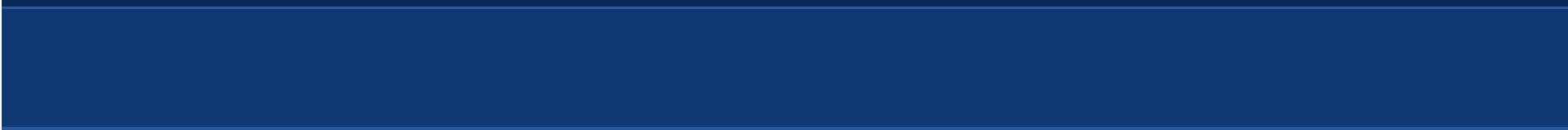

M3, Inc.

Presentation Material

July 2016





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

Overview

MR-kun Family

- Increase in demand supported continued double digit growth. Q1 sales increased +17% yoy.

Career

- Sales grew +30% yoy to 3.1 bn yen. Profit grew +30% yoy to 1.6 bn yen. Performance remains steady.

Evidence Solution

- Despite a decrease of over 200 mn yen in milestone based profits yoy, total profit grew +7% yoy to 1.0 bn yen, driven by strength in orders received and healthy progress of on-going projects.
- Neues posted profits over 100 million yen in Q1, solidifying profitability.

Overseas

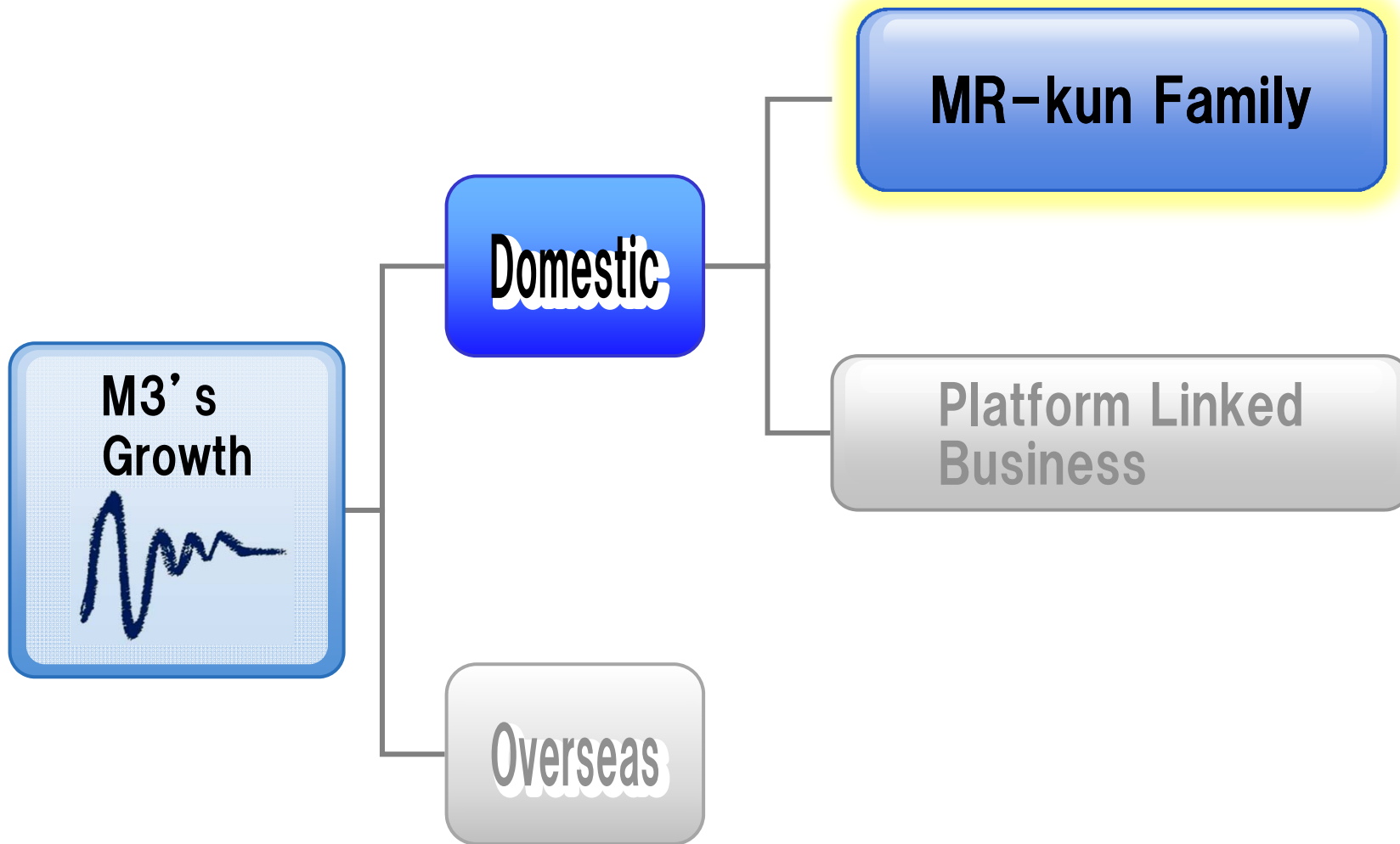
- U.S. : Growth continued lead by the career business.
 - USD based sales increased +62% yoy
 - Career business grew 2.4x yoy to total 1.0 bn yen
- China: MR-kun contracts increased to cover 22 drugs for 11 firms, showing steady growth.

M&A / New Business

- Consolidated TECOM Group to provide national certification preparatory services for medical welfare professionals. Transfer of business scheduled for August 1st.
- Launched PIPEs investment business. First capital alliance tied with Human Metabolome Technologies.

Comprehensive Profit

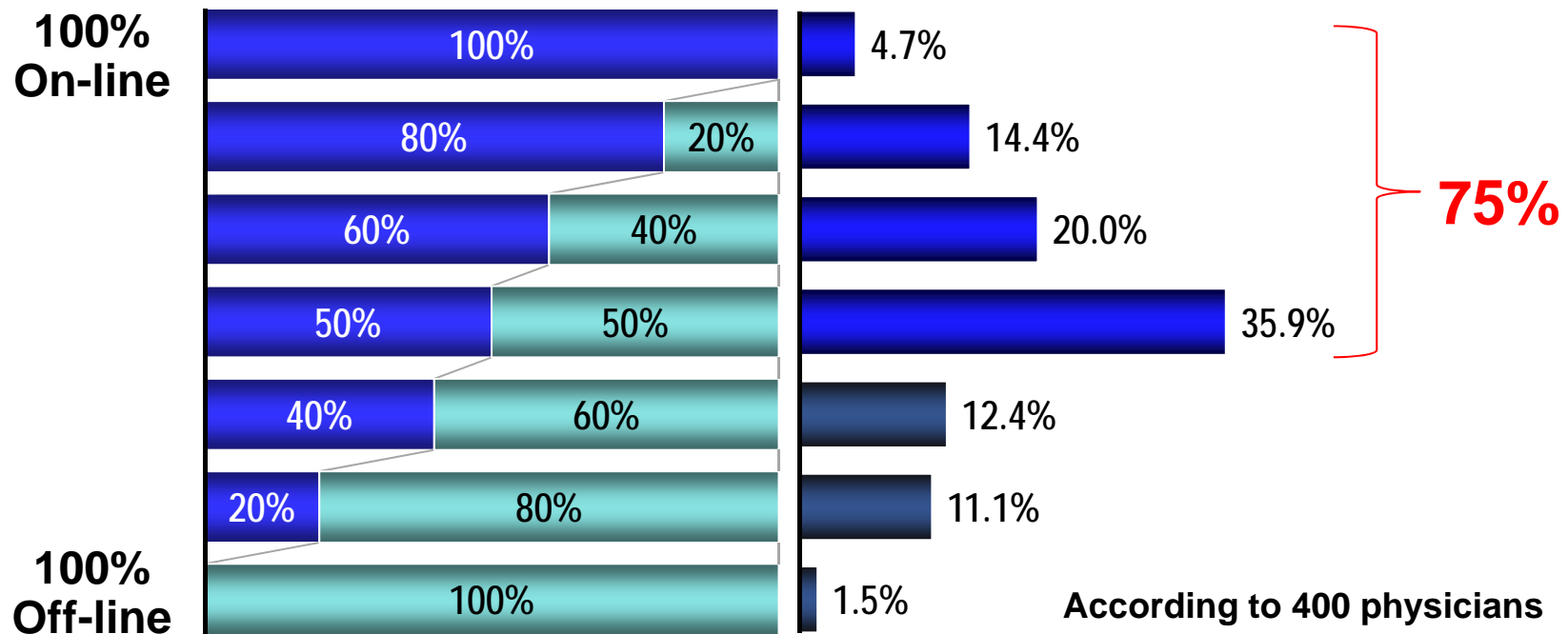
- Although performance remained steady, a stronger yen effected translational differences such as the -1.2 bn yen from valuation of or overseas operations, causing comprehensive profits to total 2.4 bn yen, down 39%yoy.



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.



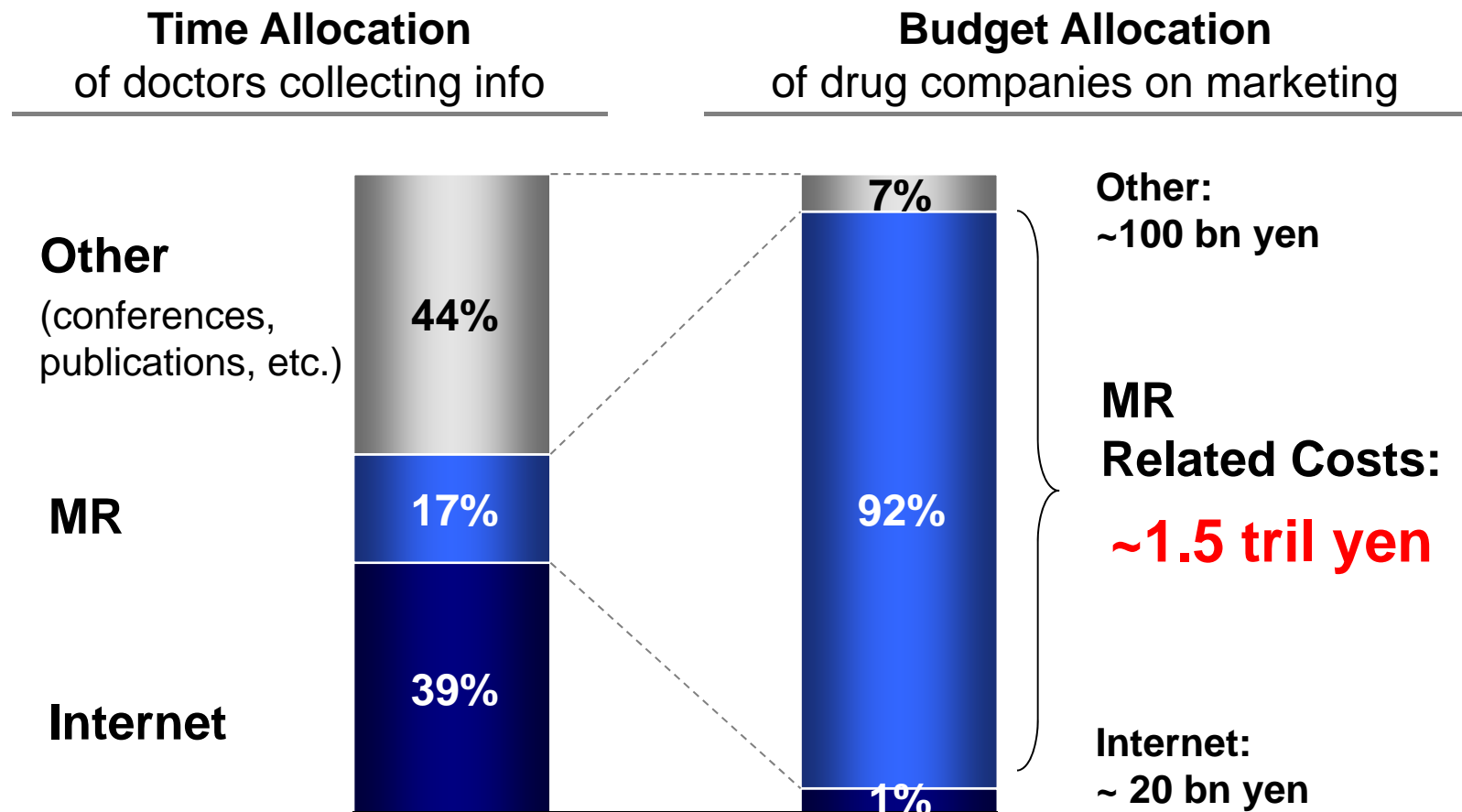
👉 High demand for on-line detailing from busy physicians that prefer on-demand and timely information, without the limitations imposed by off-line MRs.

Source: M3 questionnaire to 400 physicians

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Doctor's Time Allocation vs Pharma's Budget Allocation

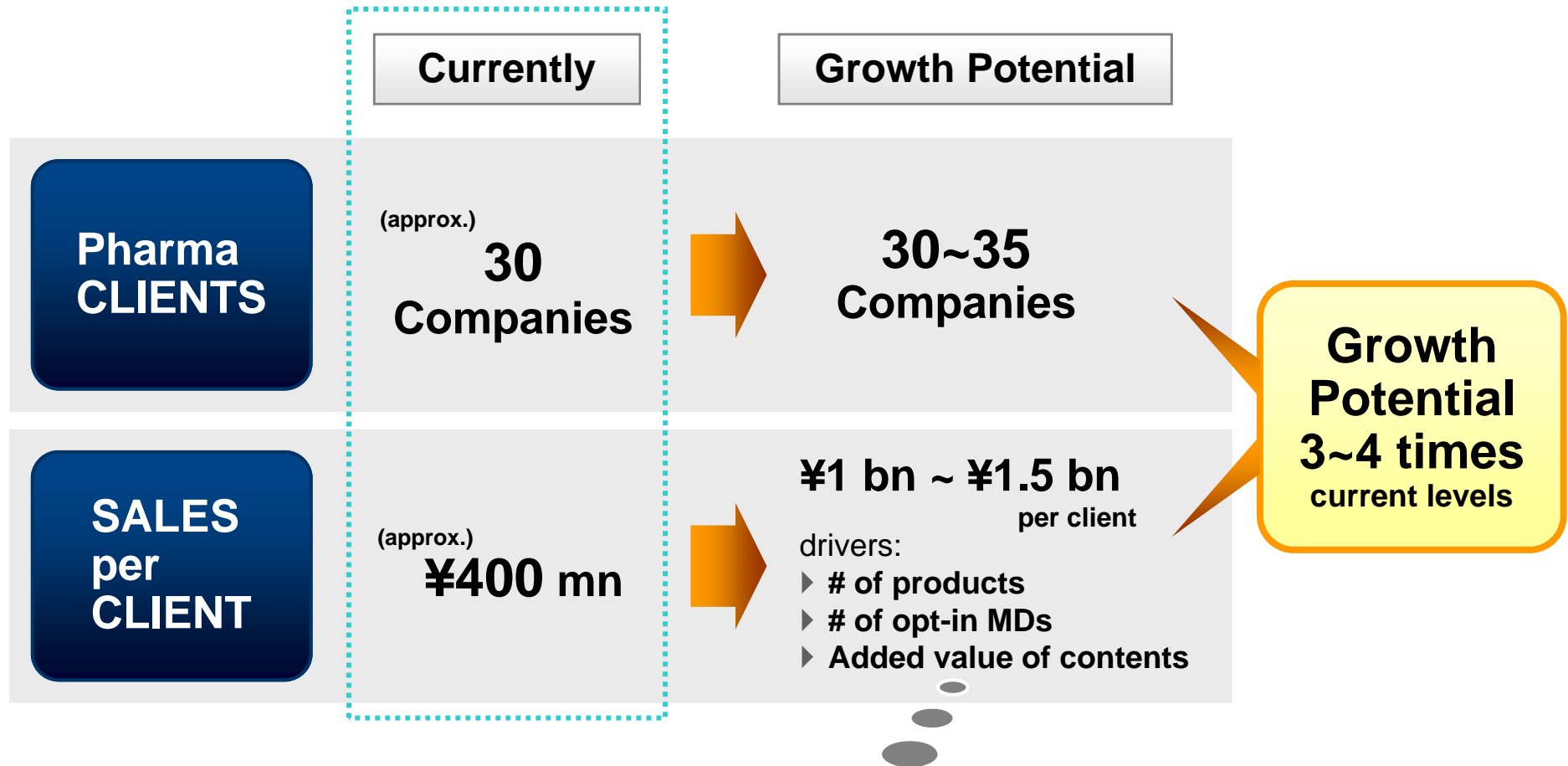
Doctors spend the most time collecting information via the Internet. However, pharmaceutical firms spend the majority of their marketing budget on off-line MR related costs.



Source: M3 research, percentages are approximate

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MR-kun Family's Growth Potential in Japan



Broadening of usage across entire service line-up:
Average revenues from **top 20** clients grew at approx. **18%** YoY

MR-kun Family Fee Structure (annual)

MR-kun
Base & Operation fee

Detail fee

¥100 per detail sent

Contents
Production fee

Production of
customized detail
contents

Other MR-kun
Family Services

Web Symposiums,
One Point eDetails, etc

Entry Level
(one product)

¥70 ~ 80
mn

¥20 ~ 40
mn

¥30 ~
mn

¥10 ~
mn

around ¥150 mn

Top 5 Clients
(multiple products)

¥70 ~80
mn

¥440mn

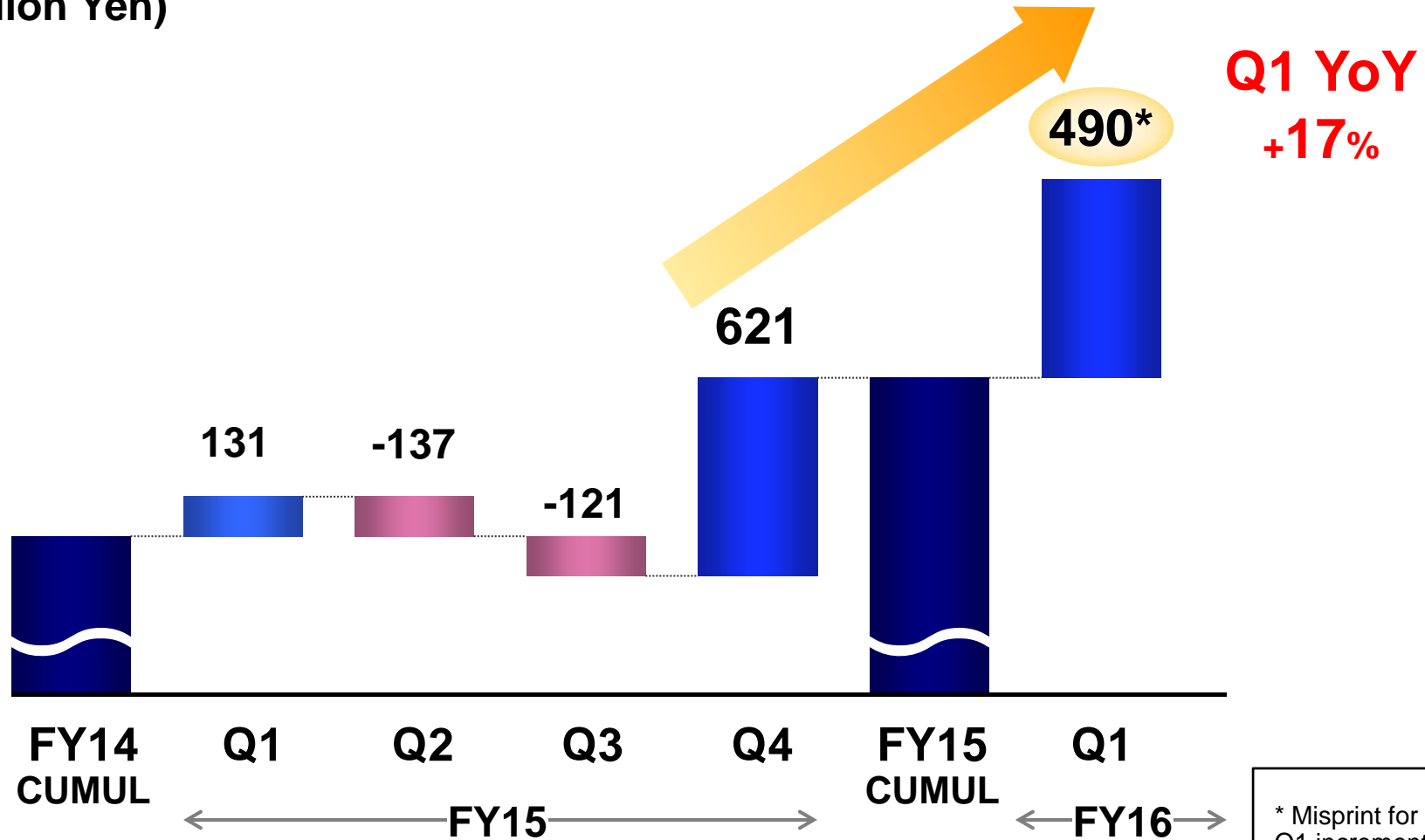
¥100 mn

¥270 mn

The average of top 5 clients: around ¥900mn

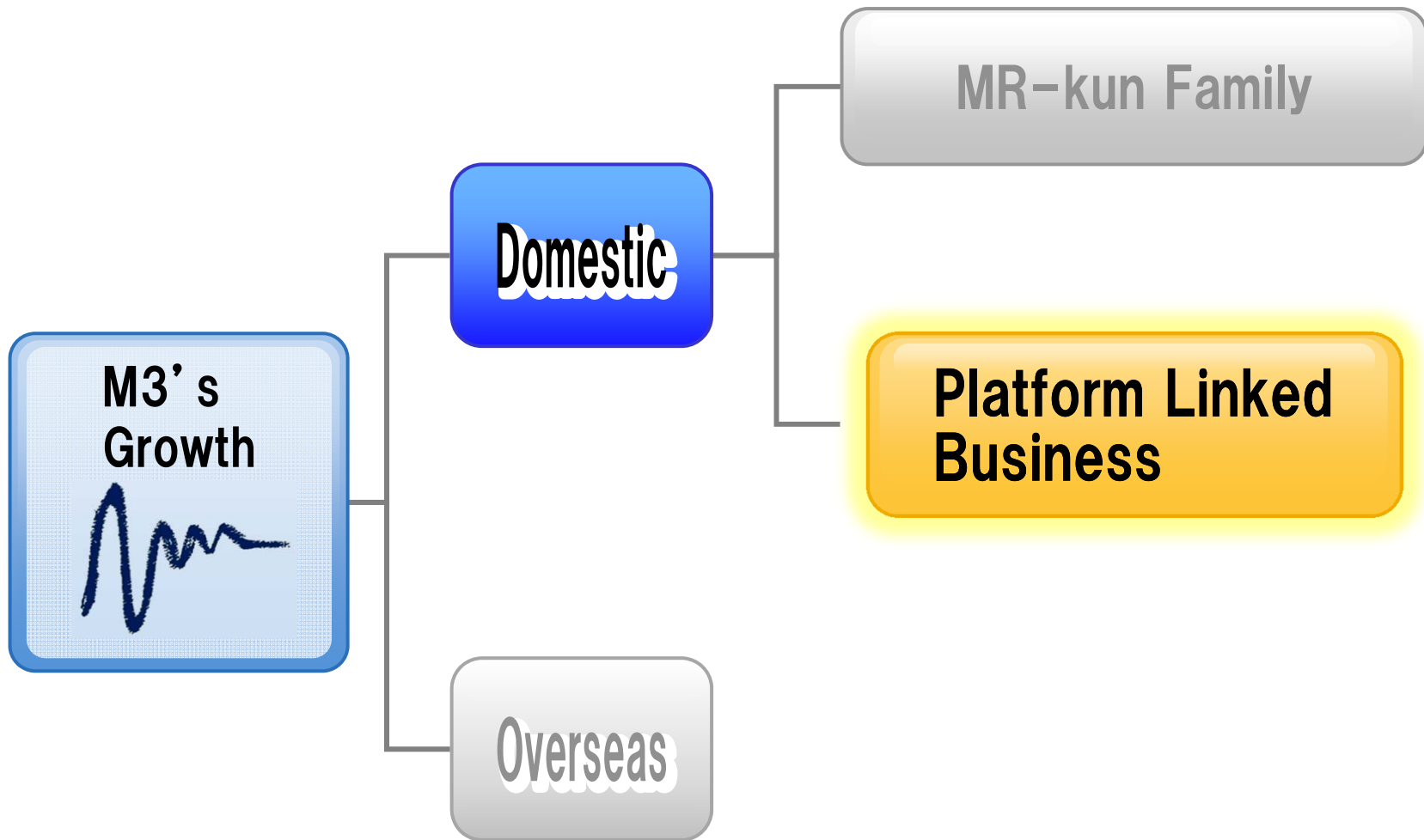
MR-kun Family: YoY Quarterly Sales Comparisons

(million Yen)



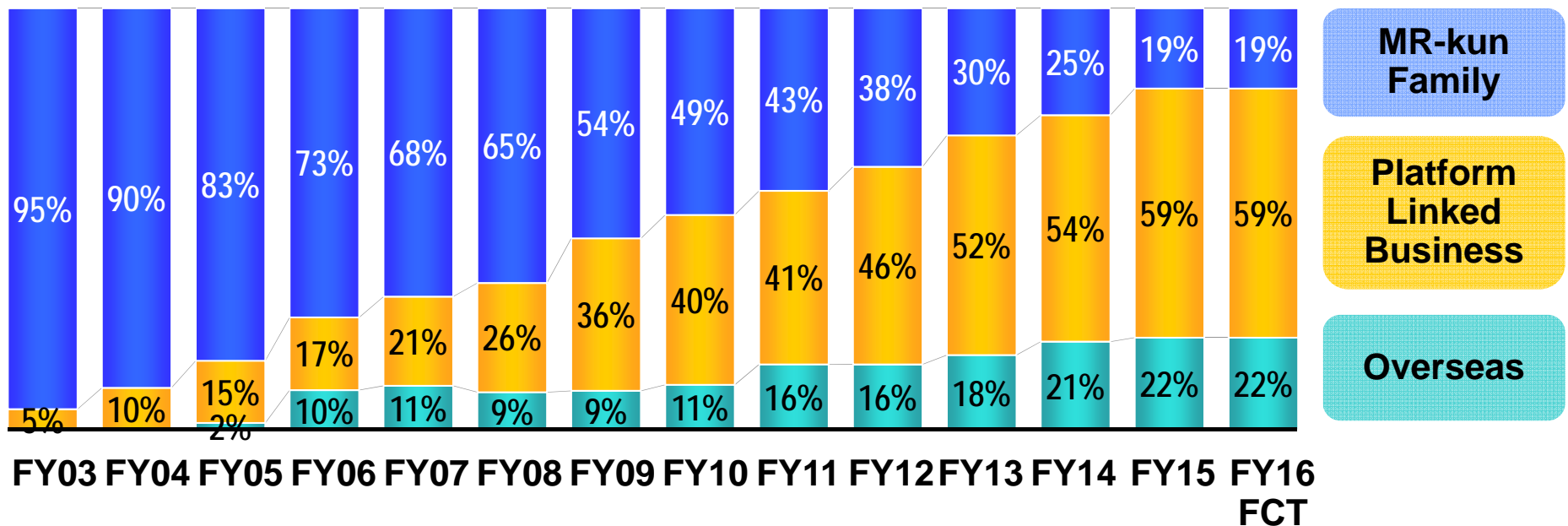
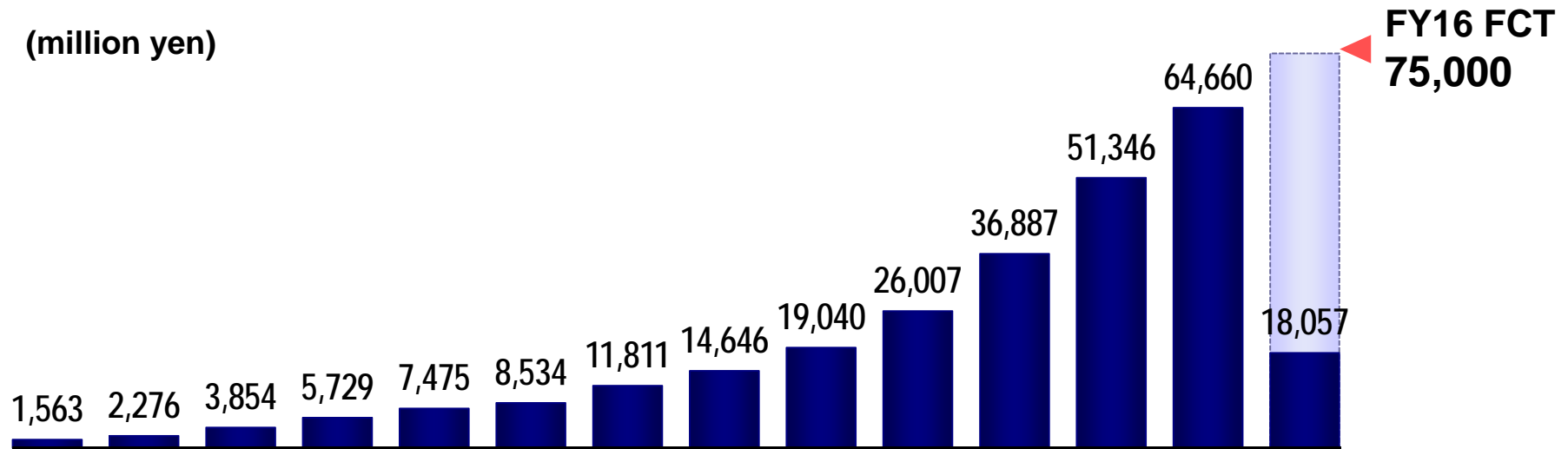
 Increased demand from pharmaceutical companies.

* Misprint for FY15 Q1 incremental sales number revised as follows on 2016/10/18:
 Correct: 490
 Error: 626



Consolidated Sales Trend

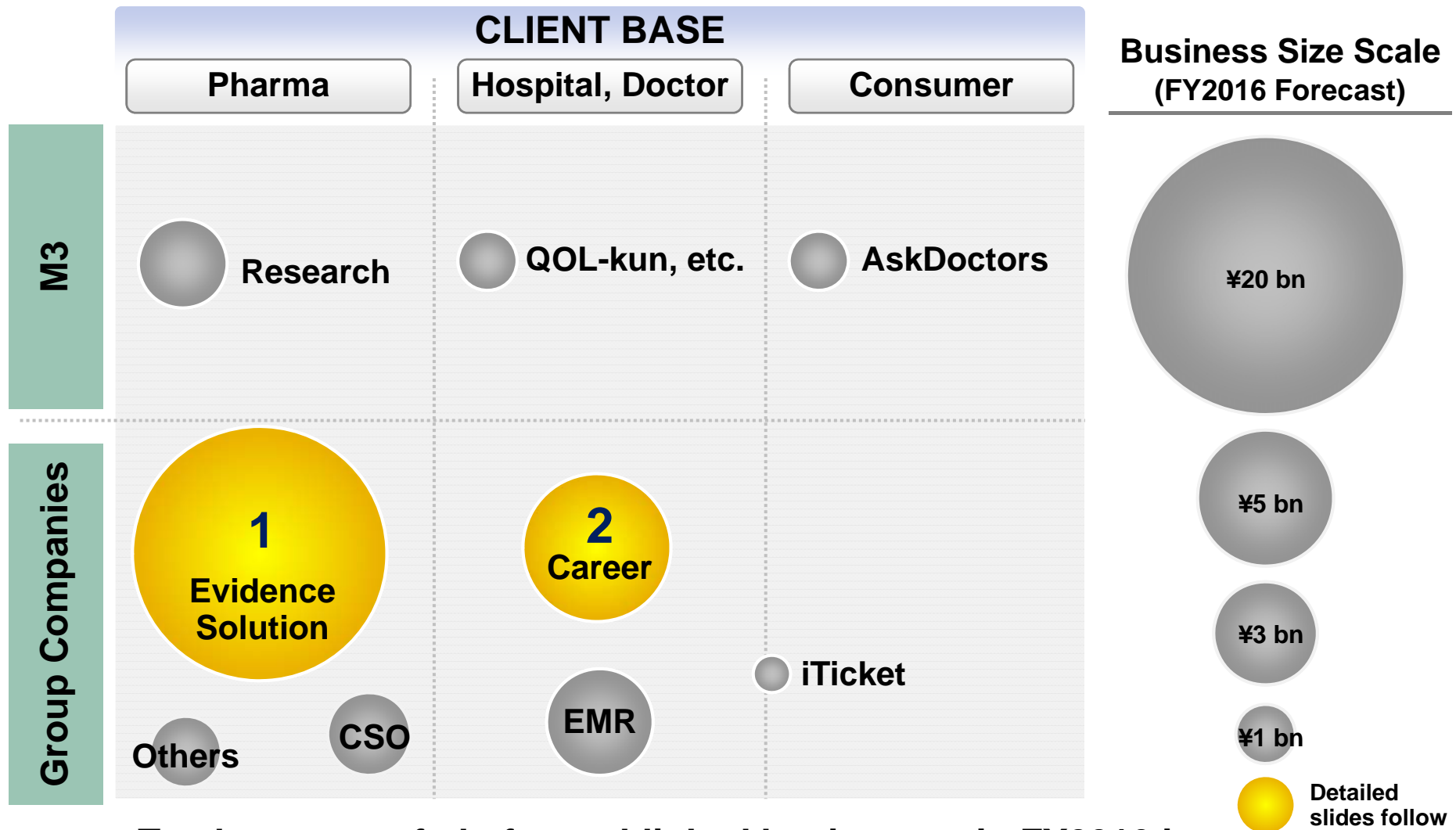
(million yen)



Business Segment Breakdown and Type

Business Segments	Services	FY15 Sales	Business Type
Medical Portal	MR-kun Family	13 bn yen	MR-kun Family
	Career	7 bn yen	Platform Linked Business
	Research	3 bn yen	
	Other (Mr. Finder, AskDoctors, others)	3 bn yen	
Evidence Solution		20 bn yen	Platform Linked Business
Clinical Platform		3 bn yen	Platform Linked Business
Sales Platform		1 bn yen	
Other (iTicket, hospital support, others)		2 bn yen	Platform Linked Business
Overseas		14 bn yen	

Platform Linked Business Development



Total revenue of platformed-linked businesses in FY2016 is expected to exceed 40 billion yen. New projects pipeline includes 10 to 20 business ideas with plans including overseas development.

Power of Mr. Finder in Drug Development **1** Evid Sol

“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.”

~ 2010

Evolution via MR-kun centered eMarketing for drugs – Engine #1

Plus

2011 ~

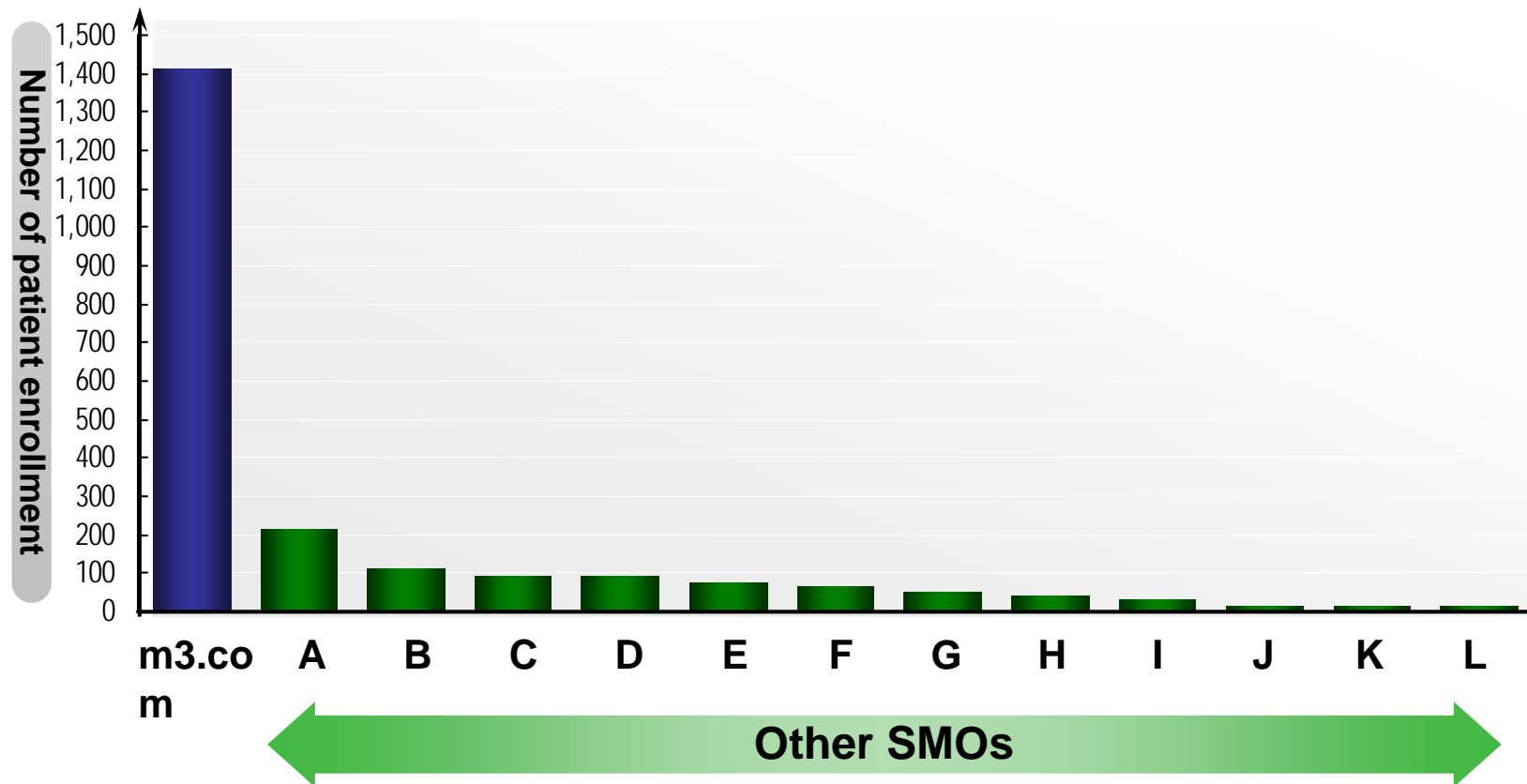
Evolution via Mr. Finder centered eR&D Developed as Engine #2

Patient Enrollment in Large-Scale Trials

1 Evid Sol

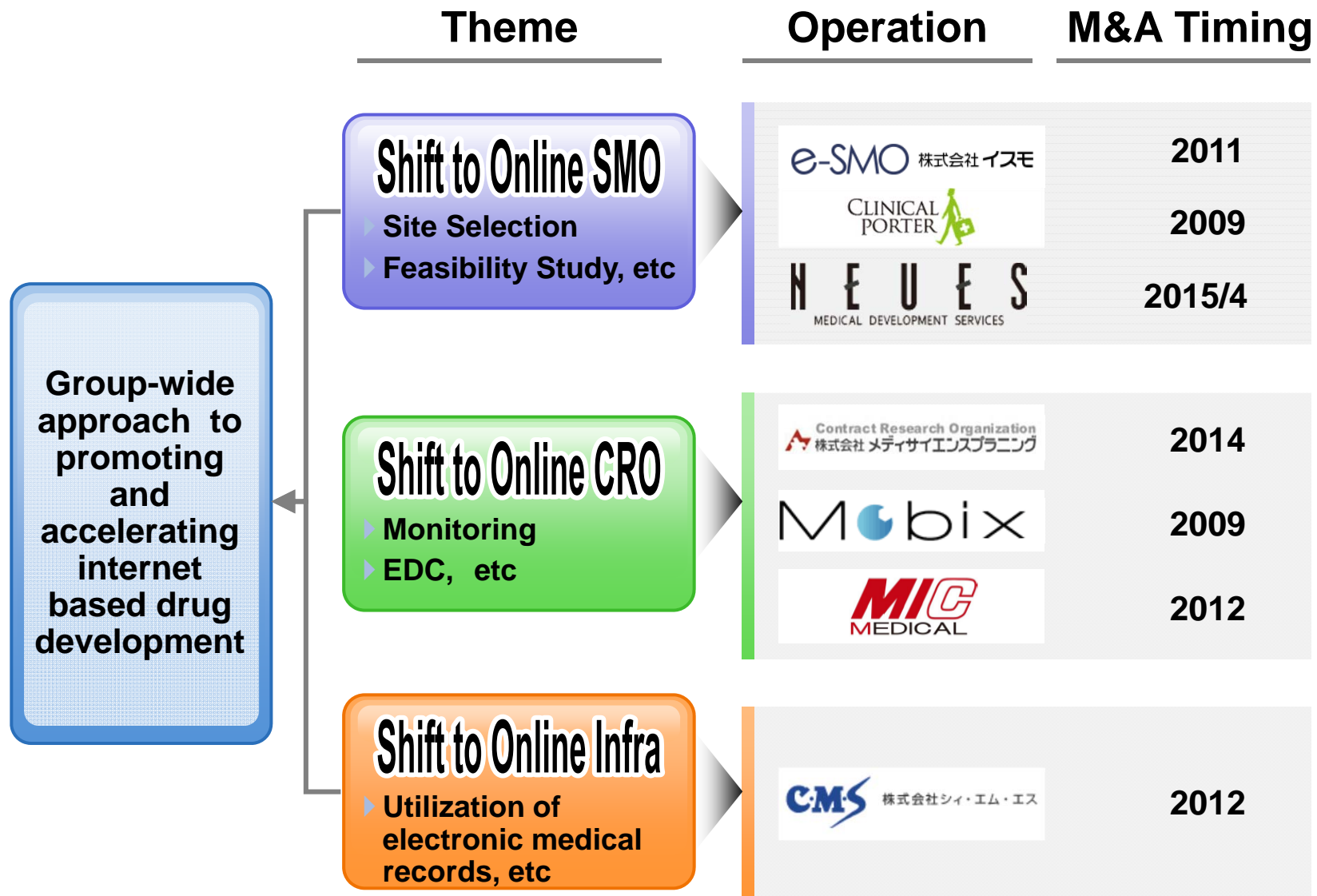
Case study

M3.com doctors exceeded by number and speed in collecting cases versus other SMOs for a particular Endocrinology and Metabolism trial



Expedited enrollment of cases compared to other SMOs

Shift to Internet-Based Clinical Trials **1** Evid Sol

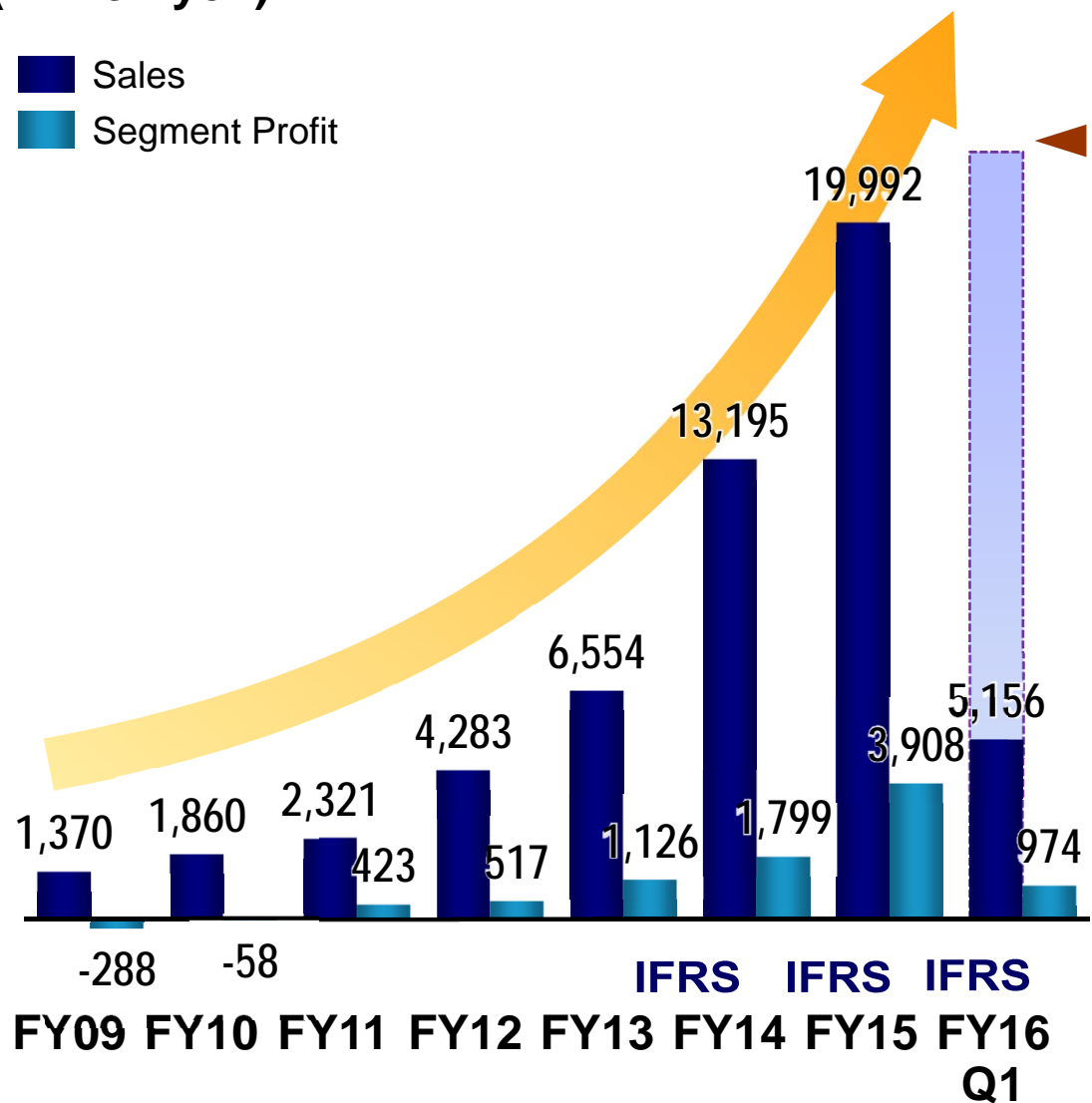


Sales and Profit Trend of Evidence Solution

(million yen)

IFRS basis

■ Sales
■ Segment Profit



FY16 FCT
22 bn yen

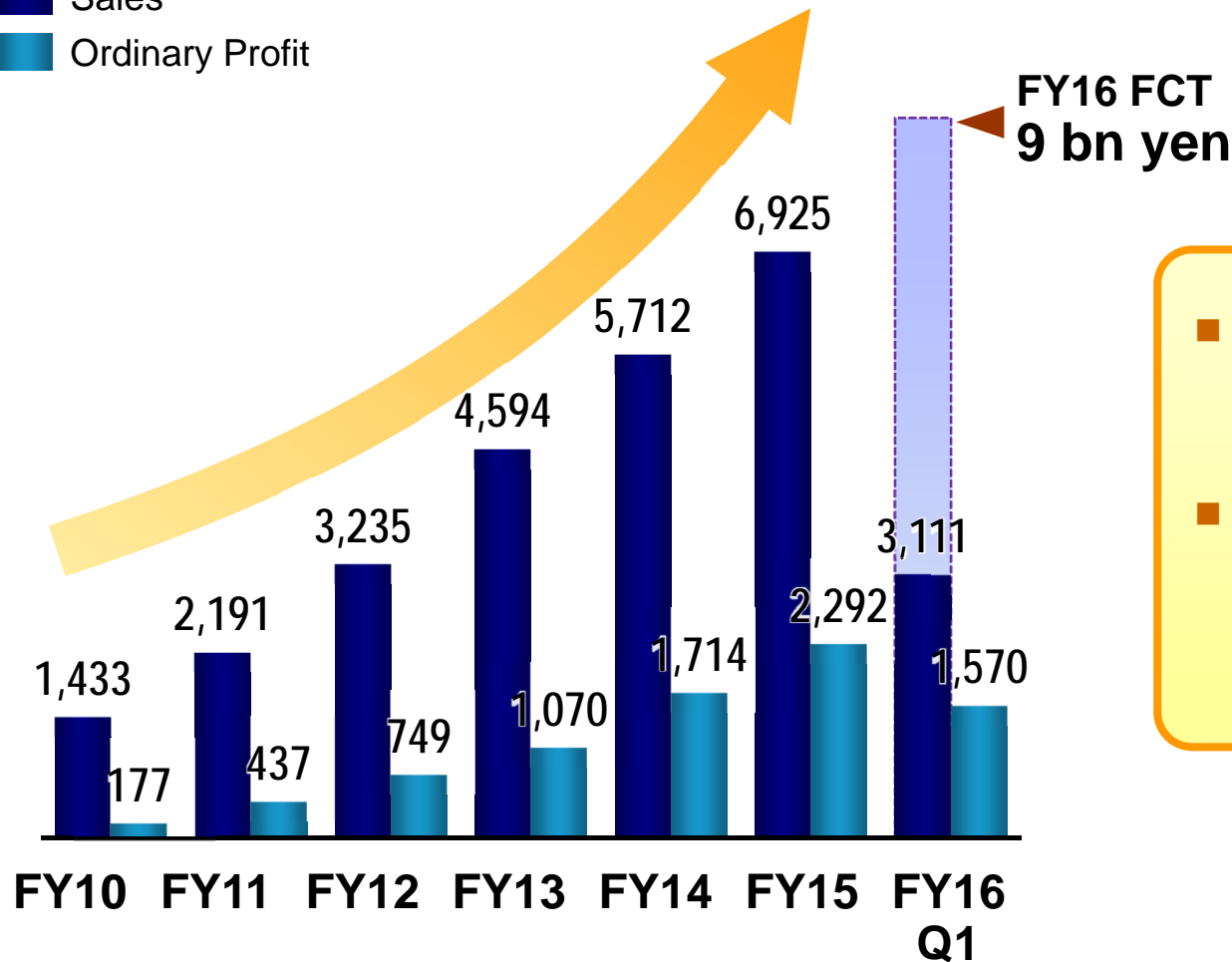
- Orders backlog at 25bn yen, with corresponding increases in headcount as upfront investment
- FY16 looks to continue the healthy growth lead by robust orders
- Neues, an underwater SMO acquired in April 2015, posted 100 million yen in profits in Q1

Sales and Profit Trend of M3 Career

(million yen)

JGAAP basis

■ Sales
■ Ordinary Profit



- Successful integration of newly-hired staff improved productivity
- FY2016 should see continued traction from job placement for physicians.

Consolidation of TECOM Group



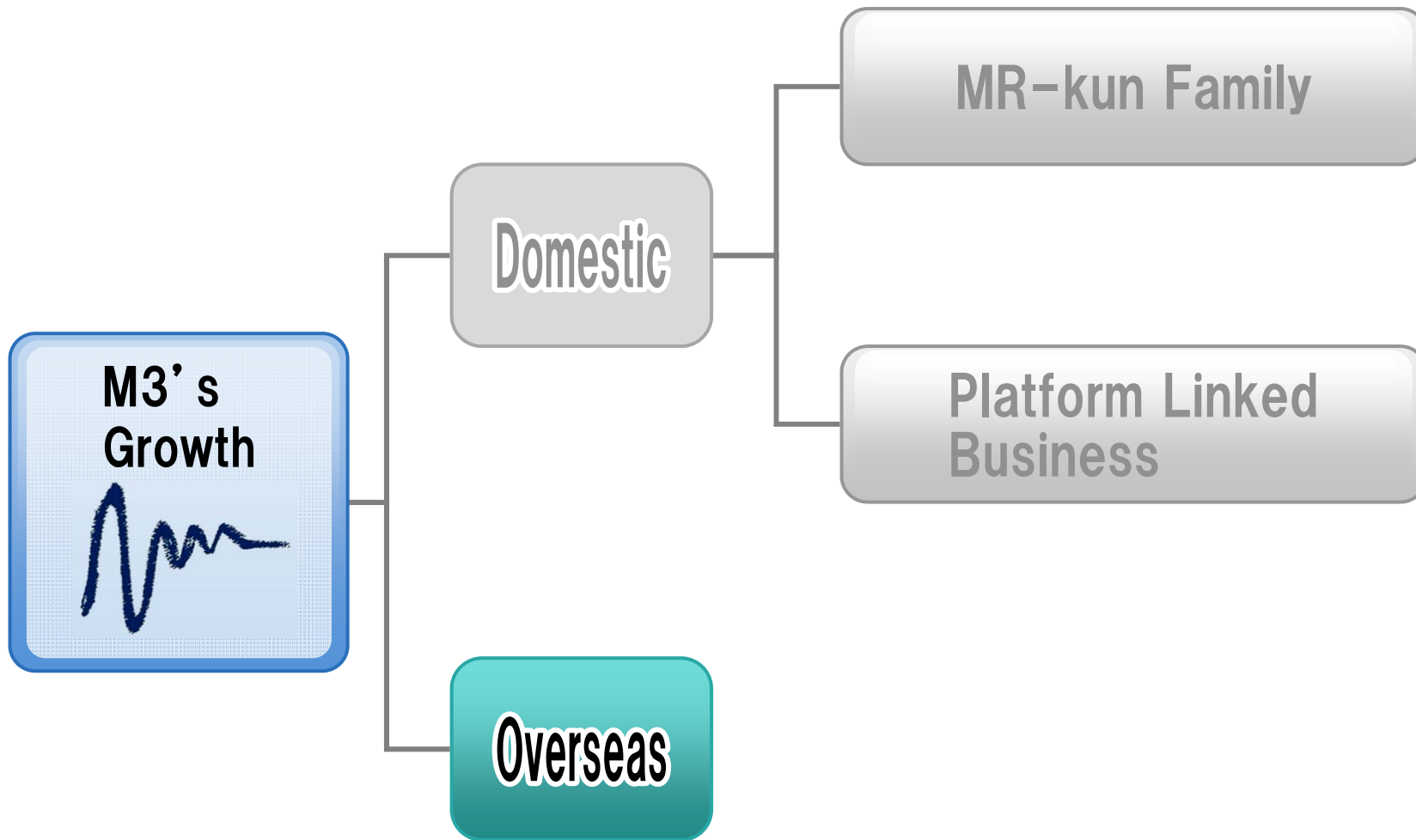
- Top brand within preparatory education for national certifications of medical welfare professionals
- Preeminent recognition and market share amongst students (close to 100% of students register for TECOM's mock exams)
- Extensive experience in education and examination content production
- Network across universities and hospitals



- Broad base of medical professional members starting with MDs
- Large client base within healthcare starting with pharmaceutical companies
- Insight and expertise in internet based businesses

< Expected Synergies >

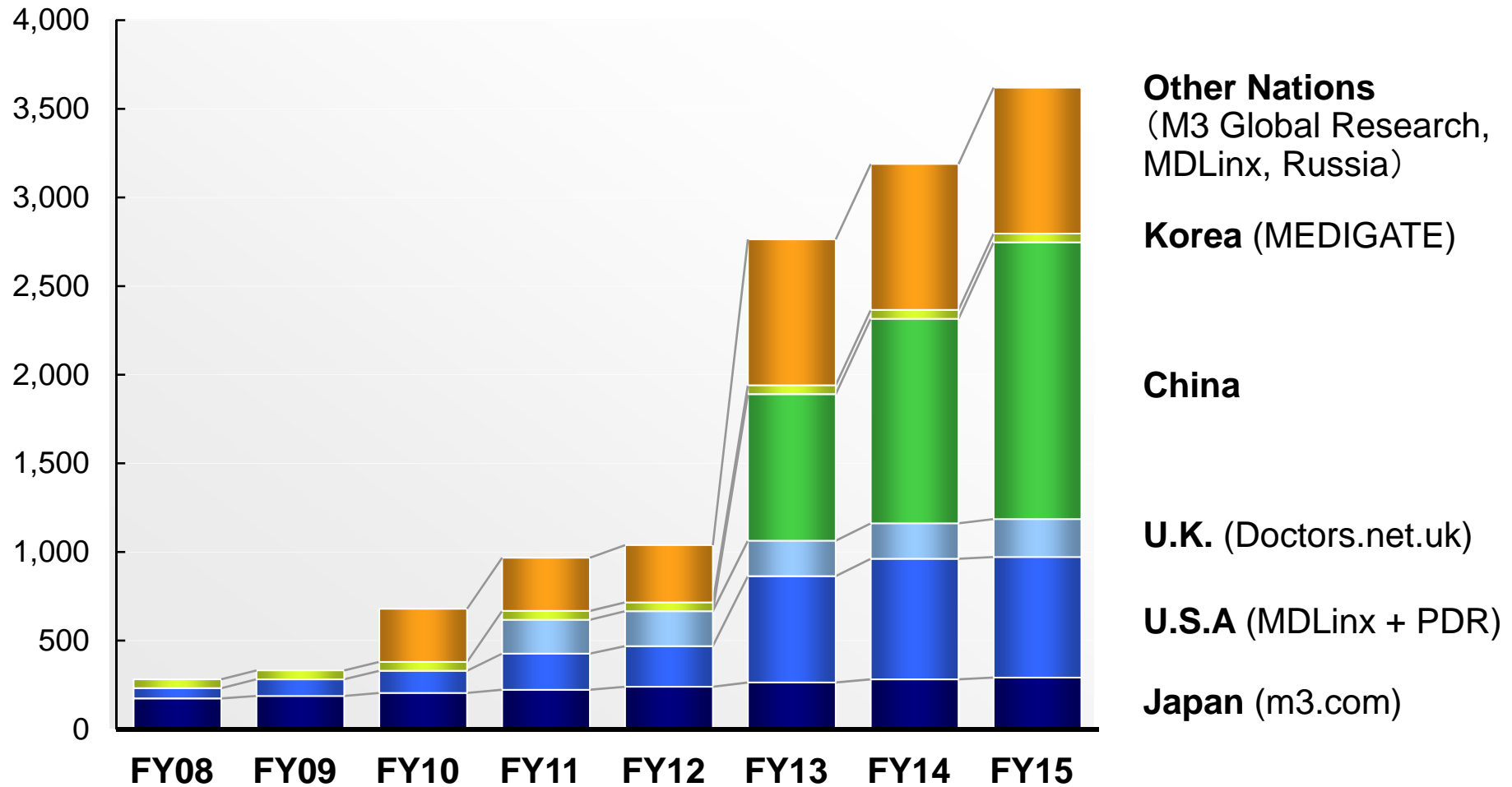
- Solidify internet based education program
- Expand job placement services for medical students and interns
- Develop physician education services such as CME



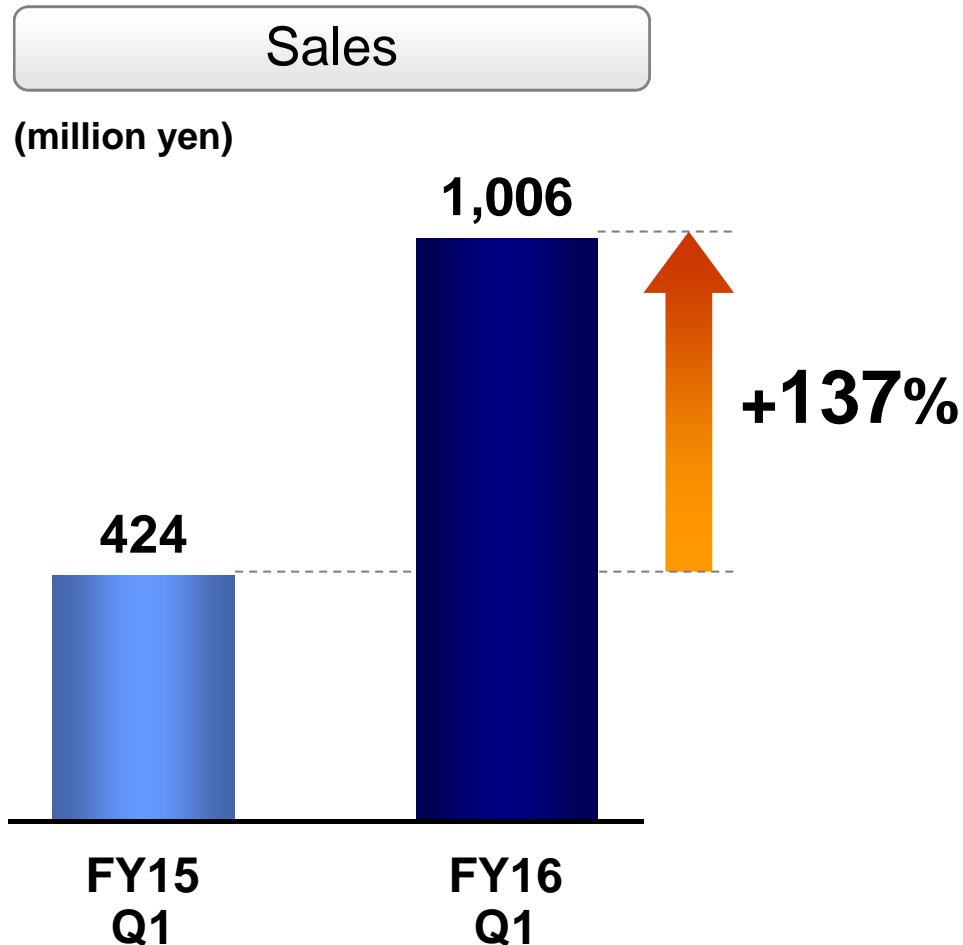
Number of Physician Members and Panelists (Global)

(thousand)

3.5+ million
members worldwide



Expansion of U.S. Career Services

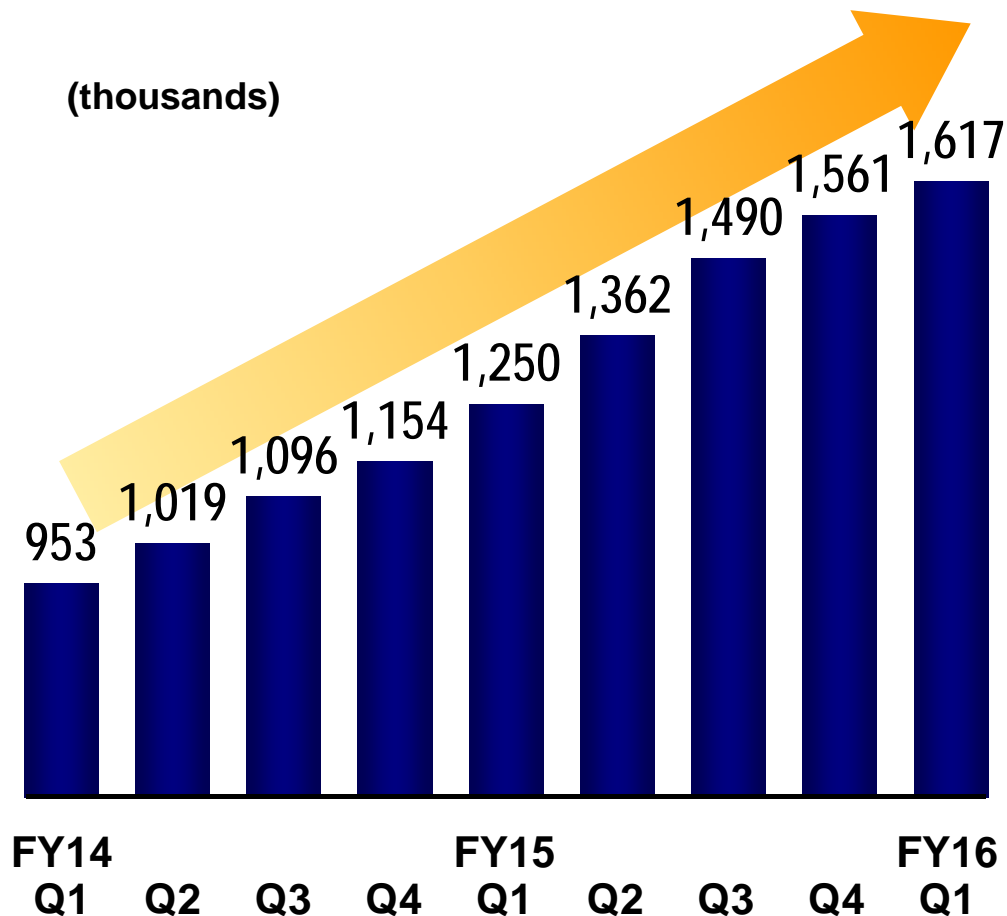


- Consolidated The Medicus Firm at Dec-end 2015, as the 4th M&A within the past 2 years.
- Operation size increased approx. 2.4x yoy due to expansion of existing businesses as well as contribution from M&As
- Synergies with MDLinx, the U.S. web portal designed for physicians, is expected to improve sales and profits
- Expansion of services such as executive physician and nurse placement being considered

- 👉 **Faster growth path than M3 Career in Japan.**
A new growth driver with a much larger addressable market.

Development in China

Number of Physician Members



- Marketing services for drug companies starting with MR-kun, and marketing research services showed healthy growth
- MR-kun contracts now at 22 drugs with 11 companies, expanding steadily
- High evaluations from drug companies are leading to repeat orders for MR-kun.

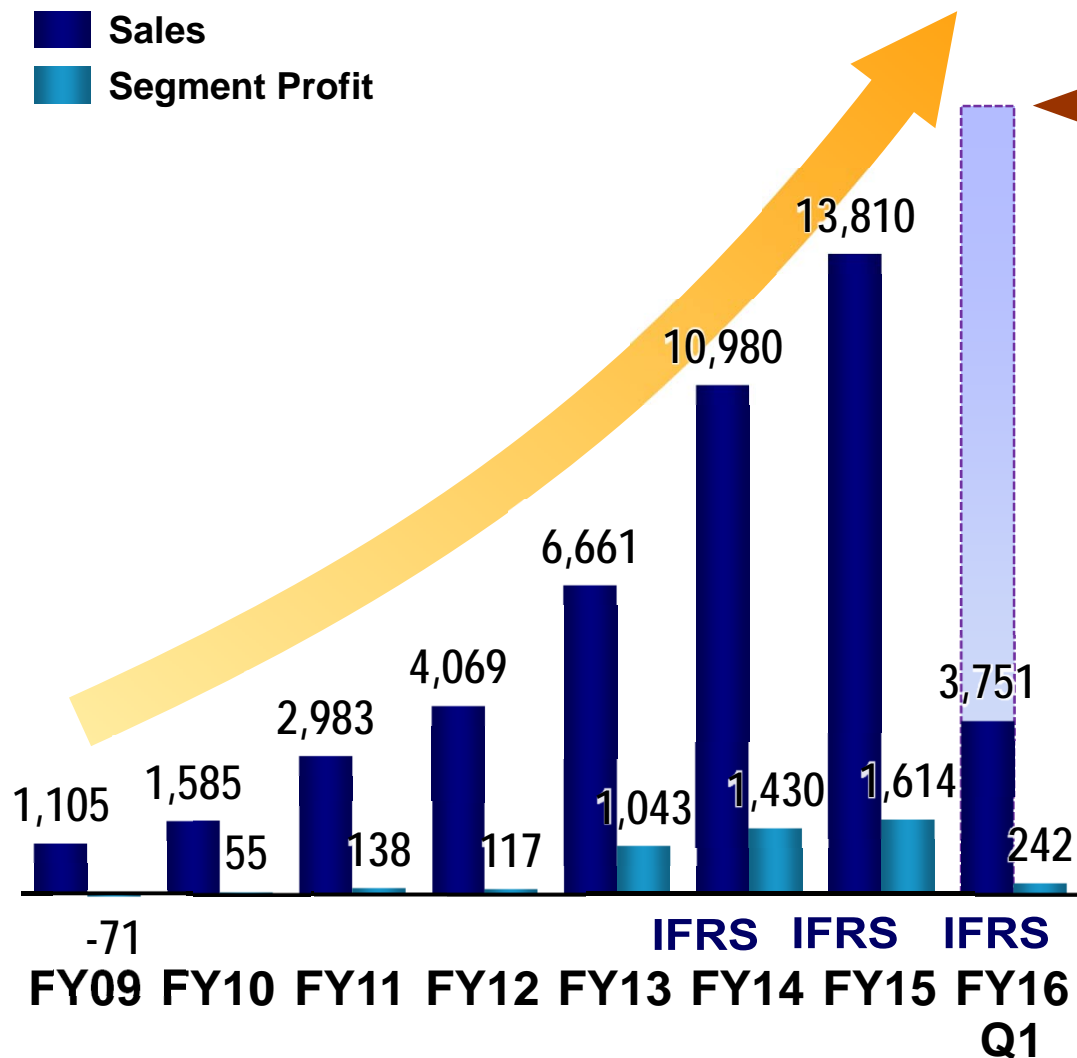
 Over 1.5 million physicians members, covering the majority of doctors in China

Sales and Profit Trend of Overseas

(million yen)

IFRS basis

■ Sales
■ Segment Profit



FY16 FCT
17 bn yen

- Broader business scope in China, US and UK
- MR-kun launched in the U.K., contracts signed with multiple drug companies
- Local currency basis year on year growth:
 - Sales: +35%
 - Profit: +19%

M3 Group's Business Strategy

Strategy Change in Business Development

**Business Development
in Healthcare-Internet Sector
(2000~2010)**



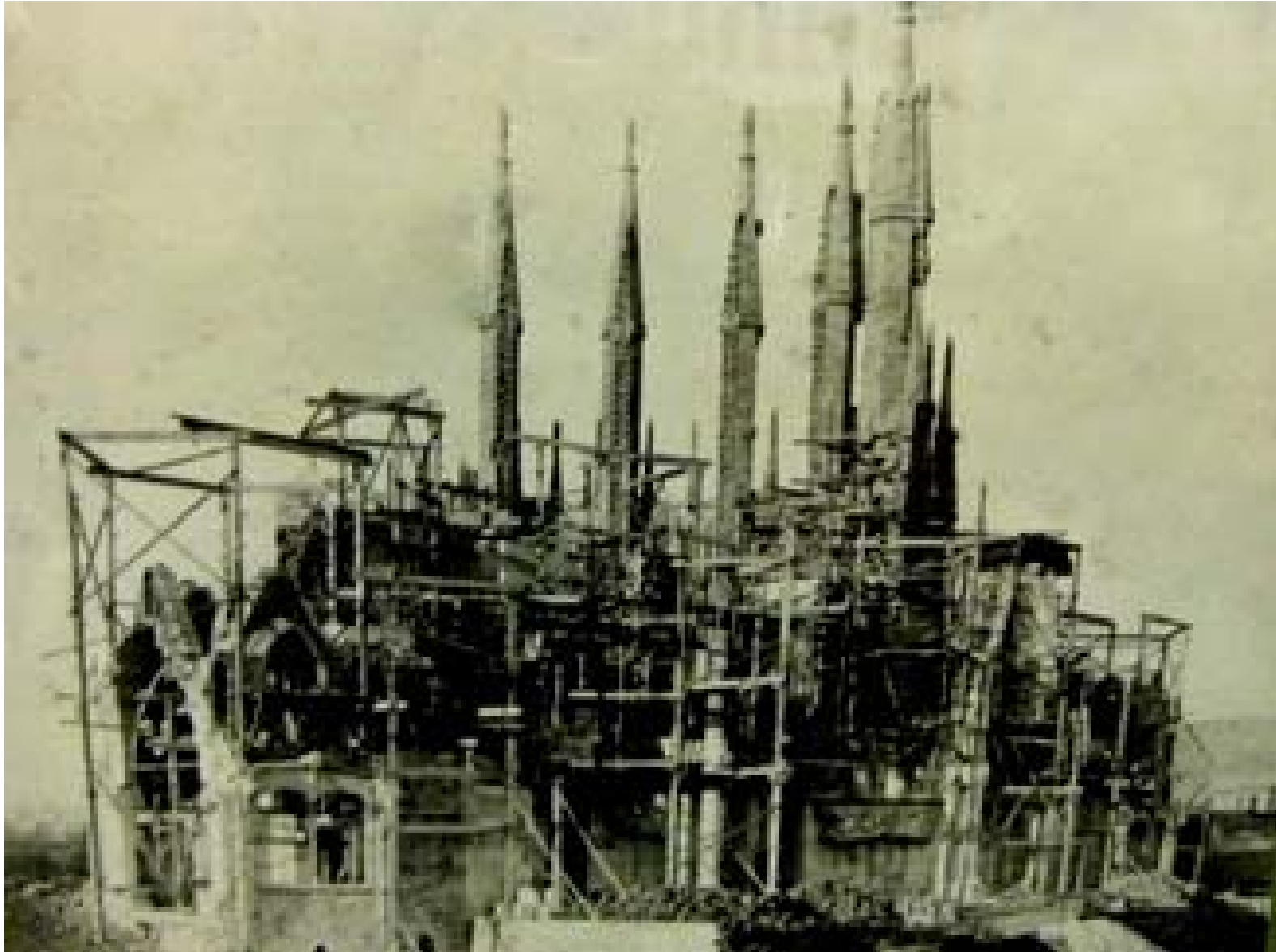
**Internet-Powered Investment
Strategy in Healthcare
Sector
(2011~)**



Approach	Internet	➔	Internet + Real Operations
Service Coverage	Web-based eTools	➔	Entire Value-Chain
Potential Business Domains	~10	➔	20 ~ 30 (~ 100 including overseas)
Profitability	High profitability (Mid profit)	➔	High profit (Mid profitability)
M&A	Small sized	➔	Large ~ mid sized

**👉 M3 is uniquely positioned to transform the health care industry via its
1) Platform 2) Industry Expertise and
3) Human Resources (management and engineering)**

M3 is Just Getting Started

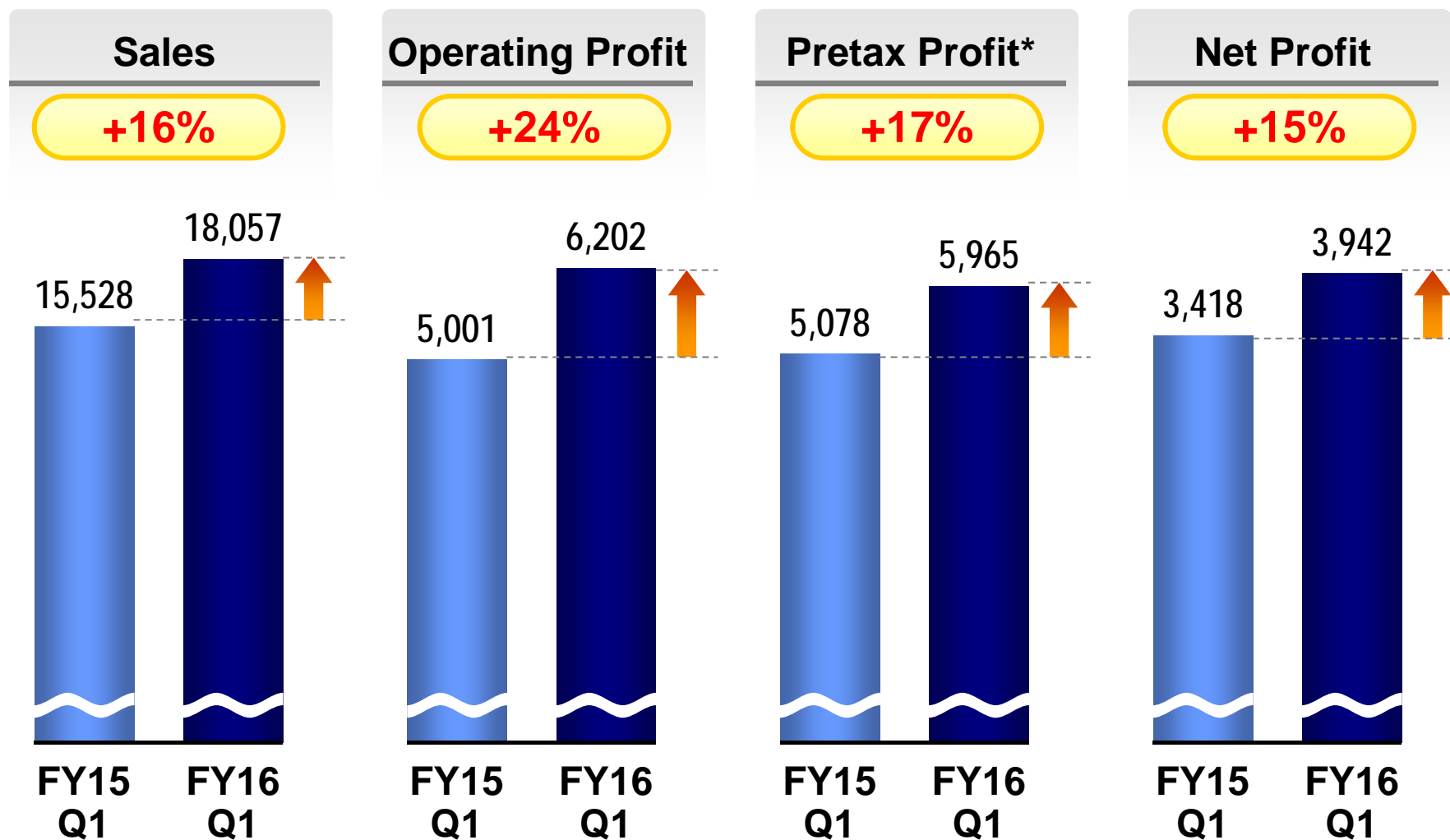


FY 2015 Overview

FY2016 Q1 Consolidated Cumulative Results

(million yen)

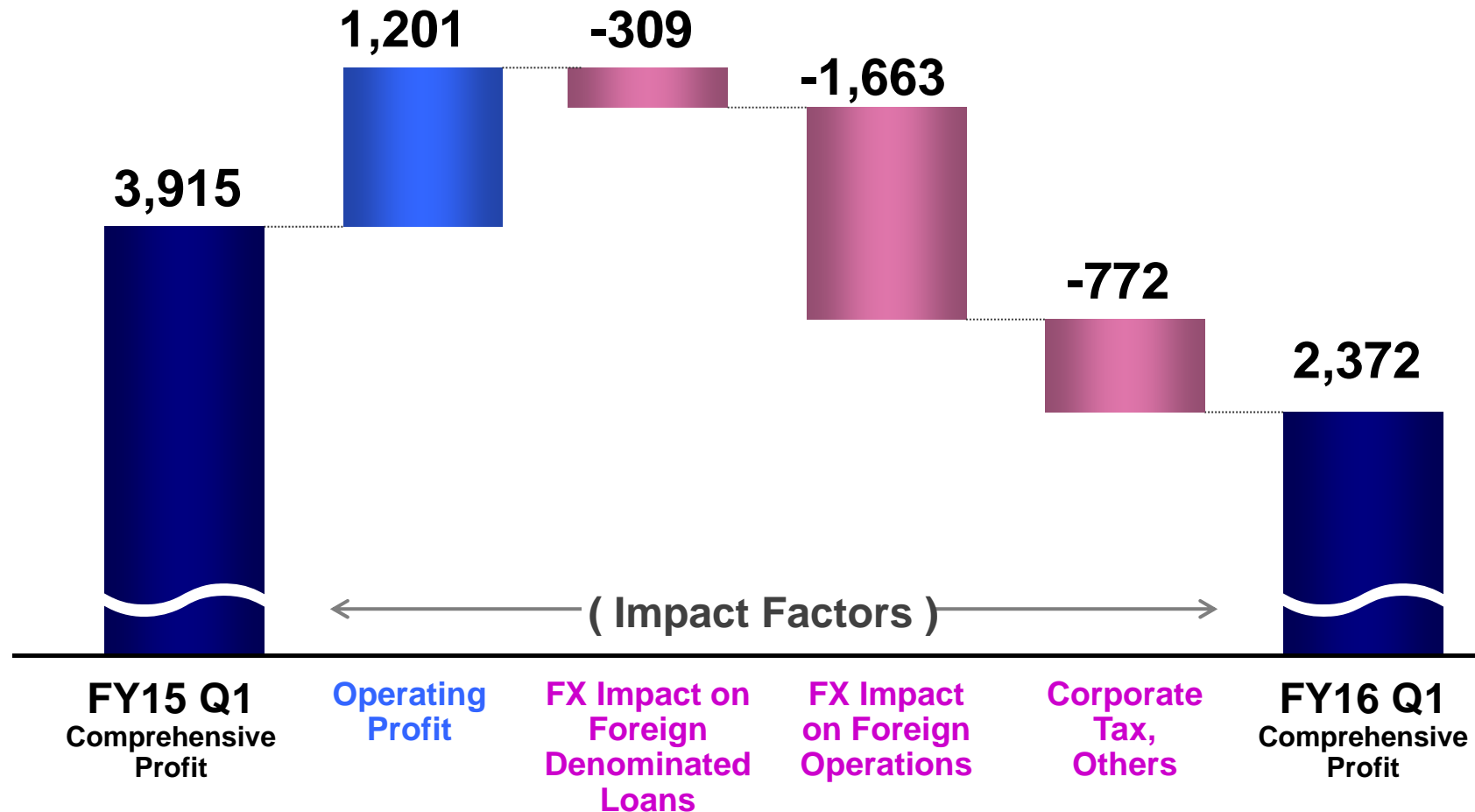
IFRS Base



* Foreign currency denominated loans to overseas group companies caused foreign exchange losses of 240 million yen

Comprehensive Profit: Impact Factors

(million yen)



 Business operations remained stable, however, comprehensive profit was impacted negatively from yen strength

FY2016 Consolidated Results by Segment

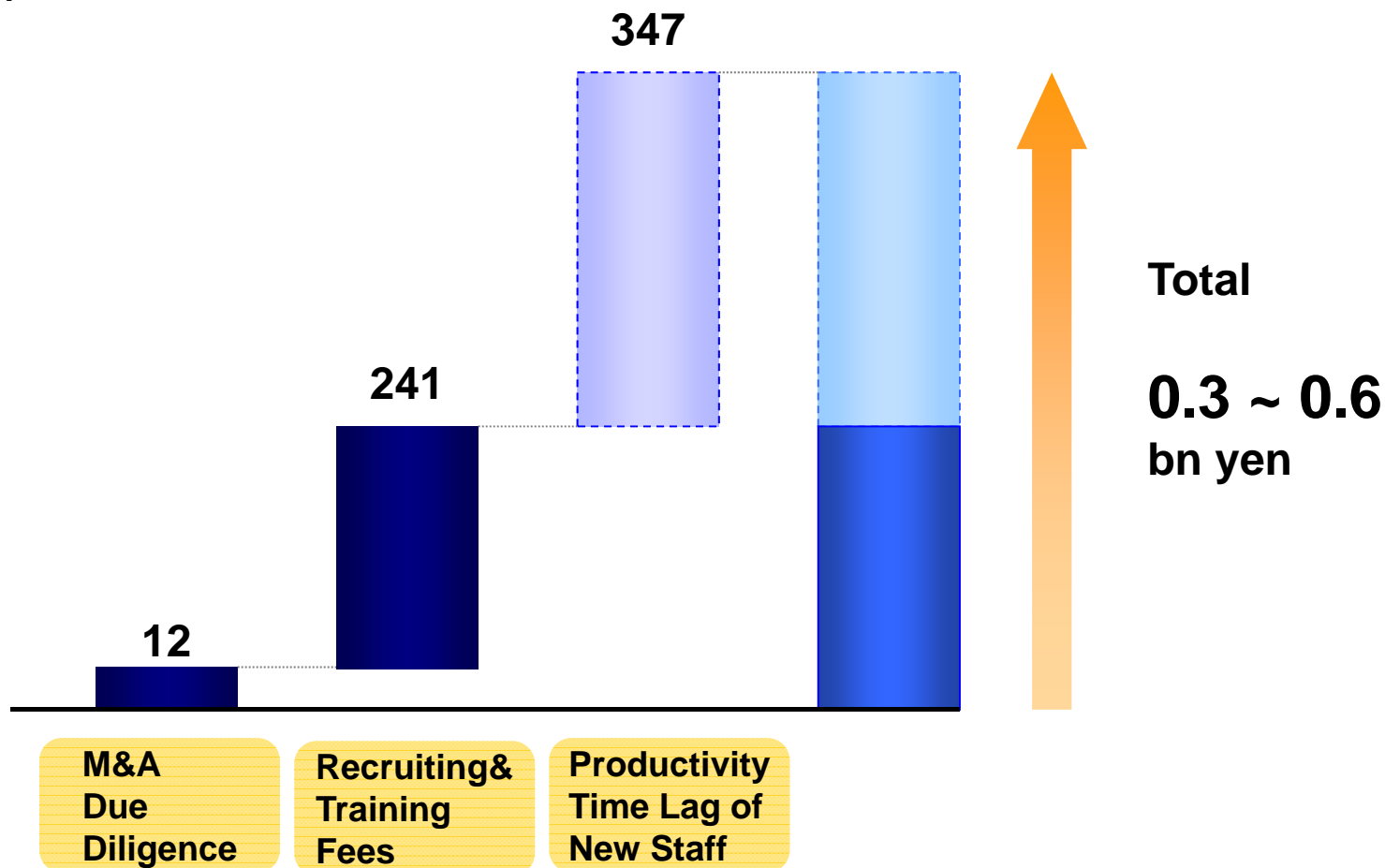
IFRS basis

(mn yen)		FY2015 Q1	FY2016 Q1	YoY
Medical Portal	Sales	6,378	7,735	+21%
	Profit	4,015	4,725	+18%
Evidence Solution	Sales	4,862	5,156	+6%
	Profit	909	974	+7%
Overseas	Sales	3,130	3,751	+20%
	Profit	238	242	+2% *
Clinical Platform	Sales	566	591	+4% *
	Profit	34	(10)	—
Sales Platform	Sales	335	352	+5%
	Profit	6	24	approx. 4x
Others	Sales	446	747	+67%
	Profit	64	13	-80%

* Overseas segment results in local currency basis: Sales +35% yoy, Profit:+19% yoy

Special Upfront Investment Costs for Future Growth

(million yen)

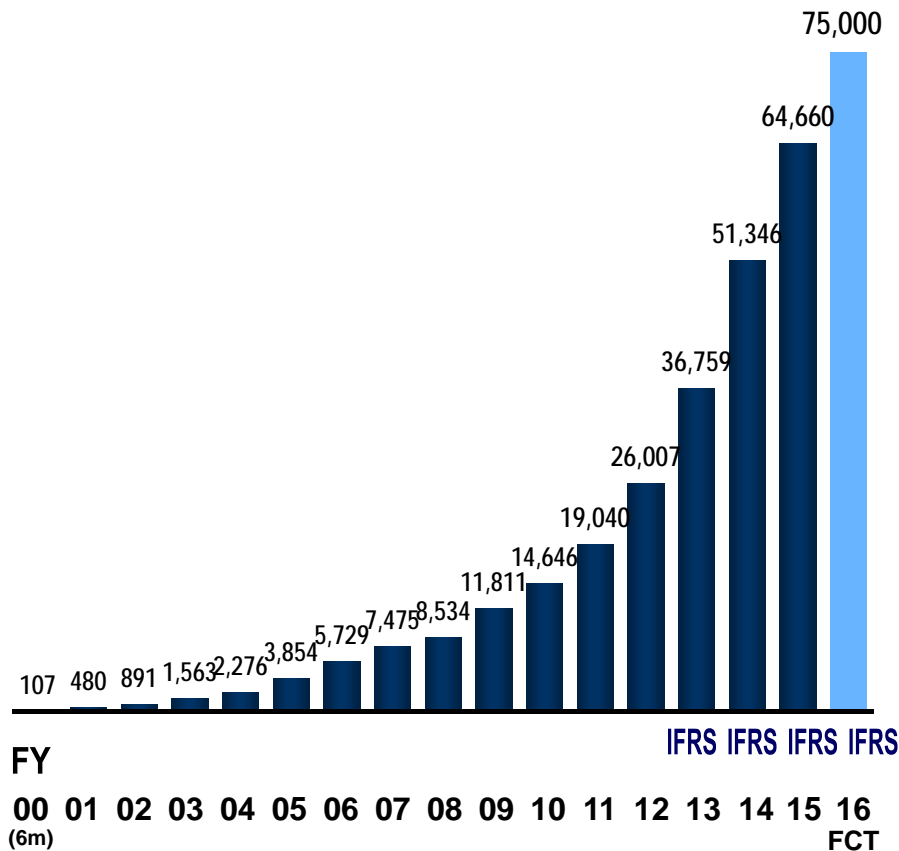


 One-time costs incurred in Q1 in anticipation of future growth dampen profits by 0.3 ~ 0.6 bn yen. Aggressive upfront investment to continue.

Annual Results & Forecast for FY2016

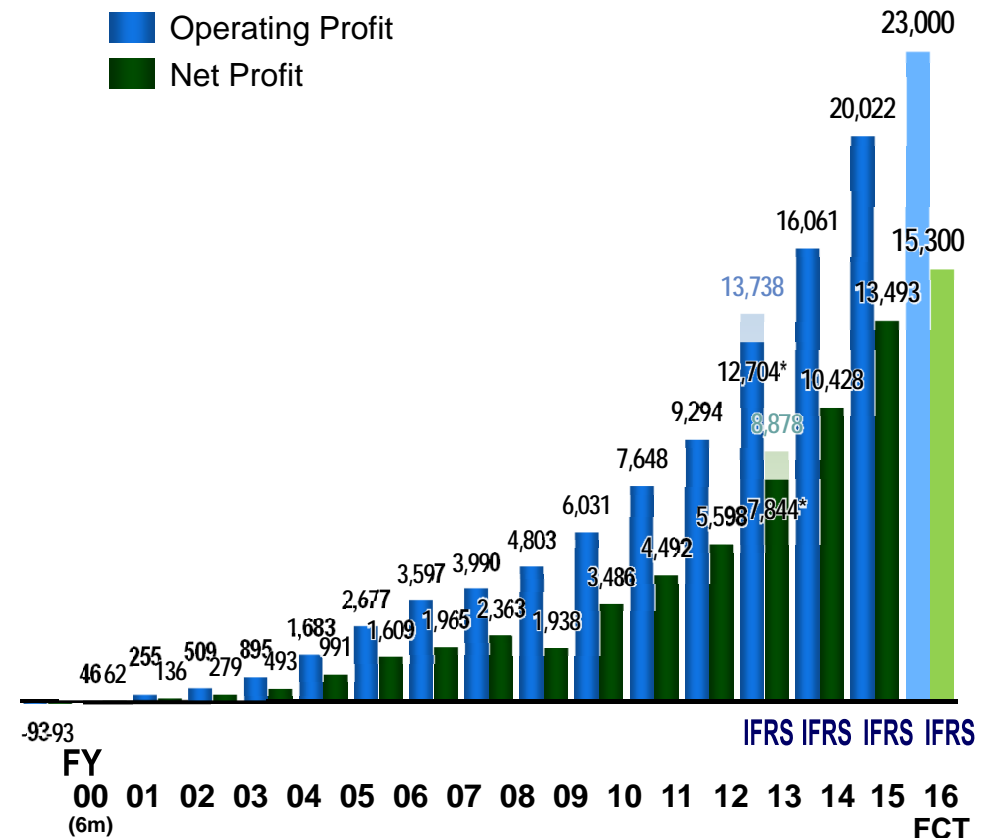
Sales

(mn yen)



Operating Profit & Net Profit

(mn yen)



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

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