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Consolidated Financial Results for the Six Months (First Half) Ended September 30, 2024 [IFRS]



(Abridged)

October 30, 2024

Listed company:	M3, Inc.	Listing: Tokyo Stock Exchange
Securities code:	2413	URL: https://corporate.m3.com/en/
Representative:	Itaru Tanimura, Representative Director	
Contact:	Hirofumi Oba, Corporate Officer	Tel: +81-3-6229-8900
Scheduled date to file first-half securities report:		November 8, 2024
Scheduled date to commence dividend payments:		-
Preparation of supplementary materials on financial results: Yes		
Holding of financial results briefing: Yes (for analysts and institutional investors)		

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the Six Months (First Half) Ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Half ended										
September 30, 2024	124,819	7.8	28,982	(16.1)	29,074	(22.1)	19,589	(22.1)	17,294	(26.1)
September 30, 2023	115,795	2.8	34,559	(4.8)	37,322	(2.0)	25,136	(3.2)	23,406	(2.7)

	Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First Half ended				
September 30, 2024	13,049	(65.4)	25.47	25.40
September 30, 2023	37,702	(4.2)	34.47	34.45

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity per share attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of					
September 30, 2024	491,469	364,450	349,533	71.1	512.51
March 31, 2024	490,780	366,701	351,915	71.7	516.49

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, 2024	—	0.00	—	21.00	21.00
Fiscal Year ending March 31, 2025 (Actual)	—	0.00	—	—	—
Fiscal Year ending March 31, 2025 (Forecast)	—	—	—	—	—

Notes:

1. Amendments to forecasts of dividends recently announced: None
2. Dividend forecast for the fiscal year ending March 31, 2025 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, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes compared to the previous fiscal year.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal Year Ending March 31, 2025	268,000	12.2	67,000	4.1	68,000	(1.2)	47,000	(3.2)	44,000	(2.8)	64.80
	~	~	~	~	~	~	~	~	~	~	~
	273,000	14.3	70,000	8.7	71,000	3.1	49,000	0.9	46,000	1.6	67.75

Notes: Amendments to forecasts of financial results recently announced: None

Notes

- (1) Significant changes in the scope of consolidation during the period: 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 shares)

(i) Total number of shares issued at the end of the period (including treasury shares)	
As of September 30, 2024	679,069,600 shares
As of March 31, 2024	679,063,600 shares
(ii) Number of treasury shares at the end of the period	
As of September 30, 2024	45,271 shares
As of March 31, 2024	45,151 shares
(iii) Average number of shares outstanding during the period	
First Half Ended September 30, 2024	679,021,403 shares
First Half Ended September 30, 2023	678,929,200 shares

- Review of this financial report by certified public accountants or an audit firm: None
- Proper use of financial results forecasts and other special matters

(1) Disclaimer about forward-looking statements

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) Supplementary materials on financial results

Supplementary materials on financial results will be posted on our website on Wednesday, October 30, 2024.

1. Overview of Financial Results, etc.

(1) Overview of Financial Results for the First Half Ended September 30, 2024

In Japan, we provide various services designed for healthcare professionals, centered on our website at m3.com with a membership of more than 330,000 physicians.

In Medical Platform segment, we offer a wide menu of services on the platform at m3.com, catering to various agendas and purposes of our clients. The services include MR-kun family services, which allow its registered physicians to proactively receive continuous and frequent information, marketing research services using our panel of member healthcare professionals, and QOL-kun marketing support services for non-healthcare companies desiring to advertise their daily life services to physicians. In addition, our group companies engage in the provision of next-generation medical representatives or medical marketers and healthcare advertising agency services.

In Evidence Solution segment, our group companies operate businesses serving as the following organizations: CRO that supports clinical development operations and large-scale clinical research; SMO that supports the overall management and operations of clinical trials at medical institutions conducting clinical trials; and PRO that provides support for recruiting test subjects and carrying out peripheral operations necessary to conduct clinical development, clinical research, etc.

In Career Solution segment, M3 Career, Inc. provides job search and placement support services to physicians and pharmacists.

Site Solution segment provides services that assist medical institutions with their operations.

It also provides consumer-facing services, such as AskDoctors at <<https://www.AskDoctors.jp/>> (available in Japanese only). On this website, the member physicians of m3.com will answer questions from public users about health and diseases. Furthermore, M3 Education, Inc. provides medical and welfare professional education such as preparatory services for national examinations.

In Overseas segment, MDLinx, a U.S. portal website designed for healthcare professionals, continues to expand its member network-based services catering toward pharmaceutical companies. The services available in the U.S. include career support services for physicians and clinical trial support services. In Europe, Doctors.net.uk, a U.K. portal website designed for physicians, offers services to pharmaceutical companies. We also offer pharmaceutical database services in France, Germany, and Spain through the Vidal Group and provide iDoctus, a medical practice mobile app for healthcare professionals, in Spain and Latin America through eDoctores Soluciones, S.L. We steadily expand business in Asia as well.

The M3 Group operates websites for healthcare professionals and has panels of physicians around the world, including Japan, the U.S., Europe, China, and South Korea. The total number of healthcare professionals who have signed up for the websites and participated in the panels is now approximately 6.5 million. Using the panels of physicians, we also provide global marketing research services.

Consolidated financial results for the first half ended September 30, 2024 are as below.

(Millions of yen, unless otherwise stated)

	First Half ended September 30, 2023 (April 1, 2023 to September 30, 2023)	First Half ended September 30, 2024 (April 1, 2024 to September 30, 2024)	Year-on-year change		(Reference) Fiscal Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Revenue	115,795	124,819	+9,023	+7.8%	238,883
Operating profit	34,559	28,982	(5,577)	(16.1%)	64,381
Profit before tax	37,322	29,074	(8,248)	(22.1%)	68,840
Profit	25,136	19,589	(5,547)	(22.1%)	48,549

Consolidated financial results by segment

(Millions of yen, unless otherwise stated)

		First Half ended September 30, 2023 (April 1, 2023 to September 30, 2023)	First Half ended September 30, 2024 (April 1, 2024 to September 30, 2024)	Year-on-year change	
Medical Platform	Segment revenue	45,503	42,474	(3,030)	(6.7%)
	Segment profit (loss)	18,426	14,590	(3,835)	(20.8%)
Evidence Solution	Segment revenue	13,843	11,940	(1,903)	(13.7%)
	Segment profit (loss)	3,581	1,893	(1,688)	(47.1%)
Career Solution	Segment revenue	9,033	11,617	+2,584	+28.6%
	Segment profit (loss)	3,337	4,099	+761	+22.8%
Site Solution	Segment revenue	15,346	21,611	+6,265	+40.8%
	Segment profit (loss)	1,776	3,047	+1,271	+71.6%
Overseas	Segment revenue	32,655	37,984	+5,328	+16.3%
	Segment profit (loss)	7,299	6,636	(663)	(9.1%)
Other Emerging Businesses	Segment revenue	1,201	1,123	(78)	(6.5%)
	Segment profit (loss)	16	370	+354	—
Adjustment	Segment revenue	(1,787)	(1,931)	—	—
	Segment profit (loss)	125	(1,652)	—	—
Total	Revenue	115,795	124,819	+9,023	+7.8%
	Operating profit (loss)	34,559	28,982	(5,577)	(16.1%)

1) Medical Platform

Segment revenue amounted to 42,474 million yen, down 6.7% year on year, with segment profit 14,590 million yen, down 20.8% year on year. This is attributable to a decline in the pharmaceutical marketing support business as a result of budget cuts by pharmaceutical companies and a decline in sales from COVID-related projects, despite strong momentum in businesses such as digitalization support for medical practices.

2) Evidence Solution

Segment revenue amounted to 11,940 million yen, down 13.7% year on year, with segment profit of 1,893 million yen, down 47.1% year on year. This is because COVID-related clinical trial projects made lower contributions to revenue compared to the previous fiscal year, as well as slow momentum in the overall order trends.

3) Career Solution

Segment revenue amounted to 11,617 million yen, up 28.6% year on year, with segment profit of 4,099 million yen, up 22.8% year on year. This is attributable to a robust revenue growth in job search and placement support services for both physicians and pharmacists.

4) Site Solution

Segment revenue amounted to 21,611 million yen, up 40.8% year on year, with segment profit of 3,047 million yen, up 71.6% year on year. This is mainly attributable to the incremental contribution of the podiatry clinic operation business in the U.S. acquired in January 2024, in addition to an increase in the occupancy rate of facilities opened in the previous fiscal year or before in the hospice business.

5) Overseas

Segment revenue amounted to 37,984 million yen, up 16.3% year on year. This is attributable to solid performance mainly in Europe and APAC regions as well as the impact of the acquisitions completed in the previous fiscal year. Segment profit amounted to 6,636 million yen, down 9.1% year on year. This was because higher segment revenue

was more than offset by negative factors including continued lower topline in the U.S. clinical trial business, which requires a certain level of fixed costs to operate.

6) Other Emerging Businesses

Segment revenue amounted to 1,123 million yen, down 6.5% year on year, and segment profit was 370 million yen, with segment profit of 16 million yen in the same period of the previous fiscal year. The surge of segment profit was driven by investment in equity-method affiliates.

Combining all of the above, revenue of the M3 Group for the first half ended September 30, 2024 amounted to 124,819 million yen, up 7.8% year on year, with operating profit of 28,982 million yen, down 16.1% year on year, profit before tax of 29,074 million yen, down 22.1% year on year, and profit of 19,589 million yen, down 22.1% year on year.

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