

M3, Inc.

Presentation Material

April 2023



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.

FY2022 Consolidated Results

(mn yen)	FY2021	FY2022	YoY
Sales	208,159	230,818	+11%
Operating Profit	95,141	71,983	-24%
Pre-tax Profit	96,187	74,318	-23%
Net Profit	66,108	51,983	-21%

Business growth rate at +11% YoY excluding China IPO related earnings in the same period of the previous year and stock valuation gain/losses

 **Double-digit growth in sales and profit growth for businesses excluding special factors in the previous year**

FY2022 Consolidated Results by Segment

(mn yen)

			FY2021	FY2022	YoY
Domestic	Medical Platform	Sales	85,928	93,098	+8%
		Profit	39,553	41,147	+4%
	Evidence Solution	Sales	22,756	27,157	+19%
		Profit	5,654	7,662	+36%
	Career Solution	Sales	14,094	14,538	+3%
		Profit	4,646	4,644	-0%
	Site Solution	Sales	35,184	35,295	+0%
		Profit	3,399	3,745	+10%
	Emerging Businesses	Sales	3,360	3,284	-2%
		Profit	-601	945	-
Overseas	Sales	51,831	62,095	+20%	
	Profit	44,837	16,990	-62%	

- Although some companies have reduced their budgets, the essential shift to DX is progressing
- Medical Field DX: Steady in both EHR and DigiKar Smart

- Backlog of orders is JPY30.6 bil.
- COVID-related clinical trials (therapeutic drugs/vaccines) peaked out
- Digital-enabling clinical trials, DCT, etc. continue to make progress

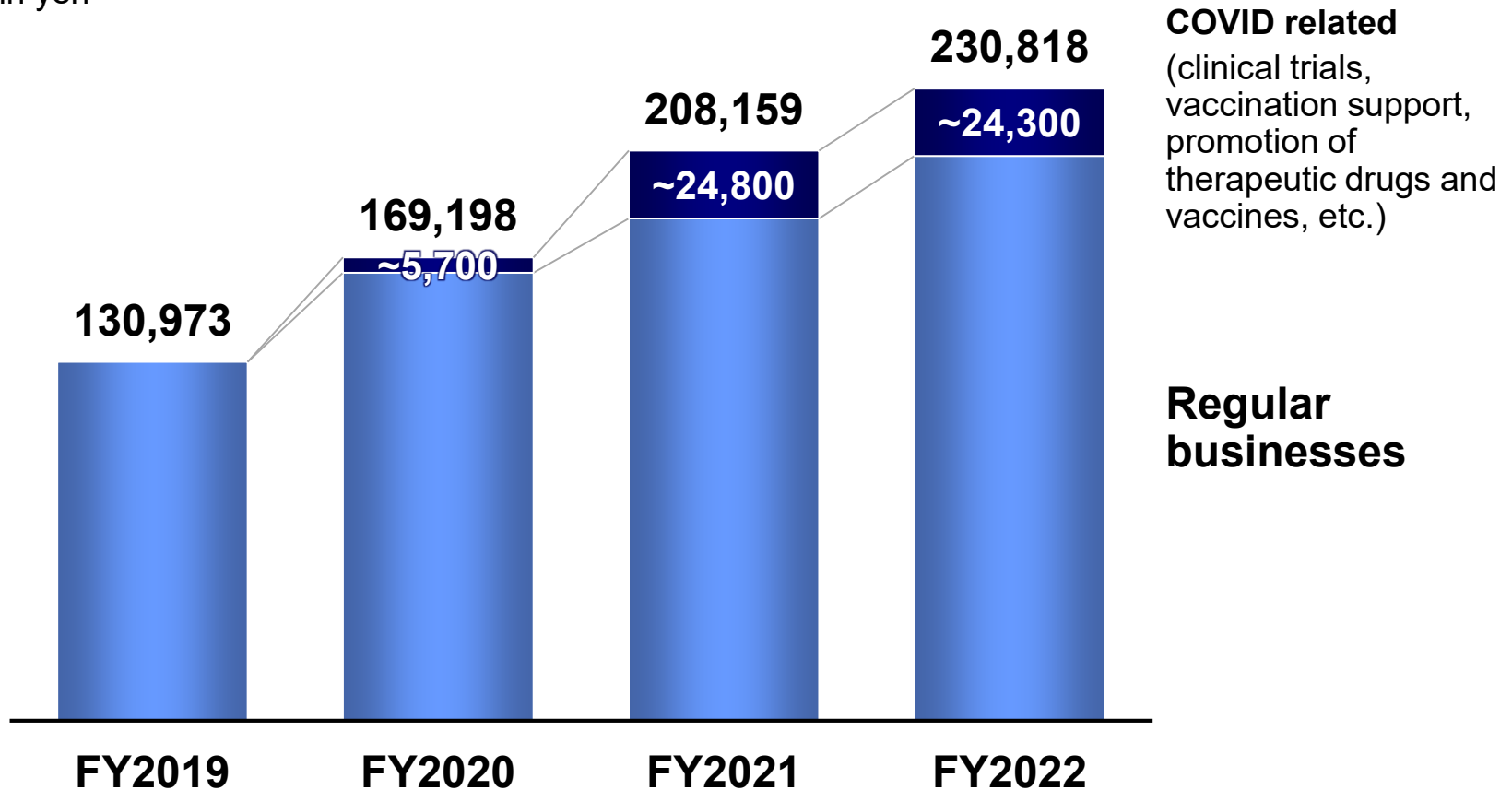
- Growth in ordinary business offset contraction in COVID related revenues

- Profit increase due to the non-recurrence of impairment losses in the same period of the previous fiscal year

- +19% profit excluding China IPO related last year
- Q4 is affected by budget compression of pharmaceutical companies

Consolidated Sales Trends and COVID Impact

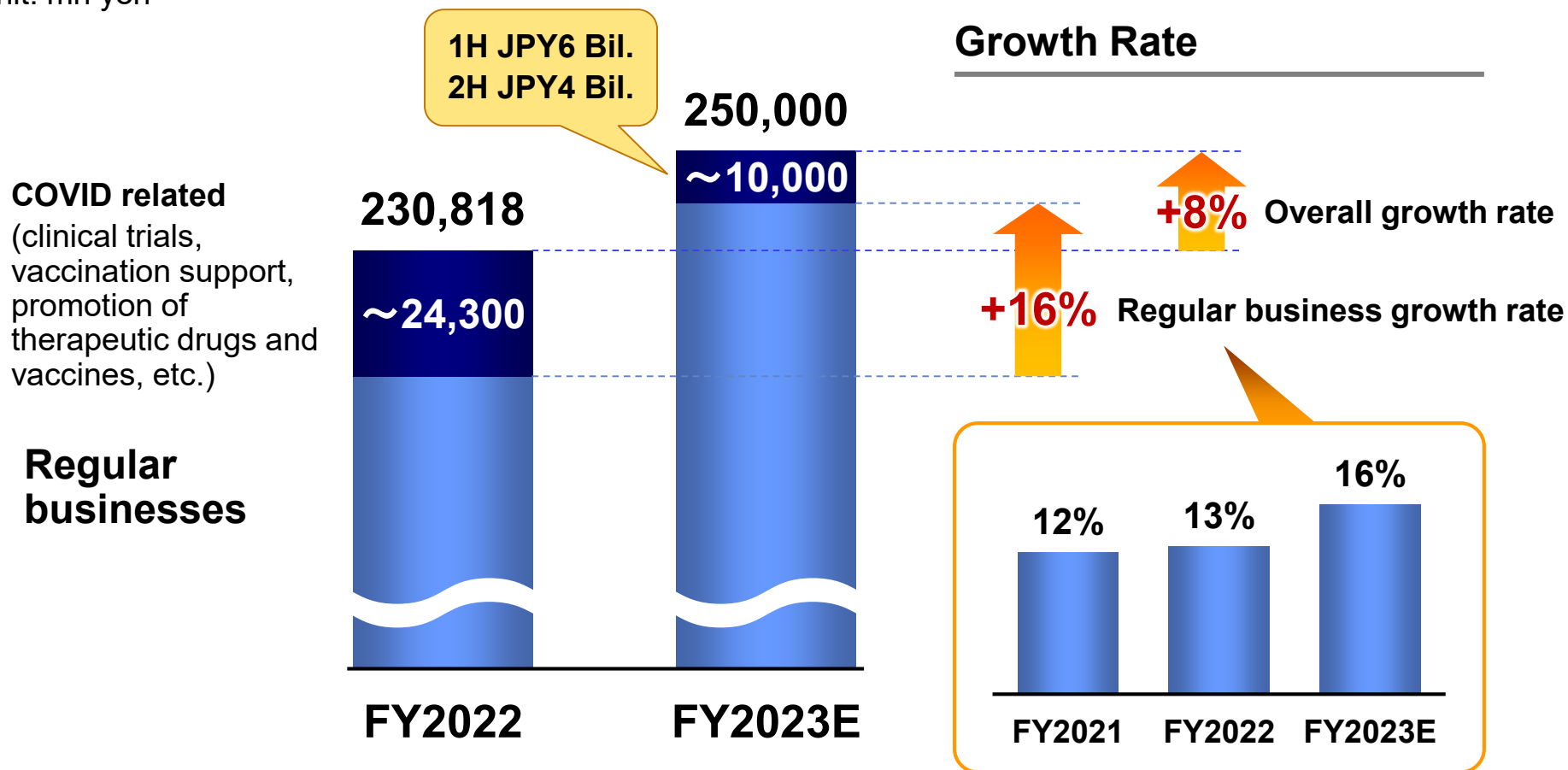
Unit: mn yen



Contribution of COVID-related business to overall was 11% in FY22. Top-line growth this fiscal year is driven by ordinary business, with COVID-related revenues at similar level as last year

Sales Forecast for FY2023

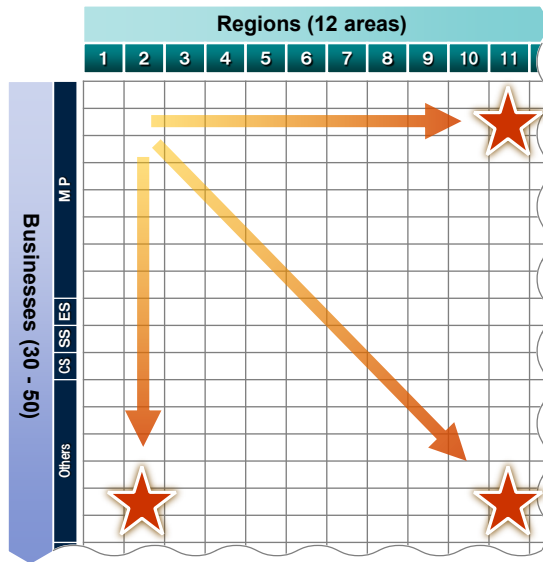
Unit: mn yen



👉 Solid top-line growth in regular businesses despite contraction in COVID-related earnings...Regular businesses are witnessing an uptick in their growth rate

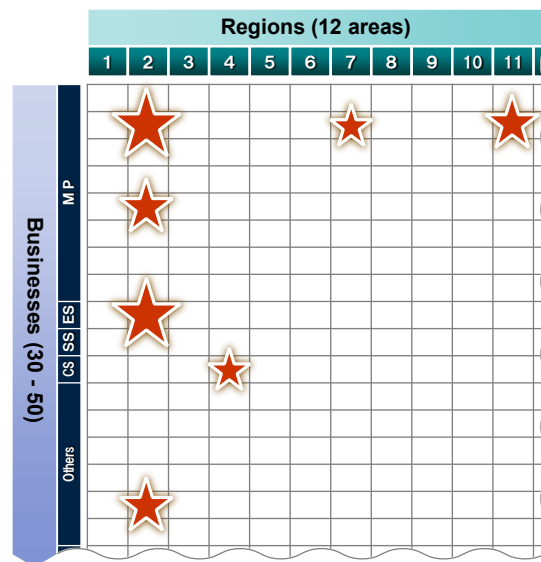
M3's Triple Growth Engine + CSV

1. Ecosystem Expansion (Sagrada Familia)



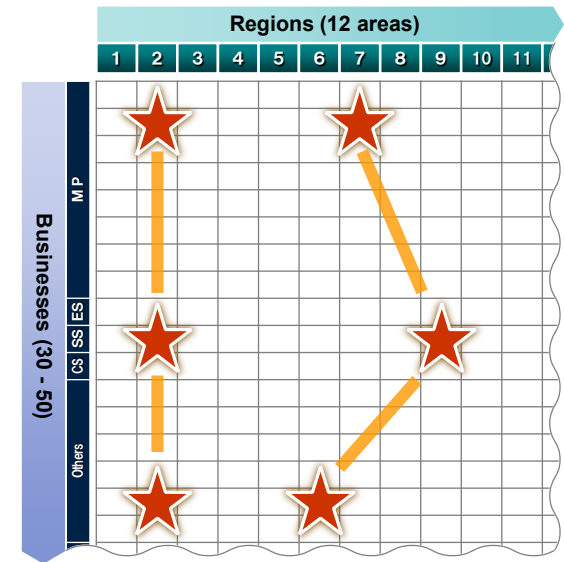
■ Continuous new business entries

2. Individual Business Development



■ Pharma marketing / Clinical Scene DX

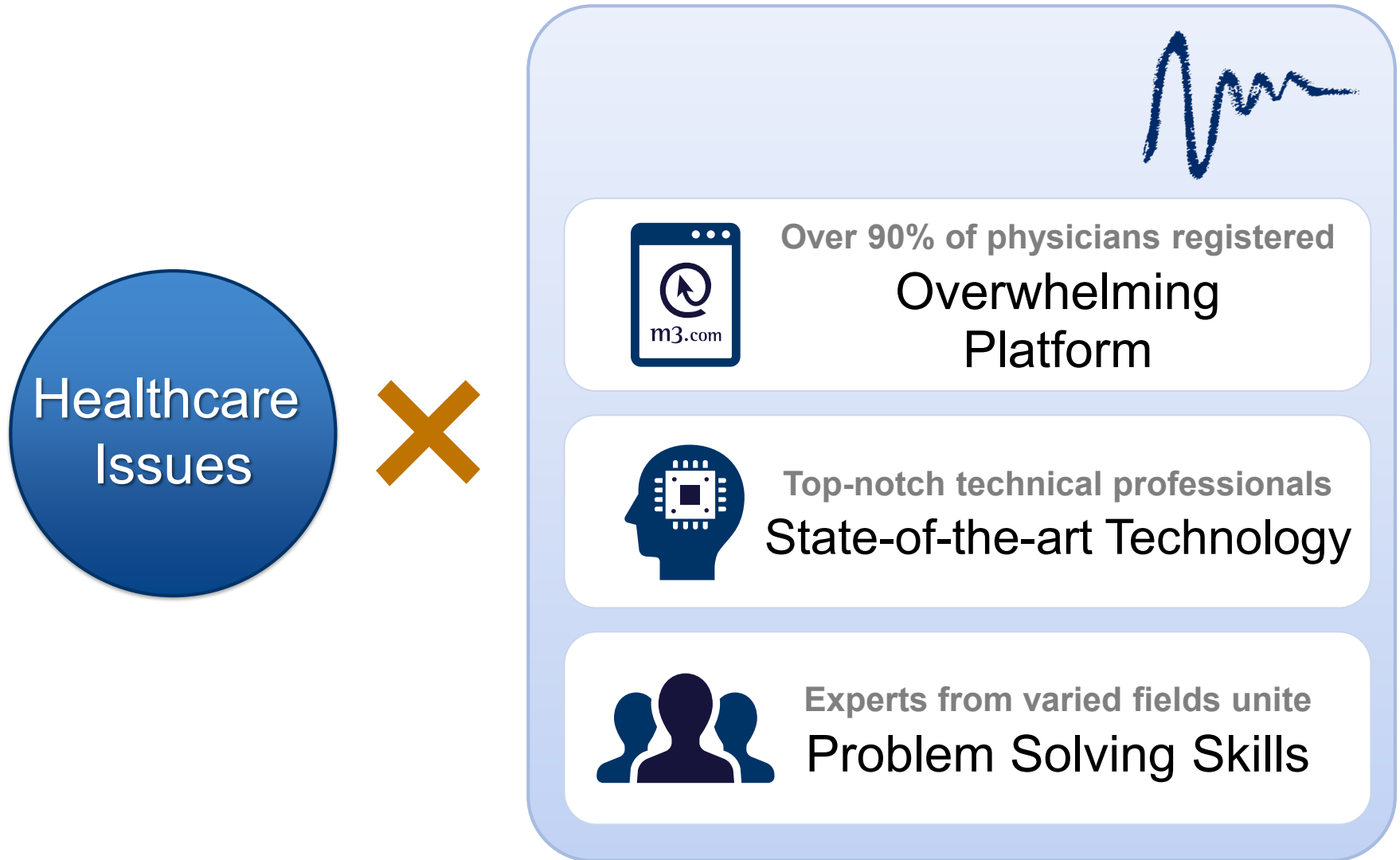
3. Ecosystem Synergy Creation



■ Cross-cell synergy maximization

4. Social Impact Creation → CSV

Leverage 3 Major Resources to Solve Healthcare Issues



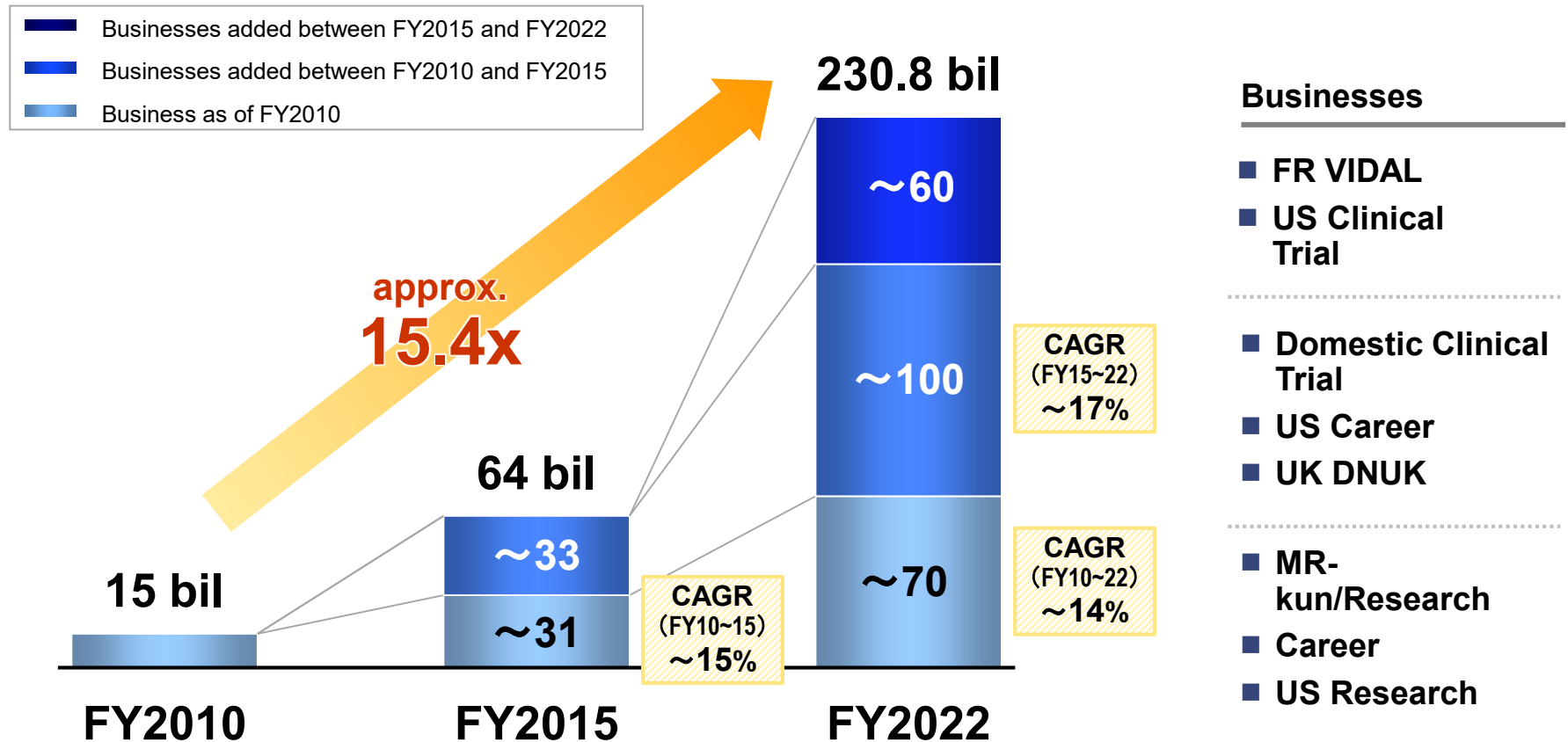
Business Scope Expansion and Growth Potential

	: 2010	2015	2020	2022
Country	: 3 →	8 (2.5x) →	11 (3.5x) →	17 (5.5x)
Business Types	: 6 →	15 (2.5x) →	35 (6.0x) →	38 (6.0x)
Business Units (Type x Country)	: 10 →	24 (2.5x) →	56 (5.5x) →	71 (7.0x)
Sales (bn)	: 146 →	647 (4.5x) →	1,691 (12.0x) →	2,308 (16.0x) FY2022

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

Growth Trend per Business Expansion Phases

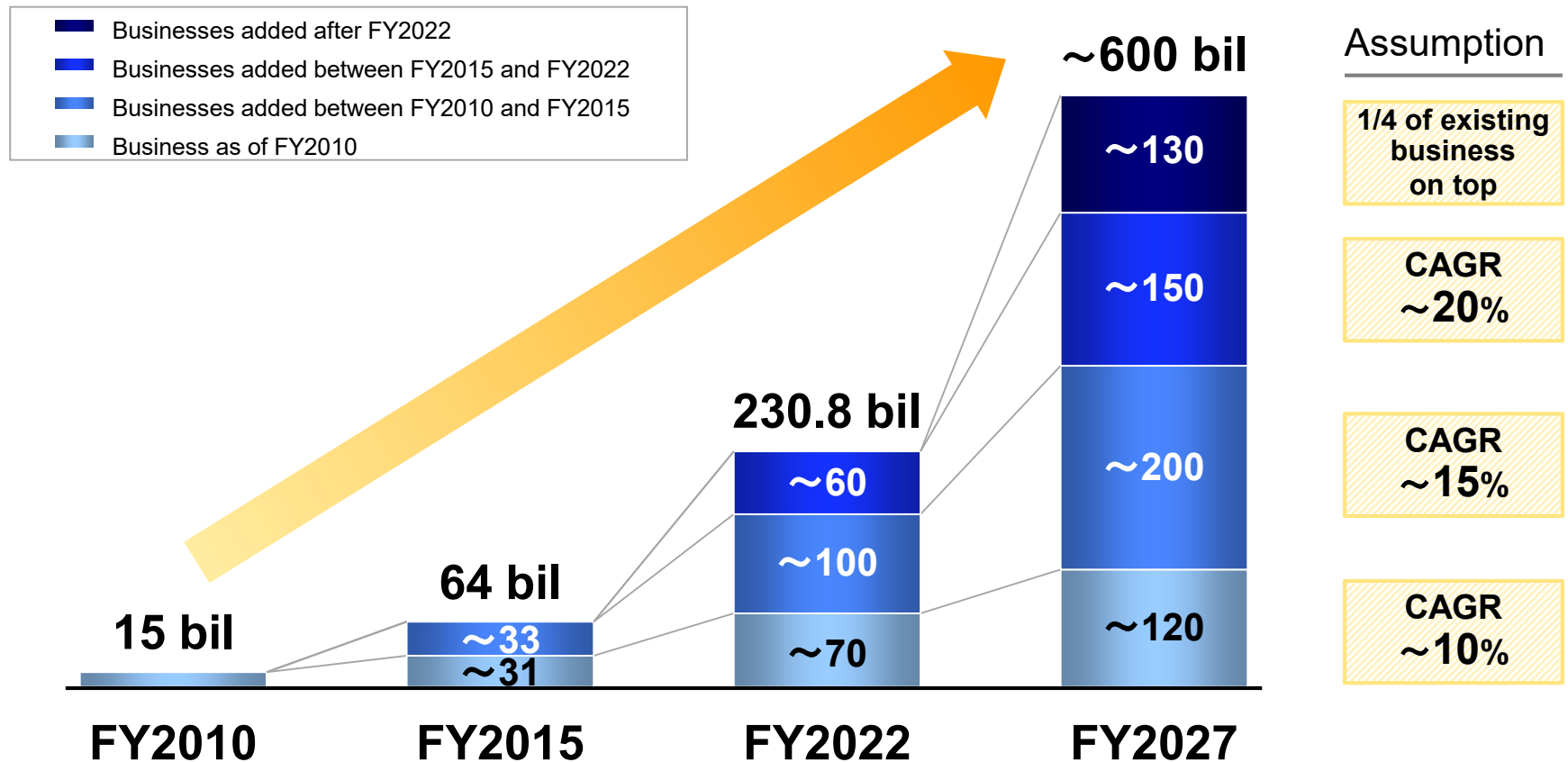
Sales Trend (JPY)



 **2/3 of FY2022 sales were created from new businesses added after 2010, growth rates are also greater for new businesses entering the market**

Growth Image per Business Expansion Phases

Sales Trend (JPY)



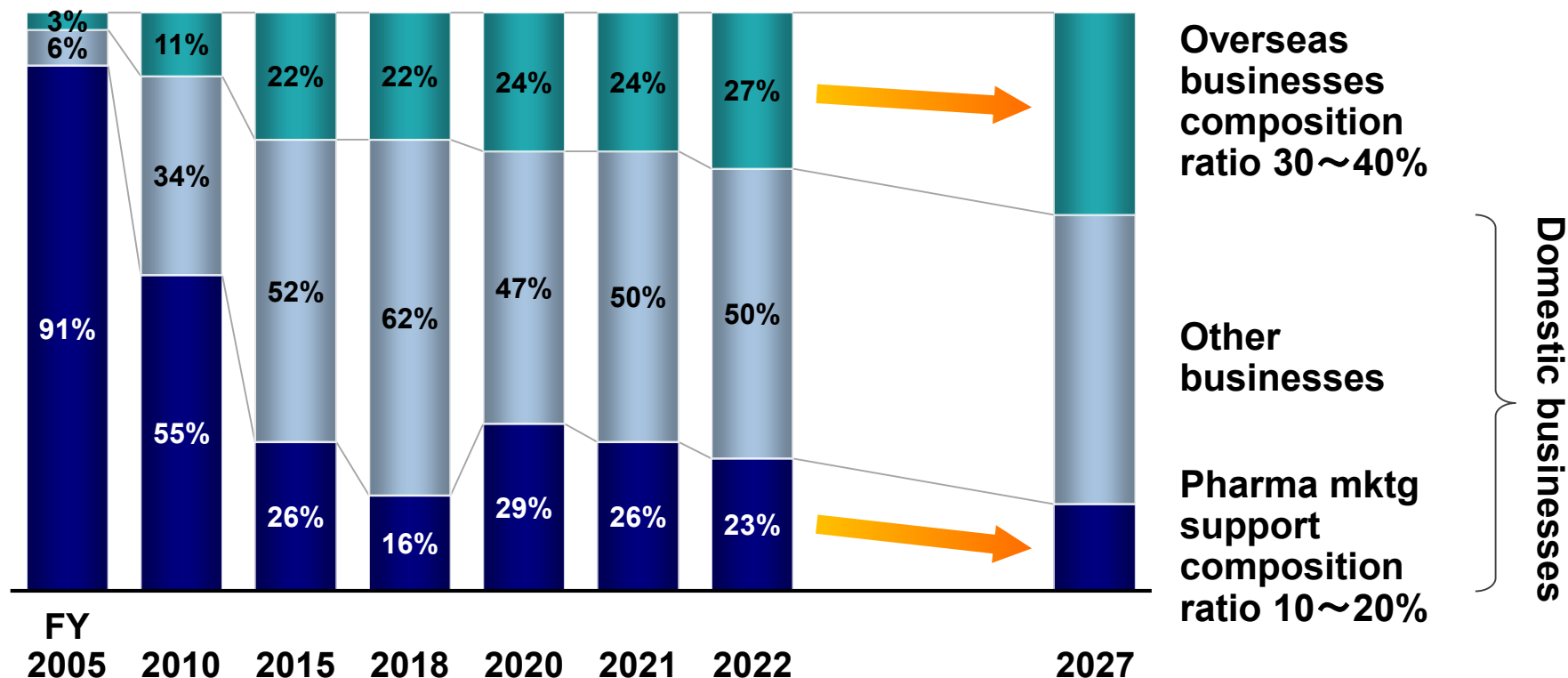
 Aim to continue to grow business as before through new business development, new business growth, and existing business growth

Sales Composition Ratio: Past and Future Image

Consolidated Sales Composition Ratio

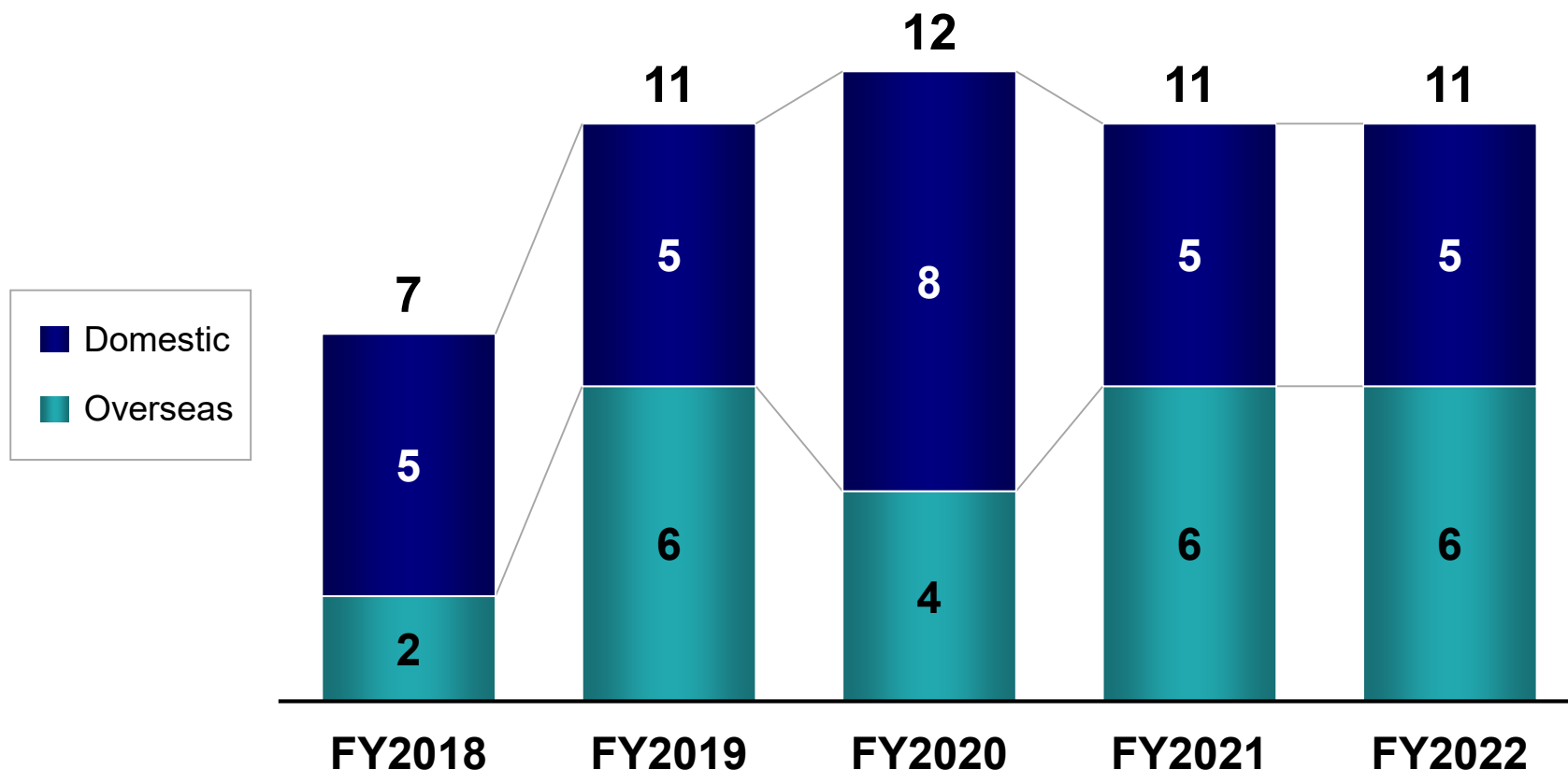
100%= JPY 230.8bil.

JPY 600bil.



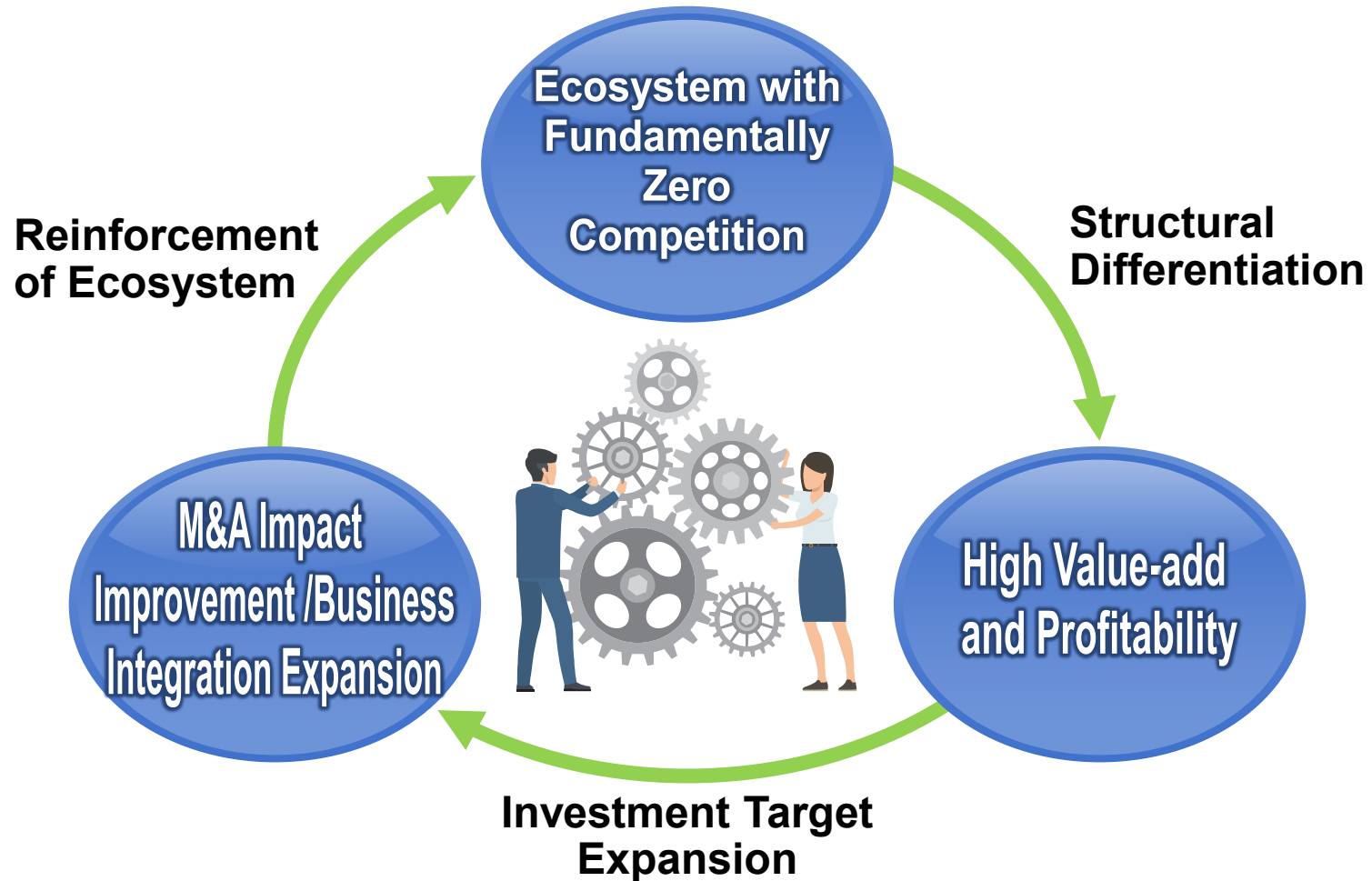
 **The pharmaceutical marketing business itself will continue to grow, but overseas/other domestic businesses are expected to grow faster**

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



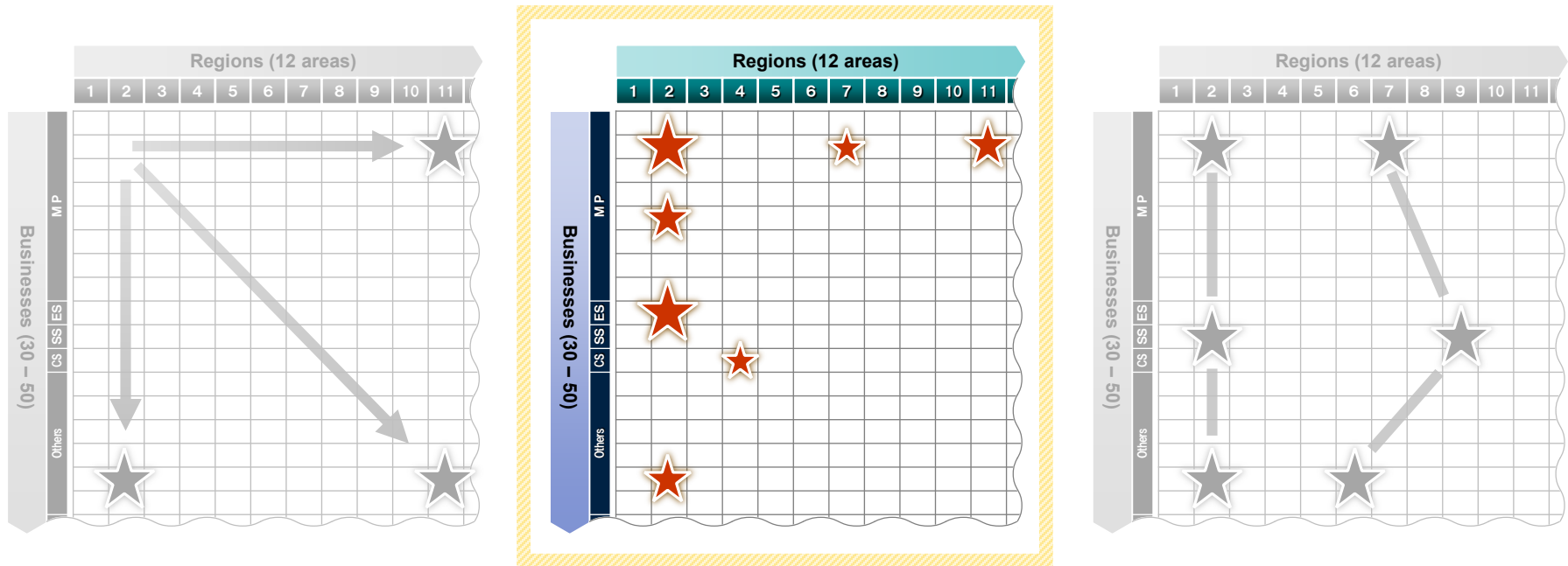
👉 M&A completed with 52 companies in the past 5 years, will continue to actively pursue M&A opportunities. FY23: 2 projects already conducted abroad, Scribendi and Med Planet

Business Expansion Creation Flow



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

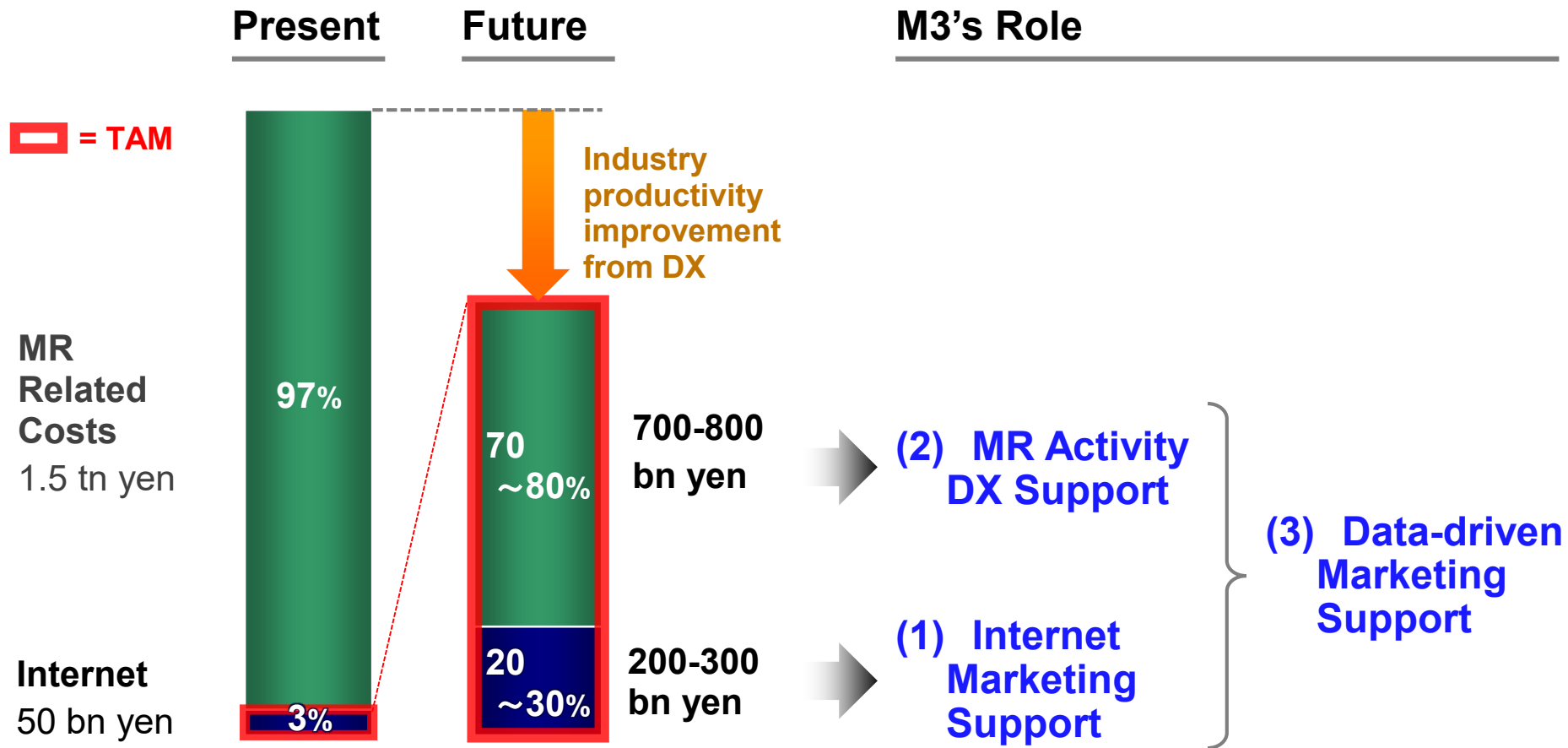
Growth Engine 2: Individual Business Development



4. Social Impact Creation → CSV

Pharmaceutical Sales & Marketing DX

Pharma Marketing Cost and TAM for M3

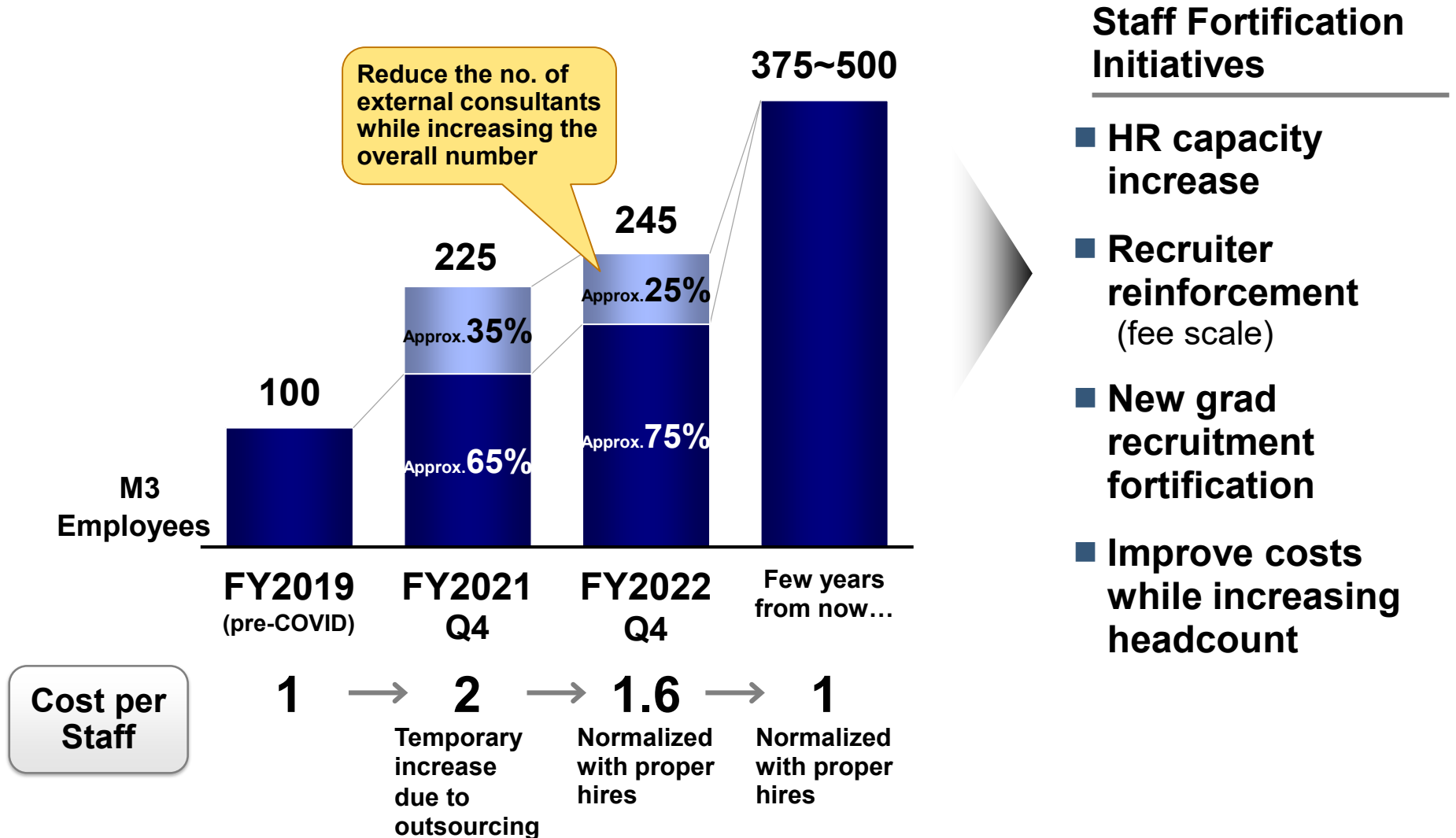


 **M3 involvement to go beyond the bounds on the internet to improve productivity across the entire industry**

Ref: M3 survey and estimate; numbers are approximate







Professional Staff Fortification Plan

Unit: Index with FY2019 as 100



DX of the Clinical Scene

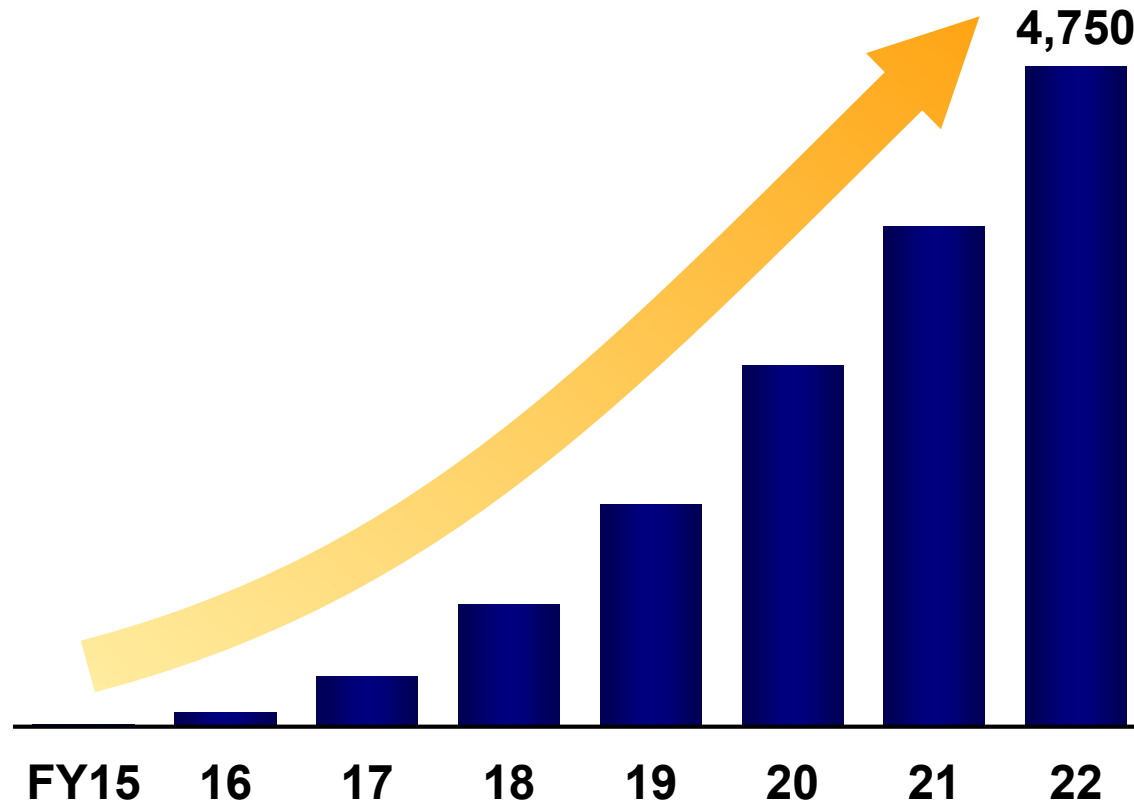
DX of Clinics: Creating a New Patient Experience

		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

 Creating a completely different patient experience through “DigiKar Smart”

M3 DigiKar EHR Growth

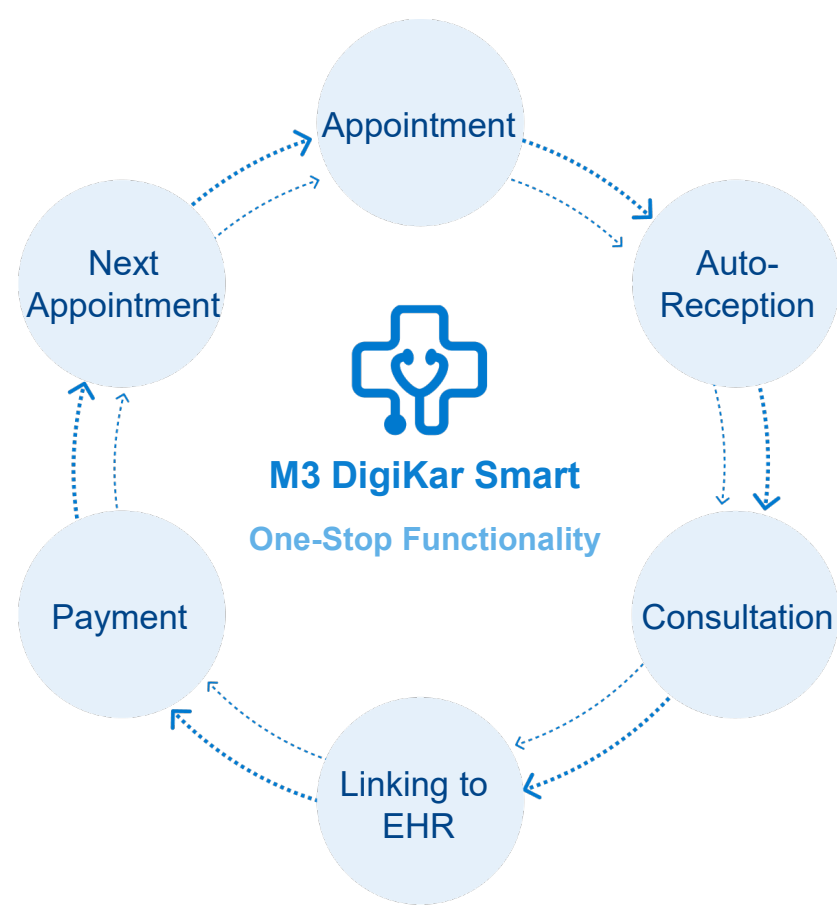
Number of Sites Using M3 DigiKar



- Cumulative number of installations is approximately 4,750. Steady progress
- Co-selling with DigiKarSmart further increases the added value of DigiKar

👉 Incontestable #1 market share within cloud based digital health records, reaching 150 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

8121件の評価

4.6

★★★★★

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ランキング

#9

メディカル

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評価とレビュー

すべて表示

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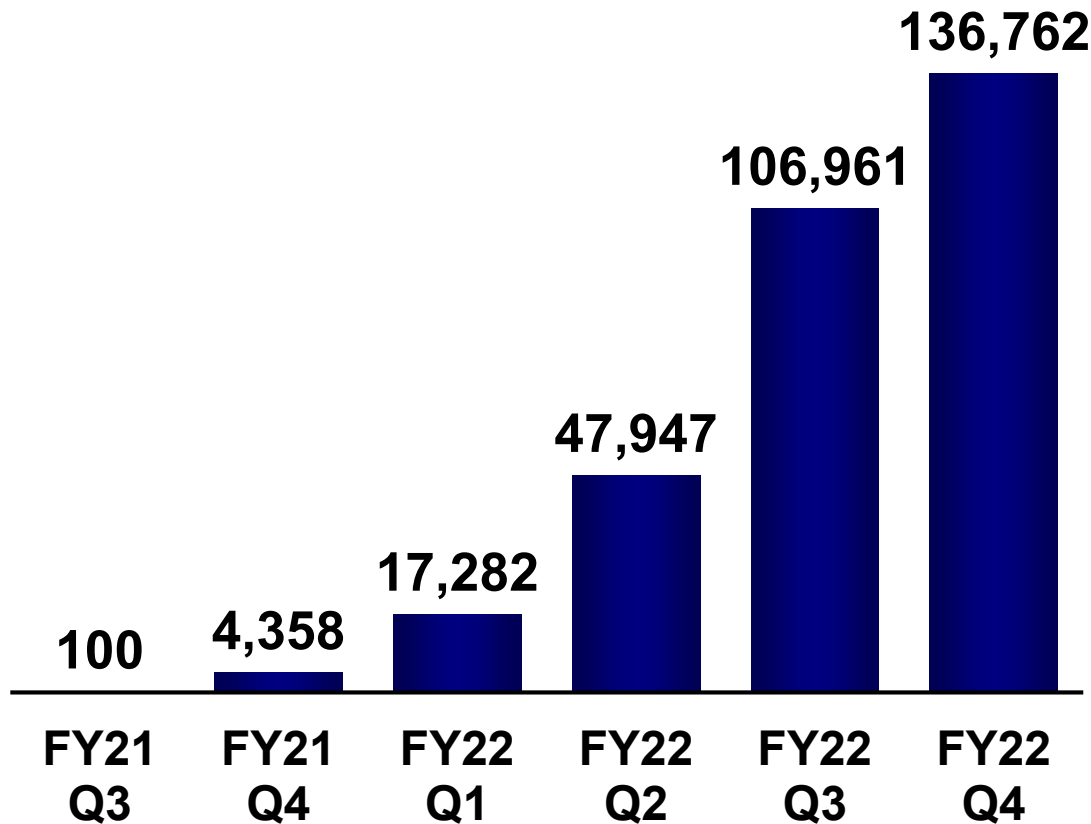
5段階評価中

8,121件の評価

 **8,121 reviews with a rating of 4.6 from users, new patient experience created and highly evaluated**

No. of DigiKar Smart Users

Unit: Index with FY21Q3 as 100



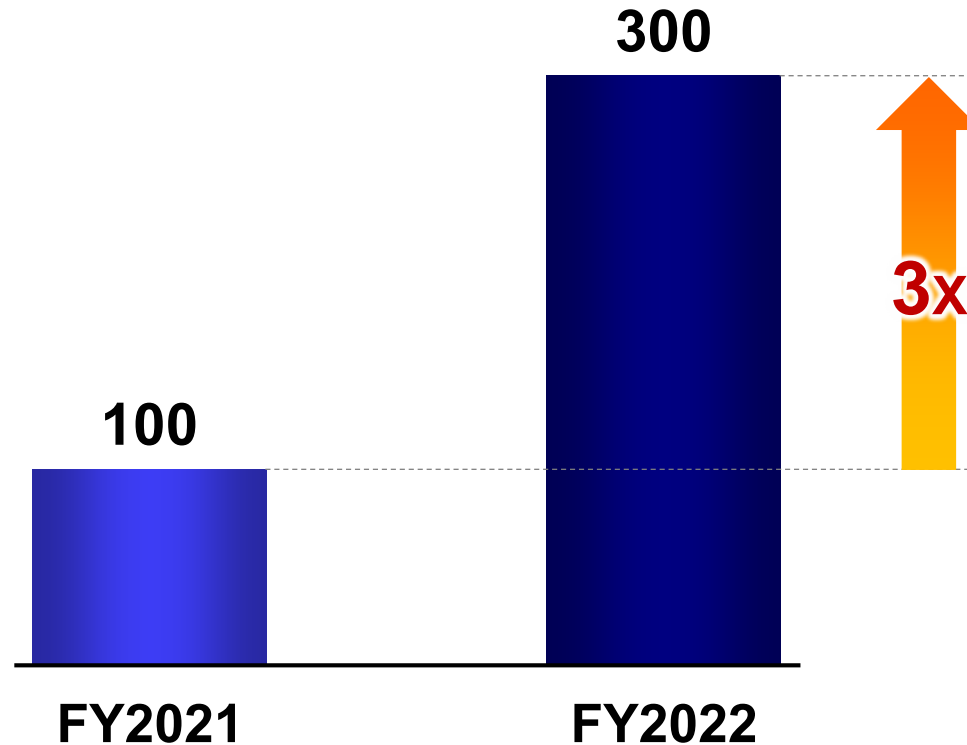
- Users are rapidly penetrating DigiKar Smart as the clinic's infrastructure
- Video call has been added and is expanding as an infrastructure for telemedicine

* Quarterly sum of monthly UUs

Ecosystem Synergy: Medical Data Business

Unit: Index with FY21 as 100

Sales of Medical Data Business*

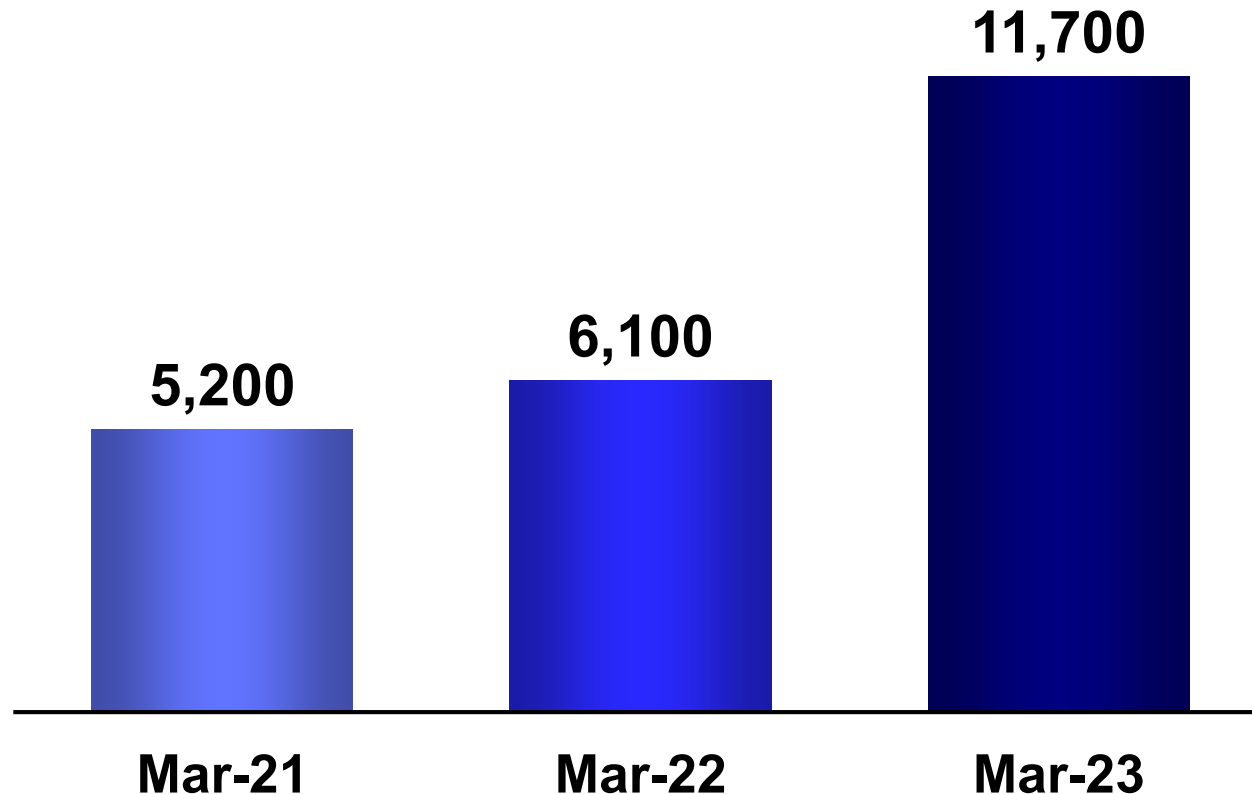


Medical data business (actual medical practice, physician practice standards, etc.) also grew significantly along with the increase in the volume of data accumulated. Steady creation of ecosystem synergies

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

Number of Clinics Covered by M3 Group

Unit: Number of clinics using any of M3 services

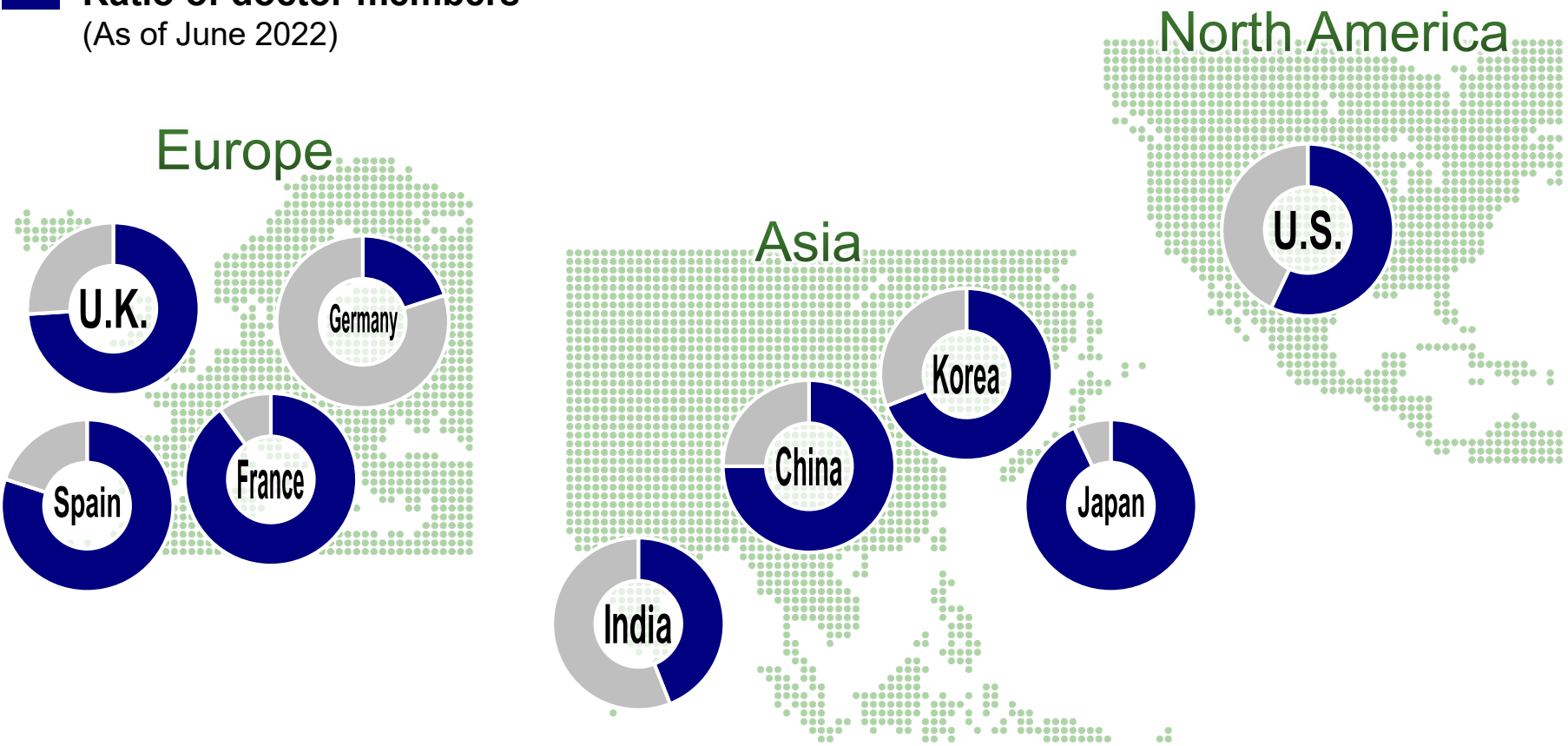


 **Rapid expansion of clinic coverage (1.9x YoY) through organic growth as well as M&A. Plans to offer a wide range of DX promotion services, including EHR, in-hospital operational efficiency, and patient tools**

Overseas

Number of Doctor Members and Panelists (Global)

 **Ratio of doctor members**
(As of June 2022)

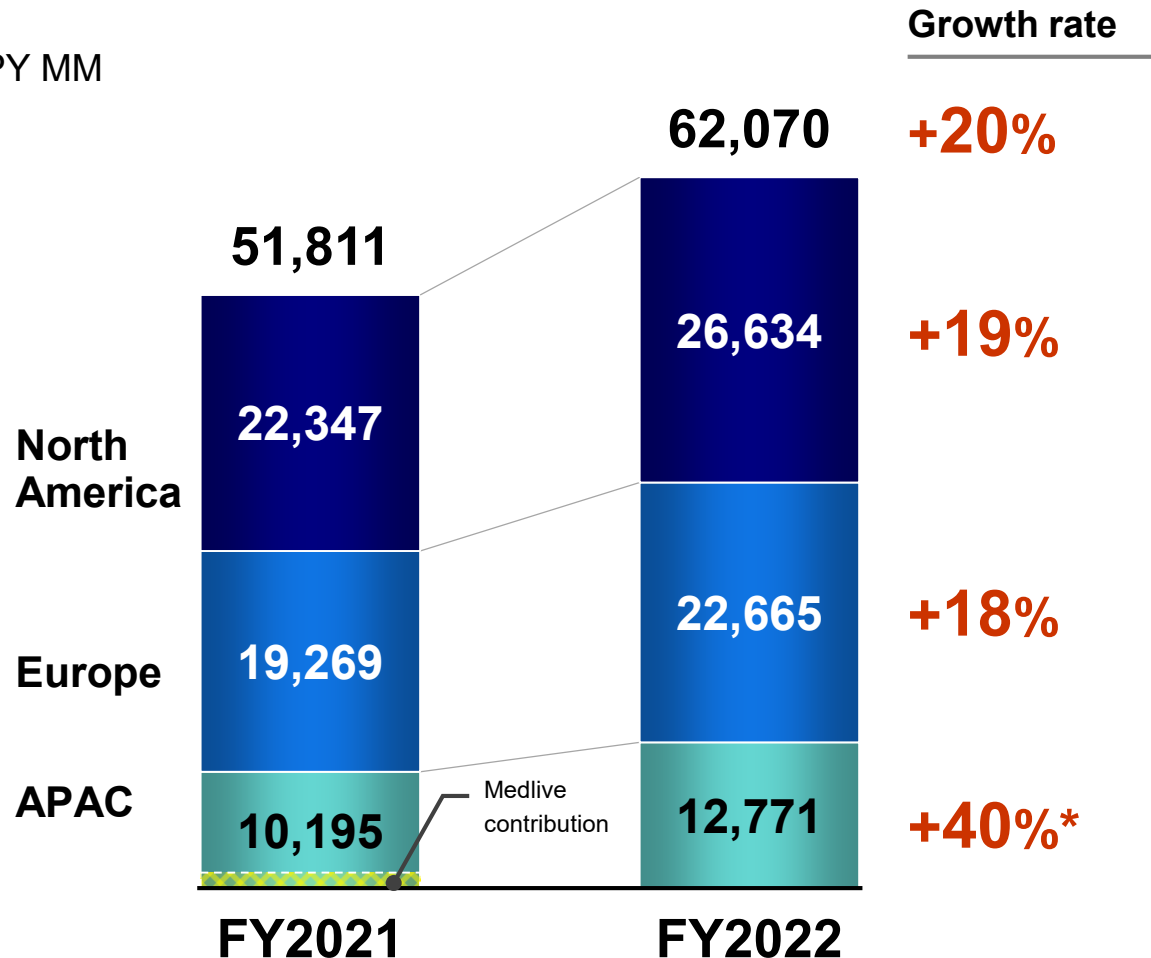


More than 6 million doctor members and panelists, covering over 50% of doctors worldwide

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

Overseas Segment: Sales by Region

Unit: JPY MM



 **Steady growth due to growth drivers consisting of diverse businesses**

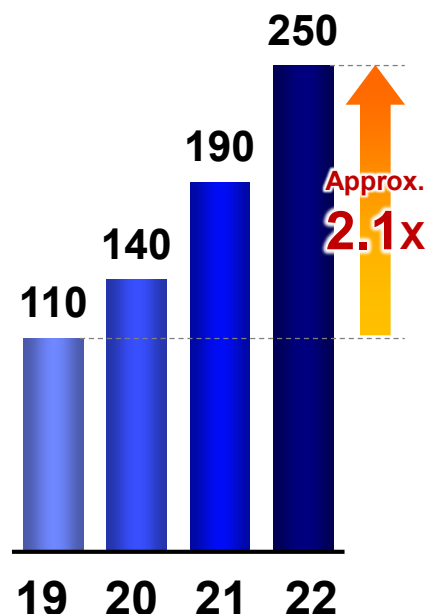
* Growth rate excluding the results of Medlive (not subject to consolidation from this term) in the same period of the previous year

Overseas Growth Trends by Business (FY)

Unit: JPY 100MM

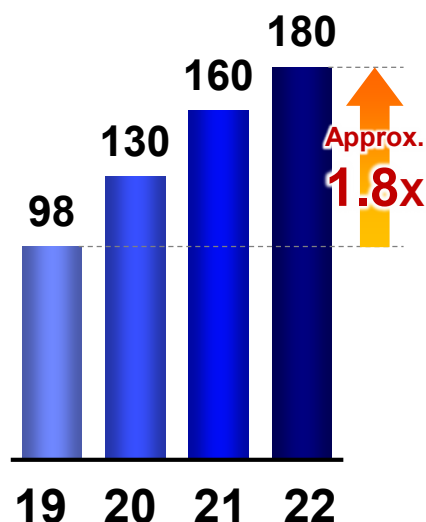
Service for Doctors

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



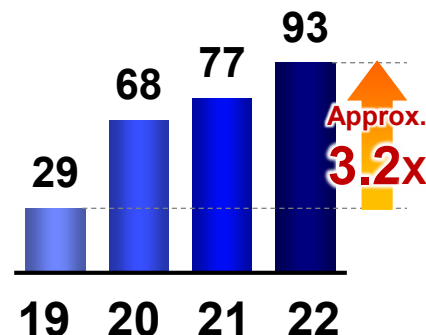
Business Intelligence

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



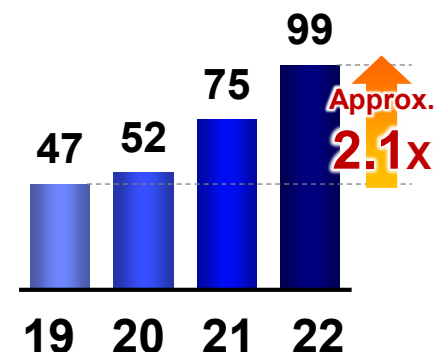
Clinical Trials

(Clinical Trials sites in North America, growing into one of the top 5 companies in the US)



Career for Doctors

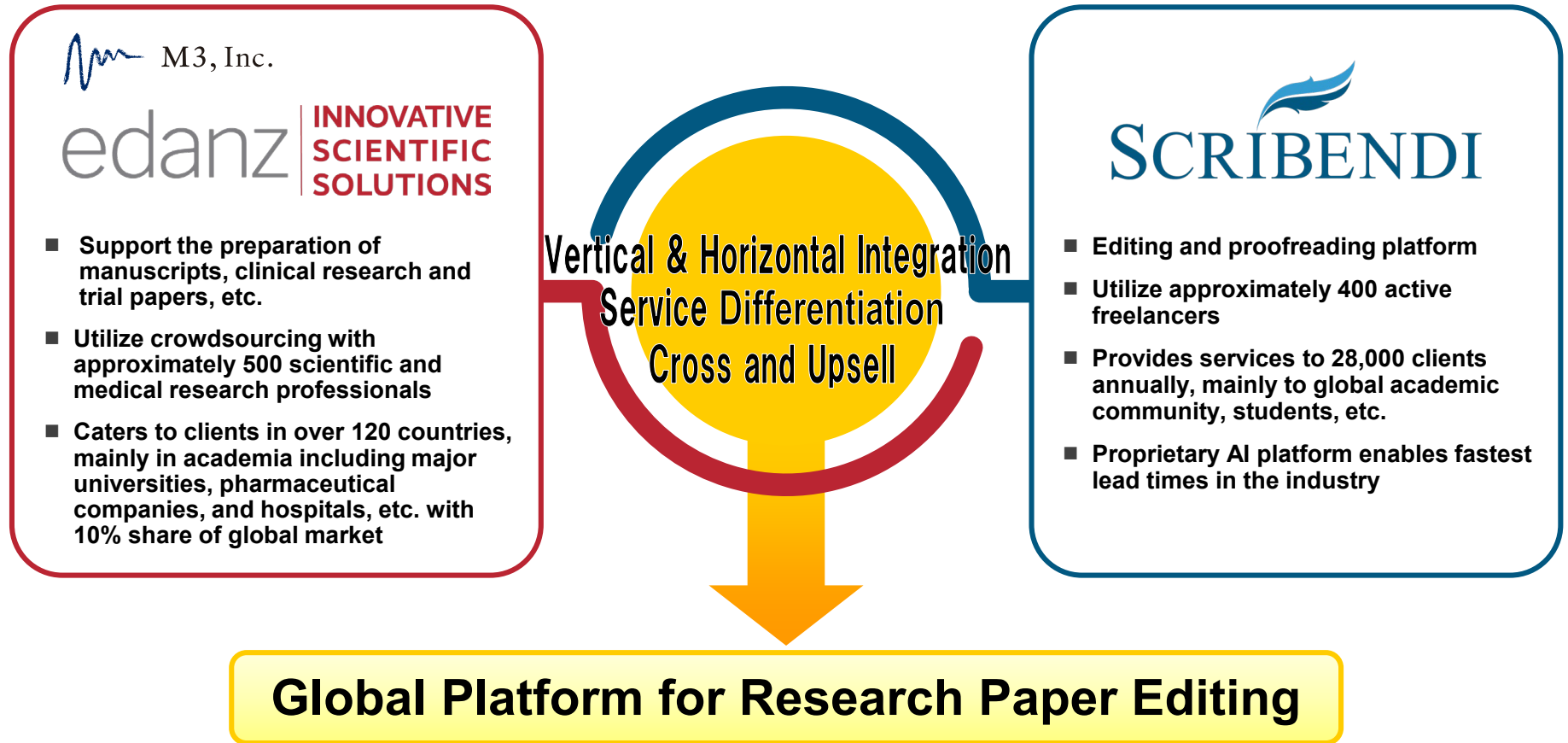
(Human resources business centered on doctors in North America and Europe)



Achieve growth trends in various business types

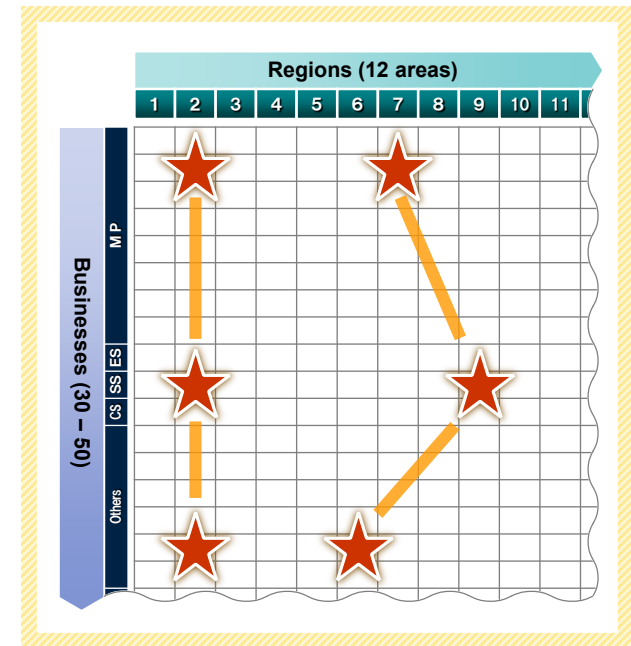
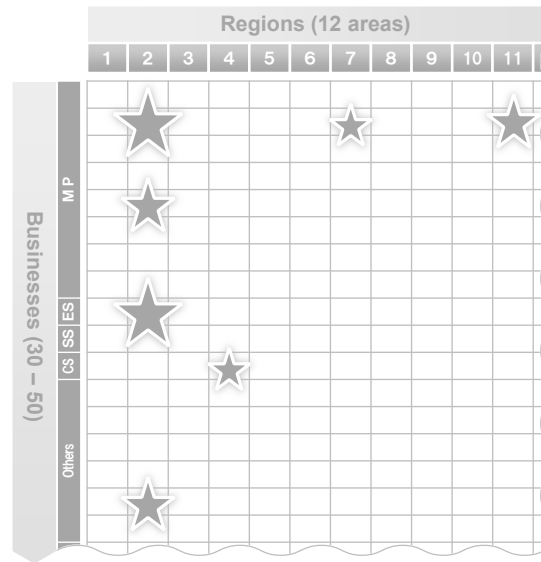
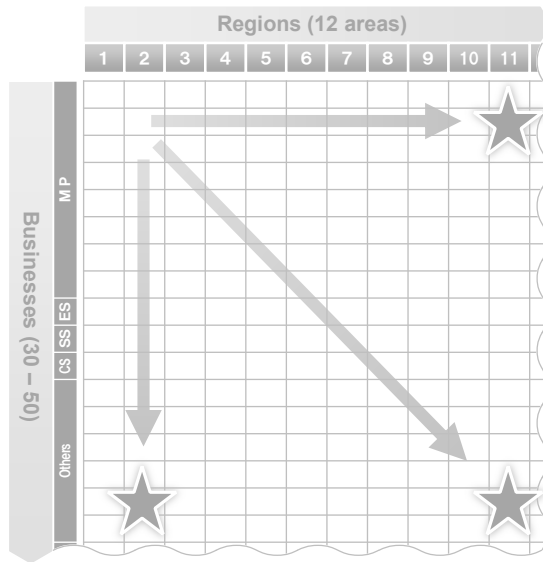
* Based on each subsidiary's principal business, aggregated by fiscal year

Acquisition of Scribendi in Canada



- 👉 **Building a global platform for thesis editing by leveraging geographic and functional complementarities. In addition, acquired Med Planet with strengths in qualitative research in the BI field; accelerating overseas business**

Growth Engine 3: Ecosystem Synergy Creation

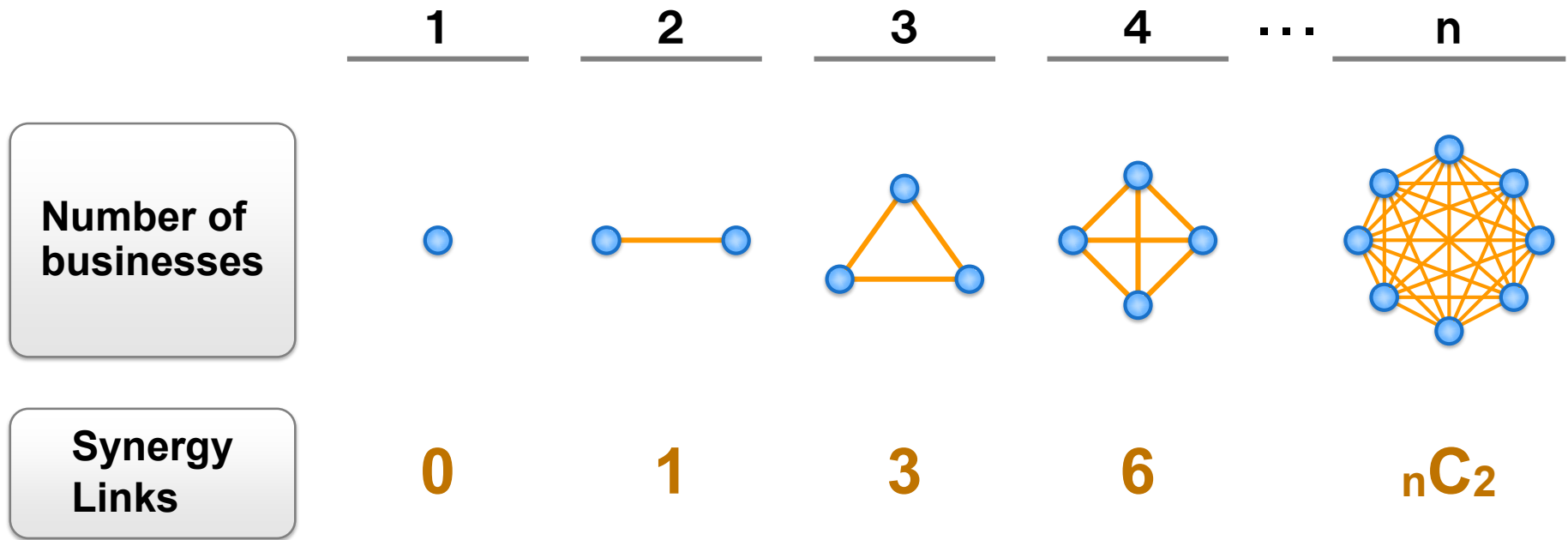


4. Social Impact Creation → CSV

Business Scope Expansion and Growth Potential

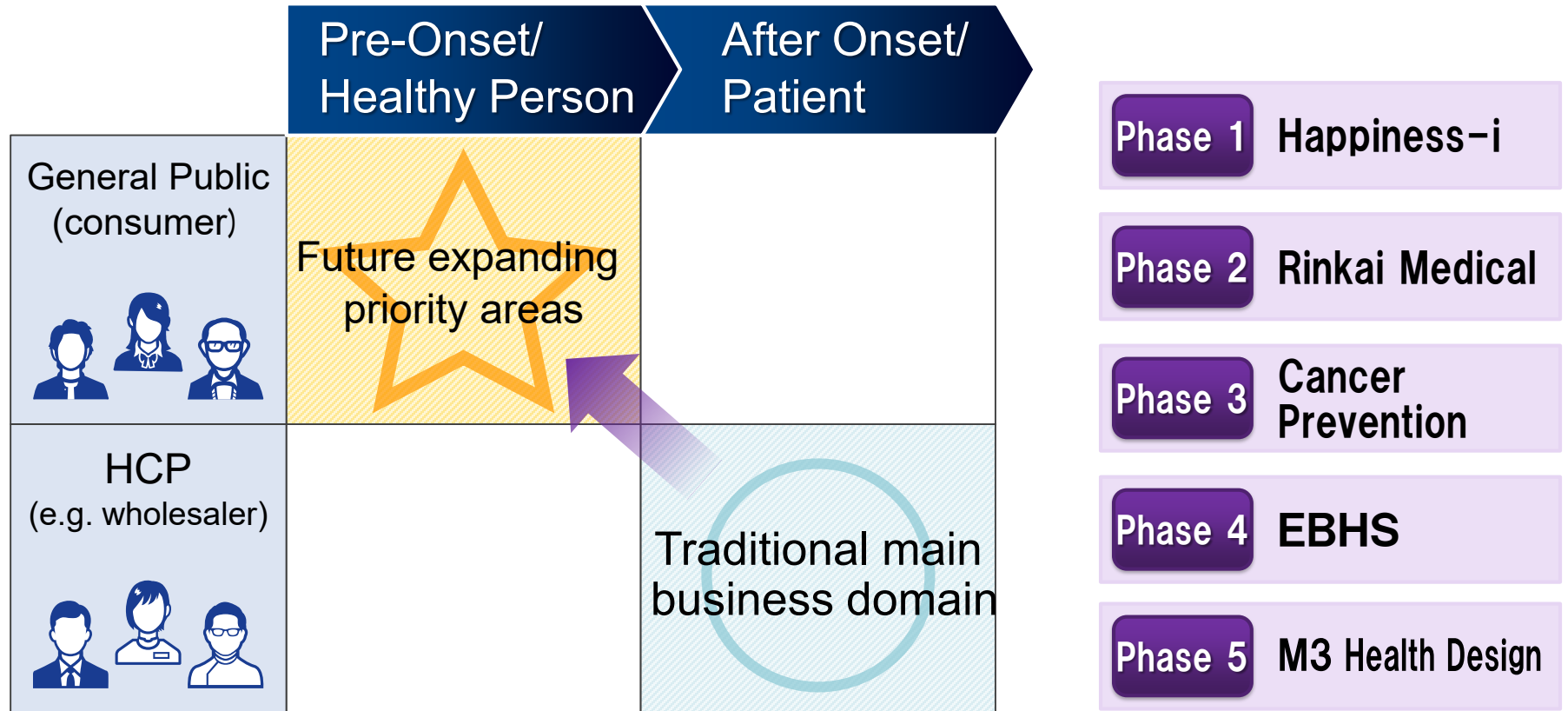
		2010		2015		2020		2022
Country	:	3	→	8 (2.5x)	→	11 (3.5x)	→	17 (5.5x)
Business Types	:	6	→	15 (2.5x)	→	35 (6.0x)	→	38 (6.0x)
Business Units (Type x Country)	:	10	→	24 (2.5x)	→	56 (5.5x)	→	71 (7.0x)
Sales (bn)	:	14.6	→	64.7 (4.5x)	→	169.1 (12x)	→	230.8 (16.0x) FY2022

Cross-Business Synergy Creation Potential



Synergy potential between businesses: $71C_2 = 2,485$ possible linkages

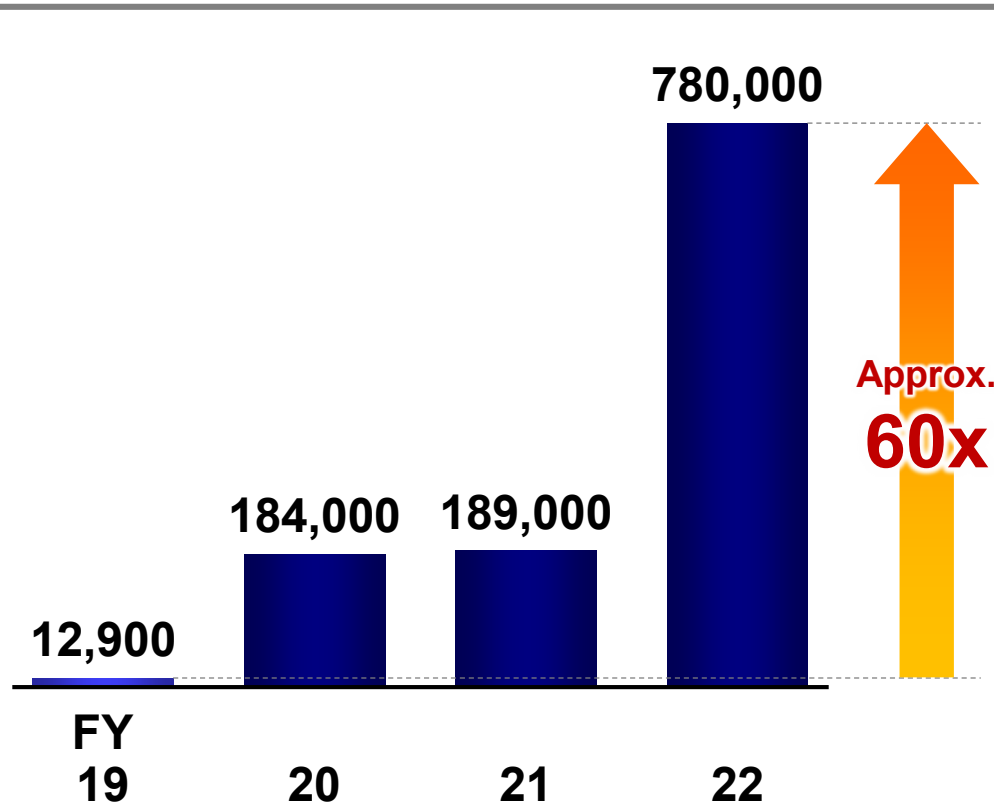
“The White Jack Project”



 **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 corporate services*



FY22 results cover approximately 800,000 employees, offering the following services

- EBHS Life
- Cancer prevention, PSP
- Ask Doctors
- Medical Checkup Appointment & Implementation
- Employee health data management, etc.

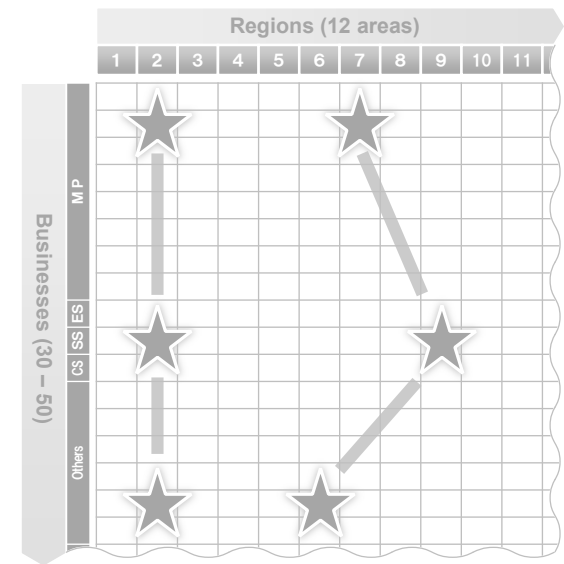
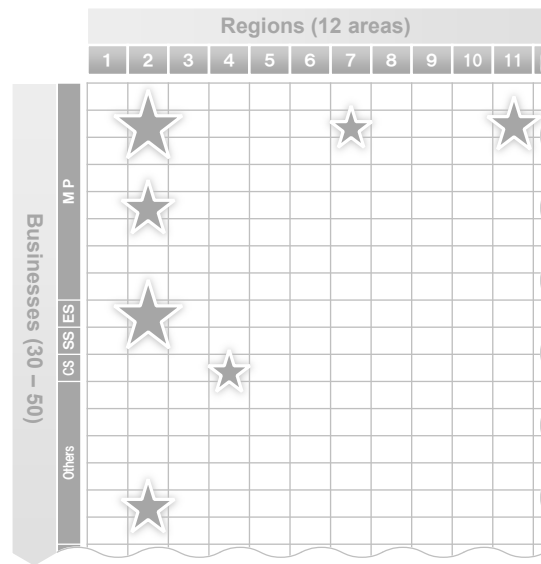
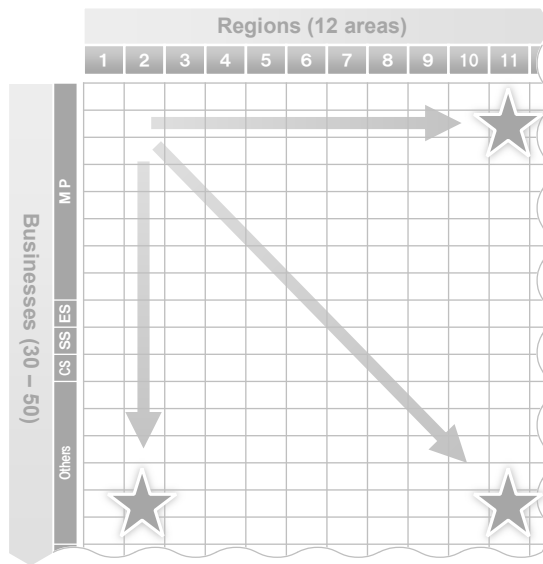
In addition to Happiness Partners, expanding EBHS Life introduction

 **Steadily expanding business base to create ecosystem synergies as well. Plans to expand both the number of people covered and services**

* Subject to PSP, Happiness Partners, Cancer Prevention, EBHS Life, etc.

FY22 includes those who received medical checkups before the acquisition of Happiness-i and Rinkai Medical Service

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 towards international targets

Relevance to corporate mission

Not necessarily linked to the company's mission

CSV

Creating Shared Value

(Creation of shared values)

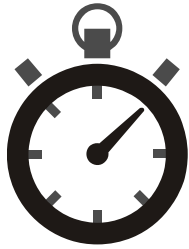
Initiatives by companies to solve social problems through their core business

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: 1MM
FY2022

29.3 million hours of patient waiting time reduced
FY2022, from a total of about 27 million receptions

Professional Advice Provision for Health Concerns

Offering physician answers on-line to daily health concerns; 300,000+ posted questions gathering over 67 million UU views annually
FY2022

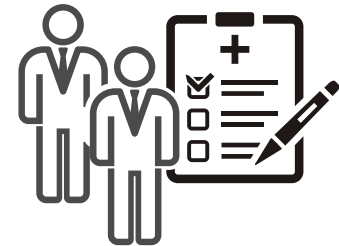


Granting Wishes for Severely Ill Patients

37 wishes granted through the CaNoW program;
over 1.5 million PVs of videos and articles documenting the grants
As of April 2023, since service launch in 2019

Support for corporate health management and employee health promotion

Accelerate efforts in pre-symptomatic state and preventive medicine, with approximately 800,000 employees covered
FY2022



* CSV = Creating Shared Value

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

Information Provision for all HCPs

Over 12 million viewers in total for web conferences, etc.

FY2022



Medical Examination Support

Supporting medical examinations through management of information across 200 million electronic health records, domestically and abroad

As of FY2022

Productivity Improvement for Pharma Companies

Distribution of 120 million e-details = workload of 60,000+ MRs (more than total number of MRs in Japan)

FY2022



👉 Actualizing M3's mission across various areas, to reduce unnecessary medical costs and to support healthier lives using digital technologies... social contribution through business creation

* CSV = Creating Shared Value

FY2023 Outlook

FY2023 Qualitative Outlook

Outlook

Driver 1: Ecosystem Expansion

- New acquisitions in FY2022 will contribute to the full year
- New businesses and M&A in FY2023 are not factored in (in actual fact, the number of M&A deals under consideration and the scale of M&A deals are also on an expansionary trend.)

+

Driver 2: Individual Business Development

COVID-related businesses

- Overall new COVID-related sales to fall by less than half

— —

Medical Platform

- Continued growth in diverse businesses including pharmaceutical marketing support and DX of the clinical scene

+

Evidence Solution

- Revenues flat due to balance between increased demand for regular projects and reduced demand for COVID-related projects

±

Career Solution

- Existing businesses are expected to continue to grow

+

Site Solution

- Further acceleration of investment for growth in core businesses, but sales decline due to reduction in new corona vaccination support, etc.

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Overseas

- Steady growth expected in all regions

+

Driver 3: Ecosystem Synergy Creation

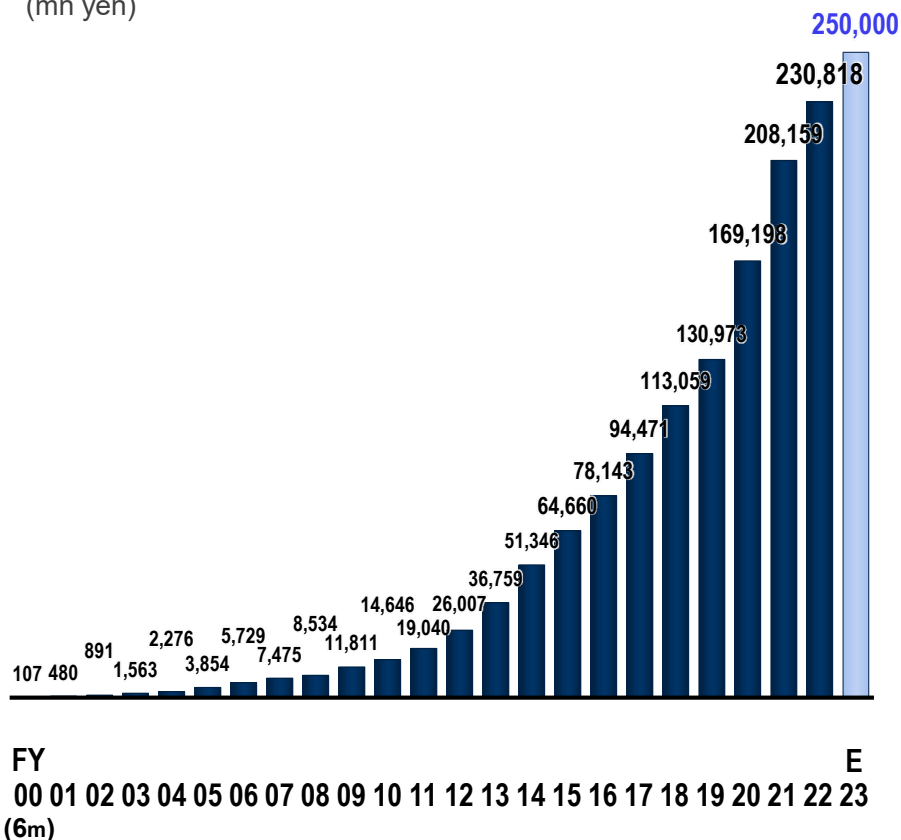
- Continuation of traditional expansion trend

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Annual Results

Sales

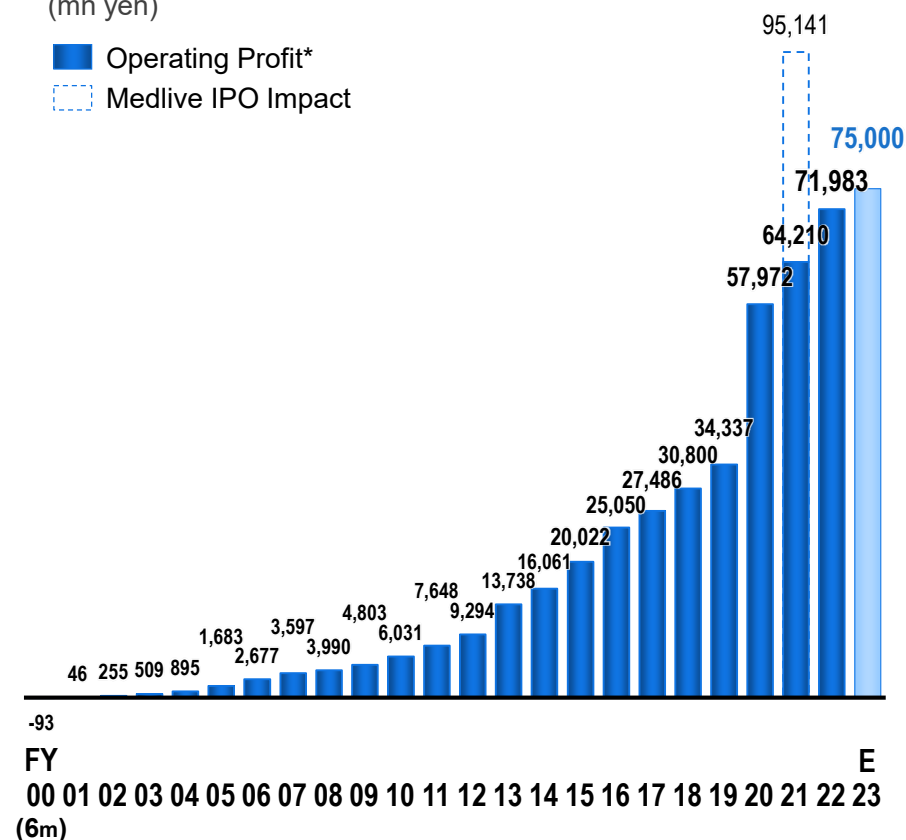
(mn yen)



Operating Profit

(mn yen)

■ Operating Profit*
 □ Medlive IPO Impact



Solid growth expected in the current fiscal year

*FY2021 excludes gains related to China IPO