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.
Current Business Situation and Outlook
## FY2014 Consolidated Results

**Sales**
- FY2013: 36,759 (mn yen)  
  - Budget: 50,000
  - Actual: 51,346
  - YoY: +40%

**Operating Profit**
- FY2013: 13,738  
  - Budget: 15,000
  - Actual: 16,061
  - YoY: +17%

**Pre-tax Profit**
- FY2013: 13,927  
  - Budget: 15,000
  - Actual: 16,174
  - YoY: +16%

**Net Profit**
- FY2013: 8,878  
  - Budget: 9,000
  - Actual: 10,428
  - YoY: +17%

**FY14-end dividend: 8 yen**

FY13 includes 1 bio yen in extraordinary profit from consolidation of MPI

Exempt of this extraordinary profit, Operating Profit growth was +26.4%
Continued growth in marketing support services centered around MR-kun

AskDoctor and Mr. Finder grew while Research was slightly weak

M3 Career expanded

Consolidated Mediscience Planning as a subsidiary

US and UK both continued to expand. China also contributed to sales. FX impact was 920 mio JPY for US and UK.

Unchanged from previous year

New segment following the consolidation of MPI

Steady growth momentum continues across all segments
## FY2014 Consolidated Results by Segment

### (mn yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2013</th>
<th>FY2014</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Portal</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>20,025</td>
<td>22,436</td>
<td>+12%</td>
</tr>
<tr>
<td>Profit</td>
<td>1,1035</td>
<td>12,890</td>
<td>+17%</td>
</tr>
<tr>
<td><strong>Evidence Solution</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>6,554</td>
<td>13,195</td>
<td>+101%</td>
</tr>
<tr>
<td>Profit</td>
<td>1,158</td>
<td>1,799</td>
<td>+55%</td>
</tr>
<tr>
<td><strong>Overseas</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>6,661</td>
<td>10,980</td>
<td>+65%</td>
</tr>
<tr>
<td>Profit</td>
<td>1,025</td>
<td>1,430</td>
<td>+40%</td>
</tr>
<tr>
<td><strong>Clinical Platform</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>2,912</td>
<td>2,818</td>
<td>▲3%</td>
</tr>
<tr>
<td>Profit</td>
<td>286</td>
<td>290</td>
<td>+1%</td>
</tr>
<tr>
<td><strong>Sales Platform</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>96</td>
<td>1,255</td>
<td>approx. 13x</td>
</tr>
<tr>
<td>Profit</td>
<td>▲38</td>
<td>▲192</td>
<td>-</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>1,097</td>
<td>1,484</td>
<td>+35%</td>
</tr>
<tr>
<td>Profit</td>
<td>▲52</td>
<td>49</td>
<td>-</td>
</tr>
</tbody>
</table>
Upfront investment costs in anticipation of future growth is expected to dampen profits by 1.2~1.8 bn yen. Profit contribution from current investments expected sometime next fiscal year.
Current Business Situation and Outlook
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MR-kun Family</td>
<td>+12% yoy growth. Spot type services such as “One Point eDetail” showed strength, aside from steady growth of MR-kun.</td>
</tr>
<tr>
<td>M3 Career</td>
<td>Sales increased 24% yoy and operation profit increase by 61%. Sales for the mainstay service for doctors grew at 43% yoy, providing traction.</td>
</tr>
<tr>
<td>Evidence Solution</td>
<td>Sales doubled, increasing 101% yoy, with segment profits higher by 55%. New orders remained steady, with backlog increasing to 19.2 bn yen.</td>
</tr>
<tr>
<td></td>
<td>Acquired the SMO, Neues. Now industry top class in scale for SMOs, following the lead in CROs.</td>
</tr>
<tr>
<td></td>
<td>Acquired IDA. Expansion of global drug development in Japan and Asia centered around support for overseas bio-pharma companies.</td>
</tr>
</tbody>
</table>
Sales grew 65% yoy to top 10 bn yen. Segment profit grew 40% yoy to approx. 1.4 bio yen. Profitable across all countries, US, UK, China, and Korea.

US: Full-scale entry into physician job placement service through acquisition of Practice Match and NEPRC

China: Steady growth in MR-kun with contracts now signed for 3 drugs.
Doctor Demand for On-Line Detailing

**Q.** What is the ideal ratio of on-line and off-line promotional information (“details”) from drug companies?

**A.**

- 100% On-line
  - 100% (14.4%)
  - 80% (20.0%)
  - 60% (35.9%)
  - 50% (12.4%)
  - 40% (11.1%)
  - 20% (1.5%)
- 100% Off-line
  - 100% (75%)

According to 400 physicians

---

High demand for on-line detailing from busy physicians that prefer on-demand and timely information, without the limitations imposed by off-line MRs.

Source: M3 questionnaire to 400 physicians
Doctors spend the most time collecting information via the Internet. However, pharmaceutical firms spend the majority of their marketing budget on off-line MR related costs.

**Time Allocation** of doctors collecting info

- **Internet**: 39%
- **MR**: 17%
- **Other** (conferences, publications, etc.): 44%

**Budget Allocation** of drug companies on marketing

- **Internet**: ~1% of ~1.5 tril yen
- **MR Related Costs**: ~92% of ~1.5 tril yen
- **Other**: ~7% of ~100 bn yen

Source: M3 research
MR-kun Family’s Growth Potential in Japan

Currently

<table>
<thead>
<tr>
<th>Phama CLIENTS</th>
<th>Growth Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>(approx.)</td>
<td>30 Companies</td>
</tr>
<tr>
<td></td>
<td>30~35 Companies</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SALES per CLIENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>(approx.)</td>
</tr>
<tr>
<td>¥400 mn</td>
</tr>
<tr>
<td>¥1 bn ~ ¥1.5 bn per client</td>
</tr>
</tbody>
</table>

Drivers:
- # of products
- # of member MDs
- Added value of contents

Growth Potential
3~4 times current levels

Broadening of usage across entire service line-up:
Average revenue from top 10 clients grew at 15+% YoY
MR-kun Family Fee Structure (annual)

<table>
<thead>
<tr>
<th>MR-kun Base &amp; Operation fee</th>
<th>Detail fee</th>
<th>Contents Production fee</th>
<th>Other MR-kun Family Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥100 per detail sent</td>
<td>Production of customized detail contents</td>
<td>Web Symposia, One Point eDetails, etc</td>
<td></td>
</tr>
</tbody>
</table>

**Entry Level (one product):**
- ¥70 ~ 80 mn
- ¥20 ~ 40 mn
- ¥30 ~ mn
- ¥10 ~ mn

**Top 5 Clients (multiple products):**
- ¥70 ~ 80 mn
- ¥440 mn
- ¥100 mn
- ¥270 mn

*The average of top 5 clients: around ¥900 mn*
Consolidated Sales Trend

(million yen)

<table>
<thead>
<tr>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,563</td>
<td>2,276</td>
<td>3,854</td>
<td>5,729</td>
<td>7,475</td>
<td>8,534</td>
<td>11,811</td>
<td>14,646</td>
<td>19,040</td>
<td>26,007</td>
<td>36,887</td>
<td>51,346</td>
<td>63,000</td>
</tr>
</tbody>
</table>

Overseas: 5% 10% 15% 17% 21% 26% 36% 40% 41% 49% 52% 54% 56%
Platform Linked Business: 95% 90% 83% 73% 68% 65% 54% 49% 43% 35% 30% 25% 22%
MR-kun Family: 2% 10% 11% 9% 9% 11% 16% 16% 18% 21% 22% 21% 22%

FCT

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Total revenue of new businesses in FY2015 is expected to exceed 40 billion yen. New projects pipeline includes 10 to 20 business ideas with plans including overseas development.
“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.”

Past 10 years

MR-kun triggered a paradigm shift to internet based drug marketing

Going Forward

Mr. Finder (“Chiken-kun”) will lead the shift to internet based drug development
Evid Sol

Patient Enrollment in Large-Scale Trials

M3.com doctors enrolled five times more patients versus other SMOs for a particular Endocrinology and Metabolism trial.

Expedited enrollment of cases compared to other SMOs.
### Shift to Internet-Based Clinical Trials

<table>
<thead>
<tr>
<th>Theme</th>
<th>Operation</th>
<th>M&amp;A Timing</th>
<th># of Staff (approx)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift to Online SMO</td>
<td>e-SMO (株式会社イエスモ)</td>
<td>2011</td>
<td>160</td>
</tr>
<tr>
<td>Site Selection</td>
<td>CLINICAL PORTER</td>
<td>2009</td>
<td>80</td>
</tr>
<tr>
<td>Feasibility Study, etc</td>
<td>NEUDESC (メディカル開発サービス)</td>
<td>2015/4</td>
<td>470</td>
</tr>
<tr>
<td>Shift to Online CRO</td>
<td>Contract Research Organization (株式会社メディカルプランニング)</td>
<td>2014</td>
<td>850</td>
</tr>
<tr>
<td>Monitoring</td>
<td>Mobix (メディカル)</td>
<td>2009</td>
<td>80</td>
</tr>
<tr>
<td>EDC, etc</td>
<td>MIC (メディカル)</td>
<td>2012</td>
<td>320</td>
</tr>
<tr>
<td>Shift to Online Infra</td>
<td>CMS (株式会社シ・エム・エス)</td>
<td>2012</td>
<td>150</td>
</tr>
<tr>
<td>Utilization of electronic medical records, etc</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Group-wide approach to promoting and accelerating internet-based drug development.
## Number of CRAs by Company (CRO)

<table>
<thead>
<tr>
<th>#</th>
<th>CRO Companies</th>
<th># of CRAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>EPS</td>
<td>855</td>
</tr>
<tr>
<td>2</td>
<td>Cimic</td>
<td>780</td>
</tr>
<tr>
<td>3</td>
<td>M3 Group</td>
<td>780</td>
</tr>
<tr>
<td>4</td>
<td>Quintiles</td>
<td>600</td>
</tr>
<tr>
<td>5</td>
<td>Parexel</td>
<td>550</td>
</tr>
<tr>
<td>6</td>
<td>MEDISCIENCE PLANNING</td>
<td>478</td>
</tr>
<tr>
<td>7</td>
<td>A2 Healthcare</td>
<td>380</td>
</tr>
<tr>
<td>8</td>
<td>MIC Medical</td>
<td>260</td>
</tr>
<tr>
<td>9</td>
<td>Linical</td>
<td>170</td>
</tr>
<tr>
<td>10</td>
<td>Intellim</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>Bell Medical Solutions</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Mebix</td>
<td>42</td>
</tr>
</tbody>
</table>

* Data from MIC Research Institute Ltd.

Now at top ranks in number of CRAs amongst CROs, accelerating the “shift to online trials.”
**Orders backlog now at 19.2bn yen**, with corresponding increases in headcount as upfront investment.

- Growth to **19 bn yen** in top line expected for FY15
- Acquired the SMO, Neues, in April 2015. Now in top ranks in scale amongst SMOs, in line with our status amongst CROs.
Sales and Profit Trend of M3 Career

(mn yen)

- Sales
- Ordinary Profit

- Successful integration of newly-hired staff has improved productivity
- FY2014 saw growth driven by physician job placement, and a corresponding rise in profits
- FY2015 should see continued traction from job placement for doctors. Targeting approx. 30% top-line growth
AskDoctors Rating Service

Service Outline

- Provide doctors’ (’00~’000) objective evaluations on manufactured goods deemed to have health benefits
- Certify products that meet specific rating criteria

Website: AskDoctorsLab https://www.askdoctors.jp/labs/ (available in Japanese only)

Main Clients and Products (15+ products certified)

Revisions in food labeling laws and subsequent increase in media coverage expected to increase demand from large national brands.
Number of Physician Members and Panelists (Global)

2.5+ million members worldwide

Other Nations
(M3 Global Research, MDLinx, Russia)

Korea (MEDIGATE)

China

U.K. (Doctors.net.uk)

U.S.A (MDLinx + PDR)

Japan (m3.com)
Development in the US

- Expanding services in the U.S. via MDLinx, operated by M3 USA (100% subsidiary)
  - Over 600,000 US physician members through partnership with PDR, resulting in coverage topping 80%
  - #1 player in the U.S. for marketing research targeting physicians as a result of superior media power

- Acquisition of PracticeMatch and NEPRC
  - Initiated full scale job placement services
  - Business expansion through transfer of expertise acquired at M3

- Investigating opportunities to monetize MDLinx’s growing base of 500,000 non-US physician members
Development in China

Number of Physician Members

(thousand)

- 1 million+ in members covers 50% of the doctor population in China
- Marketing support and research services expanded in line with platform development
- Seasonality and re-evaluation of work-in-progress resulted in losses for Q4
- Chinese MR-kun contracts now signed for 3 drugs, with 4 more in the pipeline
China growth added to U.S. and U.K. expansion

- FX impact on U.S. and U.K. earnings amounted to 920mio yen. Growth continues to accelerate on a local currency basis as well

- MR-kun launched in the UK, contracts signed with several pharma companies
M3 Group’s Business Strategy
Strategy Change in Business Development


- Internet
- Web-based eTools
- ~10 Potential Business Domains
- High margin (Mid revenue)
- Small size

Internet-Powered Investment Strategy in Healthcare Sector (2011～)

- Internet + Real Operations
- Entire Value-Chain
- 20 ~ 30 (~ 100 incl. overseas) Potential Business Domains
- High revenue (Mid margin)
- Large ~ mid size

M3 is uniquely positioned to transform the health care industry via its 1) Platform 2) Industry Expertise and 3) Human Resources (management and engineering)
FY 2015 Forecast
FY2015: Main Business Outlook (1)

- **Next level in breadth and depth**
  - **Breadth:** Steady development of a variety of new services in addition to MR-kun, catering to diverse drug marketing needs
  - **Depth:** Expansion of comprehensive marketing support through strategic alliances encompassing firm-wide functions at drug companies (no longer limited to per-drug based services)

- **MR-kun Family**

- **Predominant No.1 position in Japan in job placement services for both doctors and pharmacists**

- **M3 Career**

- **Now top class amongst SMOs after acquisition of Neues.**
  - Orders expected to expand further via services differentiated through CRO+SMO+M3

- **Evidence Solution**

- **Continued growth expected given increasing inquiries and orders backlog that tops 1.9 bn yen**
FY2015: Main Business Outlook (2)

- Business expansion across all regions
  - US: Third pillar of growth with the launch of career services for physicians, on top of marketing research and marketing support services
  - UK, China: Newly launched MR-kun services are growing to become established as a new venue of marketing

- Genome business in preparation for launch
Annual Results & Forecast for FY2015

Sales (mn yen)

Operating Profit & Net Profit (mn yen)

Extraordinary profit from acquisition of MPI:

* Extraordinary profit from profit from acquisition of MPI: 1,034 mn yen
FY2015 Budget Premises

TOP LINE

- Opportunities factored in on a conservative and partial basis
- Tentative new businesses and M&As are not included

COST

- Aggressive hiring to continue in anticipation of future growth. Expected increase in headcount within the fiscal year: 500
  - M3: 80
  - M3 Career: 100
  - Medical Marketers: 120
  - CRO: 150 etc.

- 200 mn jpy appropriated for upfront investments at M3 marketing
- 300 mn jpy appropriated for advisory and M&A related fees
- 50 mn jpy appropriated for office relocation and expansion fees
Creating New Value in Healthcare

M3

Medicine
Media
Metamorphosis

Healthcare sector is enormous…

- Japanese national spending on medical services is approximately ¥33tn (¥50tn including peripheral businesses)
- Equivalent to 10% of Japanese GDP
- Sector controlled by only 290,000 physicians (0.2% of the national population)

Aim to create new value

- Provide solutions within the healthcare sector
- Provide new and unique business models
- Specialize in niches areas that provide opportunity for high value creation and high profits in order to boost enterprise value