M3, Inc.
Presentation Material

April 2021



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FY2020 Consolidated Results

IFRS

(mn yen)	FY2019	FY2020	YoY
Sales	130,973	169,198	+29%
Operating Profit	34,337	57,972	+69%
Pre-tax Profit	34,610	58,264	+68%
Net Profit	24,153	41,198	+71%

+74% growth excluding impacts such as stock sales and valuation changes

☞ **Profit increase accelerated to +81% in the three months of Q4 versus previous year, excluding impacts such as asset sales and valuation changes**

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FY2020 Consolidated Results by Segment

(mn yen)

			FY2019	FY2020	YOY
Domestic	Medical Platform	Sales	51,270	77,076	+50%
		Profit	19,253	37,903	+97%
	Evidence Solution	Sales	21,365	19,473	-9%
		Profit	4,699	3,618	-23%
	Career Solution	Sales	15,393	13,537	-12%
		Profit	4,151	3,753	-10%
	Site Solution	Sales	12,223	16,555	+35%
		Profit	944	1,537	+63%
	Emerging Businesses	Sales	3,286	3,328	+1%
		Profit	513	950	+85%
Overseas		Sales	29,961	42,147	+41%
		Profit	5,722	12,599	+120%

+107% YoY profit growth excluding impact such as stock sales

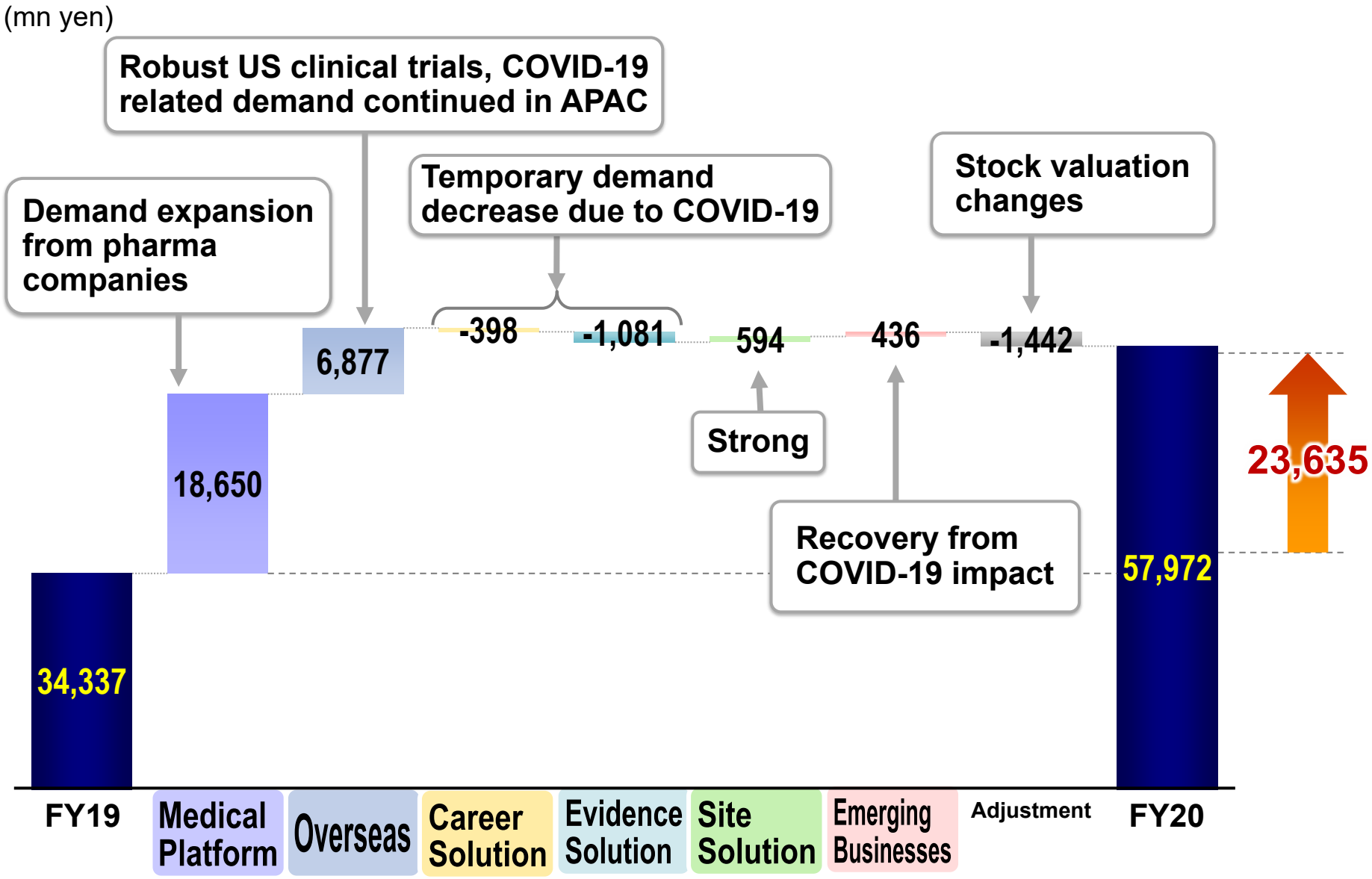
Temporary demand decrease due to COVID-19

Continued strength from Q3, reinforce upfront investment

Led by strength in US clinical trials and APAC

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FY2020 Consolidated Operating Profit Contribution



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FY2020 Overview

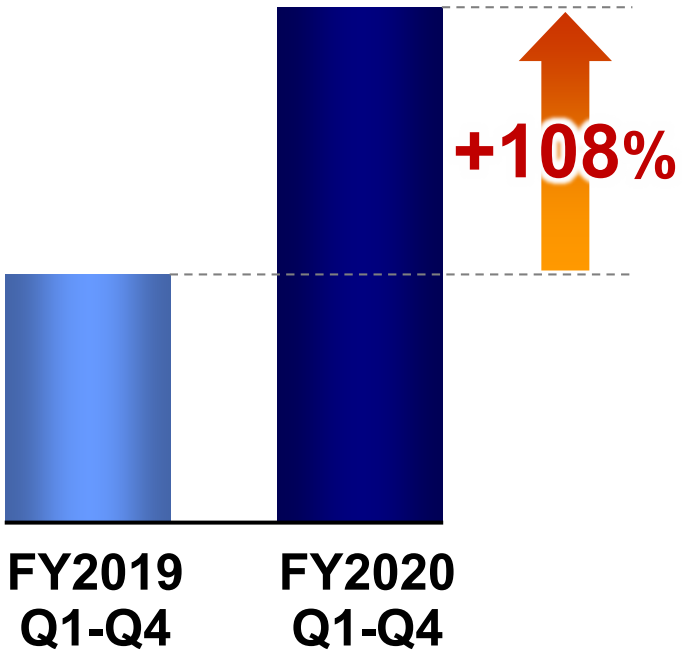
		COVID-19 Impact
Medical Platform	■ Accelerated digital transformation in pharma marketing ■ myMR-kun becoming established as a new platform	+ +
Evidence Solution	■ Orders backlog remained steady at 24.5 bn yen despite partial halts in projects due to COVID-19	–
Career Solution	■ Dampened activity for pharmacists full-time and temp placements, minimal impact on physician base	–
Site Solution	■ Increase in affiliate sites; increase in COVID-19 related projects supporting continued strong results	+
Emerging Businesses	■ New business seeds being planted at an aggressive pace geared towards DX of the clinical scene, starting with online medicine	+
Overseas	■ Substantial profit contribution from robust US clinical trial business ■ APAC continues growth trend	+ +

m3.com Platform Strength

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m3.com Tops 300,000 Members, Gross Profits Double

Gross Profit per Physician

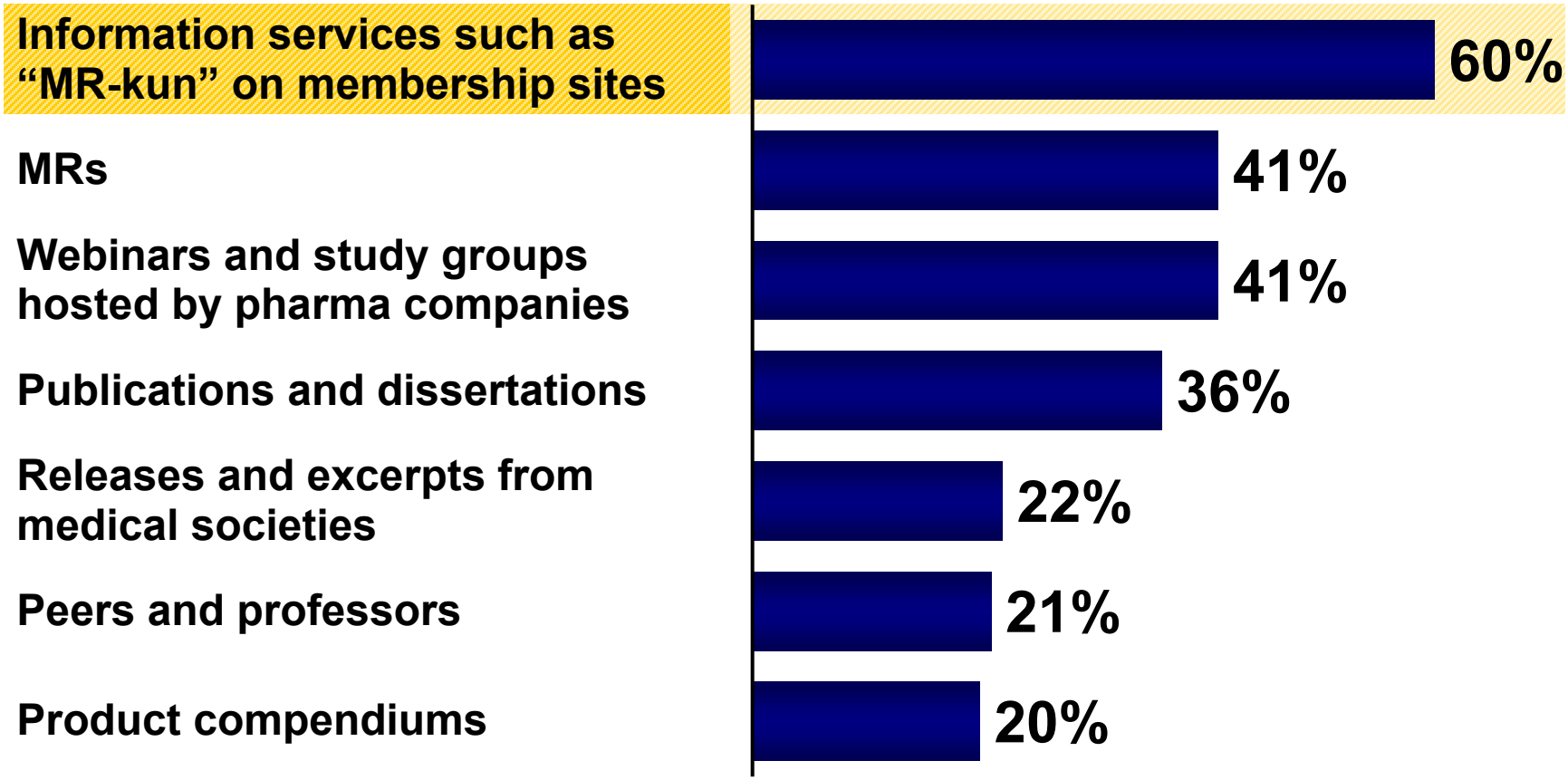


- m3.com members topped 300,000 (92% of all Japanese physicians)
- Dramatic increase in member activity and active member ARPU, doubling gross profit per member vs previous FY
- Positive impact on results from fortification of platform strength, in addition to increased demand from pharma companies

☞ m3.com strength expected to augment further in FY21

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M3 Ranks Top as “Most Useful Medical Information Source”



☞ **M3 ranks top for the first time since launch of this survey five years ago**

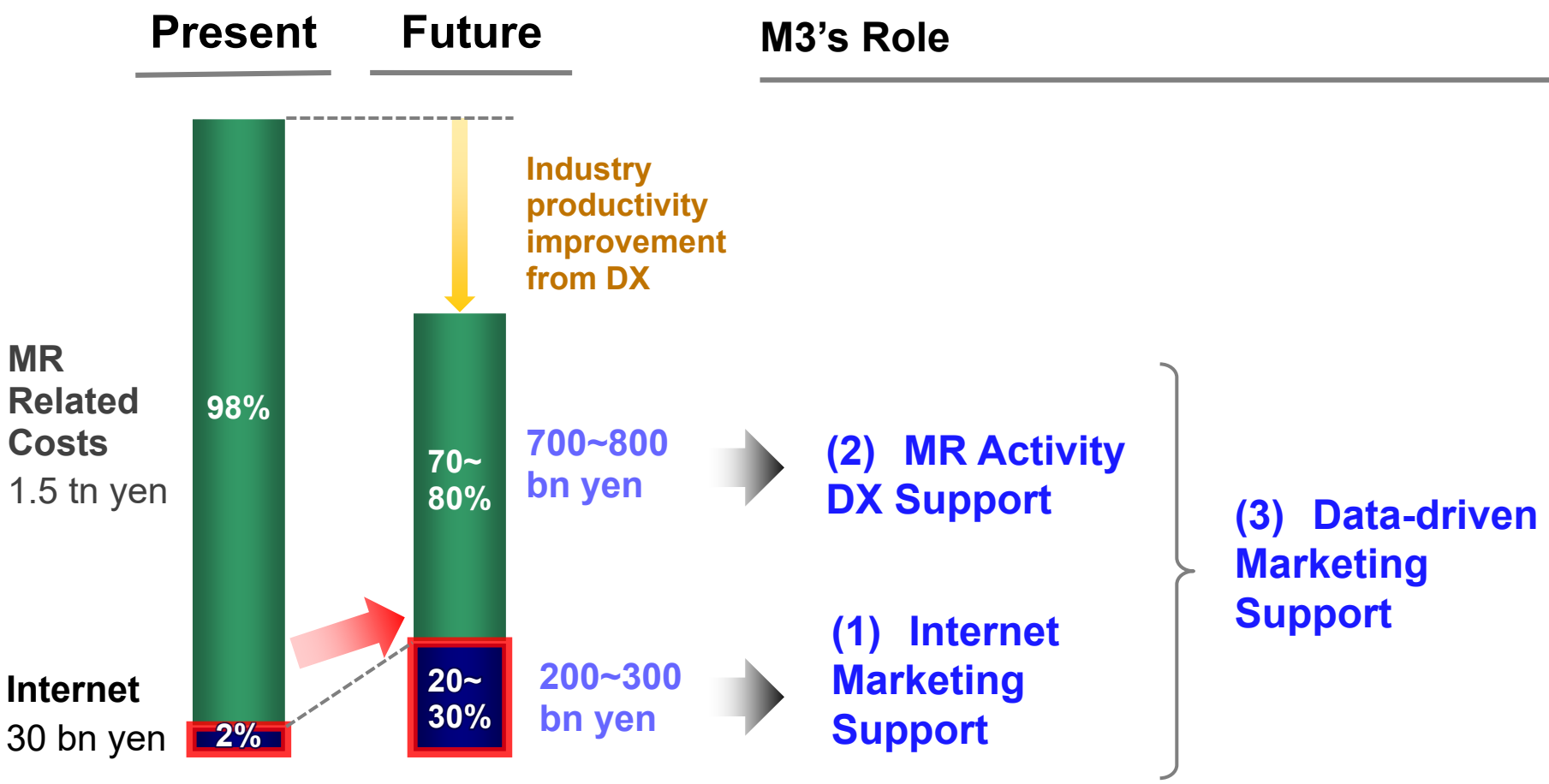
Ref: mixonline.com, Feb 2021

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Pharmaceutical Sales & Marketing DX

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Pharma Marketing Cost and TAM for M3



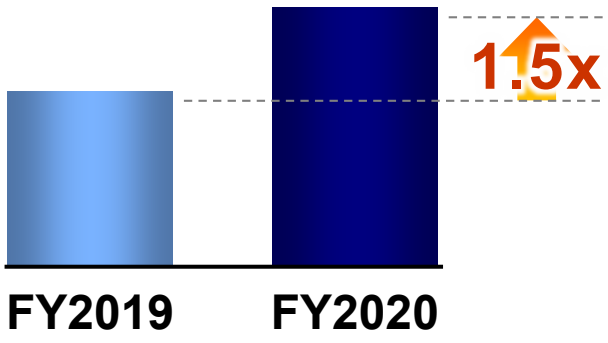
☞ **M3 involvement to go beyond the bounds on the internet to improve productivity across the entire industry**

Ref: M3 survey and estimate; numbers are approximate

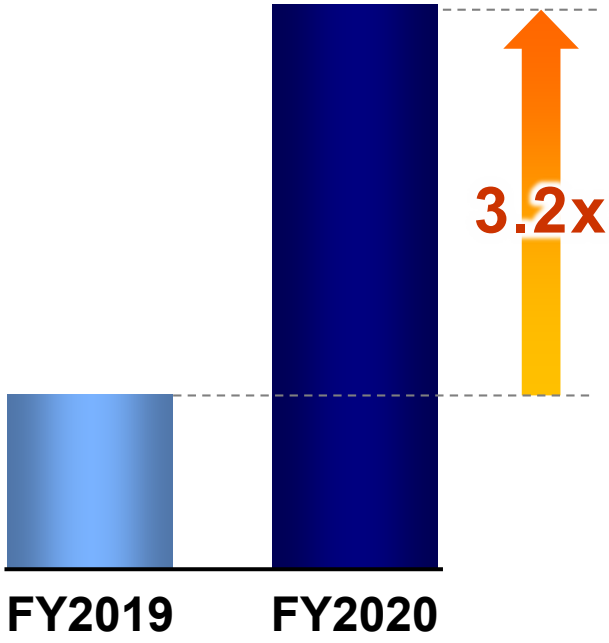
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Internet Marketing Services

MR-kun Sales



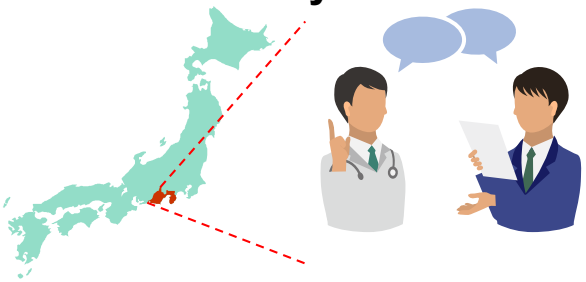
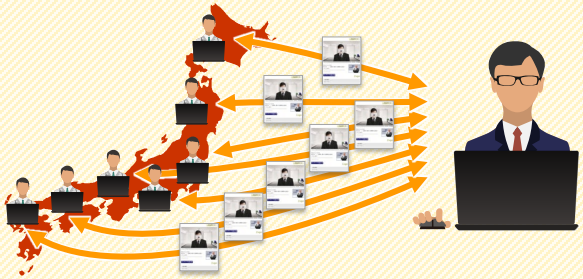
Webinar Sales



☞ **Messaging by pharma companies via m3.com expanded significantly**

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eCSO：Medical Marketers

	Typical CSO	Medical Marketer
	Localized Physical Visits	Nationwide eDetails
		
Coverage	80~150 physicians	500~1,000 physicians
# of Details	150~200 per month	2,000~4,000 per month
Interaction	net 1~2 hrs/day	net 5~10 hrs/day
Method	mainly physical visits	eDetails allow physician profiling data accumulation applicable for customization

☞ **Medical Marketers relay information via full utilization of digital tools, curtailing time loss of travel and waiting, and visitation restrictions**

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DX of the Clinical Scene

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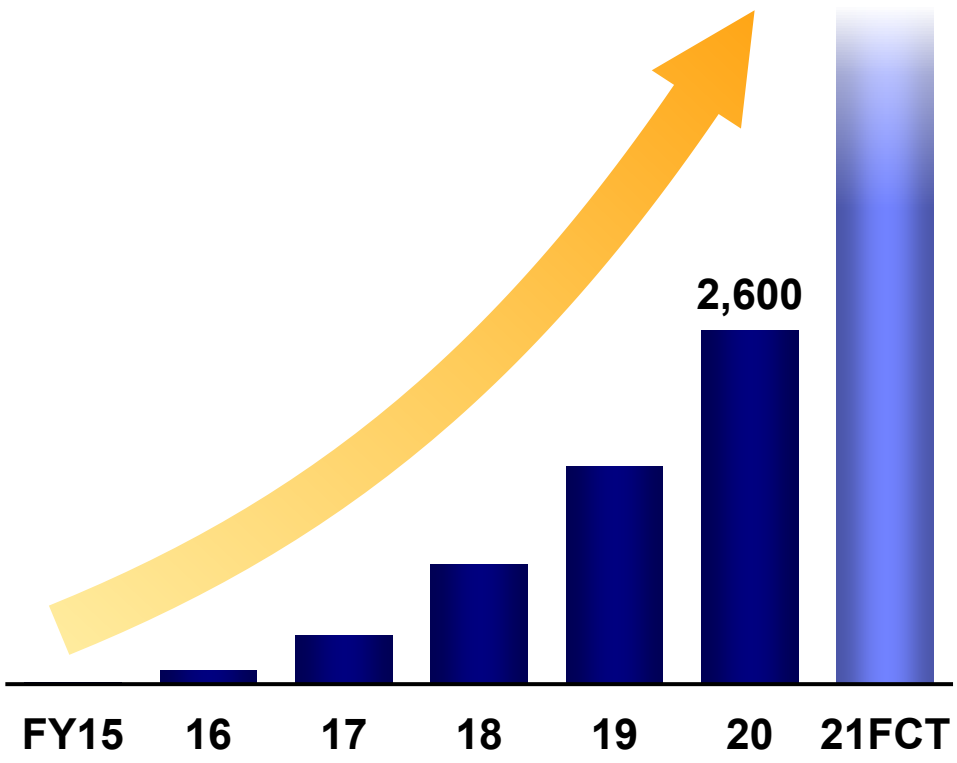
DX of Clinics

	Current	Post DX
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

☞ **Proactive support for DX of the clinical scene; total business potential expected to be larger than pharma marketing support**

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DX 1：M3 DigiKar EHR Growth



- 2,600 cumulative adoptions
- Record high adoptions during the month of March
- NO.1 in annual sales across both cloud and on-premise electronic health record systems

☞ 70% market share within cloud based digital health records (#1 by far), with over 50 million charts on record

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DX 2: LINEDoctor



- Service launched in Tokyo metropolitan area, with upcoming sequential rollout across Japan
- PDCA based improvements to be made based on first wave
- LINE character “Brown” to adorn starter kits at clinics

☞ Telemedicine service rollout utilizing the familiar LINE app. LINEDoctor NPS is at +42, highlighting high user satisfaction

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Ref: M3 Service NPS (Net Promoter Score®)

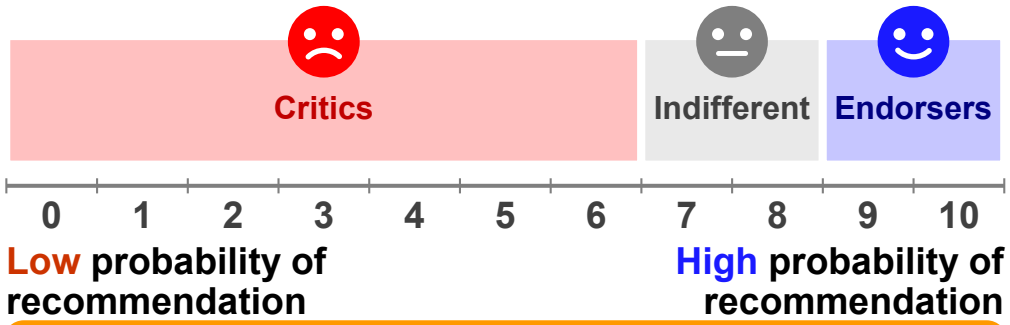
Multi Opinion Service, Medical Consultants

Endorsers 63%
Indifferent 16%
Critics 21%

= **42**

Q: Would you recommend this service to a friend?

Net Promotor Score® Calculation Method



NPS = Endorsers - Critics

Calculation Method

Endorsers	63%
Indifferent	16%
Critics	21%

NPS = 63 – 21 = 42

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LHC：Disease Awareness for the General Public

Number of “Friends” on LINEHealthcare’s LINE Official Accounts

Disease and Treatment Awareness



Hay Fever@
2.39+ million



BeautyLabo@
420+ thousand



Psoriasis@
28+ thousand



PMS@
280+ thousand



Dry Itchy Skin in Kids@
18+ thousand



Treatment Support



Mimamoria@
43+ thousand



Dr. Hypertension@
20+ thousand



Disease awareness projects across multiple TA underway in addition to the above seven; further expansion expected going forward.

As of April 13, 2021

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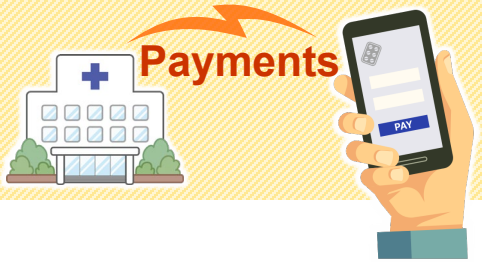
DX 3: Cashless Payment (expected May launch)

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エムスリーデジカル
M3 DigiKar

- 300,000 physician panel base
- Expertise in cloud based service development for medical facilities
- Reception and payment connectivity with No.1 cloud based EHR system DigiKar

Improvement of safety and practicality in clinical environments via DX support and COVID-19 solutions



stripe

- World-class functionality and API usability
- Advanced technology based safety and reliability
- Product strength that allows for innovative business models

☞ **Continued DX support for the clinical scene beyond payment systems; future expansion in appointment systems, medical questionnaires, patient registration tickets, and more.**

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FY2021 Outlook

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FY2021 Outlook

		Outlook
Medical Platform	■ m3.com platform strength to continue increase ■ myMR-kun to continue growth as pharma DX evolves	+ +
Evidence Solution	■ Restart and acceleration of trials halted during COVID-19	+
Career Solution	■ Improvement trend; vaccine related project may also contribute	+
Site Solution	■ Further fortification of upfront investments; profits may dip as a result from healthy growth activities	- / +
Emerging Businesses	■ Aggressive investment into DX of the clinical scene, such as telemedicine	- / +
Overseas	■ US clinical trial orders looks to remain positive with current backlog of USD 90 million ■ APAC including India and China remains healthy	+

M3's COVID-19 Efforts

Vaccine & Treatment Development

・Involved in mostly all COVID-19 related vaccine and treatment trials in the US

NOVAVAX
moderna
Pfizer
altimmune
AstraZeneca
REGENERON
medicago

Vaccine Dissemination Support

・Vaccine dissemination support across municipalities utilizing M3's physician network
・Collaboration with Change Inc., capitalizing on their strong network across municipalities



Vaccine Information for Medical Sites

・Vaccine related information provision and support towards medical sites (sponsored by pharma companies)



☞ **Contribution to COVID-19 solutions via vaccine dissemination support following efforts in clinical trials**

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M3 Growth Strategy

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Business Scope Expansion and Growth Potential

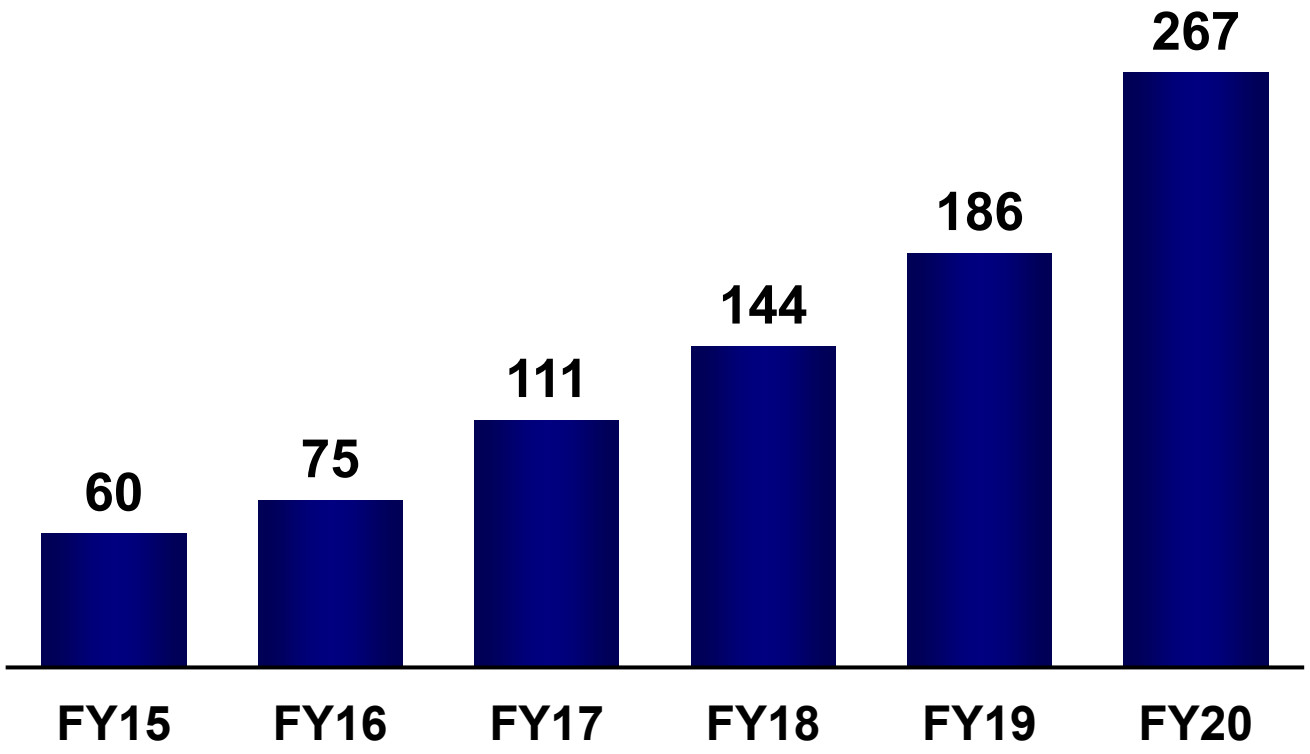
	2010		2014		2018		2022
Country	3	→	5 (1.5x)	→	10 (3x)	→	
Business Types	6	→	10 (1.5x)	→	26 (4x)	→	Similar pace of growth expected over the next 4 years
Business Units (Type x Country)	10	→	18 (2x)	→	41 (4x)	→	
Sales (bn)	14.0	→	37.0 (2.5x)	→	94.5 (7x)	→	

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

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Increase in M&A

Number of Deals That Were Evaluated

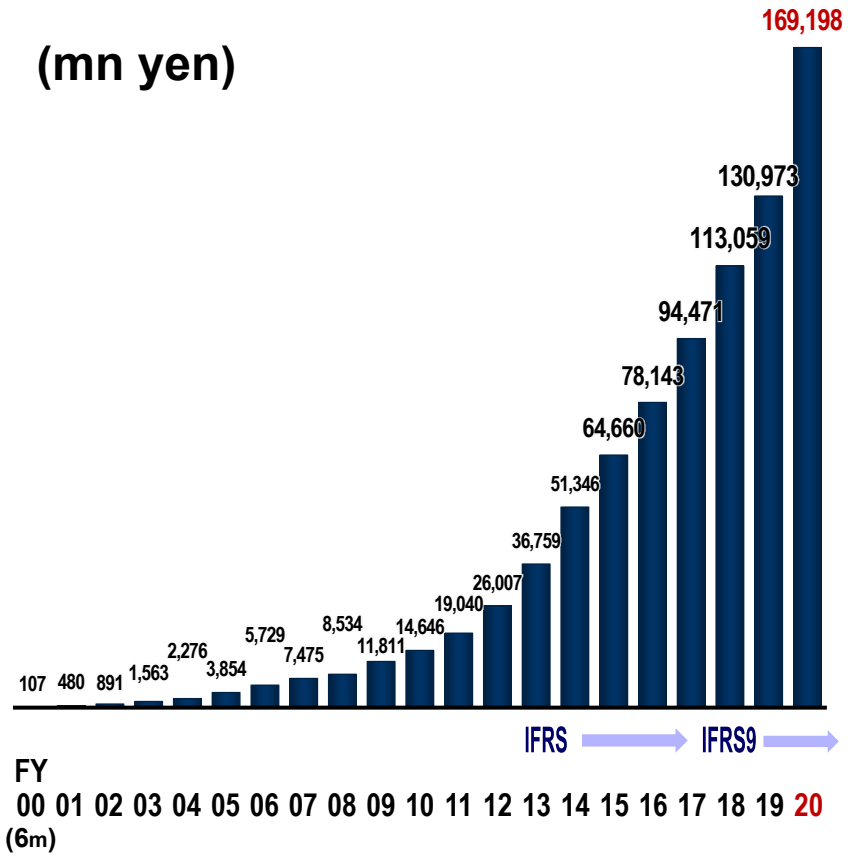


☞ **M&A activity and pipeline continue acceleration in line with business expansion. Number of executions and size are also increasing.**

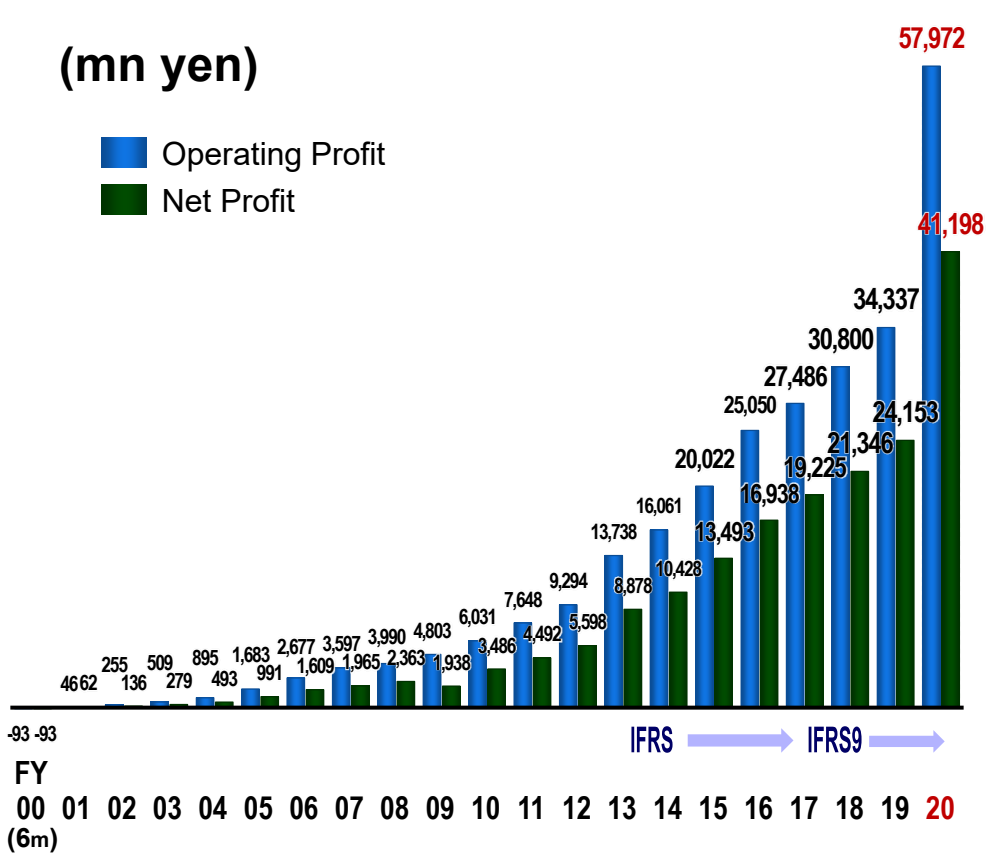
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Annual Results

Sales



Operating Profit & Net Profit



Forecasts were not given due to unpredictable variables, basic outlook is for continued growth.

* FY17 results retroactively restated according to IFRS9 (Financial Instruments)

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