



CareNet, Inc.

**Briefing Materials for Financial Results
for the Three Months Ended March 31, 2025**

Katsuhiro Fujii, President

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Progress Report**
- 3. Financial Results for the Three Months
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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: 413 (as of March 31, 2025)
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.

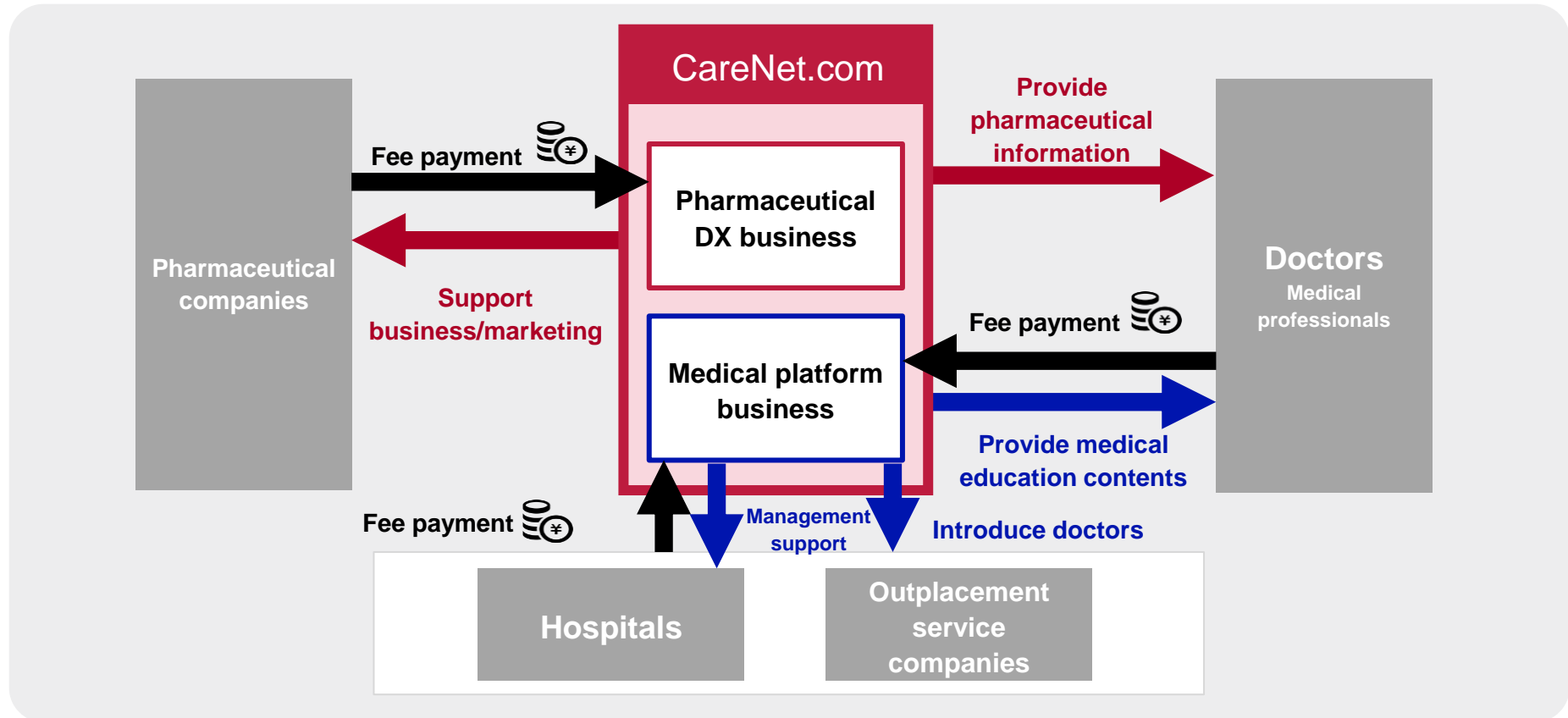
In addition to our original business of education, we are also involved in medical institution support services such as human resources and management, and are also developing new pharmaceutical products and promoting them. To realize a healthy society, medical care must be sustainable.

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.



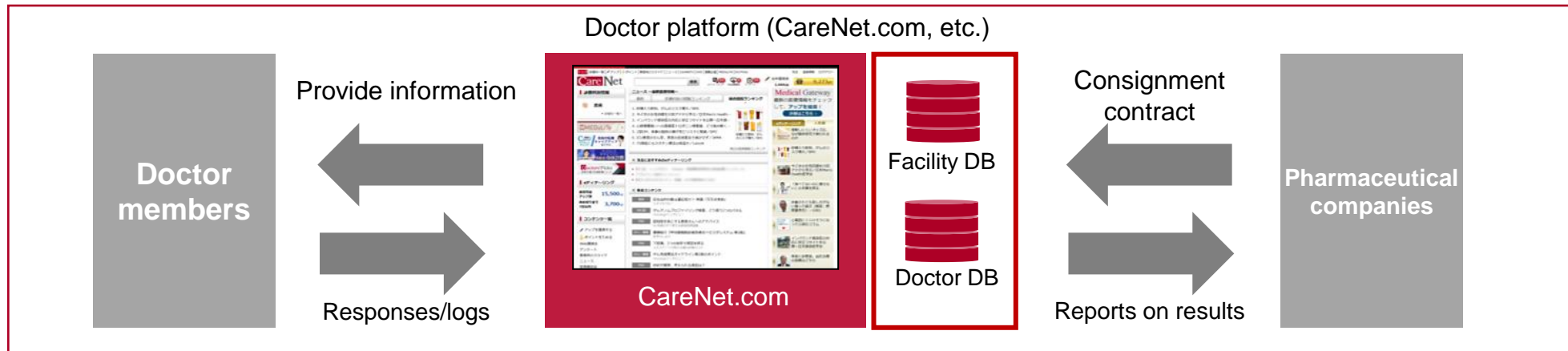
The “Pharmaceutical DX business” is engaged in the service of providing doctors with information on the proper use of therapeutic drugs under contract with pharmaceutical companies, using our doctor platforms such as “CareNet.com.” Its business model relies on obtaining service income from pharmaceutical 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 engages in other services, including job change support services for member doctors and management consulting business for hospitals.

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 (KOLs¹) 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.

¹ 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 shows the CareNeTV website interface. At the top, there's a navigation bar with links like '配信予定', '医学生', '日業研修', 'FAQ', 'CareNeTVとは', and 'DVD付アンケート'. Below this is a search bar and a 'ログイン' button. The main banner features a group of medical professionals and the text 'あの先生の名ティーチングを ほかでは見られないハイクオリティ番組で CareNeTV プレミアム'. Below the banner, there's a section for '新着番組' (New Programs) with a grid of program thumbnails. At the bottom, there's a '最新視聴ランキング(過去1ヵ月)' (Latest Viewing Ranking (Past 1 Month)) section showing a list of programs ranked by views.

Paying members

5,846

(As of March 31, 2025)

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 480,000** medical professionals



Members

480,961

Doctors who are members

236,388

(As of March 31, 2025)

“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 achievements to date	Initiatives currently in progress
1 Support for Process Reform in Clinical Trials and Drug Sales	<ul style="list-style-type: none"> ● Develop a service model to attain engagement with KOLs and medical specialists by mobilizing our capabilities, cultivated over years. 	<ul style="list-style-type: none"> ● Completed PoC for engagement service and other new services. <ul style="list-style-type: none"> – Analyzed characteristics of doctors that MRs cannot meet and verified themes that interest target doctors, suitable approaches to them, etc. 	<ul style="list-style-type: none"> ● Release new services “CareNet Profile” and AI-supported “Academia” in order to promote engagement services with KOLs and medical specialists.
2 Market Creation and Resolution of Social Issues	<ul style="list-style-type: none"> ● Develop a seed incubation model that will provide a seamless process from procurement of EBP-originated drugs to efficient clinical trials and drug sales. 	<ul style="list-style-type: none"> ● Invested in LinDo K.K., which started negotiating with several overseas pharmaceutical startups about the domestic introduction of new drugs. 	<ul style="list-style-type: none"> ● Preparing to initiate the first clinical development by the end of 2025.
3 Portfolio Expansion	<ul style="list-style-type: none"> ● Aim for growth of both the Medical DX business and the Medical Platform business through expansion of business portfolio. 	<ul style="list-style-type: none"> ● Expanded the business portfolio in stages through acquisition of group companies. 	<ul style="list-style-type: none"> ● Focus on investment in development emphasizing continuous growth through synergy with businesses that have become group companies of CareNet, while pursuing expansion of the portfolio.

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.

Released a new service, “CareNet Academia”

- In addition to the general medical information platform, “CareNet.com,” a new platform has been developed, targeting medical specialists in the specialty area.



Service overview

- “CareNet Academia” is a browser application supporting smartphones that meets the needs of doctors in the clinical setting, such as “I want to update my knowledge in specialized fields efficiently in my limited time.”
- By utilizing AI technologies, “CareNet Academia” creates news articles automatically from the vast amount of medical literature, and **selects and delivers the most relevant information to individual doctors, to support busy clinical physicians in gathering information more efficiently.**

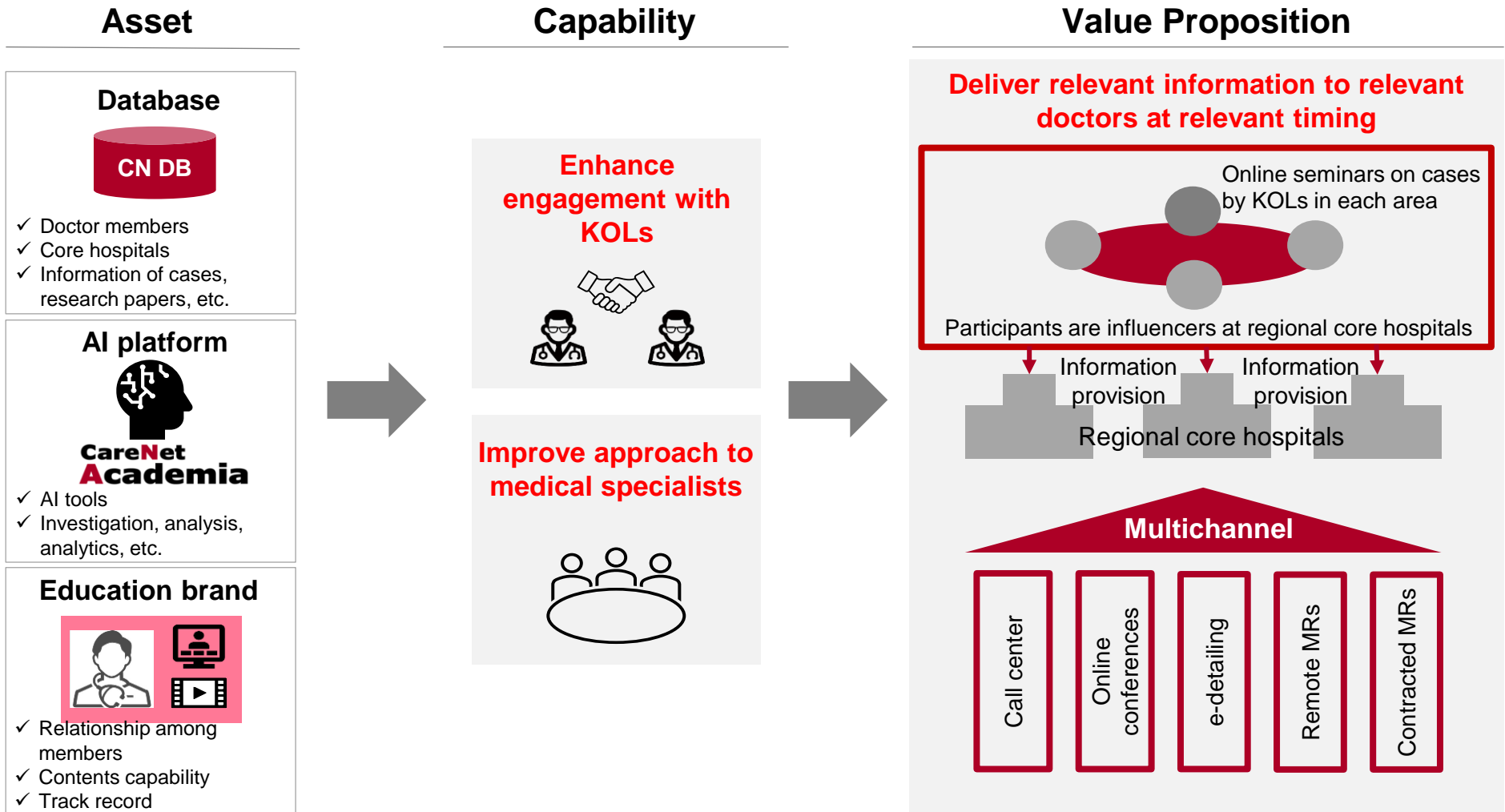
Features of CareNet Academia

- The main feature of “CareNet Academia” is the automatic creation of news articles by AI using a vast amount of medical literature as the information source. It can create up to 5,000 articles per day, including those in the cancer fields, and has made it possible to **provide approximately 500 times more information compared to conventional solutions.**
- In addition, “CareNet Academia” is supported by the “Recommendation AI” we have developed independently and is able to select and deliver the information that is most relevant for each doctor from a huge amount of generated information. By providing selected information that is deemed highly beneficial for individual doctors, “CareNet Academia” will **enable users to efficiently obtain only those news articles which are directly related to their specialized fields.**

Going forward, we will respond to respective needs of the primary and specialty areas more deeply, with the two pillars of services, CareNet.com and CareNet Academia.

Status of information provision in the specialty area aimed at by current development

- Since specialty pharmaceuticals will be the focus going forward, we will deliver relevant information to medical specialists through collaboration of the doctors' network and the digital platform, with the engagement with KOLs at the core.



Continued Stock Price Improvement (share repurchase)

- We resolved a “share repurchase program” of the following details at a meeting of the Board of Directors held on February 12, 2025 and are implementing it, in order to improve capital efficiency and implement a flexible capital policy.

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

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 Three Months Ended March 31, 2025

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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 Full year forecast	Growth rate
Net sales	11,182	12,500	11.8%
Operating profit	2,361	2,500	5.9%
Ordinary profit	2,367	2,370	0.1%
Profit attributable to owners of parent	1,139	1,500	31.6%

The Three Months Ended March 31, 2025 - Financial Results Summary

- Net sales for the first quarter period increased by 4.8% year over year.
- While making necessary investments in development, we are promoting cost reduction through operational improvements at the same time. As a result, operating profit for the first quarter period increased by 17.7% year over year.

(Million yen)

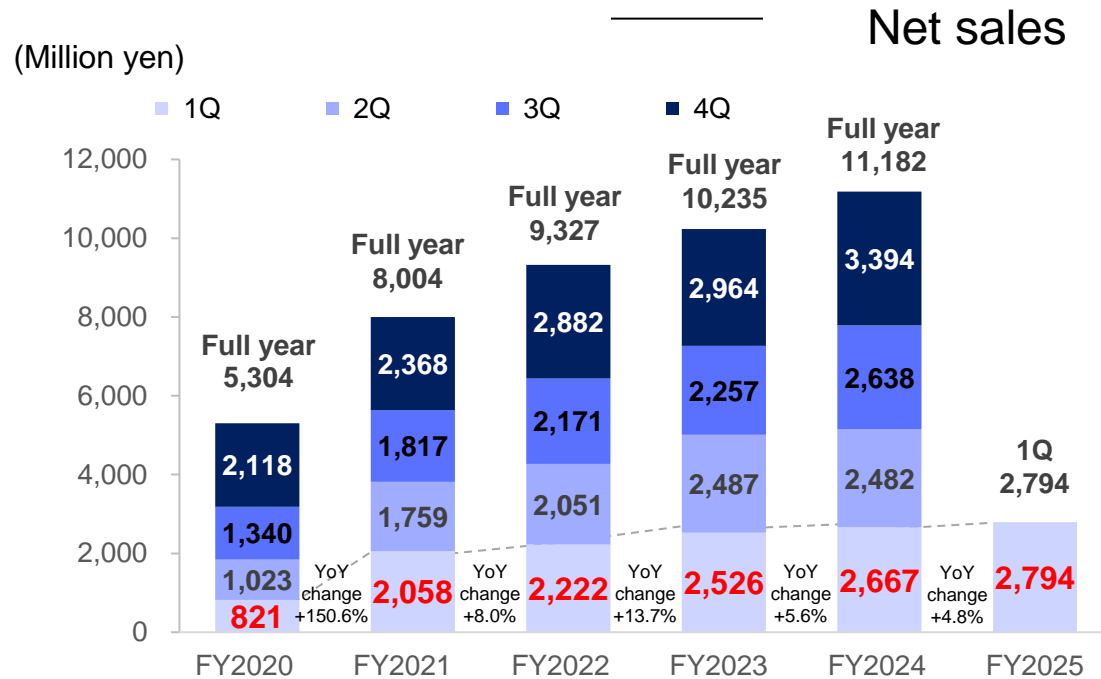
Consolidated Statements of Income

	Q1 2024 Result	Q1 2025 Result	YoY change
Net sales	2,667	2,794	4.8%
Cost of sales	1,087	1,070	-1.5%
Gross profit	1,580	1,723	9.1%
Selling, general and administrative expenses	1,034	1,082	4.6%
Operating profit	545	641	17.7%
Ordinary profit	563	547	-2.9%
Profit attributable to owners of parent	310	428	37.8%

Consolidated Balance Sheets

	March 31, 2025	Change from FY2024 end
Current assets	9,865	-5.7%
Non-current assets	3,420	-6.2%
Total assets	13,286	-5.9%
Current liabilities	2,106	-16.4%
Non-current liabilities	266	0.5%
Total liabilities	2,372	-14.8%
Total net assets	10,913	-3.7%
Total liabilities and net assets	13,286	-5.9%

Trends in Company-wide Performance (1)



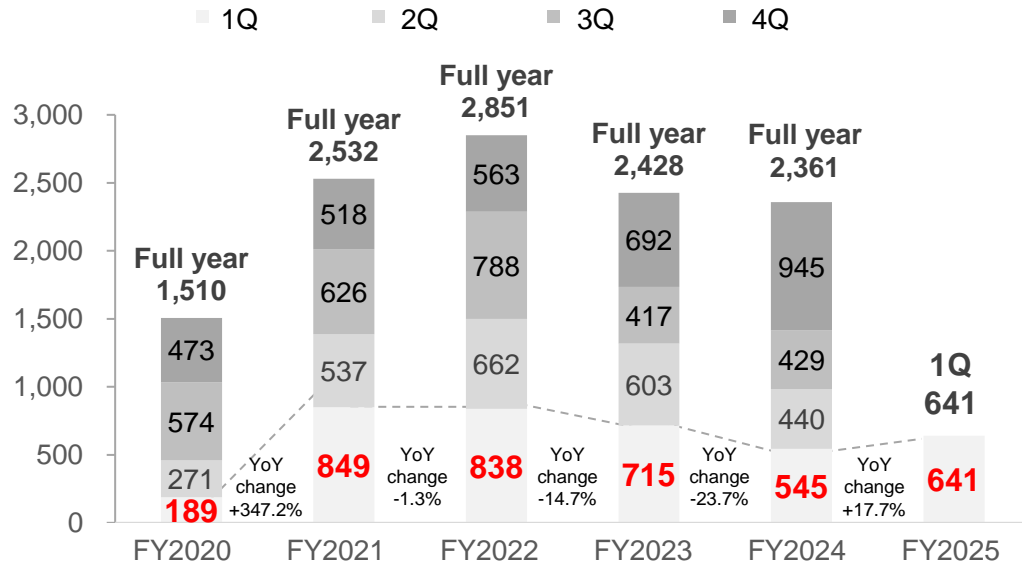
Net sales for the first quarter period increased by 4.8% year over year to 2,794 million yen, owing to growth in both the Pharmaceutical DX business and the Medical Platform business.

	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
Fiscal year ending December 31, 2025	2,794				

Trends in Company-wide Performance (2)

(Million yen)

Operating profit



Operating profit for the first quarter period increased by 17.7% year over year to 641 million yen, as a result of the continued necessary investment in development, while promoting cost reduction through operational improvements.

	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
Fiscal year ending December 31, 2025	641				

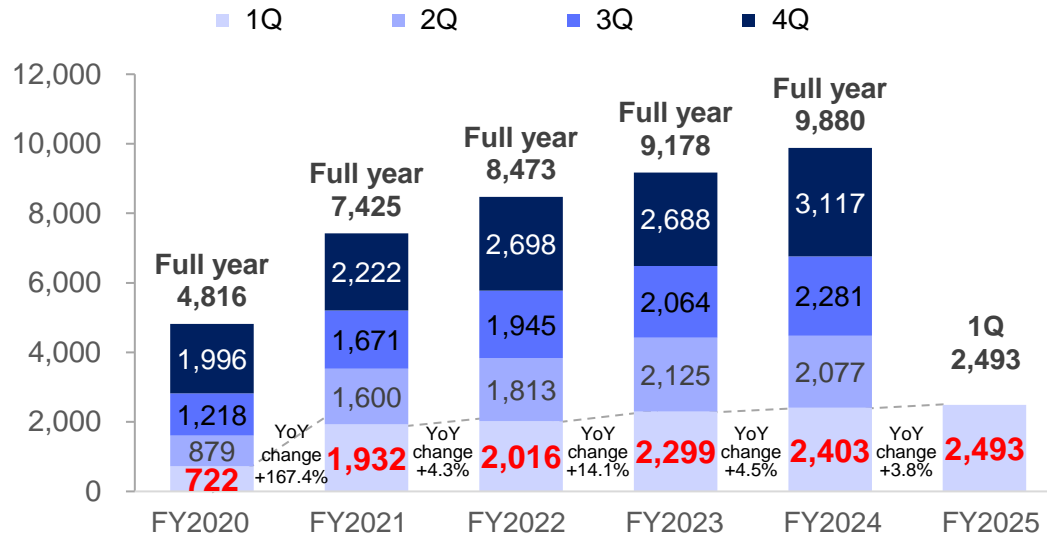


Progress by Segment

Segment Performance – Pharmaceutical DX Business (1)

(Million yen)

Net sales



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.

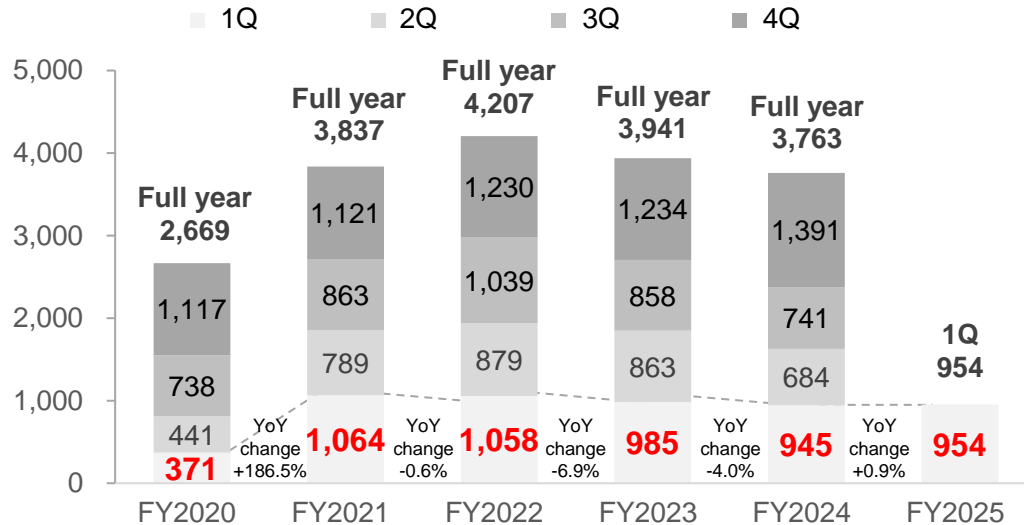
Under the business environment discussed above, net sales increased by 3.8% year over year to 2,493 million yen, due among others to the recovering trend of the ePromotion business mainly by online seminars since the third quarter of the previous fiscal year and the steady performance of the CSO business of the group companies.

	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
Fiscal year ending December 31, 2025	2,493				

Segment Performance – Pharmaceutical DX Business (2)

(Million yen)

Segment profit



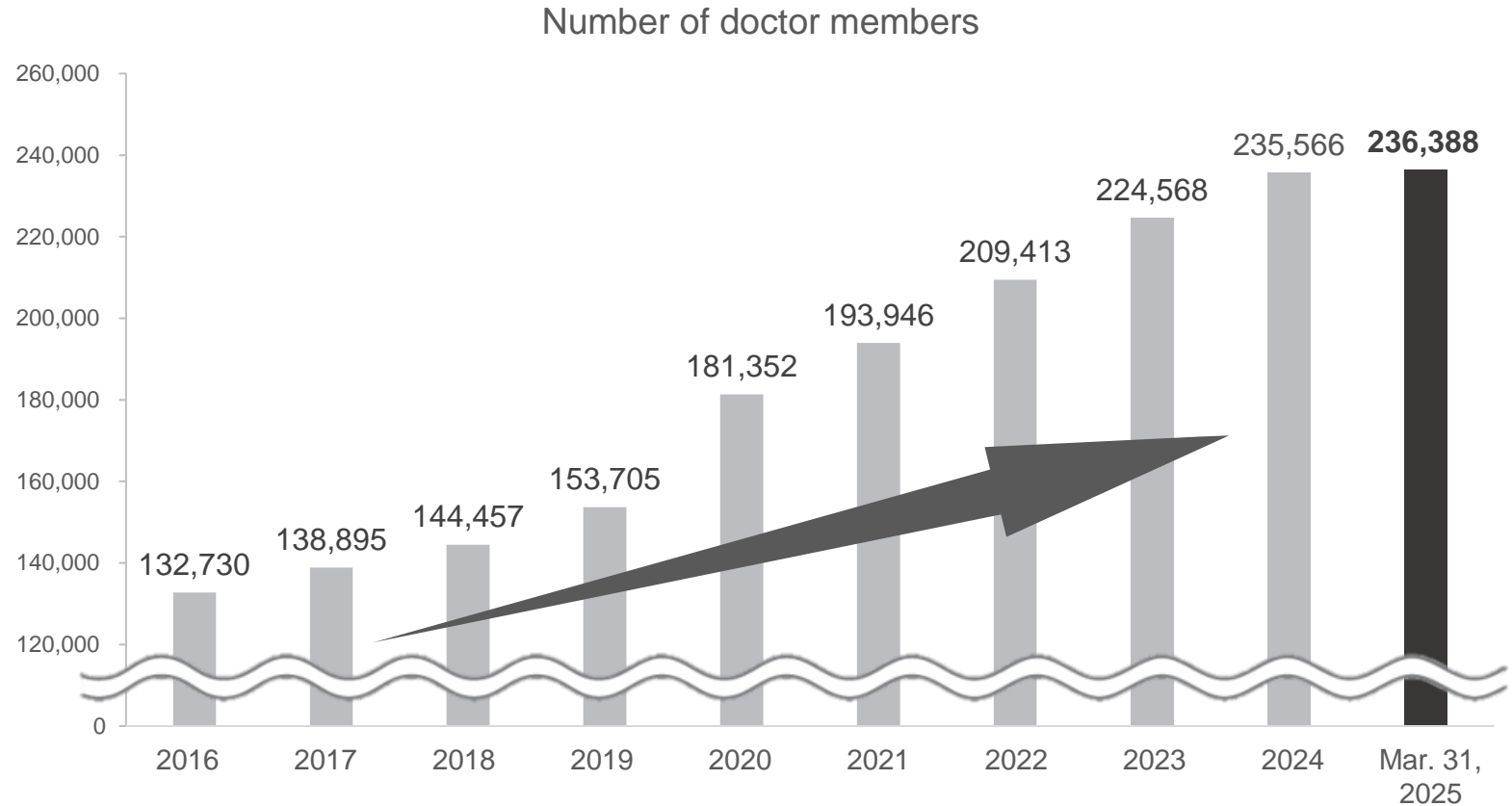
Since the ePromotion, the Company's core service, is on a recovering trend while maintaining the profit ratio, the segment profit for the first quarter period increased by 0.9% year over year to 954 million yen.

The Company will increase profits and achieve recovery in the operating profit ratio by continuously reducing costs through operational improvements and promoting increase in sales through development of services.

	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
Fiscal year ending December 31, 2025	954				

Doctors who are Members

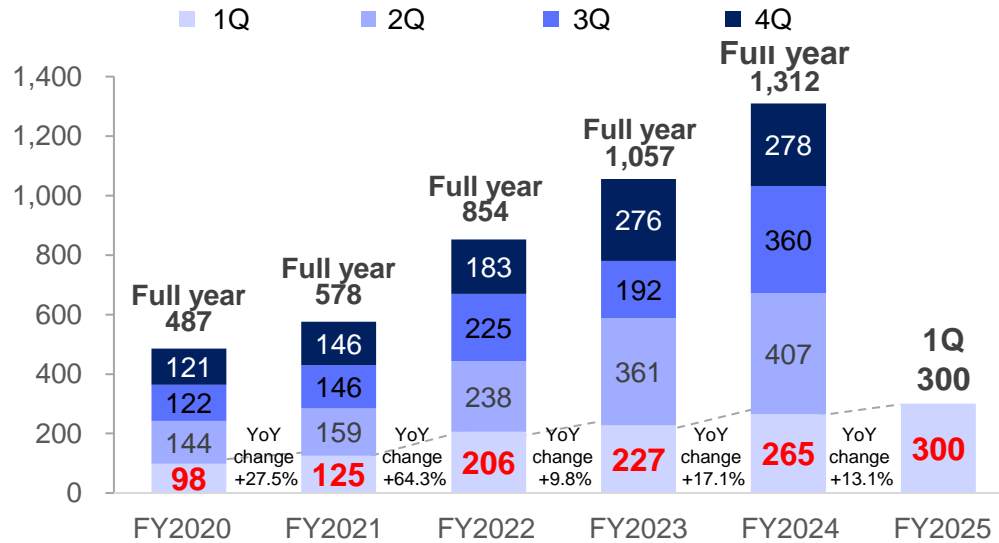
- Continuing from the previous fiscal year, the number of doctors who are members has been steadily increasing, reaching 236,000 as of March 31, 2025.



Segment Performance – Medical Platform Business (1)

(Million yen)

Net sales



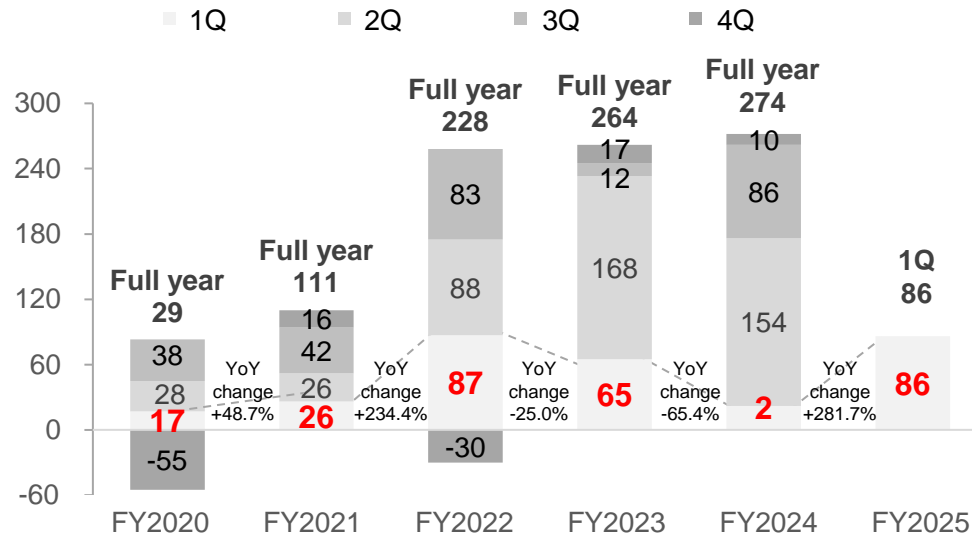
Net sales in this segment for the first quarter period increased by 13.1% year over year to 300 million yen due to the stable growth of the job change support services for doctors and the management support business for hospitals.

	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
Fiscal year ending December 31, 2025	300				

Segment Performance – Medical Platform Business (2)

(Million yen)

Segment profit



Segment profit of the Medical Platform business for the first quarter period increased by 281.7% year over year to 86 million yen, with the stable growth of sales in the job change support services for doctors and the management support business for hospitals as the driving force.

	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
Fiscal year ending December 31, 2025	86				

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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