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.
FY 2016 Overview
## FY2016 Consolidated Results

(million yen)  

<table>
<thead>
<tr>
<th></th>
<th>Forecast</th>
<th>Actual</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>75,000</td>
<td>78,143</td>
<td>+21%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>23,000</td>
<td>25,050</td>
<td>+25%</td>
</tr>
<tr>
<td>Pre-tax Profit</td>
<td>23,000</td>
<td>24,959</td>
<td>+25%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>15,300</td>
<td>16,938</td>
<td>+26%</td>
</tr>
</tbody>
</table>

**FY16-end dividend: 10 yen**
<table>
<thead>
<tr>
<th>(million yen)</th>
<th>FY2015</th>
<th>FY2016</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>25,234</td>
<td>30,790</td>
<td>+22%</td>
</tr>
<tr>
<td>Profit</td>
<td>14,844</td>
<td>16,709</td>
<td>+13%</td>
</tr>
<tr>
<td><strong>Evidence Solution</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>19,992</td>
<td>22,313</td>
<td>+12%</td>
</tr>
<tr>
<td>Profit</td>
<td>3,908</td>
<td>5,307</td>
<td>+36%</td>
</tr>
<tr>
<td><strong>Overseas</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>13,810</td>
<td>16,338</td>
<td>+18% ***</td>
</tr>
<tr>
<td>Profit</td>
<td>1,614</td>
<td>1,582 **</td>
<td>-2% ***</td>
</tr>
<tr>
<td><strong>Clinical Platform</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>2,902</td>
<td>2,823</td>
<td>-3%</td>
</tr>
<tr>
<td>Profit</td>
<td>239</td>
<td>216</td>
<td>-10%</td>
</tr>
<tr>
<td><strong>Sales Platform</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>1,283</td>
<td>1,466</td>
<td>+14%</td>
</tr>
<tr>
<td>Profit</td>
<td>(5)</td>
<td>105</td>
<td>Turned profitable</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>2,574</td>
<td>5,845</td>
<td>+127%</td>
</tr>
<tr>
<td>Profit</td>
<td>532</td>
<td>1,416</td>
<td>+166%</td>
</tr>
</tbody>
</table>

* M&A fees for Anestation totaled 42 million yen
** M&A fees from India and Vidal deals totaled 266 million yen
***Overseas segment results in local currency basis: Sales +35% yoy, Profit:+27% yoy
Upfront Investment Costs for Future Growth

(million yen)

Special costs incurred in anticipation of future growth dampened profits by 1.7 ~ 2.5 bn yen. Aggressive upfront investment to continue.
OP Growth Contributors (FY2009 → FY 2016)

Over 2/3 of incremental OP contributed by businesses aside from MR-kun Family.

MR-kun family will continue to grow, while profit growth contribution will be exceeded by other businesses.
Current Business Situation and Outlook
<table>
<thead>
<tr>
<th>Section</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platform</td>
<td>The m3.com platform continues to expand. Physician access increased +94% (mobile access also increased) from 5 years ago, and platform sales increased +132%</td>
</tr>
<tr>
<td>MR-kun Family</td>
<td>Full year sales were strong at +19% yoy with further penetration of various services. Orders are off to a healthy start for FY17</td>
</tr>
<tr>
<td>Career</td>
<td>Establishing an invincible No.1 position in the industry for job placement of physicians and pharmacists. Sales: 8.6 bn yen, +25% yoy; Op Profit: 2.5 bn yen, +11% yoy</td>
</tr>
<tr>
<td>Evidence Solution</td>
<td>Strength in orders received, and profitability of Neues acquired last year continues to improve. Full year OP grew +36% yoy, OP margins improved to 24%.</td>
</tr>
<tr>
<td>Overseas</td>
<td>Local ccy basis sales increased 35% yoy, and profits excluding M&amp;A due diligence fees increased +27% yoy. Profit contribution from the completed Vidal acquisition totaled 379 million jpy (4 months worth, after amortization of intangible fixed assets)</td>
</tr>
</tbody>
</table>
Continued Expansion of m3.com

<table>
<thead>
<tr>
<th>Number of Physician Members</th>
<th>Number of Physician Logins</th>
<th>Medical Portal Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>+39%</td>
<td>&lt;</td>
<td>+94% &lt;</td>
</tr>
<tr>
<td>FY11 FY16</td>
<td>FY11 FY16</td>
<td>FY11 FY16</td>
</tr>
</tbody>
</table>

Platform expansion exceeds membership growth, with diversification of revenue sources
MR-kun Family

Domestic

Platform Linked Business

M3’s Growth

Overseas
**Doctor Demand for On-Line Detailing**

**Q.** What is the ideal ratio of online and offline product information (“details”) from drug companies?

**A.** According to 400 physicians, high demand for e-detailing from busy physicians that prefer on-demand and relevant information, without the limitations imposed by offline sales reps.

<table>
<thead>
<tr>
<th>On-line</th>
<th>Off-line</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>20%</td>
<td>80%</td>
</tr>
</tbody>
</table>

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

**Time Allocation of doctors collecting info**

- **Internet**: 39%
- **Sales Reps**: 17%
- **Other**: 44%

**Marketing Budget Allocation of drug companies in Japan**

- **Internet**: ~20 bn yen
- **Sales Reps**: ~1.5 tril yen
- **Other**: ~100 bn yen
- **Total**: 100%

Source: M3 research, percentages are approximate.
MR-kun Family’s Growth Potential in Japan

Currently

<table>
<thead>
<tr>
<th>Pharma CLIENTS</th>
<th>(approx.) 30 Companies</th>
</tr>
</thead>
</table>

Full Potential

<table>
<thead>
<tr>
<th>Sales per CLIENT</th>
<th>(approx.) ¥500 mn</th>
</tr>
</thead>
</table>

Growth Potential of 3~4x current levels

- ¥1 bn ~ ¥1.5 bn per client
- # of products
- # of opt-in MDs
- Added value of contents

Broadening of usage across entire service line-up:

Average revenues from top 20 clients grew at approx. 14% YoY
## MR-kun Family Fee Structure (annual)

<table>
<thead>
<tr>
<th>MR-kun Base &amp; Operation fee</th>
<th>Delivery fee</th>
<th>Contents Production fee</th>
<th>Other MR-kun Family Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥60 ~ 70 mn</td>
<td>¥20 ~ 40 mn</td>
<td>¥30 ~ mn</td>
<td>¥10 ~ mn</td>
</tr>
</tbody>
</table>

### Entry Level (one product)
- **MR-kun**
- **Delivery fee**
- **Contents Production fee**
- **Other MR-kun Family Services**

### Top 5 Clients (multiple products)
- **MR-kun**
- **Delivery fee**
- **Contents Production fee**
- **Other MR-kun Family Services**

**Entry Level (one product)**

- **Entry Level**
- **MR-kun, One Point eDetail, Web Symposium**

**Top 5 Clients (multiple products)**

- **Top 5 Clients**
- **Production of customized detail contents**
- **Others**

*The average of top 5 clients: around ¥ 1 billion*
**MR-kun Family: YoY Incremental Sales Comparison**

(million yen)

<table>
<thead>
<tr>
<th></th>
<th>FY14 Total</th>
<th>H1 YoY</th>
<th>H2 YoY</th>
<th>FY15 Total</th>
<th>H1 YoY</th>
<th>H2 YoY</th>
<th>FY16 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>500</td>
<td>500</td>
<td>737</td>
<td>737</td>
<td>1,708</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY16 H2 sales growth accelerated (+24% yoy). Full fiscal year sales grew at +19% yoy.
## Business Segment Breakdown and Type

<table>
<thead>
<tr>
<th>Business Segments</th>
<th>Services</th>
<th>FY16 Sales</th>
<th>Business Type</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Portal</strong></td>
<td>MR-kun Family</td>
<td>15 bn yen</td>
<td>MR-kun Family</td>
</tr>
<tr>
<td></td>
<td>Career</td>
<td>9 bn yen</td>
<td>Platform</td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td>3 bn yen</td>
<td>Linked Business</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>3 bn yen</td>
<td>Overseas</td>
</tr>
<tr>
<td></td>
<td>(Mr. Finder, AskDoctors, others)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Evidence Solution</strong></td>
<td></td>
<td>22 bn yen</td>
<td></td>
</tr>
<tr>
<td><strong>Clinical Platform</strong></td>
<td></td>
<td>3 bn yen</td>
<td></td>
</tr>
<tr>
<td><strong>Sales Platform</strong></td>
<td></td>
<td>1 bn yen</td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>( iTicket, hospital support, others)</td>
<td>5 bn yen</td>
<td></td>
</tr>
<tr>
<td><strong>Overseas</strong></td>
<td></td>
<td>16 bn yen</td>
<td></td>
</tr>
</tbody>
</table>
Total revenue of platform-linked businesses in FY2017 is expected to exceed 50 billion yen. New projects pipeline includes 20 to 30 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.”

Evolution via MR-kun for pharmaceutical e-Marketing - Engine #1

Evolution via Mr. Finder for pharmaceutical e-R&D - Engine #2
Mr. Finder dramatically outpaced competitors both by number and speed in enrolling cases for a particular Endocrinology trial.

Expedited enrollment of motivated physicians and patients compared to other SMOs.
Shift to e-Clinical Trials

Group-wide approach to promoting and accelerating internet-based drug development

### Theme

- **Shift to e-SMO**
  - Site Selection
  - Feasibility Study, etc

- **Shift to e-CRO**
  - Monitoring
  - EDC, etc

- **Shift to e-Infrastructure**
  - Utilization of electronic medical records, etc

### Operation

<table>
<thead>
<tr>
<th>Theme</th>
<th>Operation</th>
<th>M&amp;A Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift to e-SMO</td>
<td>e-SMO</td>
<td>2011</td>
</tr>
<tr>
<td></td>
<td>Clinical Porter</td>
<td>2009</td>
</tr>
<tr>
<td>Shift to e-CRO</td>
<td>NEUES</td>
<td>2015/4</td>
</tr>
<tr>
<td></td>
<td>Mic</td>
<td>2012</td>
</tr>
<tr>
<td>Shift to e-Infrastructure</td>
<td>CMS</td>
<td>2012</td>
</tr>
</tbody>
</table>

**Evid Sol**

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Orders backlog at 29bn yen, with corresponding increases in headcount as upfront investment

OP margin rose to 24% with backdrop of healthy orders expansion

Neues, an SMO acquired in April 2015, posted 600 million yen in profits
Sales and Profit Trend of M3 Career

(million yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (million yen)</th>
<th>Ordinary Profit (million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>1,433</td>
<td>177</td>
</tr>
<tr>
<td>2011</td>
<td>2,191</td>
<td>437</td>
</tr>
<tr>
<td>2012</td>
<td>3,235</td>
<td>749</td>
</tr>
<tr>
<td>2013</td>
<td>4,594</td>
<td>1,070</td>
</tr>
<tr>
<td>2014</td>
<td>5,712</td>
<td>1,714</td>
</tr>
<tr>
<td>2015</td>
<td>6,925</td>
<td>2,292</td>
</tr>
<tr>
<td>2016</td>
<td>8,630</td>
<td>2,554</td>
</tr>
</tbody>
</table>

*Excludes Anestation M&A fees

FY17 FCT 10.5 bn yen

- Sales and profit expansion from increase in staff and productivity
- FY2017 should see continued traction from job placement for physicians.

JGAAP basis
Potential for AskDoctors.com

- 200,000 paid members
- 15,000 consultations per month
- 5.6 doctors respond to each question
- 99.9% response rate
- 2,400,000 archived consultation results
- Yahoo! Japan affiliation
- Already Japan’s largest remote medical consultation platform

Rapid AskDoctors based business development opportunities exist on the stroke of advancement in legislation surrounding remote medicine
Established “M3 AI Labo”

<table>
<thead>
<tr>
<th>Development Stages</th>
<th>M3 Value Addition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulation of Medical Big Data</td>
<td>• Medical data accumulation from the 250 thousand local and 4+ million global physician members</td>
</tr>
</tbody>
</table>
| Clinical Study, Application Approval | • Clinical study execution via group CROs, SMOs  
|                                  | • Rapid patient recruitment utilizing Mr. Finder  
|                                  | • Regulatory strategy consulting                                                      |
| Marketing                       | • MR-kun family marketing support services                                         |
| Financing                       | • Financing support based on venture capital expertise                             |

Medical device and service development utilizing artificial intelligence and M3 group’s aggregate support services.
MR-kun Family

Platform Linked Business

M3’s Growth

Overseas

Domestic
Number of Physician Members and Panelists (Global)

(thousand)

4+ million members worldwide

Over 4 million physicians utilize M3’s global platforms
Operation size grew +63% 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 profitability.
- Steady growth for FY17 is expected.

A new US driver with a faster initial growth rate than M3 Career in Japan, and a much larger addressable jobs market overall.
China: Membership Expansion

Number of Physician Members in China

(Thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY14 1Q</th>
<th>FY14 2Q</th>
<th>FY14 3Q</th>
<th>FY14 4Q</th>
<th>FY15 1Q</th>
<th>FY15 2Q</th>
<th>FY15 3Q</th>
<th>FY15 4Q</th>
<th>FY16 1Q</th>
<th>FY16 2Q</th>
<th>FY16 3Q</th>
<th>FY16 4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>953</td>
<td>1,019</td>
<td>1,096</td>
<td>1,154</td>
<td>1,250</td>
<td>1,362</td>
<td>1,490</td>
<td>1,561</td>
<td>1,617</td>
<td>1,680</td>
<td>1,753</td>
<td>1,838</td>
</tr>
</tbody>
</table>

- Marketing services for drug companies starting with MR-kun, and marketing research services showed steady growth.
- MR-kun is now being utilized for 30 drugs across 10 pharmaceutical companies.

On the brink of 2 million physicians members, covering the majority of doctors in China.
RotaMaster

Corporate Name: IQUS Limited
Established: 2000
Location: West Yorkshire, U.K.
Employees: approx. 20
Trademark:  

Overview

Synergies

- Developed and sells the RotaMaster software designed for workforce management at healthcare institutions
- Utilized at 75 medical institutions, and holds 63% market share across institutions operating outside of normal hours
- Transparency of open shifts provided by RotaMaster allows maximization of temporary staff placements
- Unscheduled healthcare provider market (locum) is sized at roughly 60 billion yen. Considering expansion into this market by matching of DNUK members with open shifts found via RotaMaster

Official entry into the UK career business with RotaMaster
Broader business scope in US, UK, France, and China

Local currency basis yoy growth ex M&A fees:
- Sales: +35%
- Profit: +27%
M3 Group’s Business Strategy
### New Service Development in the Medical Internet Sector

**Approach**
- Internet

**Service Coverage**
- Web-based eTools

**Potential Business Domains**
- ~10

**Profitability**
- High profitability (Mid absolute profit)

**M&A**
- Small

### Internet-Powered PE Style Business Expansion in Healthcare Industry

**Approach**
- Internet + Real Operations

**Service Coverage**
- Entire Value-Chain

**Potential Business Domains**
- 30 ~ 50 (~ 200 including overseas)

**Profitability**
- High absolute profit (Mid profitability)

**M&A**
- Medium ~ Large

---

**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’s Investment Spectrum

Consolidation remains the core strategy, along with a wide spectrum of investment styles in all high potential companies.
We aim to create value across 3 successive terms after execution of M&A.

Execution of 10+ M&As in the past 3 years have created more synergistic effects than expected and has provided accumulation of turn-around expertise.

PE-style investment will be applied to create value overseas as well going forward.

Value Creation via M&A

Synergy Lever 1

Short term

Value creation

Synergy Lever 2

Mid term

Synergy Lever 3

Long term

PE type Cost Restructuring

ex. Reviewing indirect cost

Topline improvement via m3.com integration

ex. Expanding product pipelines that utilize m3.com

Cross-business synergy maximization, new business model creation

ex. Offering new clinical trial services utilizing e-Medical Charts

We aim to create value across 3 successive terms after execution of M&A.

Execution of 10+ M&As in the past 3 years have created more synergistic effects than expected and has provided accumulation of turn-around expertise.

PE-style investment will be applied to create value overseas as well going forward.
Powerful Execution Team

- Specialized team of approx. 10 experts with IBD backgrounds from top banks such as JPMorgan, UBS, Mizuho Securities, as well as KPMG, Innovation Network Corporation of Japan, and VC firms

- Internalized capabilities from sourcing to execution, leading post merger integrations to back up levers 1, 2, and 3

- Members from firms such as GS and MS situated in other business units are assigned to projects on an interim basis… multi-skill development

10 years since team formation, with zero retirees -- Voices from the Team:

“It’s an environment where you can work towards a unified objective, with colleagues of expertise in all areas. The satisfaction and sense of accomplishment were newly felt rewards, separate from monetary merit.”

“End-to-end involvement in projects allowed me to gain various expertise regarding management, operations, and best practices.”

“My work is exciting!”
M3 is Just Getting Started
Annual Results & Forecast for FY2017

Sales

(mn yen)

Operating Profit & Net Profit

(mn yen)

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

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FY2017 Budget Guideline

Topline

- Opportunities are partially and conservatively incorporated
- Pending new businesses and M&As are excluded

Cost

- Continued aggressive hiring, planning increase of 400 headcounts over the fiscal year:
  - Medical Portal: 150
  - CRO, SMO: 150
  - Others: 100

- Allocation for M&A related costs such as advisory fees: 400 million jpy
## FY 2017 Budget Guidance (By business)

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>MR-kun Family</td>
<td>- Double digit growth from increase in number of products using MR-kun family services</td>
</tr>
<tr>
<td>Career</td>
<td>- Healthy growth led by job placement for physicians.</td>
</tr>
<tr>
<td>Evidence Solution</td>
<td>- Continued growth from strong orders and projects progress</td>
</tr>
<tr>
<td>Overseas</td>
<td>- US: Continued growth surrounding the career business</td>
</tr>
<tr>
<td></td>
<td>- UK: Full consolidation of Vidal. Healthy growth including the UK.</td>
</tr>
<tr>
<td></td>
<td>- China: Healthy growth led by MR-kun</td>
</tr>
<tr>
<td>Others</td>
<td>- Steady growth from Clinical Platform and Sales Platform</td>
</tr>
<tr>
<td></td>
<td>- Various businesses in the other segments to expand in both scope and content</td>
</tr>
</tbody>
</table>
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