



CareNet, Inc.

**Briefing Materials for Financial Results  
for the Fiscal Year Ended December 31, 2024**

Katsuhiro Fujii, President

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# Business Model

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# Corporate Profile

Name	CareNet, Inc.
Address	Sumitomo Fudosan Chiyoda Fujimi Bldg., 8-19, Fujimi 1-chome Chiyoda-ku, Tokyo, Japan
Established	July 1996
Employees	Consolidated: 400 (as of December 31, 2024)
Business activities	Medical contents services for doctors and medical professionals, Medical and pharmaceutical business support for pharmaceutical companies

## Purpose

**With knowledge, passion and drive,  
we support medical professionals and shape the future of medical care**

The passion to support medical care is the starting point of CareNet.

First, we started Japan's first medical education broadcasting service via satellite. Then we moved on to providing medical information via the internet.

Although the means of providing information have changed with technological advances, our passion has remained the same since our founding.

CareNet is growing as a group with a wide range of expertise by increasing the number of people who share the same aspirations.

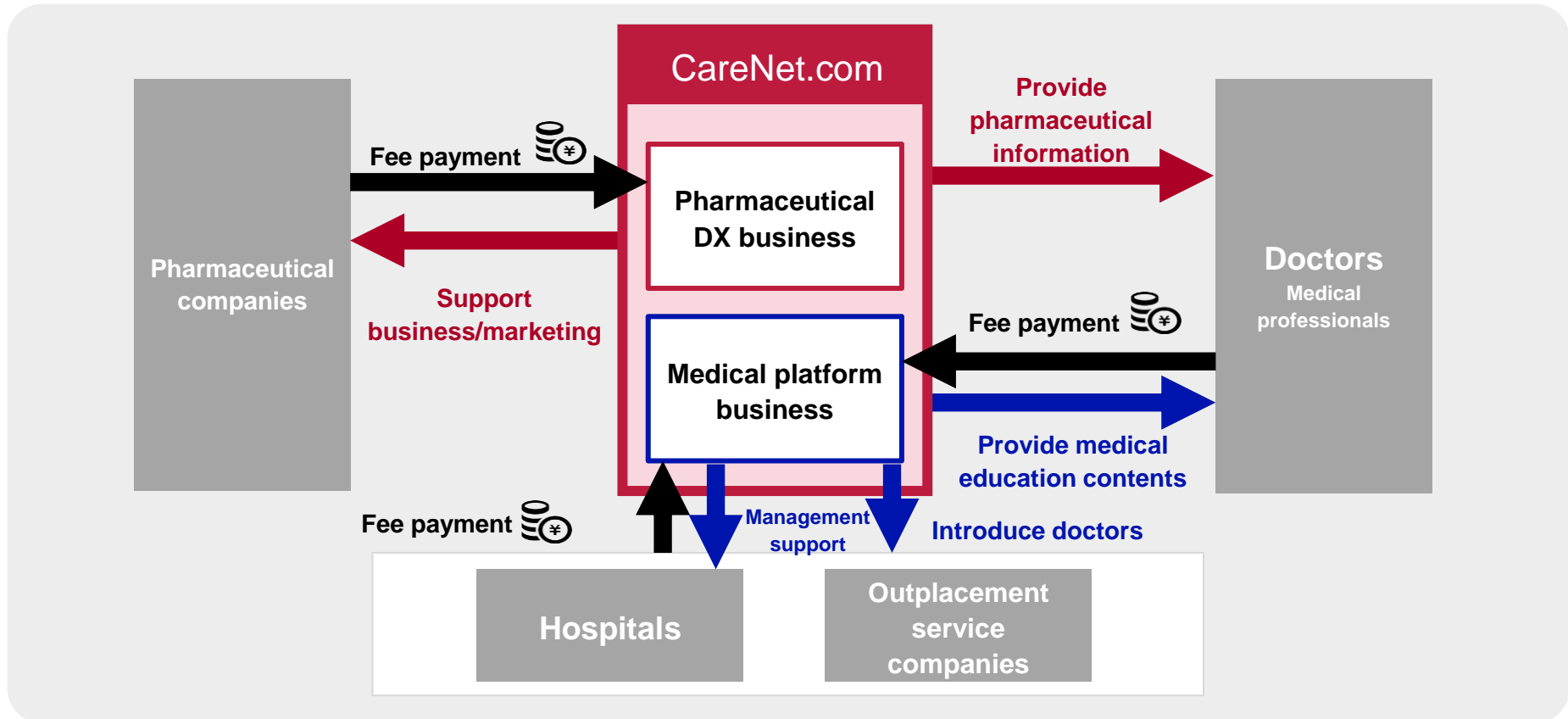
In addition to our original business of education, we are also involved in medical institution support services such as human resources and management, and are also developing new pharmaceutical products and promoting them. To realize a healthy society, medical care must be sustainable.

However, the environment surrounding medical care is becoming more severe and the challenges are becoming more complex. Toward solutions, we are determined to gather specialized knowledge and continue to act with passion.

We believe that our knowledge, passion, and drive will drive the future of medicine.

# Our Business Model

- CareNet develops a variety of businesses that utilize the “doctor platform” oriented around CareNet.com.



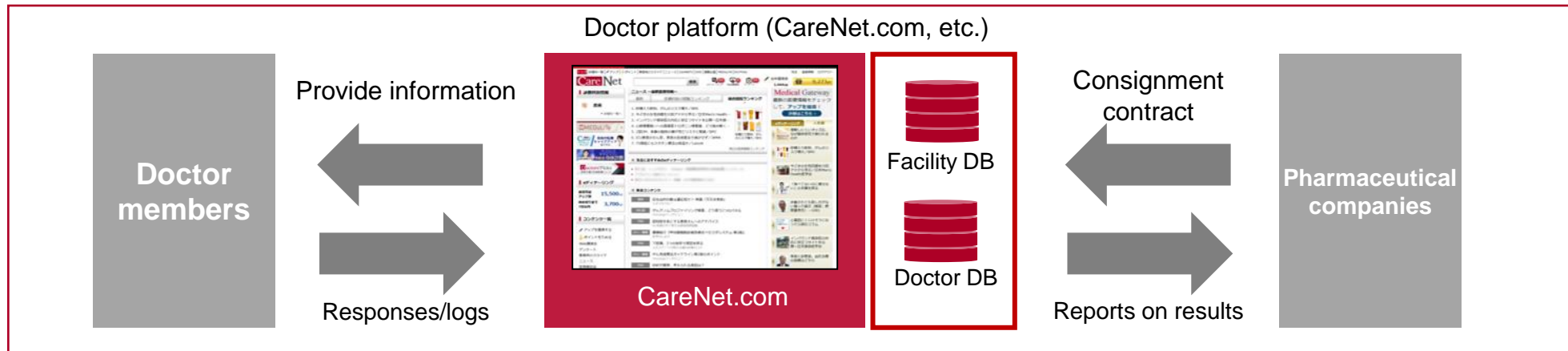
The “Pharmaceutical DX business” is engaged in the service of providing doctors with information on the proper use of therapeutic drugs under contract with pharmaceutical companies, using our doctor platforms such as “CareNet.com.” Its business model relies on obtaining service income from pharmaceutical companies, and it is our main business that accounts for about 90% of the total net sales of the CareNet Group (the “Group”).

The “Medical platform business” is engaged in the service of providing fee-based medical education videos to our member doctors and medical professionals. Since becoming the first company in Japan to provide specialized information programs for doctors, we have built an extensive track record in producing medical education programs. The business also provides information services for supporting job changes and opening businesses through group companies, with a view to helping our member doctors’ career advancement and work-life balance improvement.

# Pharmaceutical DX Business

## Business model for the Pharmaceutical DX business

- CareNet has endeavored to spread the proper use of new medicine from pharmaceutical companies through use of the doctor platform. We have partnerships with over 70 pharmaceutical companies, growing this into the core business of the Company.



## Main services of the Pharmaceutical DX business

### **IT solution for connecting doctors and pharmaceutical companies: MRPlus®**

One of our core services that broadcasts video content created from the perspective that the involvement of doctors is needed to target other doctors, enabling the analysis of doctors' responses while creating opportunities for engagement with MRs. More than 50 pharmaceutical companies have adopted this service.

### **Online livestreams of seminars by Key Opinion Leaders (KOLs<sup>1</sup>) available nationwide: Online seminars**

Busy doctors can watch KOL seminars without having to leave the office. Online livestreaming is a very effective way to quickly broadcast information about new treatments nationwide. Over 1,000 seminars are conducted annually, and this is a core service together with MRPlus®.

Besides the above, through our group companies, CRO, SMO, and CSO, which dispatch professionals, we provide high-quality service in tandem with the doctor platform.

<sup>1</sup> KOL is an abbreviation for key opinion leader. KOLs refer to doctors who have wide influence in the medical industry. As part of sales promotion activities for their products, pharmaceutical companies reach out to KOLs, who are medical experts, in order to spread the latest pharmaceutical information. KOLs include doctors who are authorities in academic societies, professors at university hospitals, and directors of large hospitals.

# Medical Platform Business

## Main service: CareNeTV

On-demand clinical videos for self-study by medical professionals

The screenshot displays the CareNeTV website interface. At the top, there is a navigation bar with the CareNeTV logo, a search bar, and various menu items like 'Home', 'Ranking', 'Production', 'Search', and 'Login'. Below the navigation bar is a large banner for 'CareNeTV プレミアム' featuring a group of medical professionals. The main content area is divided into two sections: 'New Programs' and 'Latest Viewed Ranking (Past 1 Month)'. The 'New Programs' section shows a grid of program thumbnails with titles and dates. The 'Latest Viewed Ranking' section shows a list of programs ranked from 1st to 10th, with their respective view counts.

Paying members

6,114

(As of December 31, 2024)

About 20 years producing medical education programs  
As Japan's first TV station specializing in content for medical professionals (satellite broadcasting ended in March 2011, switching to Internet distribution), CareNet has abundant experience in producing medical education programs, and CareNeTV delivers programs that cater to the specific learning needs of medical professionals.

## Complete lineup of programs

More than 3,000 programs are available, with approx. 10 new programs being released every month. Packed with uplifting and useful information from leading lecturers who are active on the front lines of clinical practice! Designed around programs for improving clinical skills in everything from primary care to specialized fields, video content is available for a variety of genres, including preparation for medical specialist exams, presentations, English, and statistics.

Fee

• Monthly/5,500 yen • PPV/330 yen -

# CareNet.com

Medical information website used by **more than 470,000** medical professionals



Members	476,046
Doctors who are members	235,566

(As of December 31, 2024)

“Medical contents” for immediate use in the field  
 An abundant selection of content is available for immediate use in clinical settings, including videos of procedures, patient instructions, and explanations of relevant guidelines.

International research and news on medical care  
 Carefully selected articles published in leading international journals are summarized in Japanese and are made available together with the latest medical news in Japan to facilitate quick and easy understanding of the current state of medical care.







# Mid-term Management Vision 2026 Progress Report

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# Progress on Mid-term Management Vision 2026 - Summary

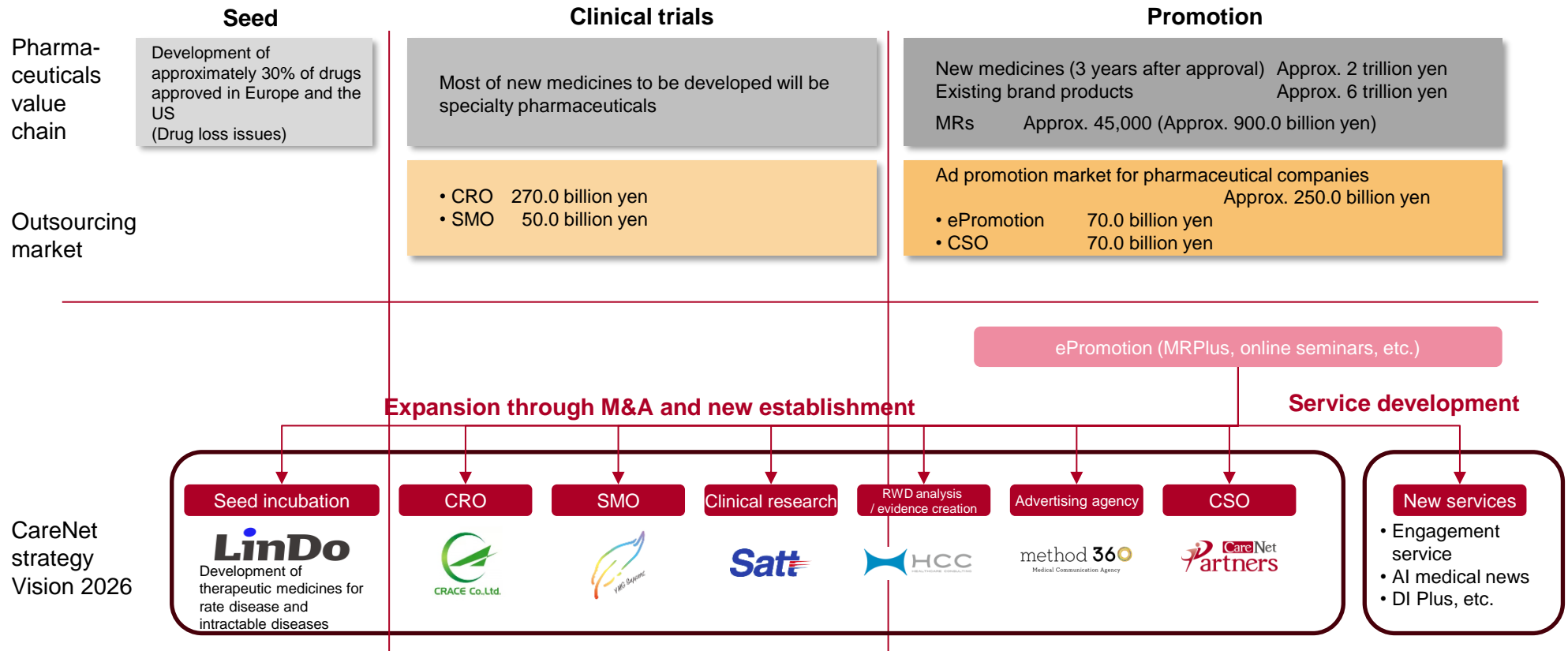
## Main aims of Vision 2026

- In response to the reform of clinical trial and drug sale processes in the pharmaceutical industry, the Group has designated the three years from 2024 to 2026 as a development-focused period and is promoting development in the three focus areas below, with the aim of accelerating growth from 2027 and beyond.
- During the period from 2027, which will be positioned as a “growth period,” we will aim to achieve sales growth with CAGR of above 20% and achieve recovery in the operating profit ratio.

Development focus areas	Targets	Main achievement in 2024	Future directions
1 Support for Process Reform in Clinical Trials and Drug Sales	<ul style="list-style-type: none"> <li>● Develop a service model to attain engagement with KOLs and medical specialists by mobilizing our capabilities cultivated over years.</li> </ul>	<ul style="list-style-type: none"> <li>● Completed PoC for engagement service and other new services.                             <ul style="list-style-type: none"> <li>– Analyzed characteristics of doctors that MRs cannot meet and verified themes that interest target doctors, suitable approaches to them, etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● In line with promotion of engagement service, implement additional new services, such as AI medical news that will explore themes that interest KOLs and medical specialists, from 2025.</li> </ul>
2 Market Creation and Resolution of Social Issues	<ul style="list-style-type: none"> <li>● Develop a seed incubation model that will provide a seamless process from procurement of EBP-originated drugs to efficient clinical trials and drug sales.</li> </ul>	<ul style="list-style-type: none"> <li>● Invested in LinDo K.K., which started negotiating with several overseas pharmaceutical startups about the domestic introduction of new drugs.</li> </ul>	<ul style="list-style-type: none"> <li>● The first clinical development may be carried out by the end of 2025 at the earliest.</li> </ul>
3 Portfolio Expansion	<ul style="list-style-type: none"> <li>● Aim for growth of both the Pharmaceutical DX business and the Medical Platform business through expansion of business portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>● Penetrated into businesses in the clinical research field through acquisition of Satt Co., Ltd. in May 2024.</li> </ul>	<ul style="list-style-type: none"> <li>● Carefully select investment in development focusing on continuous growth through synergy with businesses that have become group companies of CareNet, rather than further expanding portfolio.</li> </ul>

Development is steadily in progress towards the targets of the mid-term management plan. In 2025, we aim to increase both net sales and profit, while continuing investment in development.

# Pharmaceuticals Strategy Mapping for Vision 2026



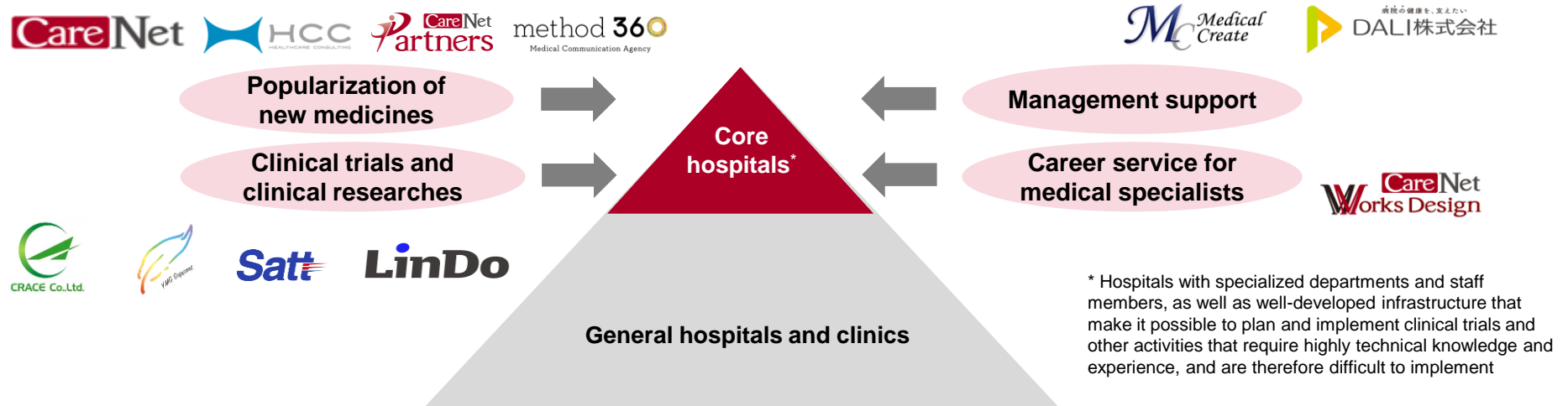
The aim of Vision 2026 is to promote “vertical integration” in line with the pharmaceuticals value chain through M&A and investment in development. Portfolio is approaching its completion thanks to the efforts made over the past three years.

**Future issue** How to accelerate businesses at each stage of the value chain is an important issue.

[Source] Only 30% of new overseas drugs developed in Japan: “Drug Lag: Situation of Unapproved Drugs in Japan and its Characteristics,” OPIR News No. 63 (July 2021), Office of Pharmaceutical Industry Research (OPIR); Number of formulations in clinical trials, etc.: Calculated based on data from the website of Japan Pharmaceutical Manufacturers Association; Pharmaceutical sales market size: Estimated by the Company based on The Global Use of Medicines 2024, IQVIA; CRO and SMO market sizes: Based on data from the website of Japan CRO Association; Number of MRs: Estimated by the Company based on “MR White Paper 2024,” MR Education & Accreditation Center of Japan; Ad promotion market: Estimated by the Company based on average advertising to net sales ratio for listed pharmaceutical companies

# Shift Strategic Vector to Core Hospitals

In the era of specialty pharmaceuticals, the site of the value chain is core hospitals!



To maximize the value of “vertically integrated” businesses at each stage, our approach to “core hospitals” must be strengthened.



CareNet provides information to doctors who are members of CareNet.com.  
However, CareNet.com is a general education medium targeting all doctors. In order to strengthen our approach to “core hospitals,” it is necessary to develop a platform aimed specifically at this segment!



Focus of future development will be placed on development of solutions and platforms for core hospitals.

# Shareholder Return

- The Company has a basic policy that prioritizes investment in growth and thereby leading to the enhancement of corporate value (stock price) is the best return policy.

## Dividend Policy

Continuing from the previous fiscal year, we will propose a dividend taking the dividend yield into consideration.

## Stock Price Improvement

Given the historical steady growth and future growth outlook, we assess that the Company's current stock price is undervalued. Accordingly, we will conduct share repurchase as a measure to improve its stock price through improvement of capital efficiency.

# Dividend Policy

- Taking the dividend yield into consideration, we plan to propose a dividend of 12 yen for the fiscal year ended December 31, 2024 to shareholders, continuing from the previous fiscal year.

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024 (proposed)
<b>Dividends paid (yen)</b>	6	6	12	12
<b>Dividend payout ratio (%)</b>	15.7	14.4	35.4	46.5
<b>Dividend yield (%)</b>	0.56	0.54	1.09	2.16
<b>Total return ratio (%)</b>	15.7	14.4	35.4	133.8
<b>Total shareholder return (%)</b>	564.9	586.4	588.0	311.0

# Stock Price Improvement (share repurchase)

- We resolved a share repurchase program at a meeting of the Board of Directors held on February 12, 2025 to improve capital efficiency and implement a flexible capital policy.

<b>Class of shares to be acquired</b>	<b>Common shares of the Company</b>
<b>Total number of shares to be acquired</b>	<b>2,343,600 shares (maximum) (5.00% of total number of shares issued)</b>
<b>Total amount of acquisition costs</b>	<b>1,500,000,000 yen (maximum)</b>
<b>Acquisition period</b>	<b>From February 13, 2025 to August 29, 2025</b>
<b>Acquisition method</b>	<b>Market purchase on the Tokyo Stock Exchange</b>

We will continue to consider share repurchases as one of the measures to increase corporate value through improved capital efficiency, etc.



# Financial Results for the Fiscal Year Ended December 31, 2024

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# Financial Year 2025 Plans

- FY2025 is the year to continue and further promote investment in business development towards medium- to long-term growth in accordance with the “Vision 2026.”
- On the other hand, by continuing cost reduction through operational improvements that started in the previous year, we plan to achieve growth in both net sales and profit while accelerating investment in growth.
- M&A is not included in the plans.

(Million yen)

	Fiscal year ended December 31, 2024 Results	Fiscal year ending December 31, 2025 Plan	YoY change
Net sales	<b>11,182</b>	<b>12,500</b>	<b>11.8%</b>
Operating profit	<b>2,361</b>	<b>2,500</b>	<b>5.9%</b>
Ordinary profit	<b>2,367</b>	<b>2,370</b>	<b>0.1%</b>
Profit attributable to owners of parent	<b>1,139</b>	<b>1,500</b>	<b>31.6%</b>

## The Fiscal Year Ended December 31, 2024 - Financial Results Summary

- Net sales for FY2024 increased by 9.3% year over year.
  - Operating profit declined, as expenses have increased both in price cost and in selling, general and administrative expenses, due to investment in development based on “Vision 2026.” However, it exceeded the figure disclosed in the performance forecast (2,200 million yen), as a result of the cost reduction through operational improvements that has also been promoted.
- (Million yen)

### Consolidated Statements of Income

	FY2023 Results	FY2024 Results	YoY change
Net sales	10,235	11,182	9.3%
Cost of sales	3,746	4,358	16.3%
Gross profit	6,489	6,824	5.2%
Selling, general and administrative expenses	4,060	4,463	9.9%
Operating profit	2,428	2,361	-2.8%
Ordinary profit	2,467	2,367	-4.0%
Profit attributable to owners of parent	1,510	1,139	-24.5%

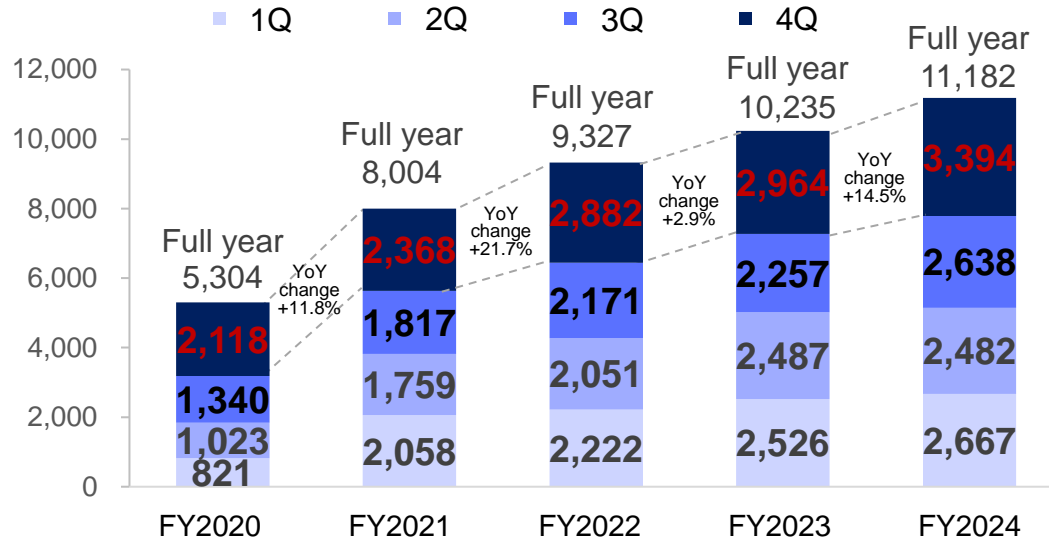
### Consolidated Balance Sheets

	December 31, 2024	Change from FY2023 end
Current assets	10,464	-11.1%
Non-current assets	3,648	51.9%
Total assets	14,113	-0.4%
Current liabilities	2,518	2.9%
Non-current liabilities	265	21.1%
Total liabilities	2,783	4.4%
Total net assets	11,329	-1.5%
Total liabilities and net assets	14,113	-0.4%

# Trends in Company-wide Performance (1)

## Net sales

(Million yen)



Net sales for the fourth quarter period increased by 14.5% year over year to 3,394 million yen, owing to growth in both the Pharmaceutical DX business and the Medical Platform business.

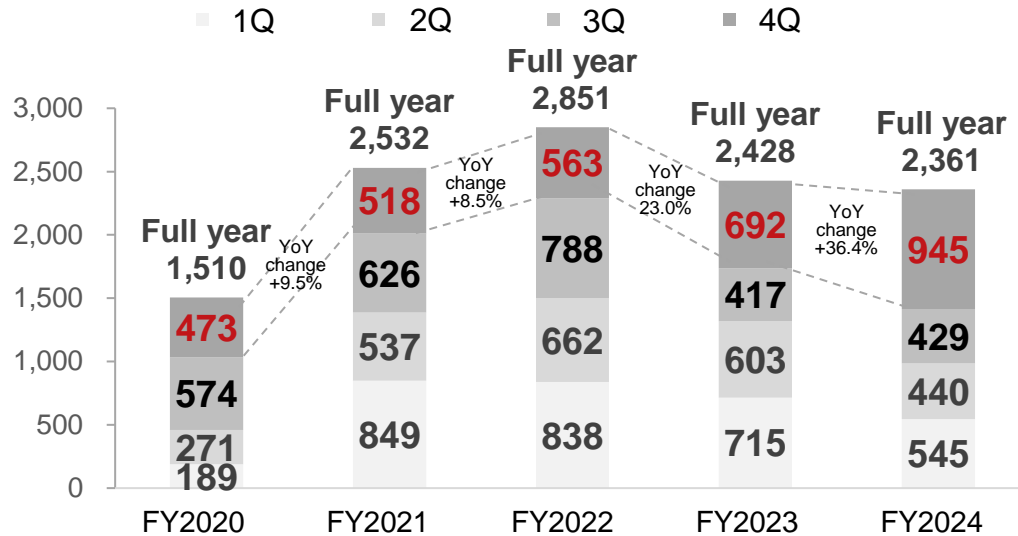
Net sales for the full year increased by 9.3% year over year to 11,182 million yen.

	1Q	2Q	3Q	4Q	Full year
Fiscal year ended December 31, 2020	821	1,023	1,340	2,118	5,304
Fiscal year ended December 31, 2021	2,058	1,759	1,817	2,368	8,004
Fiscal year ended December 31, 2022	2,222	2,051	2,171	2,882	9,327
Fiscal year ended December 31, 2023	2,526	2,487	2,257	2,964	10,235
Fiscal year ended December 31, 2024	2,667	2,482	2,638	3,394	11,182

# Trends in Company-wide Performance (2)

## Operating profit

(Million yen)



Full-year profit was projected to decrease for FY2024 due to the aggressive investment in development based on Vision 2026.

Operating profit for the fourth quarter period increased by 36.4% year over year to 945 million yen, as a result of further promotion of cost reduction through operational improvements that started in the second half of the fiscal year, while making necessary investments for mid- to long-term growth.

	1Q	2Q	3Q	4Q	Full year
Fiscal year ended December 31, 2020	189	271	574	473	1,510
Fiscal year ended December 31, 2021	849	537	626	518	2,532
Fiscal year ended December 31, 2022	838	662	788	563	2,851
Fiscal year ended December 31, 2023	715	603	417	692	2,428
Fiscal year ended December 31, 2024	545	440	429	945	2,361

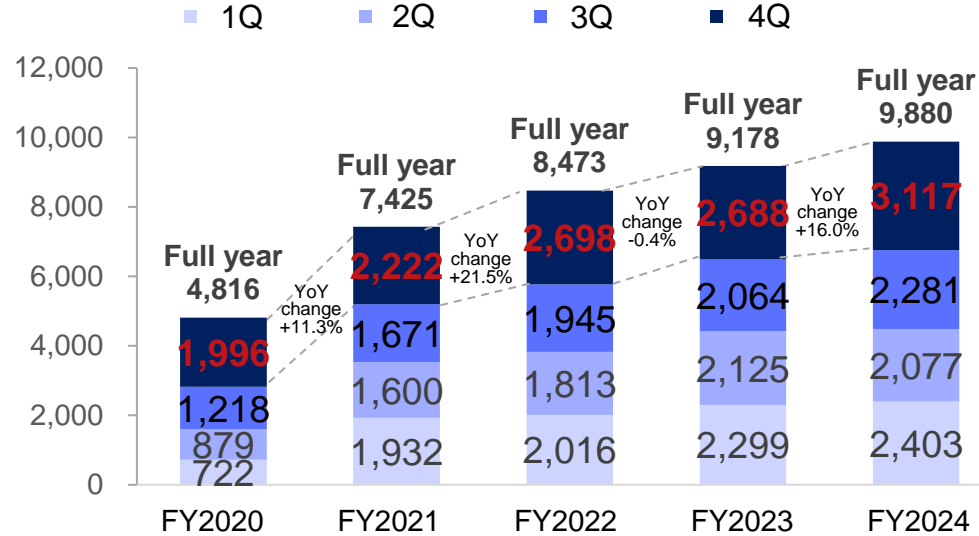


# Progress by Segment

# Segment Performance – Pharmaceutical DX Business (1)

## Net sales

(Million yen)



	1Q	2Q	3Q	4Q	Full year
Fiscal year ended December 31, 2020	722	879	1,218	1,996	4,816
Fiscal year ended December 31, 2021	1,932	1,600	1,671	2,222	7,425
Fiscal year ended December 31, 2022	2,016	1,813	1,945	2,698	8,473
Fiscal year ended December 31, 2023	2,299	2,125	2,064	2,688	9,178
Fiscal year ended December 31, 2024	2,403	2,077	2,281	3,117	9,880

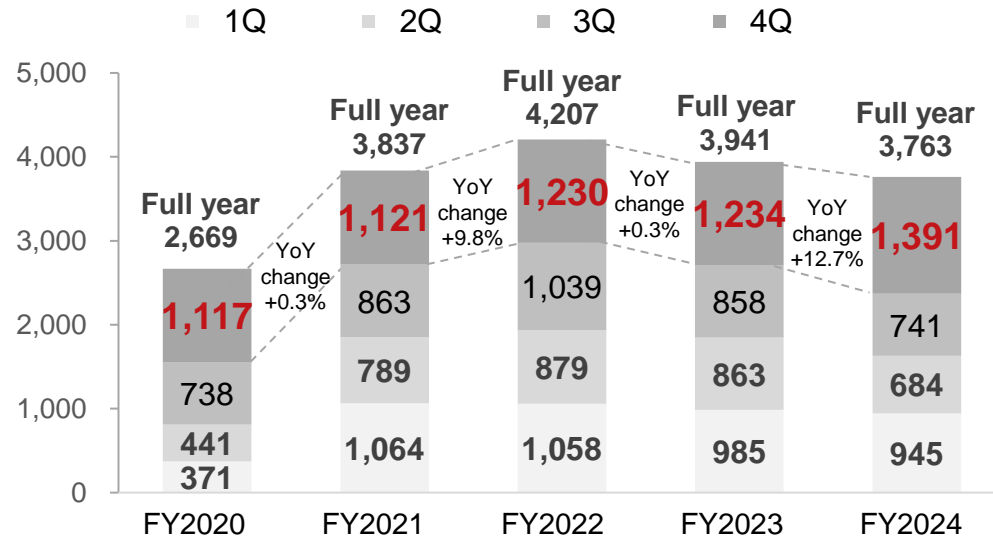
The pharmaceutical industry continues to be in a cost sensitive environment and is more focused on cost efficiency in ordering promotional activities. To continue and accelerate growth, it is required to improve the performance of existing business and to provide new added-value through new services.

Apart from the above trend, the move to reform the work-styles of doctors at hospitals began, and pharmaceutical companies became cautious in their promotional activities in the second quarter. Despite this factor, net sales increased by 16.0% year over year to 3,117 million yen, due to the recovery of the ePromotion business and the steady performance of the CSO business in the third quarter period and onward.

# Segment Performance – Pharmaceutical DX Business (2)

## Segment profit

(Million yen)



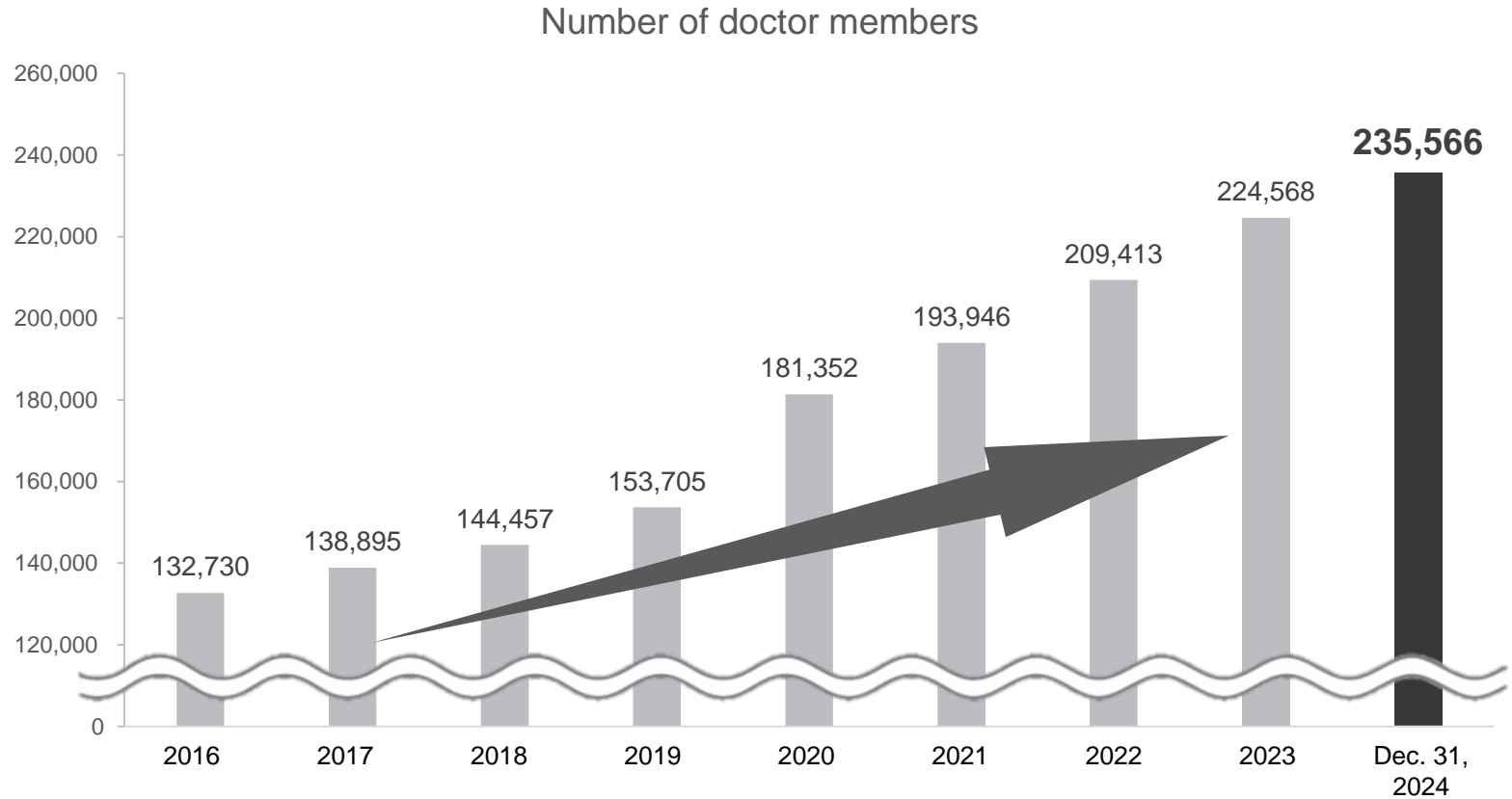
While existing businesses such as the ePromotion business and the CSO business are constantly growing in the Pharmaceutical DX business, expenses associated with new business development and personnel hiring, etc. based on Vision 2026 increased. However, due to contribution of the cost reduction measures such as improvement of operational efficiency, segment profit for the fourth quarter period increased by 12.7% year over year to 1,391 million yen.

The Company will increase profits and achieve recovery in the operating profit ratio by reducing costs through operational improvements and other measures, while accelerating development with the aim of early net sales and profit contribution from new businesses.

	1Q	2Q	3Q	4Q	Full year
Fiscal year ended December 31, 2020	371	441	738	1,117	2,669
Fiscal year ended December 31, 2021	1,064	789	863	1,121	3,837
Fiscal year ended December 31, 2022	1,058	879	1,039	1,230	4,207
Fiscal year ended December 31, 2023	985	863	858	1,234	3,941
Fiscal year ended December 31, 2024	945	684	741	1,391	3,763

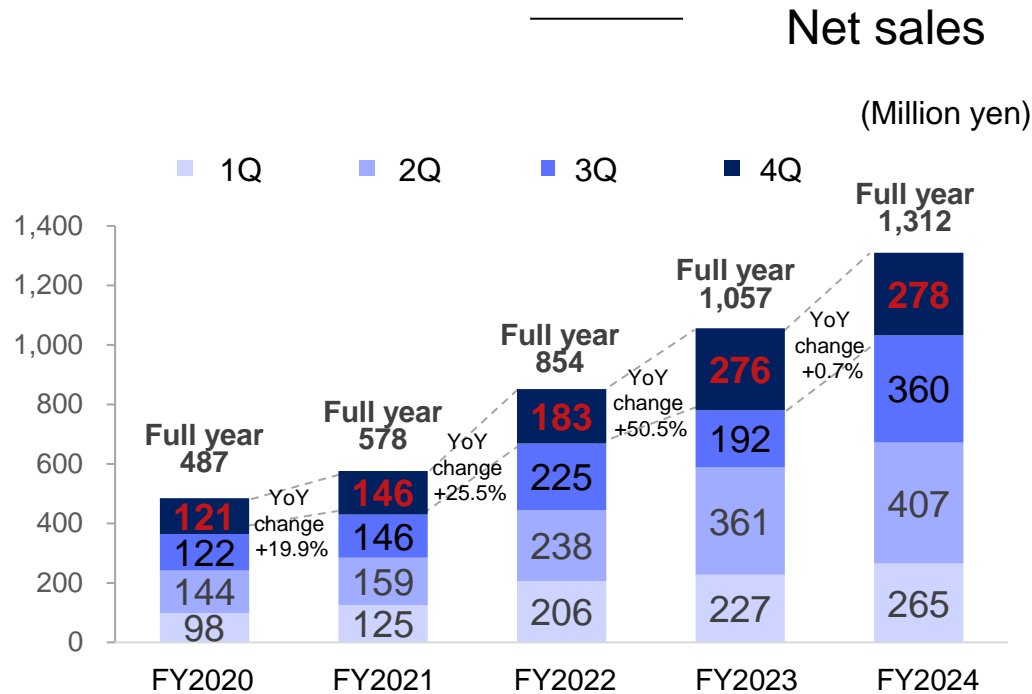
# Doctors who are Members

- Continuing from the previous fiscal year, the number of doctors who are members has been steadily increasing, reaching 235,000 as of December 31, 2024.





# Segment Performance – Medical Platform Business (1)



Net sales in this segment for the fourth quarter period increased by 0.7% year over year to 278 million yen mainly due to sales contribution from the management support business for hospitals which was acquired last year.

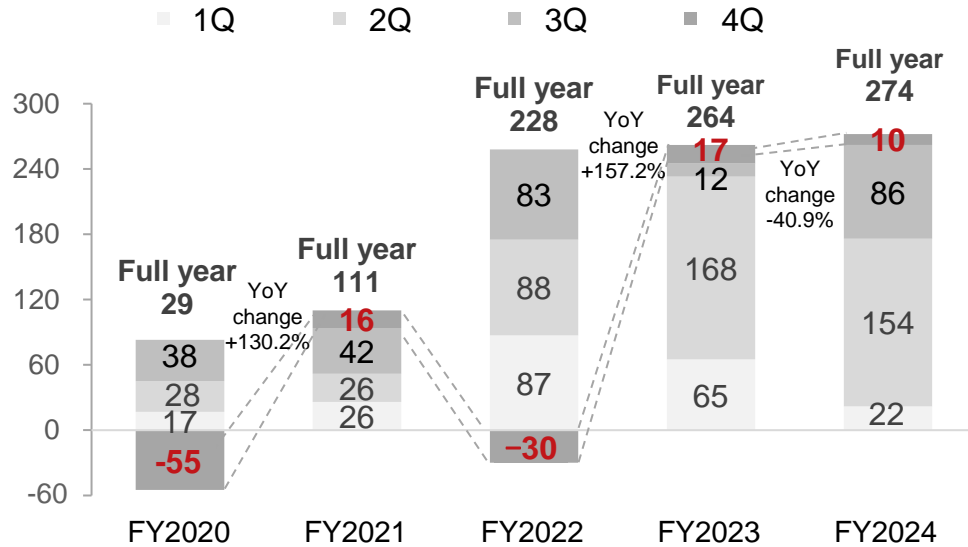
Despite a temporary slowdown in the second quarter largely due to the start of work-style reforms for doctors, the doctor career service has been growing steadily on a full year basis partly as a result of the enhancement of the sales structure.

	1Q	2Q	3Q	4Q	Full year
Fiscal year ended December 31, 2020	98	144	122	121	487
Fiscal year ended December 31, 2021	125	159	146	146	578
Fiscal year ended December 31, 2022	206	238	225	183	854
Fiscal year ended December 31, 2023	227	361	192	276	1,057
Fiscal year ended December 31, 2024	265	407	360	278	1,312

# Segment Performance – Medical Platform Business (2)

## Segment profit

(Million yen)



Segment profit of the Medical Platform business for the fourth quarter period decreased by 40.9% year over year to 10 million yen, as a result of aggressive investment in human resources.

Operating profit of the Medical Platform business may vary from quarter to quarter depending on the timing of business investments, including hiring, but it is on an upward trend on a full year basis.

	1Q	2Q	3Q	4Q	Full year
Fiscal year ended December 31, 2020	17	28	38	-55	29
Fiscal year ended December 31, 2021	26	26	42	16	111
Fiscal year ended December 31, 2022	87	88	83	-30	228
Fiscal year ended December 31, 2023	65	168	12	17	264
Fiscal year ended December 31, 2024	22	154	86	10	274

This material contains projections, plans, management targets, and other forward-looking statements, etc., relating to CareNet, Inc. (the “Company”).

These statements are drawn from assumptions (information and forecasts currently available to the Company), and it is possible that such assumptions are inaccurate and that actual results produced may differ from those mentioned in said statements.

Furthermore, information and data other than that concerning the Company has been quoted from public sources, and the Company offers no guarantee regarding the accuracy of such information.

**CareNet, Inc.**

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