M3 Consolidation of Vidal Group

- Supplementary Material -

October 7, 2016
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M3, Inc.
Introduction to Vidal Group

- Operates a global pharmaceutical information database business centralized in France, Germany, and Spain
- The Vidal brand has gained powerful recognition amongst medical professionals across Francophone countries since the first publication of its pharmaceutical information encyclopedia in 1914
- Successful digitalization of services via on-boarding of print material to online and mobile channels
- In recent years, their immense pharmaceutical database has also been applied towards the development and provision of medical information systems towards clinics, hospitals and pharmacies
- Business operations have high added value, posting margins above 20%
Outline of the Vidal Group

Main Businesses

- **Pharmaceutical Encyclopedia**
  - Publish drug information on Vidal’s established database, viewable via online, mobile, or text
  - Receive publication fees from pharma companies

- **Medical Information Systems for End Users**
  - Database sales through system integration at hospitals, clinics, and pharmacies
Vidal Group Features

- Membership base of several hundred thousand physicians across France, Germany, and Spain
- Powerful brand recognition in France with 150 thousand members equating to over 75% of the physician population
- Service provision also in Latin America, Middle East, and other Spanish and French speaking countries

**Physician Members by Country**

<table>
<thead>
<tr>
<th>Country</th>
<th>Members (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>150</td>
</tr>
<tr>
<td>Spain</td>
<td>100</td>
</tr>
<tr>
<td>Germany</td>
<td>40</td>
</tr>
</tbody>
</table>

**Physicians in France**

- Vidal Members
- Non members
What is the weight of each source for your overall drug information needs? (Total = 100%)

- Vidal: 46%
- Software Drug Database (BCB, Vidal): 11%
- Medical Representative Pharma companies: 10%
- Base-données-publiques.gouv.fr: 8%
- Press/paper: 7%
- Learned Society websites: 6%
- Interaction with other doctors: 5%
- Google: 4%
- Pharmaceutical manufacturer’s websites: 2%
- Social network: 2%
- Others: 2%

Recognized as the most important information source by physicians in France

Source: Quantitative survey conducted in June 2015 (Sponsored by Vidal, conducted blind.)

n = 388 prescribers (187 general practitioners, 122 private practice specialists, and 79 hospital specialists. All Vidal members)
Strategic Objectives

Vidal Group

- Physician membership base and strong brand recognition in France, Germany, and Spain
- Network with local pharma companies established through existing businesses

Addition of physician members across three major European countries and expansion of business domain

M3, Inc

- Ability to develop internet based services such as MR-kun and Mr. Finder
- Track record of expansion outside of Japan, including the US, UK, and China
Number of Physician Members and Panelists (Global)

Coverage of over 4 million physician members globally

4+ million members worldwide

Other Nations (M3 Global Research, MDLinx, Russia)
Korea (MEDIGATE)
India
China

France, Germany, Spain (VidalGroup)
U.K. (Doctors.net.uk)
U.S.A (MDLinx + PDR)
Japan (m3.com)

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## Service Development Ideas

<table>
<thead>
<tr>
<th>Service</th>
<th>Development Directionality</th>
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<tbody>
<tr>
<td>Pharmaceutical Marketing Support (MR-kun, etc.)</td>
<td>Develop a platform similar to m3.com by leveraging the Vidal Group physician membership base</td>
</tr>
<tr>
<td>CME *¹ and Other Education</td>
<td>Provision through sponsorship by pharma companies Maximize on Vidal Group’s brand recognition</td>
</tr>
<tr>
<td>Market Research</td>
<td>Expansion of physician panel for global research with the addition of members from France, Germany, Spain, and Central and South Americas</td>
</tr>
<tr>
<td>Career Placement Support, Clinical Trial Support</td>
<td>Roll out appropriate services in each country to maximize the physician membership base</td>
</tr>
</tbody>
</table>

Prepare development of services in line with each regional characteristics

*¹ Continuous Medical Education
Scope of Transaction

Transaction Overview

- Acquisition of all issued shares and consolidation of AXIO Medical Holdings Limited ("AXIO," below) a holding company under the Vidal Group
- Acquisition Method: Transfer of share from all AXIO shareholders
- Acquisition Price: approx. 100 million Euros*1 (approx. 11.6 billion JPY)

Schedule

- Final Agreement on Execution of Transaction: October 7, 2016
- Date of Stock Purchase Agreement: TBD (upon completion of related legal and regulatory procedures)*2
- Date of Transfer of Shares: Expected completion: December end, 2016

*1 To be determined at the time of closing
*2 Completion of works council consultation process in accordance with French legal procedures in order to complete this transaction.