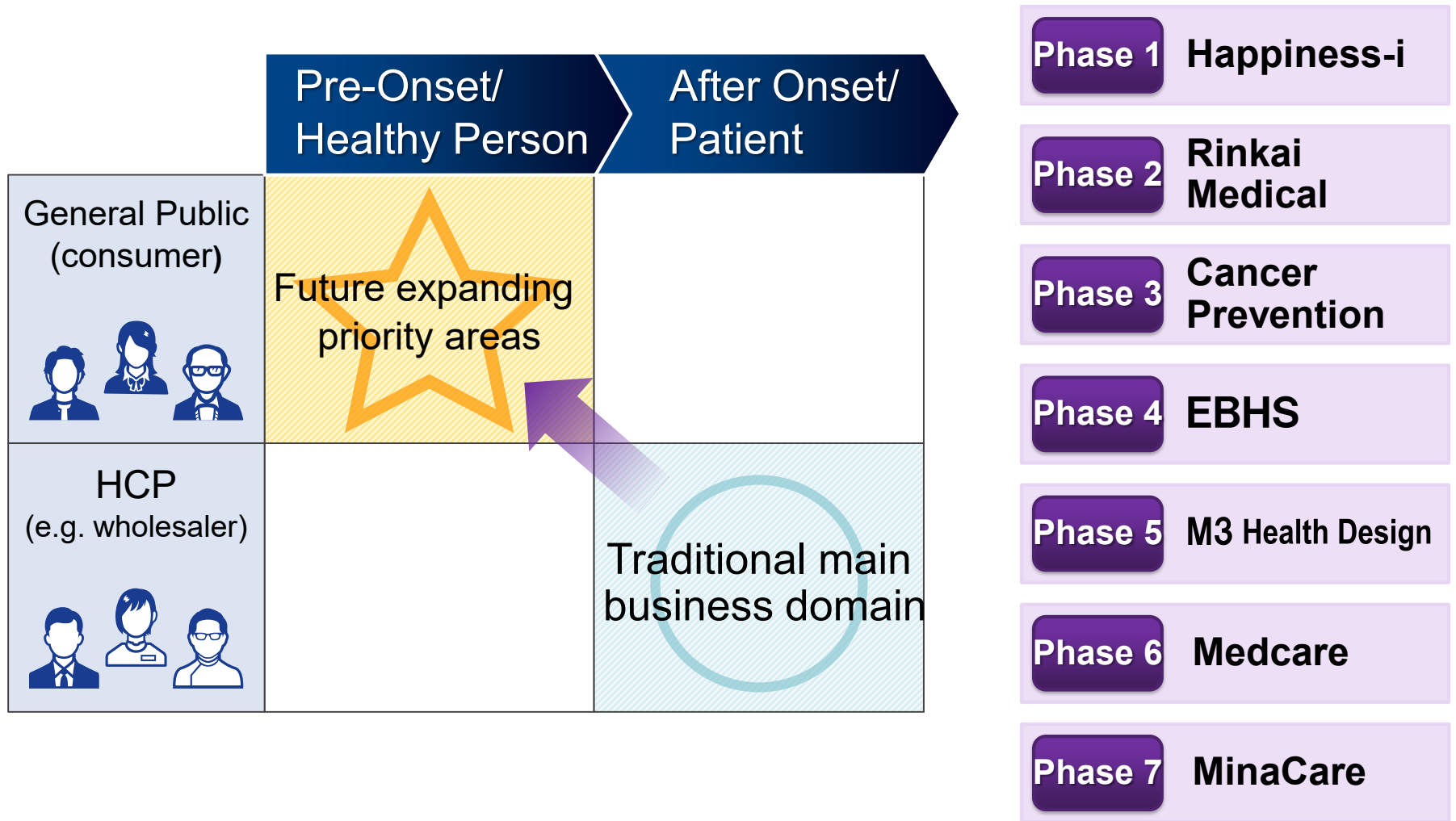
Overall



 The next ten years will be based on ecosystem synergies, including internal and external collaborations, to further promote healthcare problem-solving/social impact creation and business expansion

*Sum of value additive projects spanning across multiple business lines and data utilization. Definitions will be reviewed as necessary, including this time

“The White Jack Project”

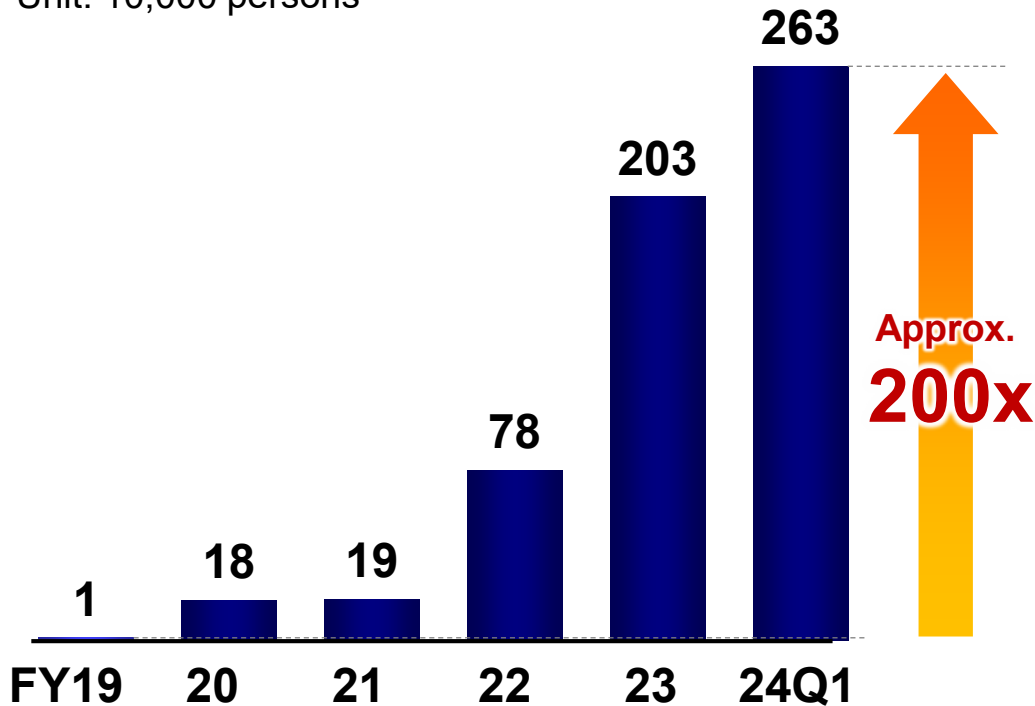


 Steady progress is also being made on the White Jack project, which realizes M3's mission from a more upstream perspective

Expand Coverage of Enterprise Services

Number of Employees Covered by Enterprise Services

Unit: 10,000 persons



Covers approximately 2.5 million employees in FY24Q1, with the following services

- EBHS Life
- Cancer prevention, PSP
- Ask Doctors
- Booking & conducting medical check-ups
- Employee health data management
- Dispatch of industrial physicians and stress checks
- Services for health insurance associations

👉 **Steadily expanding the business base to create ecosystem synergies as well... With the consolidation of Medicare and MinaCare, coverage has spread to health insurance associations, surpassing 2.5 million employee coverage**

Consolidation of MinaCare



- Aiming to actualize "investment-based medicine" that promotes the avoidance of disease and invests in maintaining and improving health
- MinaCare's CEO, Dr. Yamamoto, is to join M3 as Chief Healthcare Officer

Main Services



Business support services for health insurance associations

Covers approx. **50** associations and approx. **3 million** members

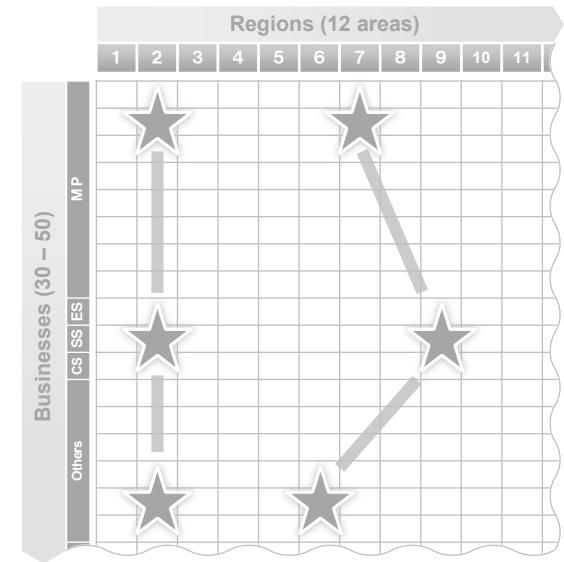
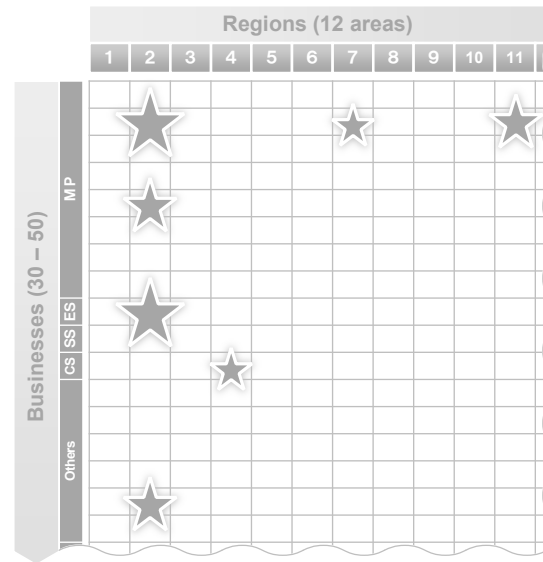
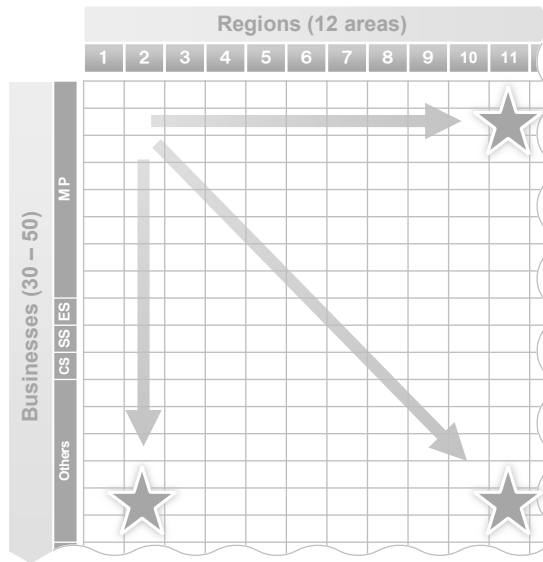


Data business for healthcare-related companies

Analyzed data from over **10 million** people based on medical expertise

 **Further expand services and coverage for health insurance associations to accelerate the White Jack Project, promoting mutual cross-selling and new service development**

Social Impact Creation



4. Social Impact Creation → CSV

SDGs and CSV: M3's CSV positioning

SDGs

Sustainable Development Goals

(Development goals which are possible to sustain)

Detail

International objectives that governments, businesses, and individuals in all countries aim to achieve with regard to human rights, the environment and development

Positioning for Companies

Each company fulfills its responsibilities toward international targets

Relevance to Corporate Mission

Not necessarily linked to the company's mission

CSV

Creating Shared Value

(Creation of shared values)

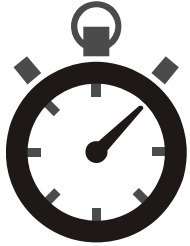
Initiatives by companies to solve social problems through their core business

Balancing corporate growth and solving social issues

Fully consistent with corporate mission/purpose

Under M3's mission of "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," we are also committed to SDGs through its CSV activities

M3's CSV* Impact (1/2): Patients/End Users



Providing a Seamless Healthcare Experience

Number of medical consultations using Digikar Smart: 5.6 million per annum, more than 5 times compared to the previous year

Reduction of 1.68 million hours spent in clinics

Including the above, 35.4 million hours of patient waiting time reduced by the M3 group... approximately 4,000 years or the life expectancy of 50 persons**

FY2023, from a group total of about 34 million receptions

Professional Advice Provision for Health Concerns

Offering physician answers online to daily health concerns; ~320,000 posted questions gathering over 79 million UU views annually

FY2023



Granting Wishes for Severely Ill Patients

44 wishes granted through the CaNoW program; over 1.5 million PVs of videos and articles documenting the grants

As of April 2024, since the service launch in 2019

Support for corporate health management and employee health promotion

Accelerate efforts in pre-symptomatic state and preventive medicine, with approximately 2 million employees covered

FY2023



* CSV = Creating Shared Value ** Calculated based on the average life expectancy of Japanese men and women as of 2023, quoted from the following URL <https://www.mhlw.go.jp/toukei/saikin/hw/life/life22/index.html>, as of April 18, 2024

M3's CSV* Impact (2/2): Medical Professionals

Information Provision for all HCPs

Approximately 11 million viewers in total for web conferences, etc.

FY2023



Medical Examination Support

Supporting medical examinations through the management of information across 300 million electronic health records, domestically and abroad

As of FY2023

Productivity Improvement for Pharma Companies

Distribution of 110 million e-details = workload of 55,000+ MRs (more than the total number of MRs in Japan)

FY2023



 **Actualizing M3's mission across various areas, to reduce unnecessary medical costs and to support healthier lives using digital technologies**

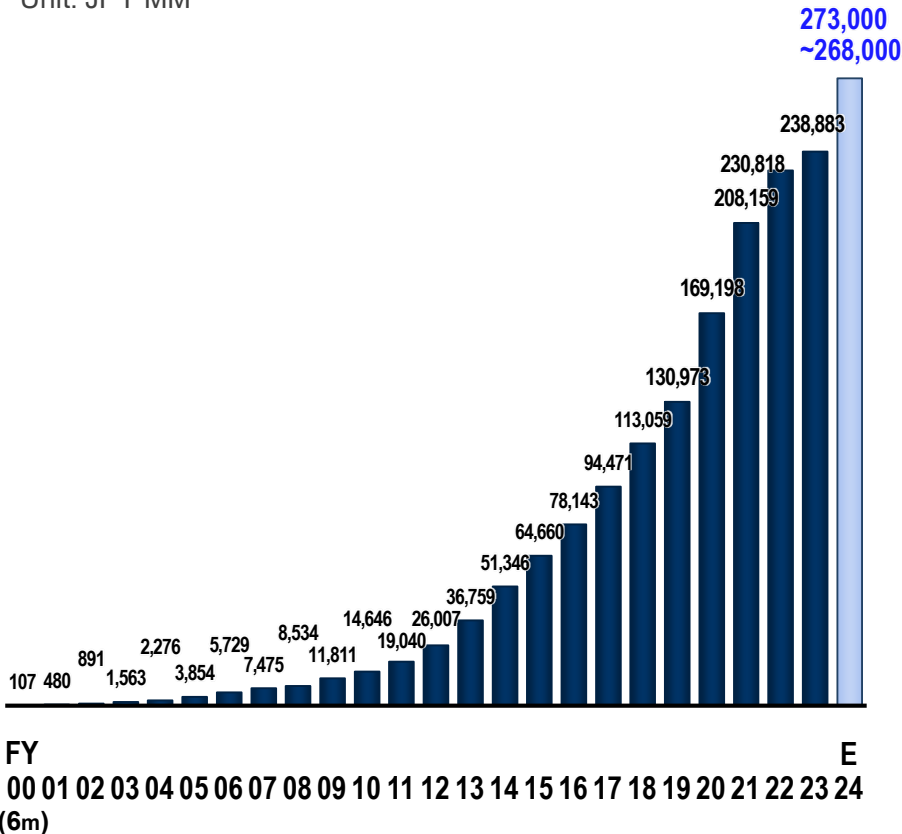
* CSV = Creating Shared Value

FY2024 Outlook

Annual Results and Forecasts

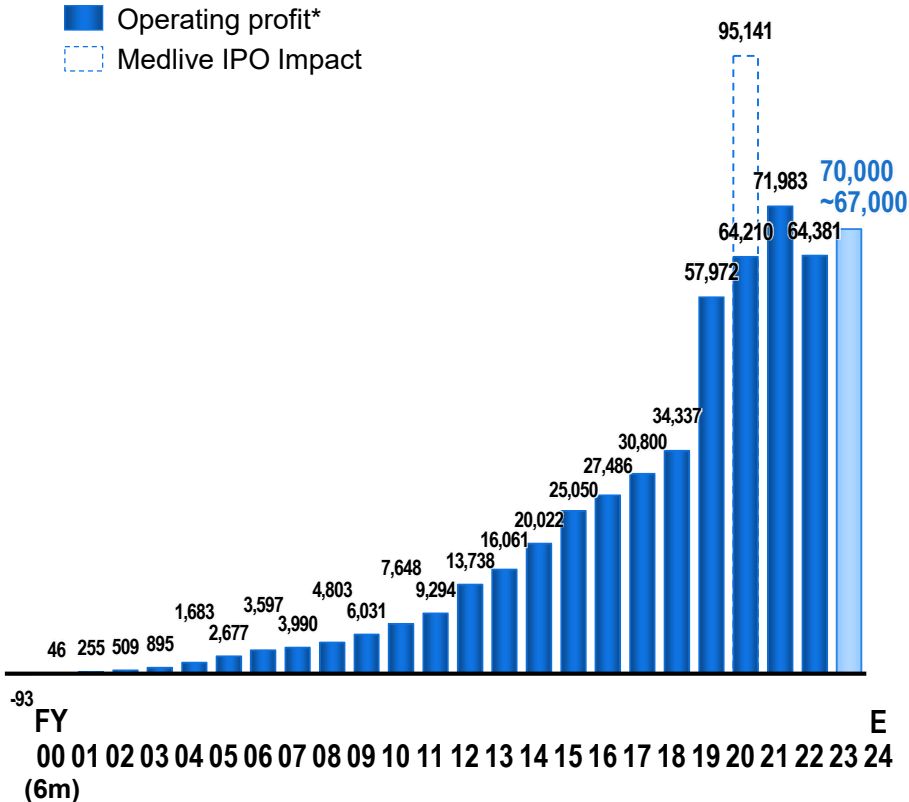
Revenue

Unit: JPY MM



Operating Profit

Unit: JPY MM



 **In line with tradition, aim to expand our business foundation and achieve growth from a medium to long-term perspective**

*FY2021 excludes gains related to China IPO