

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

(From April 1, 2015 to March 31, 2016)

	Net sales		Operating profit		Pre-tax profit		Net profit		Profit attributable to owners of the parent		Basic earnings per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
First Half	29,000	17.7	8,500	13.1	8,500	12.5	5,200	8.0	4,800	8.0	14.84
Annual	63,000	22.7	19,000	18.3	19,000	17.5	12,000	15.1	11,300	15.8	34.93

(Note) 1 Amendments to forecasts of financial results recently announced: None

2 Basic earnings per share has been calculated using 323,523,438 shares, which is the average number of issued shares during the three months ended June 30, 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 shares)		
As of June 30, 2015	323,597,800	shares
As of March 31, 2015	323,499,400	shares
(ii) Number of treasury stock at the end of the period		
As of June 30, 2015	32,400	shares
As of March 31, 2015	32,400	shares
(iii) Average number of shares during the period (cumulative)		
As of June 30, 2015	323,523,438	shares
As of June 30, 2014	323,256,077	shares

※ 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

(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.

(Explanatory materials for quarterly financial result)

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

1. Qualitative Information on Quarterly Results

(1) Explanation of consolidated operating results

Various services are provided through the “m3.com” website designed for medical professionals with over approximately 250,000 registered physician members.

Existing services remained stable with further penetration of the client base across each service. Marketing support services (“MR-kun Family”) targeting pharmaceutical companies offers a selection of services catering to various agendas and purposes, and include the basic “Affiliates” (Teikei Kigyō) service which a majority of key pharmaceutical companies operating within Japan are already utilizing, “MR-kun” service which provides continuous information via proactive reception by member physicians on the “m3.com” platform, and “m3MT” service which provides a more direct approach to member physicians via e-mail.

In addition, services centered around “Mr. Finder” (Chicken-Kun) which excavates institutions and patient participants for clinical trials, are provided by Mebix Inc. in IT supported large-scale clinical studies, by MIC Medical Corp and MEDISCIENCE Planning Inc. in clinical trial operations, by SMOs e-SMO Inc. and Neues Co, Ltd (“Neues” below) in administrative and operations support at medical institutions, and by Integrated Development Associates in global drug development support mainly for overseas bio-pharmaceutical companies looking to integrate Japan and the rest of Asia into their studies.

Furthermore, expansion of services such as the marketing research service that panel member physicians, “QOL-kun” which provides marketing support for non-medical related corporations targeting physicians, “AskDoctors” (<http://www.AskDoctors.jp/>) website which connects the general public to member physicians for answers to daily health questions, “Practice Management” (m3.com Kaigyō/Keiei) services which support the establishment and management of clinics, and other platform-linked services are all underway.

Services at M3 Career, Inc. (“M3 Career” below) which provides job search and placement services for physicians and pharmacists, iTICKET Corporation which provides online reservation services for clinics, Reno Medical Inc. which is an medical industry advertisement agency, C.M.S Co.Ltd (“C.M.S” below) which develops and sells of electronic medical record systems, and M3 Marketing, Inc (“M3 Marketing” below) which develops and provides next generation “Medical Marketers,” are also all being expanded. In addition, Nouvelle Place Inc., which produces media contents such as medical product advertisement and sales material, was acquired in June, 2015.

As for business overseas, services towards pharmaceutical companies that take advantage of the U.S. portal website, “MDLinx” designed for healthcare professionals, continues to expand along with the M&A led growth of the career services for physicians. The site now has over 600,000 registered physicians, which was boosted in part by formed partnerships. The U.K. portal website, “Doctors.net.uk,” with roughly 200,000 registered physician members, is also expanding services for pharmaceutical companies to now include the UK version of MR-kun. Furthermore, the China portal website has now topped one million registered physician members, and the Chinese version of MR-kun has been expanding steadily.

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 quarterly results for the first quarter (cumulative) is as below.

(Unit: Million Yen)

	Three months ended June 30, 2014 (April 1, 2014 to June 30, 2014, cumulative)	Three months ended June 30, 2015 (April 1, 2015 to June 30, 2015, cumulative)	First quarter comparison		(Reference) Previous consolidated fiscal year (April 1, 2014 to March 31, 2015)
Net sales	12,276	15,528	+3,252	+26.5%	51,346
Operating Profit	3,941	5,001	+1,060	+26.9%	16,061
Pre-Tax Profit	3,971	5,078	+1,107	+27.9%	16,174
Net Profit	2,502	3,418	+916	+36.6%	10,428

Notes: Retroactive adjustments have been made to the consolidated financial statement for the three months ended June 30, 2014 due to provisional accounting treatments made in accordance with business combinations taken place during the three months ended June 30, 2014.

(Segment results)

(Unit: Million yen)

		Three months ended June 30, 2014 (April 1, 2014 to June 30, 2014, cumulative)	Three months ended June 30, 2015 (April 1, 2015 to June 30, 2015, cumulative)	First quarter comparison	
Medical Portal	Segment Net Sales	5,734	6,378	+644	+11.2%
	Segment Profit	3,457	4,015	+558	+16.2%
Evidence Solution	Segment Net Sales	3,181	4,862	+1,681	+52.9%
	Segment Profit	267	909	+642	+240.8%
Overseas	Segment Net Sales	2,237	3,130	+893	+39.9%
	Segment Profit	231	238	+7	+3.1%
Clinical Platform	Segment Net Sales	680	566	(114)	(16.8%)
	Segment Profit	53	34	(19)	(35.0%)
Sales Platform	Segment Net Sales	285	335	+49	+17.2%
	Segment Profit	(63)	6	+68	-
Others	Segment Net Sales	343	446	+103	+30.1%
	Segment Profit	56	64	+9	+15.7%
Adjustment	Segment Net Sales	(183)	(188)	-	-
	Segment Profit	(60)	(269)	-	-
Gains from remeasurement accompanying business combinations		-	3	+3	-
Total	Net Sales	12,276	15,528	+3,252	+26.5%
	Operating Profit	3,941	5,001	+1,060	+26.9%

Note: Retroactive adjustments have been made to the consolidated financial statement for the three months ended June 30, 2014 due to provisional accounting treatments made in accordance with business combinations taken place during the three months ended June 30, 2014.

1) Medical Portal

Marketing support sector targeting healthcare related companies produced sales of 2,859 million yen, higher by 5.4% year on year. Increased usage of services by pharmaceutical companies kept “MR-kun Family” services centered around “MR-kun” steady.

Marketing research sector produced sales of 498 million yen, an increase of 5.4% year on year. Improvements in sales force structure kept direct sales to drug companies steady.

Others sector produced sales of 3,022 million yen, higher by 18.5% year on year, led by M3 Career’s job placement services targeting physicians.

The above results totaled 6,378 million yen, higher by 11.2% year on year, in sales for the Medical Portal segment.

COGS and SGA amounted to 2,469 million yen, higher by 7.5% 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 4,015 million yen, higher by 16.2% year on year.

2) Evidence Solution

The steady progress of projects along with the consolidation of IDA in March 2015 and Neues in April 2015, produced sales of 4,862 million yen, higher by 52.9% year on year. Corresponding to steady increases in backlog (reaching a segment total of 2.2 billion yen in scale), aggressive upfront investment in human resources and absorption of losses at Neues currently in the turn-around stage, resulted in segment profits of 909 million yen, higher by 240.8% year on year.

3) Overseas

In the U.S. and U.K., expansion of marketing research services as well as job placement services produced sales of 2,829 million yen, higher by 33.2% year on year. It should be noted that an occurred event, where the group’s US mail server was mistakenly recognized as a spam source, caused advertising service sales to decline. Also, a one-time fee of 44 million yen associated with the transfer of business from Profiles, Inc., has occurred. The above combined with China and Korea produced segment sales of 3,130 million yen, 39.9% higher year on year, and segment profits of 238 million yen, higher by 3.1% year on year.

4) Clinical Platform

At C.M.S, a recoil from the high demand last fiscal year caused by the timing of revisions to the medical payment system, produced sales of 566 million yen, lower by 16.8% year on year, and segment profits were 34 million yen, lower by 35.0% year on year.

5) Sales Platform

Business at M3 Marketing expanded steadily. After absorbing costs from aggressive upfront investments in human resources, resulting segment sales were 335 million yen, an increase of 17.2% year on year, with profits of 6 million yen, an improvement of 68 million yen year on year.

6) Others

Business remained steady overall, with segment sales of 446 million yen, higher by 30.1% year on year, and profits were 64 million yen, higher by 15.7% year on year.

Combining the above segments, results for the entire group for the consolidated first quarter (cumulative) amounted to sales of 15,528 million yen, higher by 26.5% year on year, operating profit of 5,001 million yen, higher by 26.9% year on year, pre-tax profit of 5,078 million yen, higher by 27.9% year on year, and net profit of 3,418 million yen, higher by 36.6% year on year.

(2) Explanation of consolidated financial position

1) Condition of assets, liabilities, and net assets

Total assets were 59,897 million yen, a decrease of 228 million yen versus last fiscal year end. Under current assets, a decrease in cash and cash equivalents of 4,861 million yen produced a total of 29,233 million yen, a decrease of 3,118 million yen versus last fiscal year end. Under non-current assets, effects such as the increase in goodwill by 2,394 million yen from the consolidation of Neues, produced a total of 30,665 million yen, an increase of 2,889 million versus last fiscal year end.

Total liabilities decreased by 1,055 million yen versus last fiscal year end to total 12,561 million yen. Under current liabilities, effects such payment of corporate taxes decreased the accrued corporate tax payables by 1,848 million yen to produce a total of 10,738 million yen, a decrease of 1,555 million yen versus last fiscal year end. Non-current liabilities increased by 500 million yen versus last fiscal year end to total 1,823 million yen.

Total shareholder's equity increased by 826 million yen versus previous fiscal year end to total 47,336 million yen. While dividend of surplus was paid in the amount of 2,588 million yen, quarterly profit attributed to owners of the parent amounted to 2,984 million yen, resulting in an increase of 396 million yen in retained earnings.

2) Condition of Cashflow

Cash and cash equivalents for the consolidated first quarter (cumulative) decreased by 4,861 million yen versus last fiscal year end to total 15,045 million yen.

Cash flows from operating activities produced an inflow of 552 million yen, a decrease of 385 million yen in inflow year on year. The major component of inflow was pre-tax profit of 5,078 million yen, and the major component of outflow was a corporate income tax payment of 3,180 million yen.

Cash flows from investment activities resulted in a decrease in outflow of 1,903 million yen year on year, to total an outflow of 535 million yen. An outflow of 612 million yen paid for the transfer of business from Profiles has occurred.

Cash flows from financing activities resulted in an increase in outflow of 2,614 million yen year on year, to total an outflow of 4,791 million yen. The main components were the dividend payments of 2,361 million yen to the owners of the parent company, and an outflow of 1,840 million yen from the repayment of short-term borrowings at the newly consolidated Neues.

(3) 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 Family.”

The marketing research business is expected to remain steady within the backdrop of 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” (Chicken-kun).

Expenditures resulting from aggressive human resource investment geared for further growth is planned, however, no structural changes in costs relating to existing services should occur.

As a combined result of the above, 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 our new subsidiaries, IDA, consolidated in March 2015, and Neues, consolidated in April 2015, as well as overall structural improvements to contribute to increasing sales and profits for the segment.

3) Overseas segment

Within the Overseas segment, we expect services in U.S., U.K., and China such as marketing support, marketing research, and career placement for physicians to individually expand to result in increased sales and profits.

4) Clinical Platform segment

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

5) Sales Platform segment

We expected sales to increase as business at M3 Marketing expands, however, corresponding increases in upfront investment costs from aggressive staffing recruitment to accommodate growth should keep profits at similar levels to last fiscal year.

Based on the above, we forecast the below for consolidated financial results for the fiscal year ending March 31, 2016.

(Unit: Million Yen)

	Net sales	Operating profit	Pre-tax profit	Net profit	Profit Attributable to owners of the parent
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 currently available, and is subject to change due to but not limited to fluctuations in global economic conditions.

2. Summary Information (notes)

(1) Changes in significant subsidiaries during the period

No items to report.

(2) Changes in accounting policies and accounting estimates

No items to report.

Disclaimer:

This document is a translation of the original Japanese version. The original Japanese version was prepared and disclosed by the Company in accordance with Japanese disclosure format. This document does not contain or constitute any guarantee and the Company will not compensate for any losses or damages arising from interpretations or actions taken based on this document. In the case of any discrepancies between the Japanese original and this document, the Japanese original is assumed to be correct.