Consolidated Financial Results
for the Fiscal Year Ended March 31, 2015 [IFRS]
(Abridged)

Apr 24, 2015

Listed Company: M3, Inc.
Securities Code: 2413
Representative: (Title) CEO (Name) Itaru Tanimura
Contact: (Title) Director (Name) Takahiro Tsuji
Listed Stock Exchange: Tokyo
URL: http://corporate.m3.com/
TEL: 03-6229-8900
General Meeting of Shareholders: June 26 ,2015
Dividend payment commencement date: June 12, 2015
Submission of quarterly report: June 29, 2015
Preparation of explanatory materials for quarterly financial result: Yes
Assembly for briefing of quarterly financial results: Yes (For Analysts)

(Amounts of less than one million yen are rounded)

1. **Consolidated Financial Results for the Fiscal Year Ended March 31, 2015**
(From April 1, 2014 to March 31, 2015)

(1) Consolidated Operating Results (Cumulative) (% figure show year-on-year change)

	Net sales		Operating profit		Pre-tax profit		Net profit		Profit attributable to owners of the parent company		Total comprehensive profit	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Fiscal Year ended March 31, 2015	51,346	39.7	16,061	16.9	16,174	16.1	10,428	17.5	9,759	16.0	11,339	13.5
Fiscal Year ended March 31, 2014	36,759	-	13,738	-	13,927	-	8,878	-	8,415	-	9,989	-

	Basic earnings per share	Diluted earnings per share	Pre-tax profit attributable to owners of the parent company	Total asset to pre-tax profit ratio	Cost of sales to operating profit ratio
	Yen	Yen	%	%	%
Fiscal Year ended March 31, 2015	30.18	30.13	23.9	29.5	31.3
Fiscal Year ended March 31, 2014	26.41	26.29	28.5	34.6	37.4

(Reference) Equity in net income of affiliates for the fiscal year ended March 31, 2015: 38 million yen
Equity in net income of affiliates for the fiscal year ended March 31, 2014: 165 million yen

(Note) 1 Year-on-year results for period ended March 31, 2014 have been omitted given reclassification based on IFRS began on April 1, 2013.

2 A 1:200 Stock Split was effected on April 1, 2014. "Basic earnings per share" and "Diluted earnings per share" have been calculated under assumption the said split occurred at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net equity	Equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company	Equity per share attributable to owners of the parent company
	Million Yen	Million Yen	Million Yen	%	Yen
As of March 31, 2015	60,126	46,510	45,223	75.2	139.30
As of March 31, 2014	49,496	37,461	36,615	74.0	112.86

(3) Consolidated Cash Flow Position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	Million Yen	Million Yen	Million Yen	Million Yen
As of March 31, 2015	9,316	(5,474)	(2,383)	19,907
As of March 31, 2014	8,896	551	(3,112)	18,331

2. Dividends

	Annual per share					Dividend Payout (Total)	Dividend payout ratio (Consolidated)	Dividend payout ratio attributable to the owners of the parent company (Consolidated)
	First quarter -end	Second quarter -end	Third quarter -end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
Fiscal year ended March 31, 2014	-	0.00	-	1,300.00	1,300.00	2,101	24.6	7.1
Fiscal year ended March 31, 2015	-	0.00	-	8.00	8.00	2,588	26.5	6.3
Fiscal year ending March 31, 2016 (Forecast)	-	0.00	-	-	-		-	

(Note) 1 Dividend forecast for the fiscal year ending March 31, 2016 is currently undetermined.
It is to be determined after consideration of capital needs and condition of cash flow hereafter.
2 A 1:200 Stock Split was effected on April 1, 2014. Dividends stated above for the fiscal year ended March 31, 2014 is the actual amount of dividend paid before the stock split.

3. Forecast for the Consolidated Fiscal Year Ending March 31, 2016

(from April 1, 2015 to March31, 2016)

	Net sales		Operating profit		Pre-tax profit		Net profit		Earnings attributable to the owners of the parent		Basic earnings per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Second Quarter End	29,000	17.7	8,500	13.1	8,500	12.5	5,200	8.0	4,800	8.0	14.85
Annual	63,000	22.7	19,000	18.3	19,000	17.5	12,000	15.1	11,300	15.8	34.95

(Note) "Basic earnings per share" forecast has been calculated using 323,328,834 shares, which is the average number of shares outstanding during the fiscal year ended March 31, 2015.

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries accompanying changes in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates:

(i) Changes in accounting policies required by IFRS: None
(ii) Changes in accounting policies other than item (i) above: None
(iii) Changes in accounting estimates: None

(3) Number of shares issued (common stock)

(i) Number of shares outstanding at the end of the period (including treasury stock)		
As of March 31, 2015	323,499,400	shares
As of March 31, 2014	323,263,000	shares
(ii) Number of treasury stock at the end of the period		
As of March 31, 2015	32,400	shares
As of March 31, 2014	32,400	shares
(iii) Average number of shares during the period (cumulative)		
As of March 31, 2015	323,328,834	shares
As of March 31, 2014	318,669,204	shares

(Note) A 1:200 Stock Split was effected on April 1, 2014. The above number of shares has been calculated under assumption the split occurred on day one of the previous consolidated fiscal year.

(Reference) Unconsolidated Results

(1) Unconsolidated Operating Results

	Net sales		Operating profit		Ordinary profit		Net profit		Earnings per share	Diluted earnings per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen	Yen
Period ended March 31, 2015	17,727	9.1	10,085	10.5	11,497	17.3	7,481	25.1	23.14	23.10
Period ended March 31, 2014	16,254	19.4	9,129	17.8	9,803	20.4	5,979	17.9	18.76	18.68

(Note) A 1:200 Stock Split was effected on April 1, 2014. The above “Earnings per share” and “Diluted earnings per share” have been calculated under assumption the split occurred on day one of the previous consolidated fiscal year.

(2) Unconsolidated Financial Condition

	Total assets	Net equity	Capital-to-asset ratio	Net asset per share
	Million Yen	Million Yen	%	%
As of March 31, 2015	51,395	38,406	74.4	118.22
As of March 31, 2014	44,067	32,924	74.4	101.45

(Reference) Shareholder’s equity for the fiscal year ended March 31, 2015: 38,241 million yen
Shareholder’s equity for the fiscal year ended March 31, 2014: 32,791 million yen

(Note) A 1:200 Stock Split was effected on April 1, 2014. The above net asset per share has been calculated under assumption the split occurred on day one of the previous consolidated fiscal year.

※ Indication regarding implementation status of the quarterly review procedures

This quarterly financial report is outside the scope of the review procedures for quarterly financial statements under the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial report, review procedures for the Quarterly Consolidated Financial Statements are in progress.

※ Explanation of proper use of financial results forecasts, and other special matters

(1) Caution regarding statements concerning the future

The forward-looking statements herein are based on information available to the Company and on certain assumptions deemed to be reasonable at the date of publication of this document. They are not intended as the Company’s commitment to achieve such forecasts, and actual results may differ significantly due to various factors.

(2) Regarding voluntary reclassification based on IFRS

The Company has started voluntary reclassification based on IFRS as of the first quarter of the fiscal year ending March 31, 2015. Previous consolidated cumulative second quarter results and previous consolidated cumulative full year results have been reclassified based on IFRS.

(3) Explanatory materials for quarterly financial result

Explanatory materials for quarterly financial result will be posted on our website on Friday, April 24, 2015.

Qualitative Information on Quarterly Results

(IFRS basis)

M3 Group initiated voluntary reclassification based on IFRS reporting ("IFRS" below) as of the first quarter of the fiscal year ending March 31, 2015. Results starting April 1, 2013 have been recalculated based on IFRS reporting. IFRS based calculations of results for the fiscal year ending March 31, 2014 is disclosed.

(1) Explanation of consolidated operating results

Various services are provided for our 250,000+ member doctors via the "m3.com" website designed for medical professionals

Existing services remained stable with further penetration of existing client base across each service. Marketing support targeting pharmaceutical companies offers a selection of services catering to various needs and purposes, and include the basic Affiliates ("Teikei-Kigyo") service which a majority of key pharmaceutical companies operating within Japan are utilizing, "MR-kun" service which provides continuous information on a frequent basis via voluntary reception by member physicians, and "m3MT" services which provides a more direct approach to member physicians via e-mail.

In addition, services centered around Mr. Finder ("Chiken-Kun") which excavates institutions and patient participants for clinical trial enrollment are carried out by Mebix Inc. which provides IT supported large-scale clinical study services, MIC Medical Corp and MEDISCIENCE Planning Inc. ("MPI" below) which assists in clinical trial operations, and by e-SMO Inc. which provides administrative and operations support across the entire clinical trial process for medical institutions as an SMO. Additionally, Integrated Development Associates ("IDA," below), a consultancy that assists overseas biopharmaceutical companies in the integration of Japan and Asia into global drug development, have been made a wholly owned subsidiary as of March 2015. Neues Co, Ltd. ("Neues," below), a large-scale market leading SMO with affiliations across approximately 800 clinical trial sites has also been made a wholly owned subsidiary as of April 2015.

Furthermore, platform linked services such as marketing research that panel physicians members, "QOL-kun" which provides marketing support for non-medical related corporations desiring to advertise daily life services to doctors, "AskDoctors" (http://www.AskDoctors.jp/) website which connects public users with "m3.com" member physicians for answers to general health questions, and Practice Management ("m3.com Kaigyo/Keiei") services which support the establishment and management of clinics, are all being expanded.

Services at M3 Career, Inc. ("M3 Career" below) which provides career placement services for physicians and pharmacists, iTICKET Corporation which provides online reservation services for clinics, Reno Medical Inc. which is an advertisement agency, C.M.S Co.Ltd ("C.M.S" below) which develops, distributes, and supports electronic medical record systems, and M3 Marketing, Inc ("M3 Marketing" below) which develops and provides next generation "Medical Marketers," are also all being promoted.

As for business overseas, the U.S. portal website, "MDLinx," designed for healthcare professionals, continues to expand its services towards pharmaceutical companies as well as expand career placement services for physicians via mergers and acquisitions. The U.S. now has over 600,000 physician members, in part boosted by a partnership. The U.K. portal website, "Doctors.net.uk," with roughly 200,000 physician members, is also promoting services for pharmaceutical companies and has launched the UK version of MR-kun. Furthermore, the China portal website has now topped one million physician members, and the Chinese version of MR-kun is starting to expand.

Additionally, membership and panel participation at websites operated by M3 group starting with Japan, U.S., U.K., China, and Korea, now totals over 2.5 million physicians, enabling provision of marketing research services that span across a global scale.

Consolidated results for the fiscal year (cumulative) is as below. (Unit: Million Yen)

	Fiscal year ended March 31, 2014 (April 1, 2013 to Mar 31, 2014, cumulative)	Fiscal year ended March 31, 2015 (April 1, 2014 to Mar 31, 2015, cumulative)	Fiscal year comparison	
Net sales	36,759	51,346	+14,587	+39.7%
Operating Profit	13,738	16,061	+2,323	+16.9%
Pre-Tax Profit	13,927	16,174	+2,247	+16.1%
Net Profit	8,878	10,428	+1,549	+17.5%

(Segment results) (Unit: Million yen)

		Fiscal year ended March 31, 2014 (April 1, 2013 to Mar 31, 2014, cumulative)	Fiscal year ended Mar 31, 2015 (April 1, 2014 to Mar 31, 2015, cumulative)	Annual comparison	
Medical Portal	Segment Net Sales	20,025	22,436	+2,411	+12.0%
	Segment Profit	11,035	12,890	+1,856	+16.8%
Evidence Solution	Segment Net Sales	6,554	13,195	+6,641	+101.3%
	Segment Profit	1,158	1,799	+642	+55.4%
Overseas	Segment Net Sales	6,661	10,980	+4,319	+64.8%
	Segment Profit	1,025	1,430	+405	+39.5%
Clinical Platform	Segment Net Sales	2,912	2,818	(94)	(3.2%)
	Segment Profit	286	290	+4	+1.4%
Sales Platform	Segment Net Sales	96	1,255	+1,159	+1,211.5%
	Segment Profit	(38)	(192)	(154)	+406.1%
Others	Segment Net Sales	1,097	1,484	+387	+35.3%
	Segment Profit	(52)	49	+102	-
Adjustment	Segment Net Sales	(585)	(822)	-	-
	Segment Profit	(700)	(206)	-	-
Profit from re-evaluation in accordance with mergers and acquisitions		1,024	-	(1,024)	-
Total	Net Sales	36,759	51,346	+14,587	+39.7%
	Operating Profit	13,738	16,061	+2,323	+16.9%

1) Medical Portal

Marketing support sector targeting healthcare related companies produced sales of 12,264 million yen, higher by 11.8% year on year. Increased usage of services by pharmaceutical companies elevated sales for a variety of marketing services centered around "MR-kun."

Marketing research sector remained steady, however, the easing of heightened large-scale research demand from transitory surges in new drug launches have resulted in sales of 2,095 million yen, a decrease of 9.3% year on year. A return to the trend of increasing sales growth is expected from the next fiscal year due to efforts such as sales process improvement.

Others sector produced sales of 8,076 million yen, higher by 19.8% year on year, led by M3 Career's job placement services for physicians.

The above results totaled 22,436 million yen, higher by 12.0% year on year, in sales for the Medical Portal segment.

COGS and SGA amounted to 9,656 million yen, higher by 7.2% year on year, largely due to upfront investment in human resources across the entire M3 group to accommodate business growth.

Combining the above results, the Medical Portal segment produced profits of 12,890 million yen, higher by 16.8% year on year.

2) Evidence Solution

Along with the addition of MPI as a consolidated subsidiary last fiscal year, the steady accumulation of project order backlog amounted to approximately 19,200 million yen for the segment. Correspondingly, absorption of upfront investment costs from aggressive headcount increases has resulted in sales 13,195 million yen, higher by 101.3% year on year, and segment profit of 1,799 million yen, higher by 55.4% year on year. In addition, office relocation fees for MPI amounted to 175 million yen booked for the consolidated fiscal year ended March 31, 2015.

3) Overseas

In the U.S. and U.K., expansion of marketing research services for pharmaceutical firms as well as the development of career placement services for physicians produced sales of 10,083 million yen, higher by 59.0% year on year. Despite one-time costs of 81 million yen associated with the transfer of business from PracticeMatch Corporation ("PracticeMatch," below) and acquisition of MDJob Find, Inc., expansion of operations increased profits. Segment sales including contribution from China and Korea amounted to 10,980 million yen, higher by 64.8% year on year, and segment profit of 1,430 million yen, higher by 39.5% year on year.

4) Clinical Platform

Operations at C.M.S grew steadily. Reductions in purchasing costs reversed the negative effects on profit arising from the timing of revisions to the Healthcare fee system and the increase in consumption tax. Resulting sales were 2,818 million yen, lower by 3.2% year on year, and segment profits were 290 million yen, higher by 1.4% year on year.

5) Sales Platform

The CSO business resulting from the consolidation of MPI (operations initiated under new company M3 Marketing, Inc. on October 1, 2014, as a spin-off from MPI), has been established as the new "Sales Platform" segment. Given the business is currently in an upfront investment phase and in the process of headcount expansion, resulting segment sales were 1,255 million yen with losses of 192 million yen.

6) Others

Segment sales increased due to expansion of operations, while losses from amortization of goodwill of MPlus booked last fiscal year produced results totaling sales of 1,484 million yen, higher by 35.3% year on year, and segment profit of 49 million yen, an improvement by 102 million yen year on year.

Combining the above segment results, results for the entire group for the consolidated fiscal year (cumulative) amounted to sales of 51,346 million yen, higher by 39.7% year on year, operating profit of 16,061 million yen, higher by 16.9% year on year, pre-tax profit of 16,174 million yen, higher by 16.1% year on year, and net profit of 10,428 million yen, higher by 17.5% year on year.

(Forward-looking statements and consolidated results forecasts)

We anticipate increases in sales and profits for the group for the current fiscal year.

1) Medical Portal segment

The marketing support business targeting healthcare related companies is expected to continue to expand its services centered around "MR-kun."

The marketing research business is expected to remain steady within the backdrop of sound demand mainly from pharmaceutical companies.

As for the others businesses, expansion is expected in various services with growth lead by M3 Career and Mr. Finder ("Chiken-kun").

Expenditure resulting from aggressive headcount increases geared for further growth is expected, however, no structural changes in costs relating to existing services should occur.

Overall, we expect the Medical Portal segment to see increased sales and profits.

2) Evidence Solution segment

For the Evidence Solution segment, we expect the operations of each subsidiary to remain healthy. We also expect contributions to the consolidated segment from the new subsidiaries IDA acquired in March 2015 and Neues acquired in April 2015 to increase sales and profits for the segment.

3) Overseas segment

Within the Overseas segment, we expect each service such marketing support, marketing research and physician career placement services across the U.S., U.K., and China to expand, leading to increased sales and profits.

4) Clinical Platform segment

We expect growth at C.M.S to increase sales and profits.

5) Sales Platform segment

Within the Sales Platform segment, we expect increase in sales from expansion of M3 Marketing, however, upfront investment in headcount to accommodate for future growth should result in profits in line with the fiscal year ended March 31, 2015.

Based on the above, forecasts of financial results for the fiscal year ending March 31, 2016 is as below.

(Unit: Million Yen)

	Net sales	Operating profit	Pre-tax profit	Net profit	Profit attributable to owners of the parent company
Annual	63,000	19,000	19,000	12,000	11,300

※ Above forecasts and forward-looking statements are based on assumptions and beliefs derived from information that is currently available, and is subject to change due to but not limited to fluctuations in global economic conditions.

(2) Explanation of consolidated financial position

1) Condition of assets, liabilities, and net assets

Total assets were 60,126 million yen, an increase of 10,630 million yen compared to the end of the previous fiscal year. Under current assets, effects such as the increase in operating receivables and other receivables of 2,722million yen due to expansion of operations, and the rise in cash and cash equivalents by 1,576 million yen, netted to an increase of 4,490 million yen versus last fiscal year end to total 32,350 million yen. Under illiquid assets, effects such as the increase in goodwill by 3,415 million yen as a result of the transfer of business from PracticeMatch and acquisition of IDA, along with increase in available-for-sale financial assets by 1,775 million yen due to the purchase of available-for-sale financial assets, netted to an increase of 6,140 million yen to total 27,775 million yen versus last fiscal year end.

Total liabilities increased by 1,581 million yen versus last fiscal year end to total 13,616 million yen. Under current liabilities, expansion of operations and according increases in operating receivables and other receivables of 359 million yen lead to a total of 12,293 million yen, an increase of 1,742 million yen versus last fiscal year end. Illiquid liabilities decreased by 161 million yen versus last fiscal year end to total 1,323 million yen.

Total shareholder's equity increased by 9,049 million yen compared to the end of the previous fiscal year to total 46,510 million yen. While dividend of surplus was paid in the amount of 2,101 million yen, earnings attributable to owners of the parent company amounted to 9,759 million yen, resulting in an increase of 7,623 million yen in retained earnings.

2) Condition of Cashflow

Cash and cash equivalents for the consolidated fiscal year (cumulative) increased by 1,576 million yen versus last fiscal year end to total 19,907 million yen.

Cash flows from operating activities produced an income of 9,316 million yen, an increase of 420 million yen year on year. The major component of inflow was pre-tax profit of 16,174 million yen, and the major component of outflow was corporate income tax of 5,354 million yen.

Cash flows from investment activities resulted in an increase in outflow by 6,025 million yen year on year, to total an outflow of 5,474 million yen. This was primarily the result of 1,544 million yen paid for the purchase of investments in subsidiaries IDA and MDJob Find, Inc. resulting in changes in the scope of consolidation, the 1,574 million yen paid for the transfer of business from PracticeMatch, and the 1,784 million yen paid for the purchase of available-for-sale financial assets.

Cash flows from financing activities resulted in a decrease in outflow of 729 million yen year on year, to total an outflow of 2,383 million yen primarily due to dividend payments of 2,100 million yen to the owners of the parent company.

(Indexes related to cash flows)

	Fiscal year ended March 31,2014	Fiscal year ended March 31,2015
Shareholder's equity ratio (%)	74.0	75.2
Market based equity ratio (%)	1,106.3	1,372.4
Interest-bearing debt-to-cash-flow ratio (annual)	1.1	1.1
Interest Coverage Ratio (multiple)	3,335.8	1,137.6

Shareholder's equity ratio : Shareholder's equity / Net assets
Market based equity ratio : Market capitalization / Net assets
Interest-bearing debt-to-cash-flow ratio : Interest-bearing debt / Cash flow
Interest Coverage Ratio : Cash flow / Interest payment

(Note) 1 Each indicator is calculated using consolidated financial figures
2 Market capitalization is calculated using the number of outstanding shares excluding treasury stocks
3 Operating cash flow is used for the purpose of these ratios
4 Interest-bearing debt represents all interest-bearing debt recorded on the balance sheet.
5 Reclassification based on IFRS reporting started at the beginning of the fiscal year ended March 31, 2015, and results starting April 1, 2013 have been recalculated based on IFRS reporting. Results previous to April 1, 2013 are not reported.

3) Basic Policy Regarding Distribution of Earnings and Dividends

The Company's basic policy is to retain profits for internal reinvestment, and to determine dividend payout upon comprehensive consideration of funding and cash flow conditions, while strengthening the management foundation and promoting the development of new businesses. For the fiscal year ended March 31, 2015, the Company will pay 8 yen per share given it was determined that current circumstances allow for distribution of profits.

For the next fiscal year, we plan to determine dividend payout in accordance with the above policy.