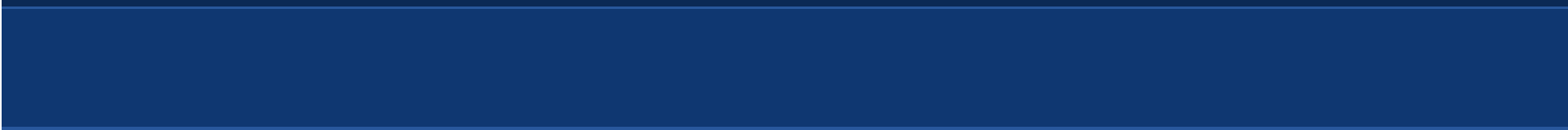

M3, Inc.

Presentation Material

July 2017





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 2017 1Q Consolidated Results

IFRSベース

(million yen)	FY2016 1Q	FY2017 1Q	YoY
Sales	18,057	21,874	+21%
Operating Profit	6,202	7,686	+24%
Pre-tax Profit	5,965	7,749	+30%
Net Profit	3,942	5,235	+33%

Segment Definition Changes

Previous and New Segment Correspondence Chart

		Original Segments								
		Medical Portal				Evidence Solution	Clinical Platform	Sales Platform	Overseas	Others
		MR-kun Family	Research /Data	M3 Career	Ask Doctors					
New Segments	Medical Platform	●	●			●	●			
	Evidence Solution				●					
	Career Solution			●						
	Overseas							●		
	Other Emerging Businesses				●				●	

Combined all related businesses into this Medical Platform segment given the development of businesses that integrate internet and real operational capabilities

Extracted as a new segment due to the nature and expanded size of the business

Combined other emerging businesses and the consumer business originally under the previous Medical Portal

FY2017 1Q Consolidated Results by Segment

IFRS basis

(unit: million yen)

		FY2016 Q1	FY2017 Q1	YoY
Medical Platform	Sales	6,057	6,968	+15%
	Profit	3,033	3,364	+11%
Evidence Solution	Sales	5,156	5,407	+5%
	Profit	974	1,183	+22%
Career Solution	Sales	3,111	3,433	+10%
	Profit	1,553	1,447	-7%*
Overseas	Sales	3,751	5,386	+44%
	Profit	242	767	+216%
Other Emerging Businesses	Sales	621	1,355	+118%
	Profit	165	208	+26%

* Upfront investment

Overview

Medical Platform

- New segment combining all businesses related to marketing support for pharmaceutical and medical device companies
- Sales 7.0 bn yen (+15% yoy), Op. Profit of 3.4 bn yen (+11% yoy)

Evidence Solution

- Off to a healthy start with sales of 5.4 bn yen (+5% yoy) and 12.0 bn yen in profits (+22% yoy), maintaining OP Margin of 23%
- Backlog remained stable at 28bn yen

Career Solution

- Increase in physician turn-over expanded business, Sales 3.4 bn yen (+10% yoy), Op profit 1.4 bn yen (absorbed upfront hiring and training costs, -7% yoy)

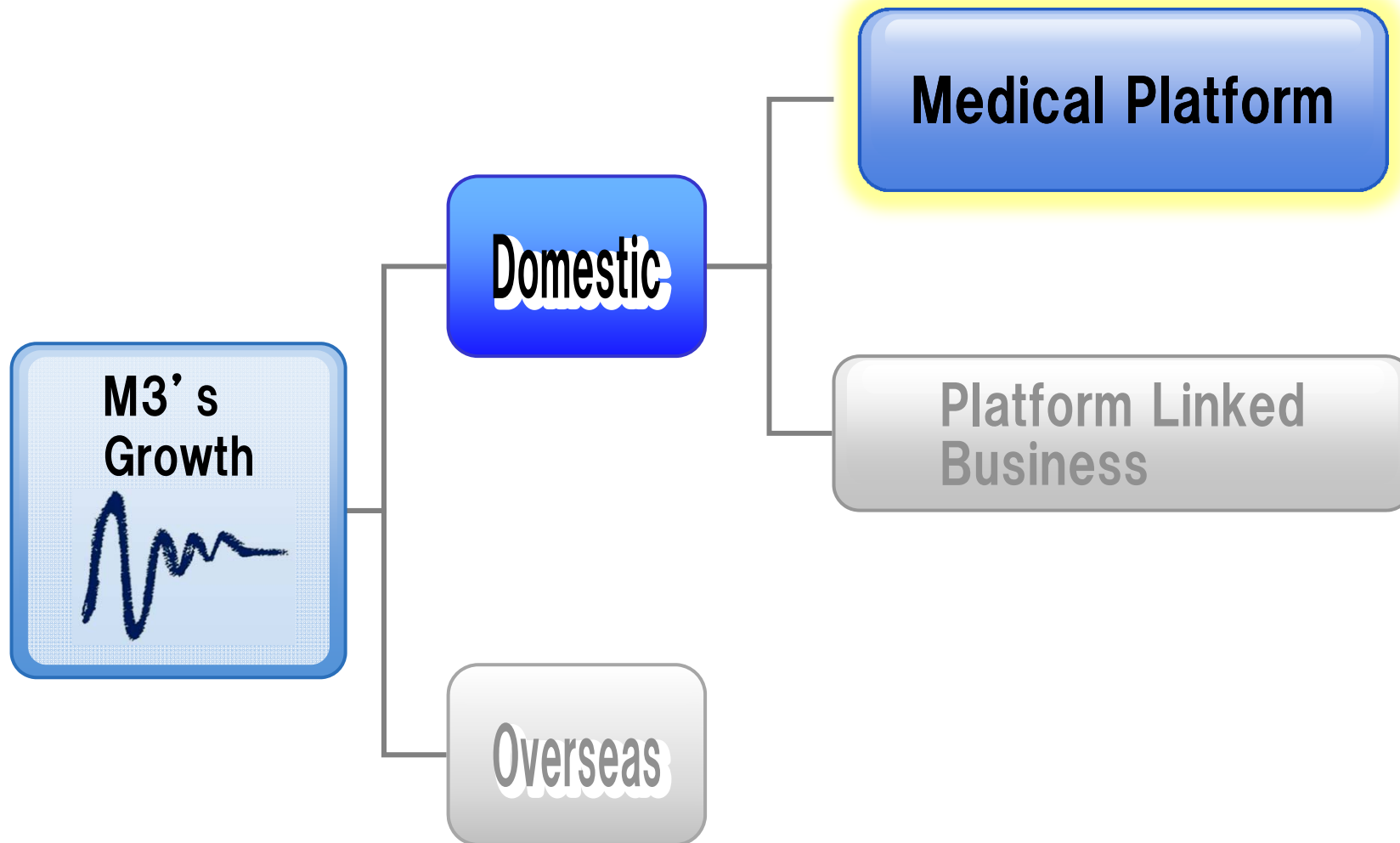
Overseas

- Large rebound in both sales and profits led by strength in the US business
- Sales: 5.4 bn yen (+44% yoy), Op Profit: 8.0 bn (over 3x increase yoy)

Other Emerging Businesses

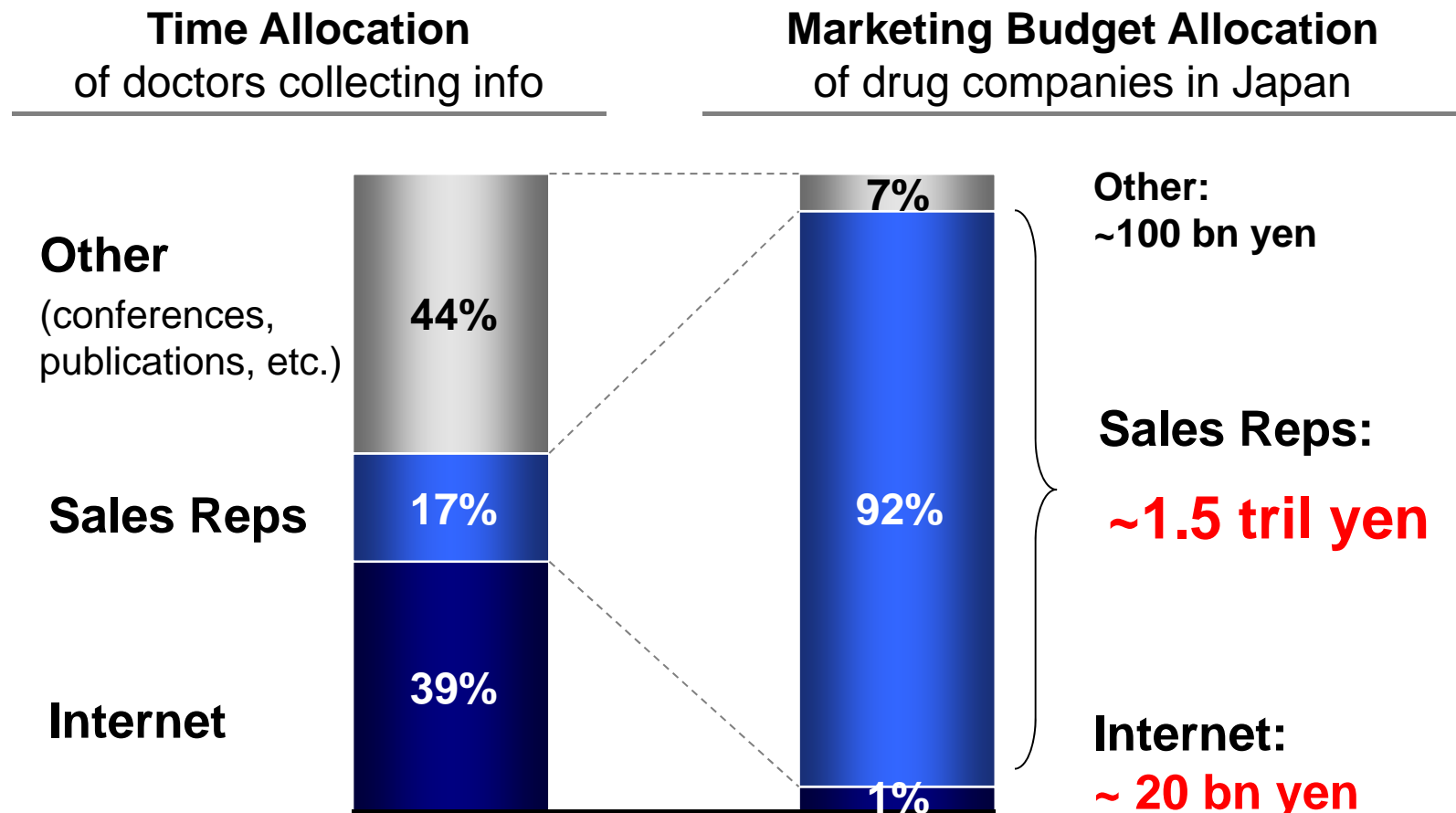
- Seeds rocket business: Medical technology currently in approval process with PMDA through subsidiary TamaBio. Aiming for early approval through full provision of M3 group resources.
- New Service: Launched “Multi-Opinion Service” starting with Breast Cancer specialty, where dedicated experts partner with patients to seek and deliver multiple expert opinions regarding best treatment methods

Current Business Situation and Outlook



Doctor's Time Allocation vs Pharma's Budget Allocation

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.



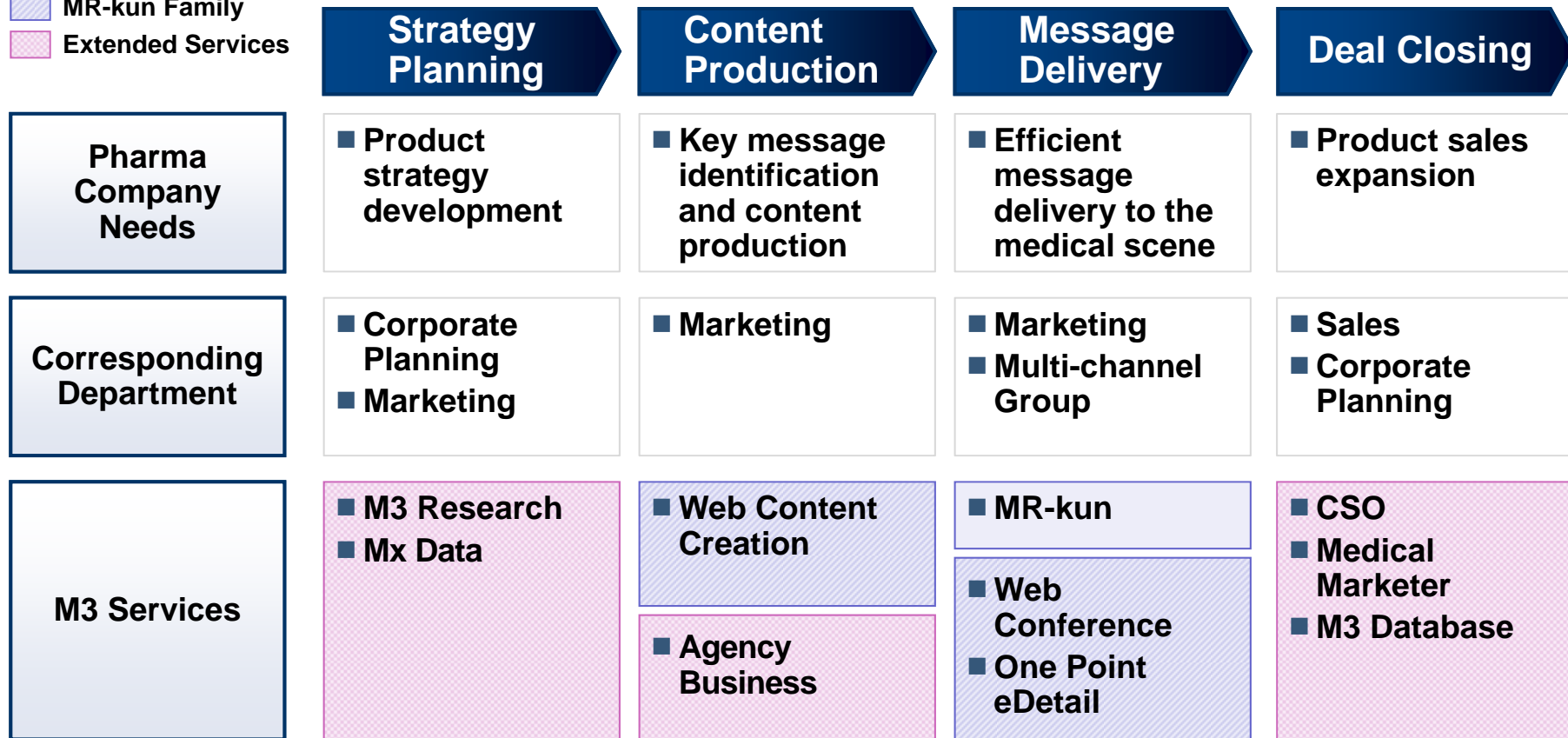
Source: M3 research, percentages are approximate

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Medical Platform Services

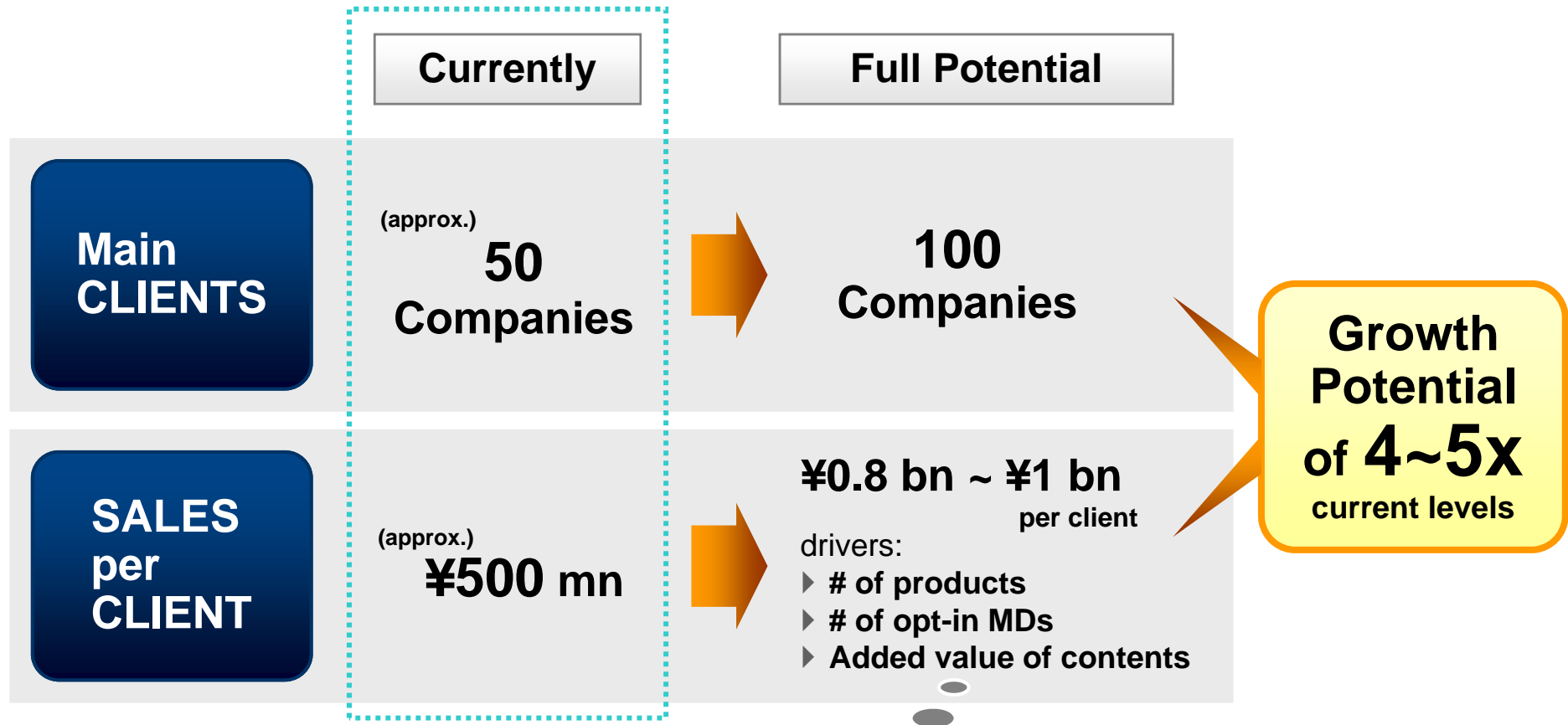
- MR-kun
- MR-kun Family
- Extended Services

Marketing Process at Healthcare Related Companies

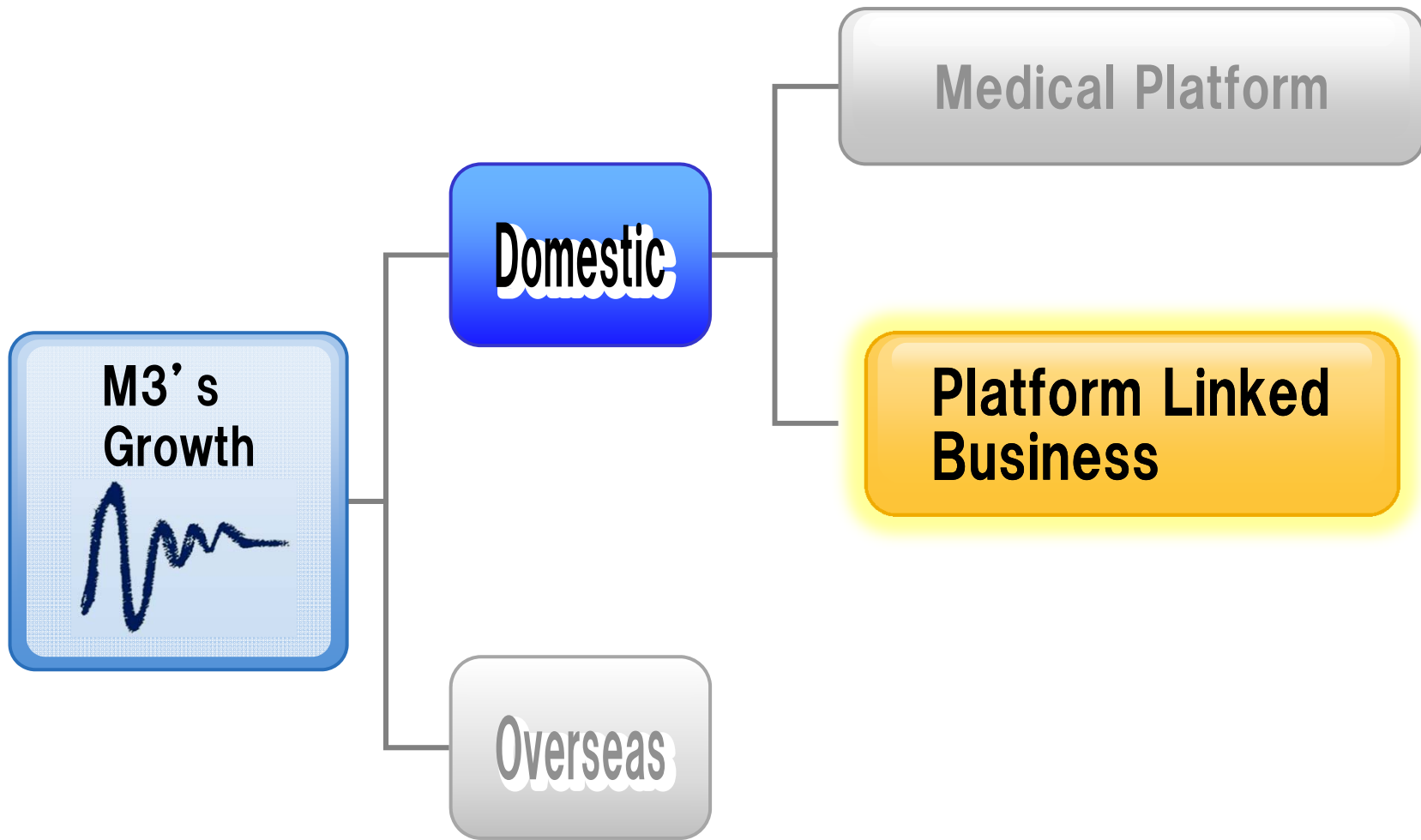


Expanded service line-up to accommodate a wider range of marketing needs, unlimited to just information delivery (original MR-kun), as a one stop shop

Medical Platform Growth Potential in Japan

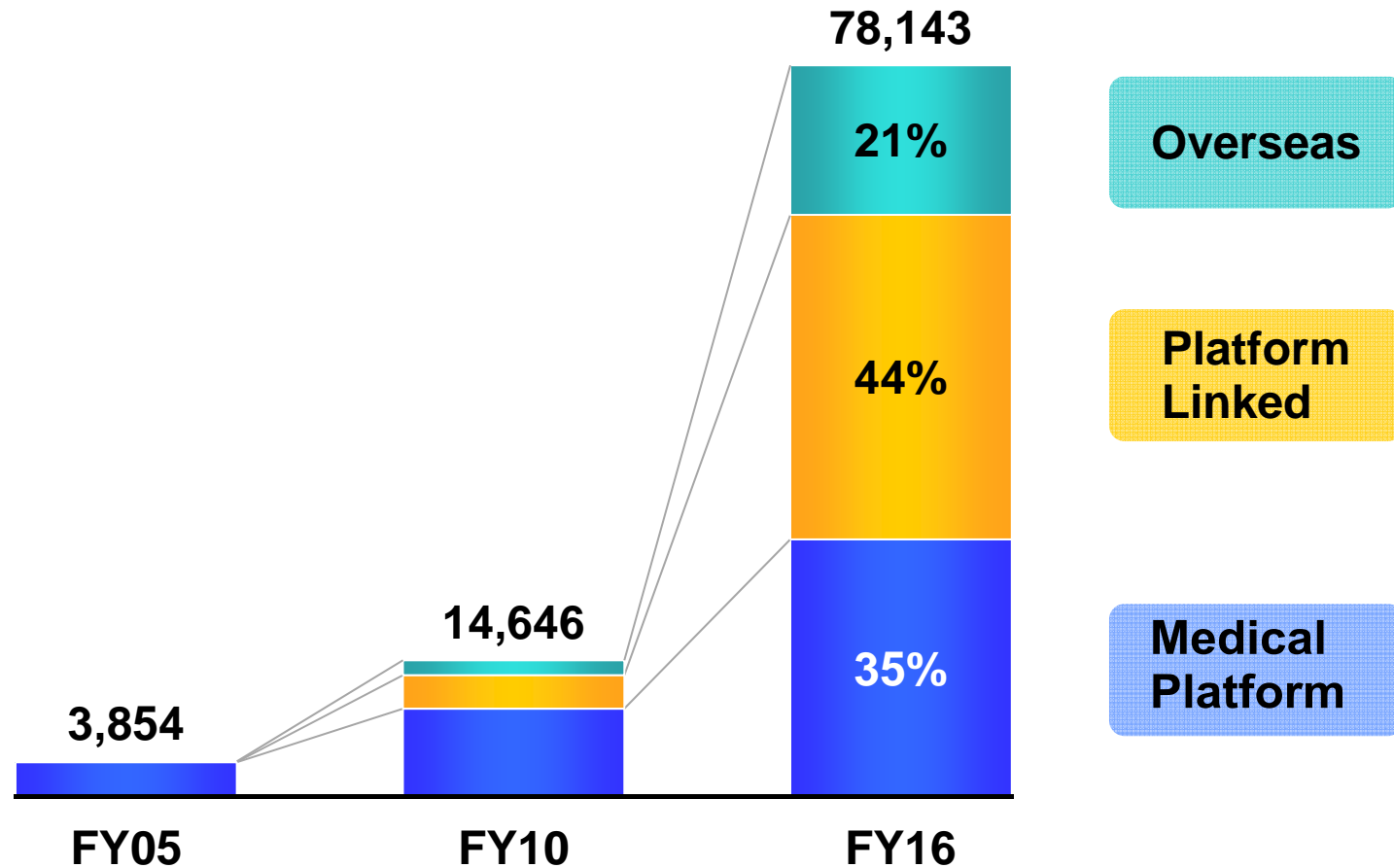


Broadening of usage across entire service line-up:
Average revenues from **top 20** clients grew at approx. **15%** YoY



Consolidated Sales Expansion and Business Breakdown

(unit: million yen)



👉 Medical platform has shown sound growth, while platform linked and overseas have expanded rapidly.

Power of Mr. Finder in Drug 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.”

~ 2010

Evolution via MR-kun for pharmaceutical e-Marketing

Plus

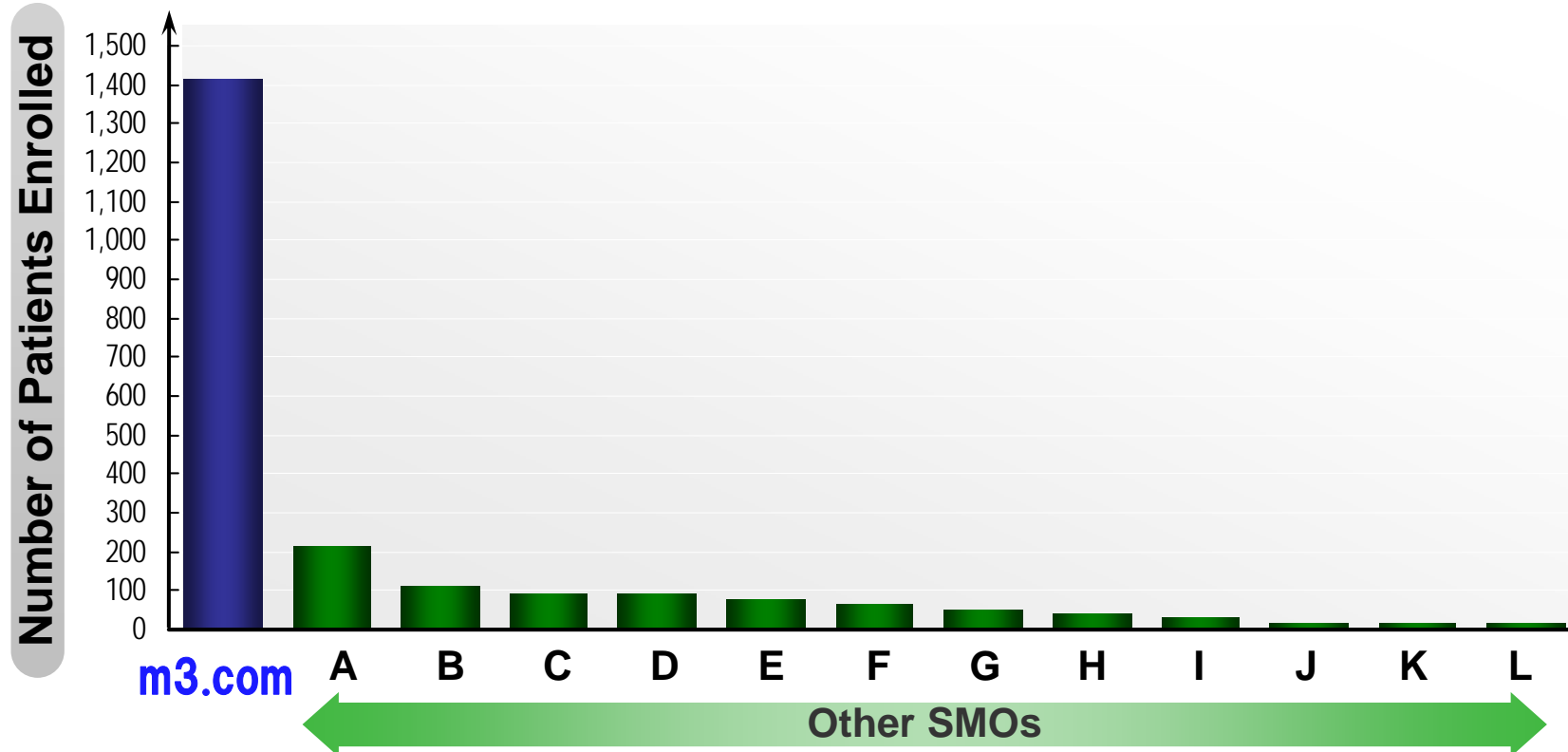
2011 ~

Evolution via Mr. Finder for pharmaceutical e-R&D

Patient Enrollment in Large-Scale Trials

Case study

Mr. Finder dramatically outpaced competitors both by number and speed in enrolling cases for a particular Endocrinology trial



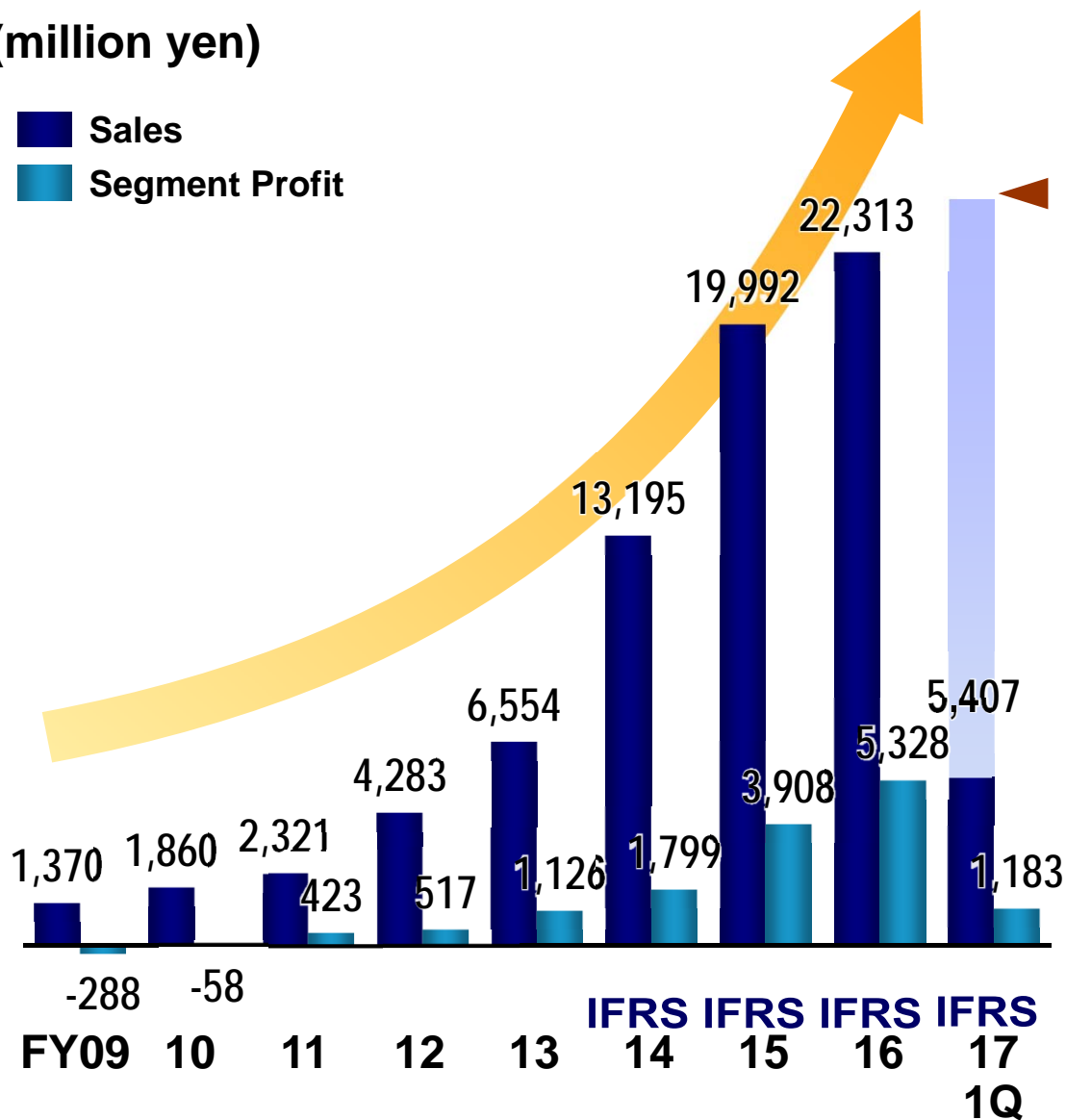
 **Expedited enrollment of motivated physicians and patients compared to other SMOs**

Sales and Profit Trend of Evidence Solution

(million yen)

IFRS basis

■ Sales
■ Segment Profit



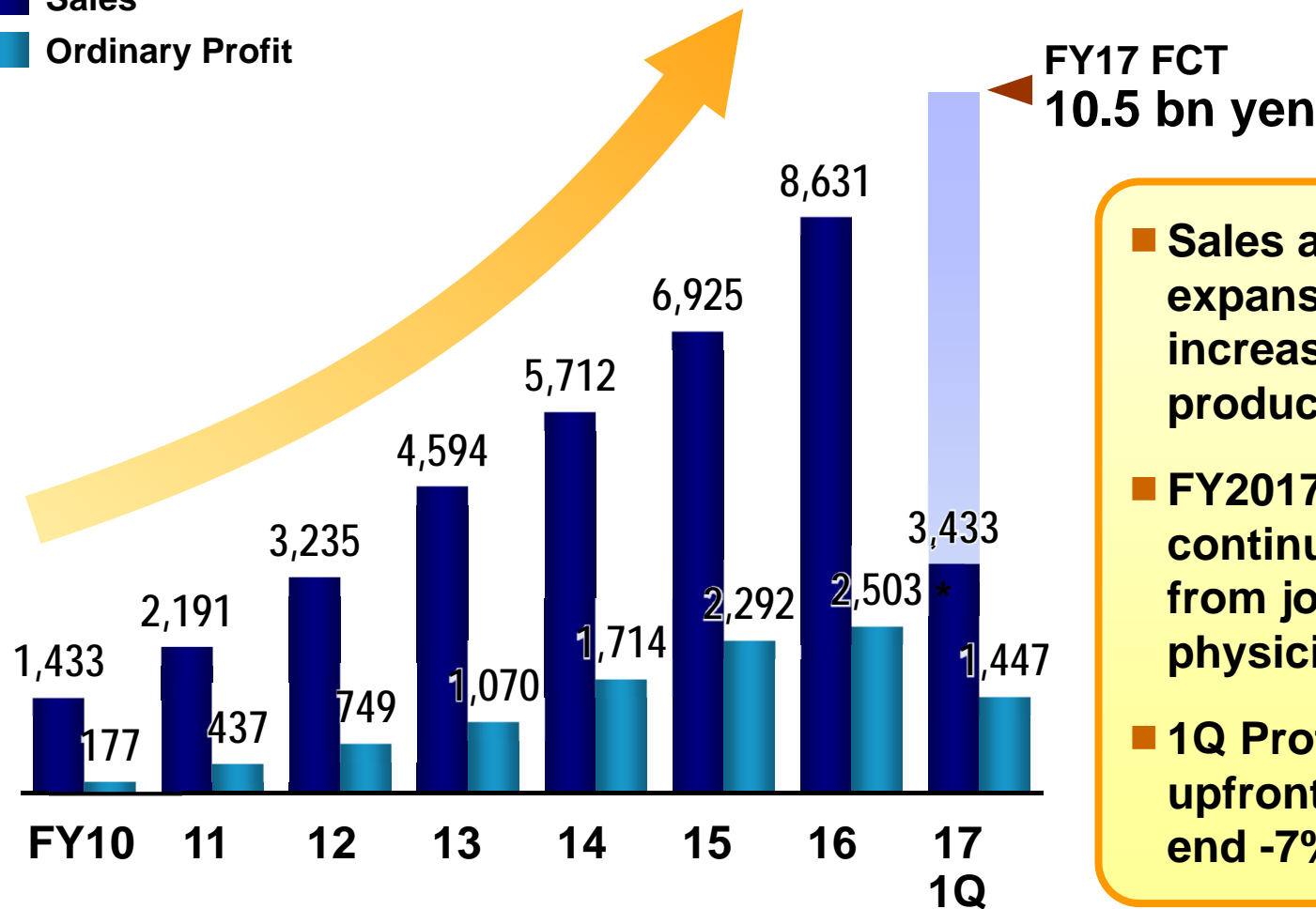
- Orders backlog remained around 28bn yen, with corresponding increases in headcount as upfront investment
- Steady growth backed by healthy orders, OP margin is 23%

Sales and Profit Trend of M3 Career

(million yen)

JGAAP basis

■ Sales
■ Ordinary Profit



- Sales and profit expansion from increase in staff and productivity
- FY2017 should see continued traction from job placement for physicians
- 1Q Profit absorbed upfront hiring costs to end -7% yoy

Seeds Rocket Business

Company Development

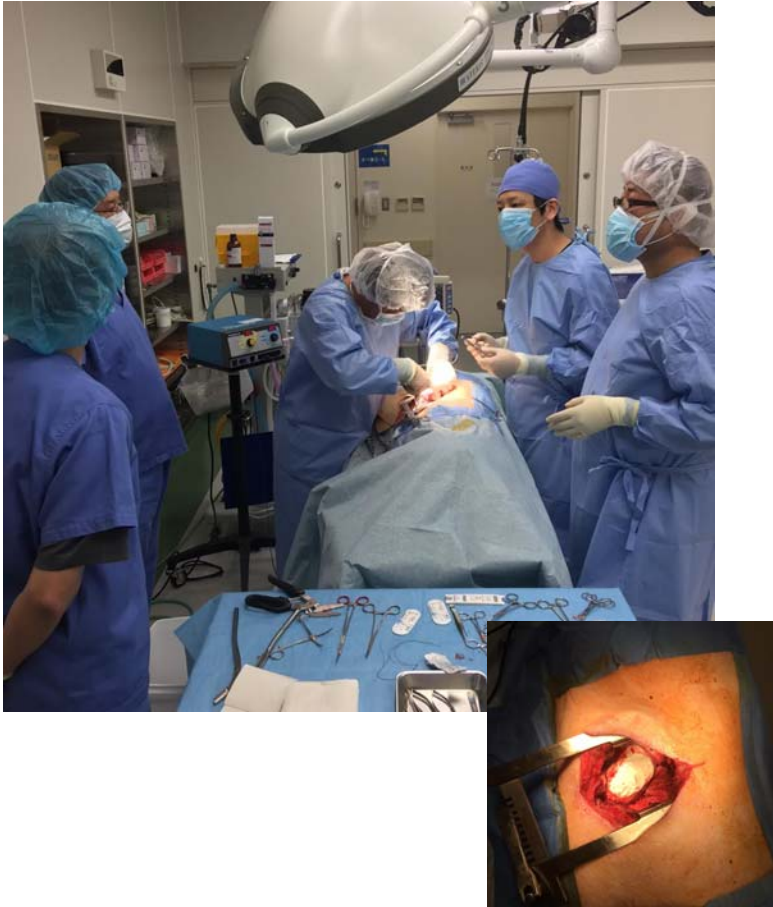
Beyond Just Venture Capital



	Typical VC	M3 Rocket Business
Sourcing	Various Industries	Ground zero info-source and expertise of healthcare industry
Strategy	Minority Stake	Majority Stake (fundamentally)
Management Support	Partial or Limited	Full Commitment Executive Placement as Needed
Value Addition	Various "Advice"	Lead development with global scale resources (Regulatory, R&D, Marketing, etc.)

 **Launched businesses can remain within the M3 group, or exited through pharmaceutical companies and device makers**

Seeds Rocket Development: TamaBio



■ TamaBio Co.,Ltd:

- Established: April 2016
- M3 ownership: 88% (as of July 26)
- Technology seed originated by RIKEN

■ Product Description:

- Polymer resin processed surgical sheets
- Lack of need for minute sutures dramatically reduces both operation time and risk of infection
- PMDA application filed

■ Market Size:

- Global market size estimate: 100 bn yen



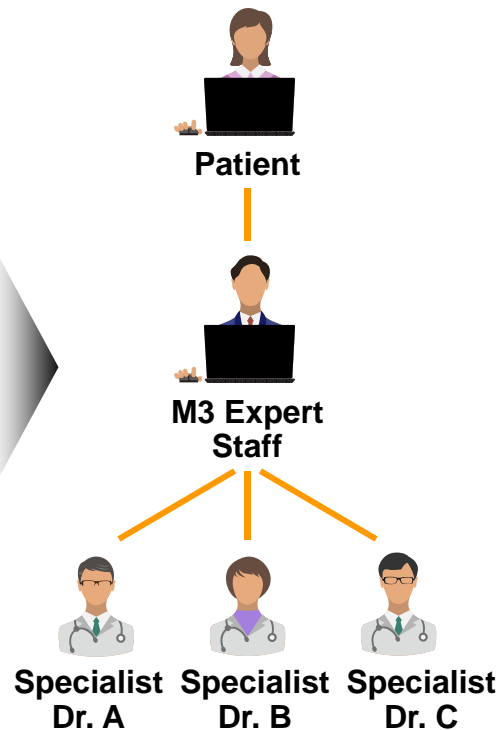
Product currently in approval process with PMDA. Aiming for early approval through provision of M3 group resources.

New Service: Multi Opinion Service

Multi Opinion Service

Patient Needs

- Only 32% of patients needing a second opinion actually received one (2/3 had no access)
- Have no idea where to start and arranging for a second opinion seems tedious
- Fear that the attending physician will feel “untrusted” and become offended...



3 Features

Reliability

3 specialists chosen from the 250,000 physician members on m3.com

Issue Clarification

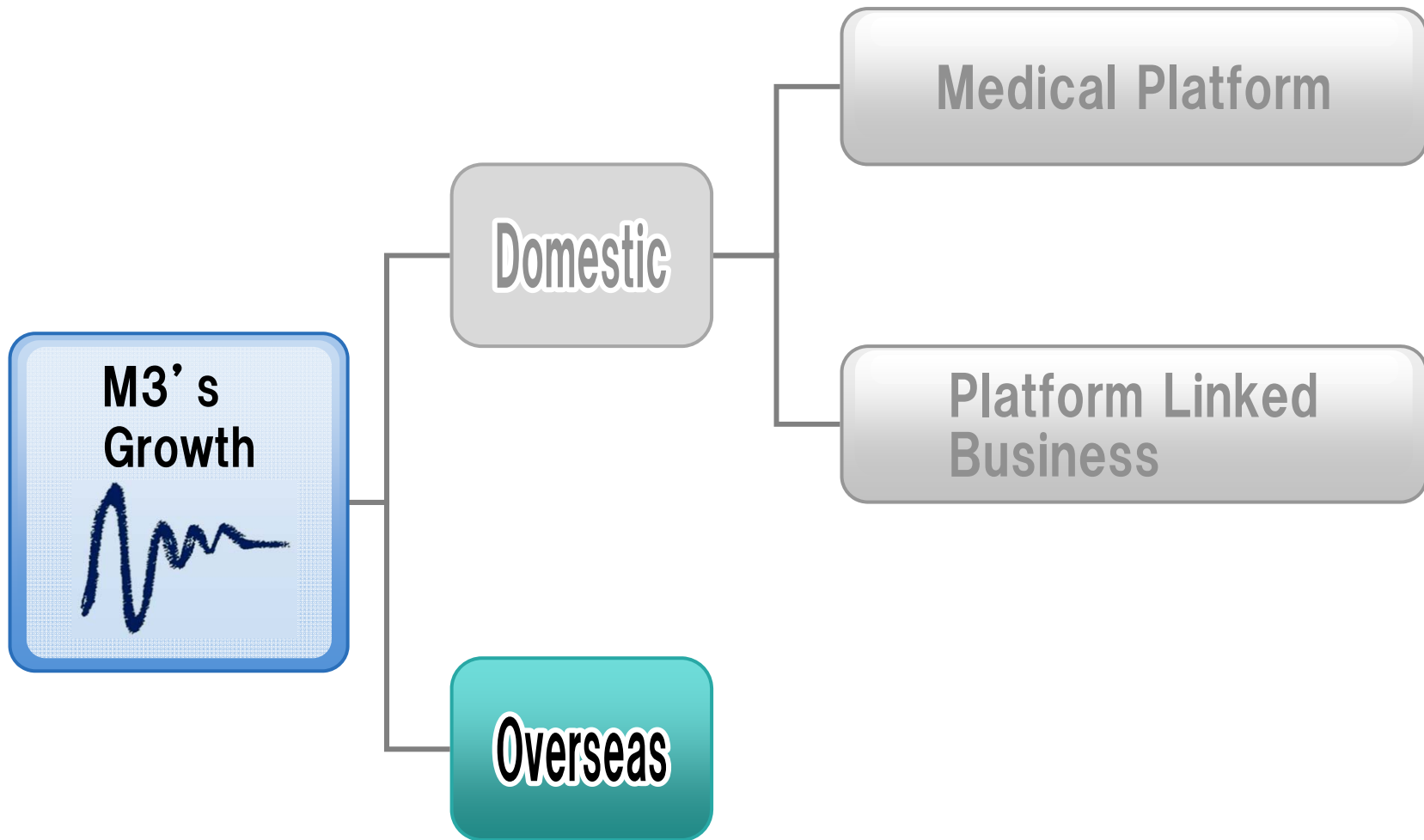
Clarification of issues surrounding treatment and risks (check points) from a patient's perspective

Speed

Results report delivered in 2 weeks after initial consultation

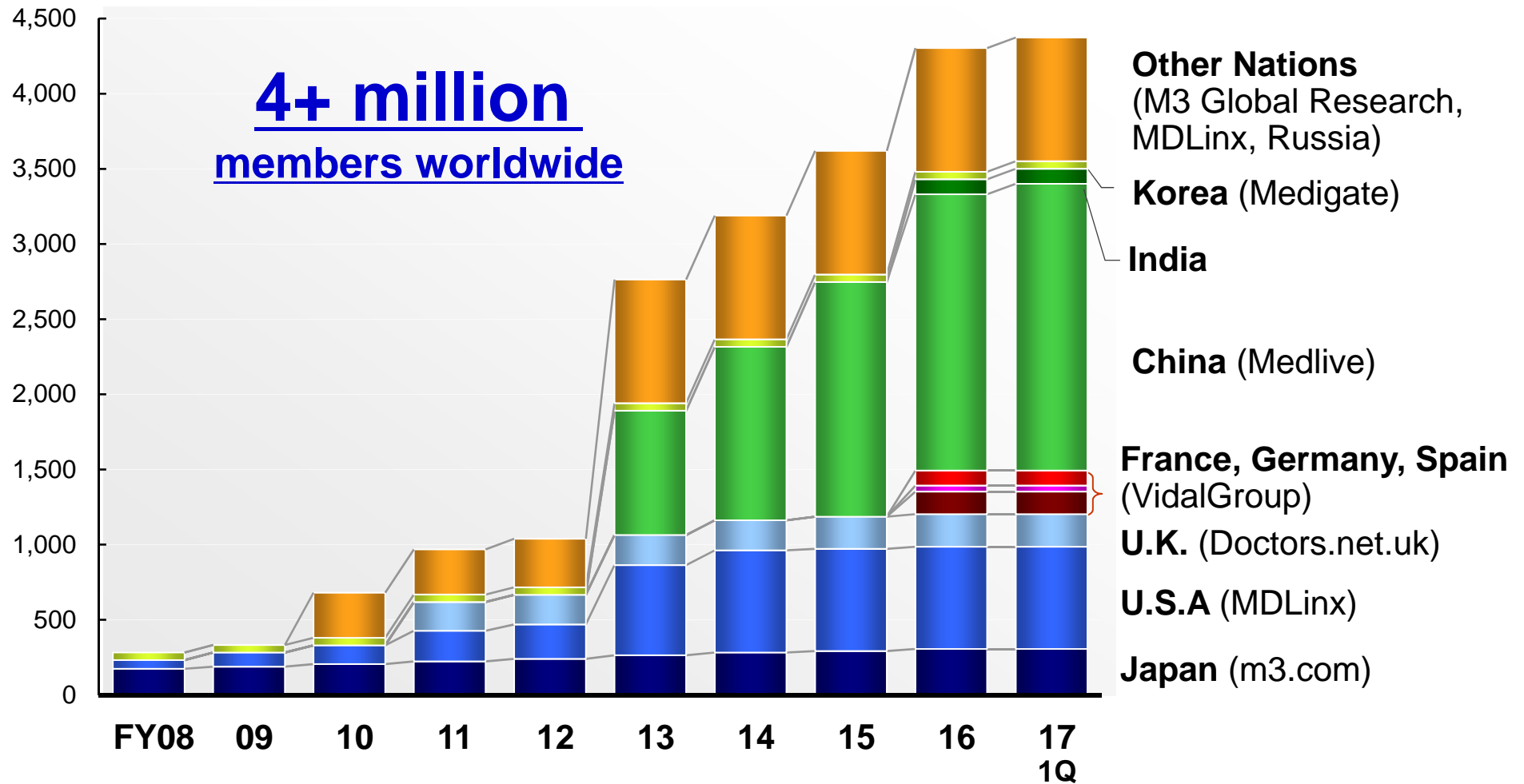
- 👉 **M3's expert staff will consult with and report objective feedbacks from three specialist physicians based on the patient's diagnostic information. Initial specialty site is focused on breast cancer, with further service expansion expected in other disease areas**

*This service is not equivalent to “medical practice,” and is a “medical consulting” service.
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Number of Physician Members and Panelists (Global)

(thousand)



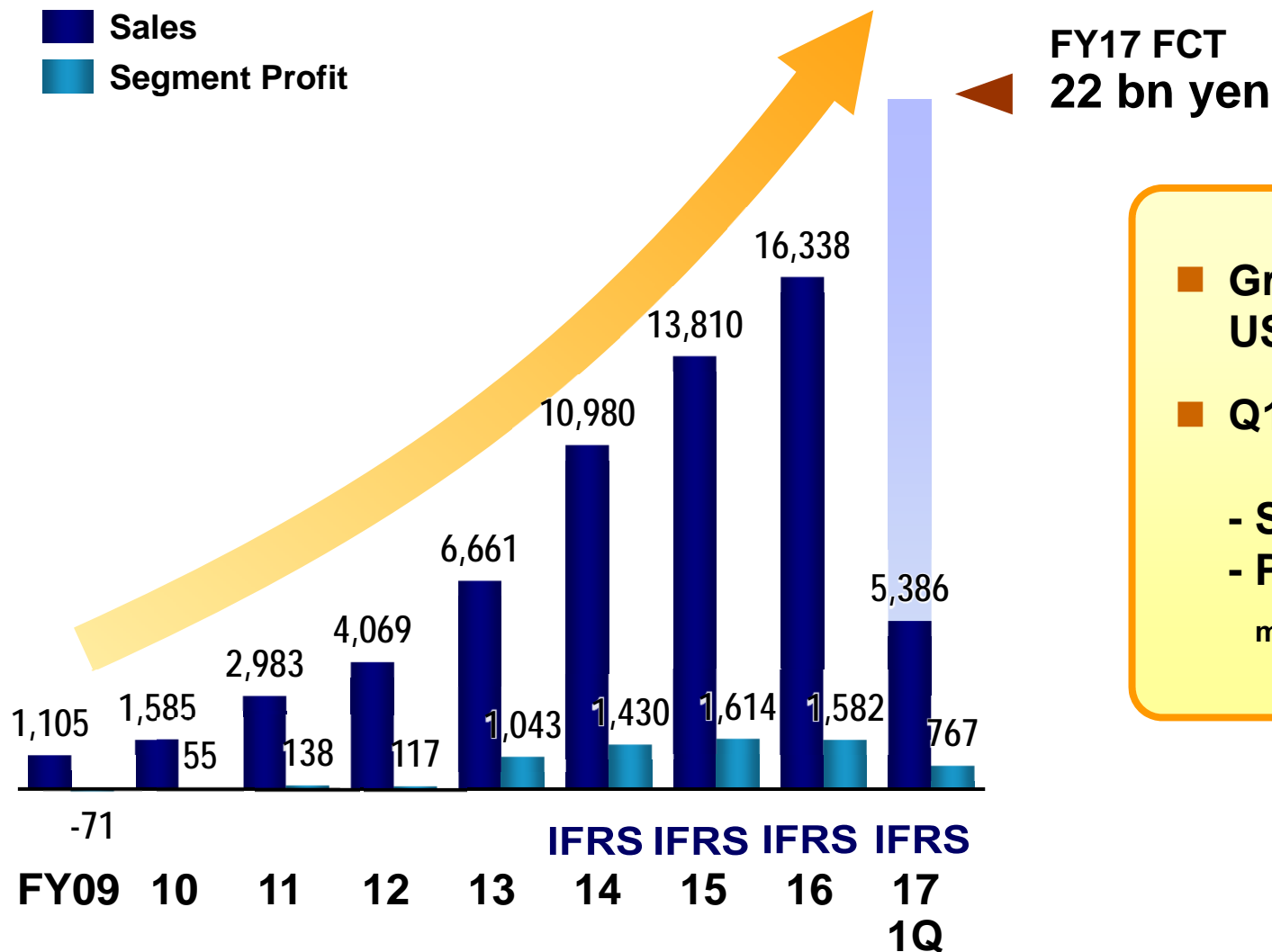
👉 Over 4 million physicians utilize M3's global platforms

Sales and Profit Trend of Overseas

(million yen)

IFRS basis

■ Sales
■ Segment Profit



■ Growth lead by the US business

■ Q1 yoy growth:

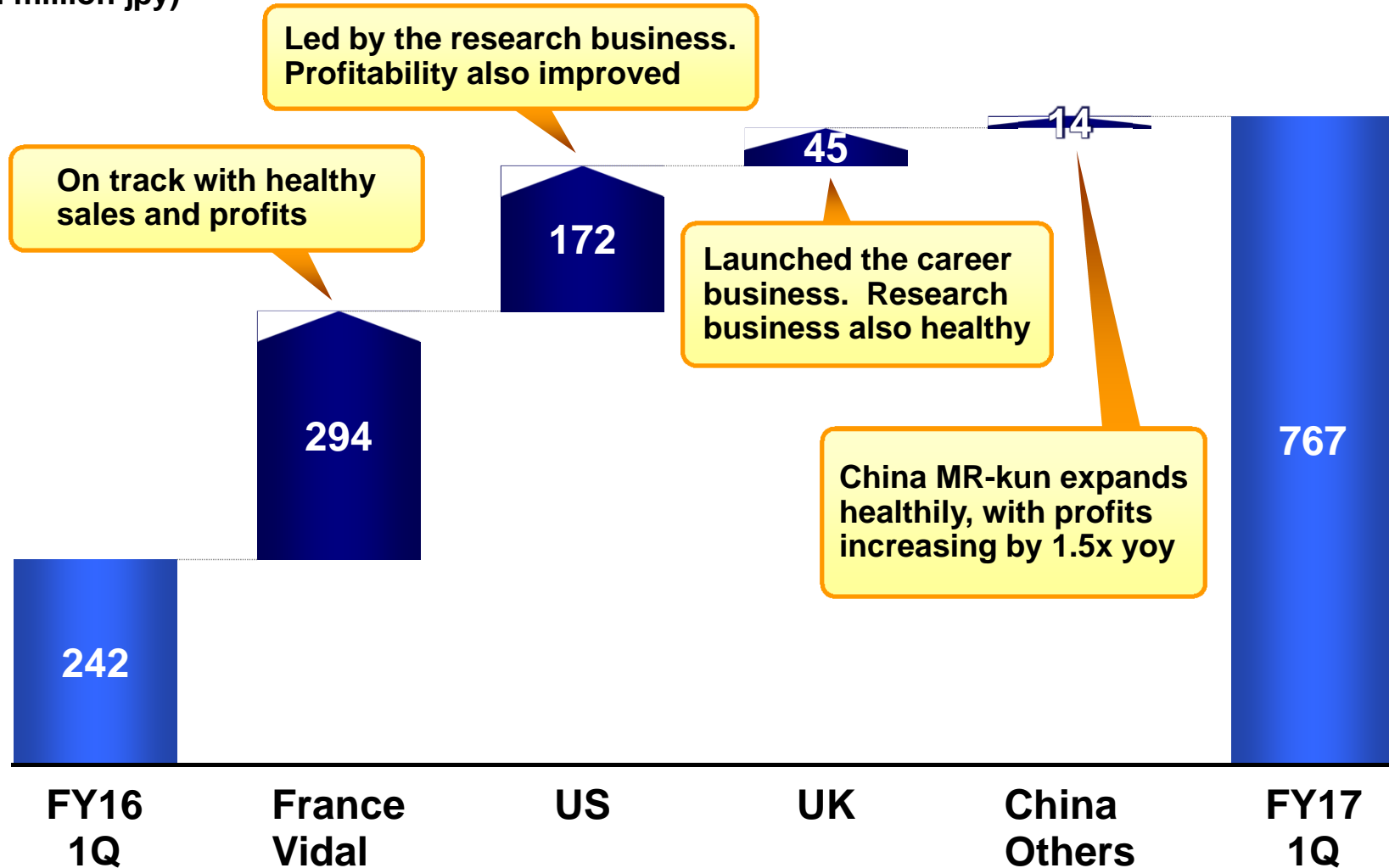
- Sales: +44%

- Profit: +216%

minimal FX impact

Overseas Segment Profit Breakdown

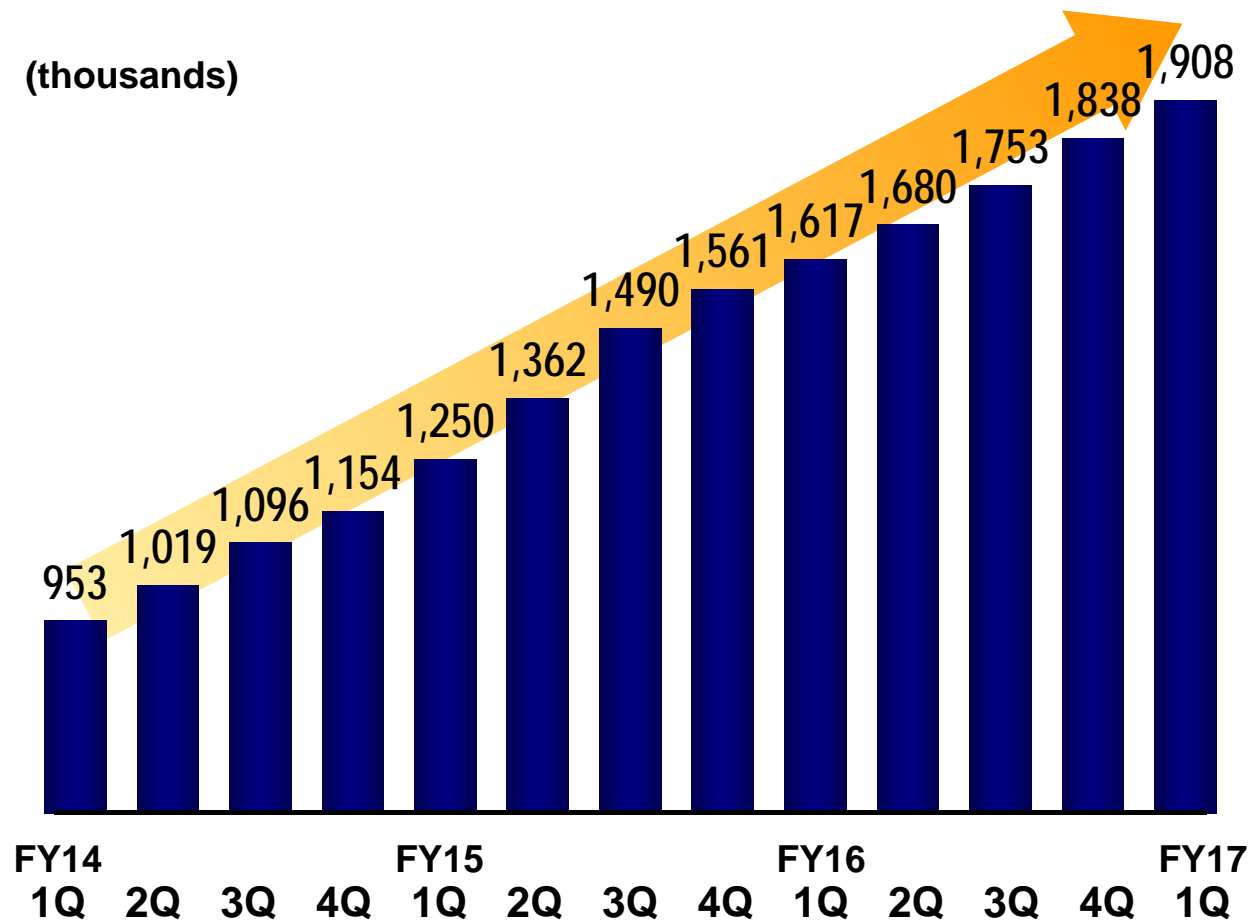
(units: million jpy)



US profit expanded in addition to contribution from the new consolidation of Vidal

China: Membership Expansion

Number of Physician Members in China



- 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 9 pharmaceutical companies

- Launched career services for physicians

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

M3 Group's Business Strategy

Strategy Change in Business Development

New Service Development in the Medical Internet Sector
(2000~2010)



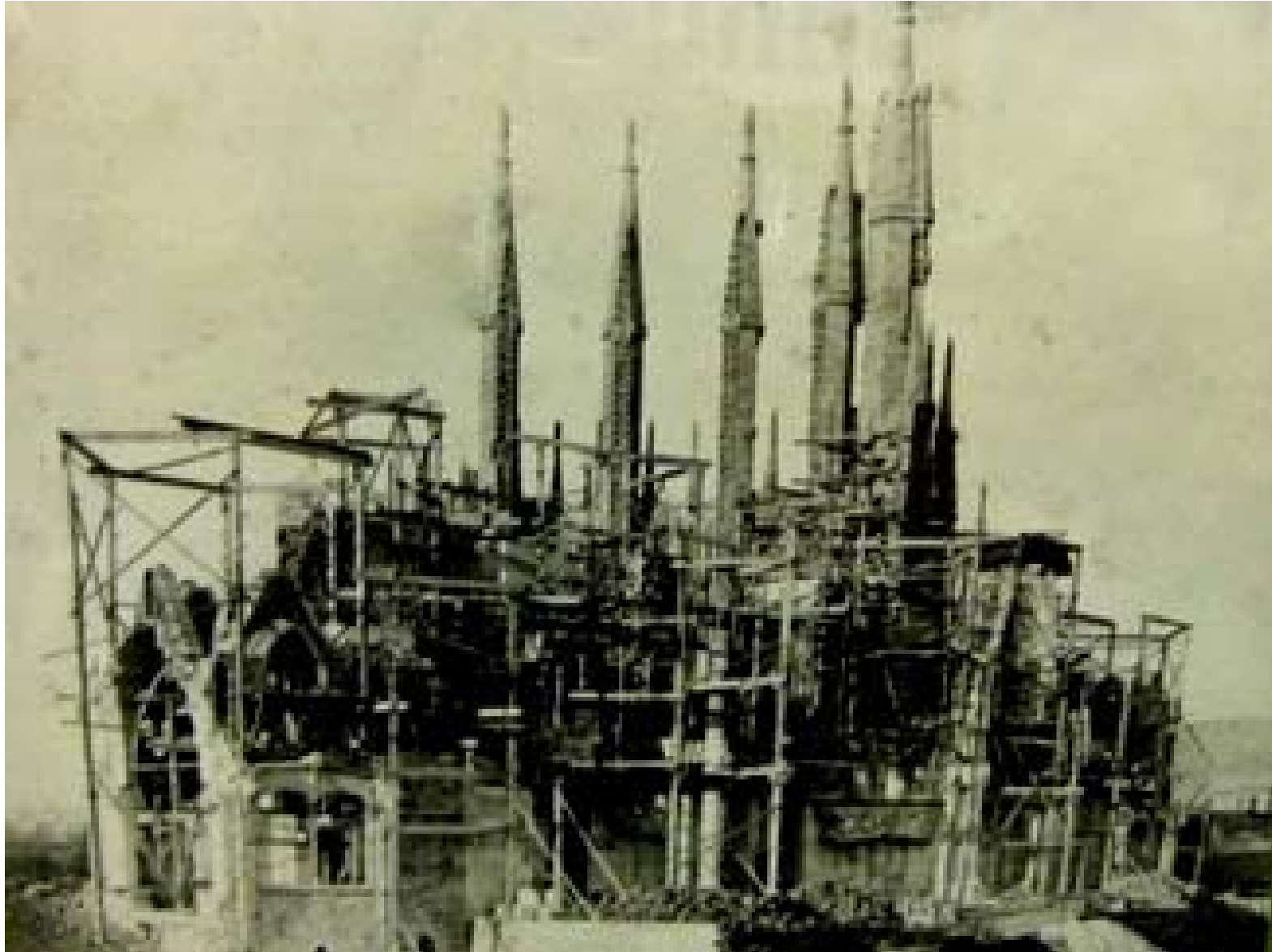
Internet-Powered PE Style Business Expansion in Healthcare Industry
(2011~)



Approach	Internet	➔	Internet + Real Operations
Service Coverage	Web-based eTools	➔	Entire Value-Chain
Potential Business Domains	~10	➔	30 ~ 50 (~ 200 including overseas)
Profitability	High profitability (Mid absolute profit)	➔	High absolute profit (Mid profitability)
M&A	Small	➔	Medium ~ Large

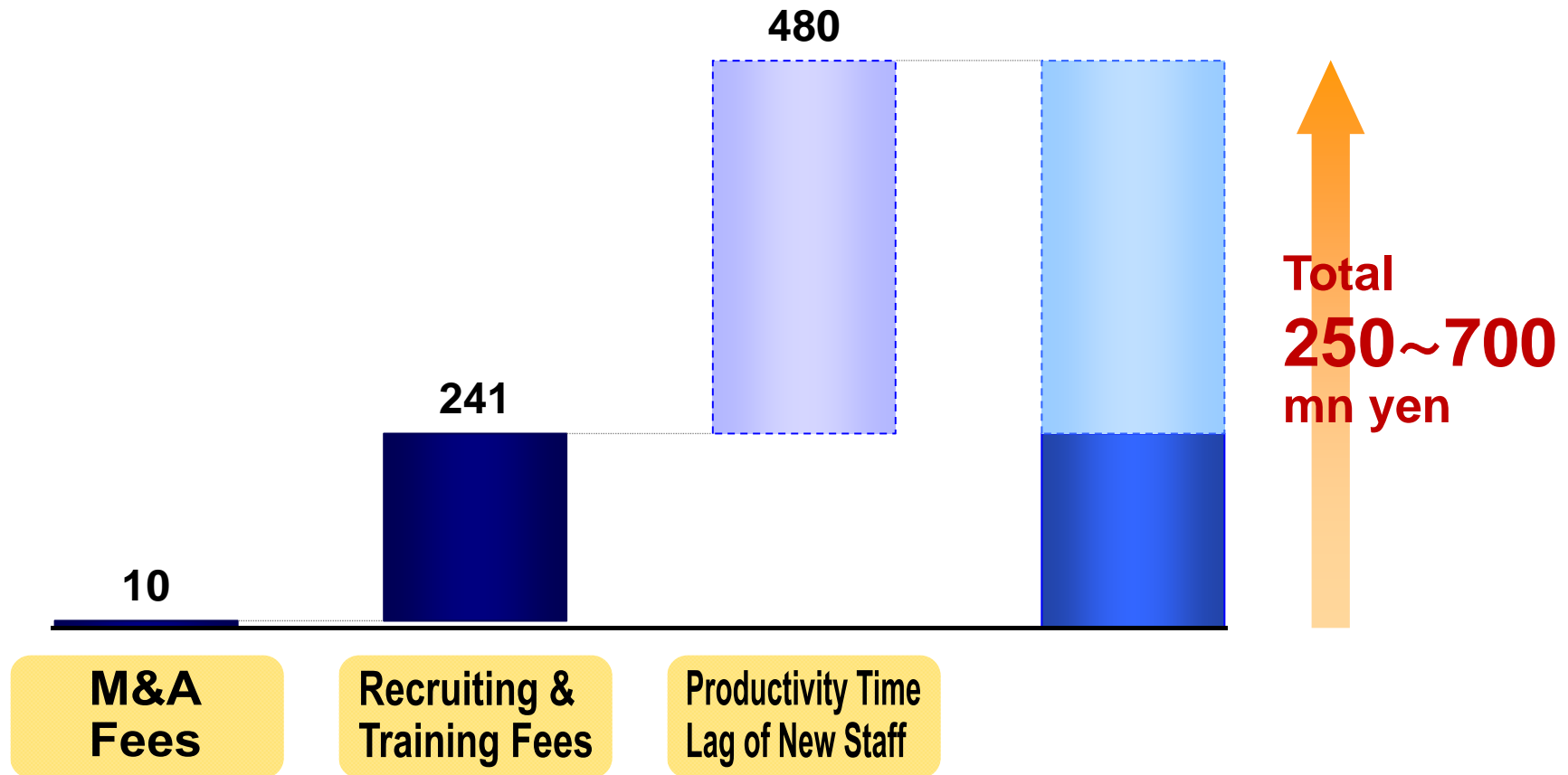
👉 M3 is uniquely positioned to transform the health care industry via its
1) Platform 2) Industry Expertise and
3) Human Resources (management and engineering)

M3 is Just Getting Started



Upfront Investment Costs for Future Growth

Unit: million yen

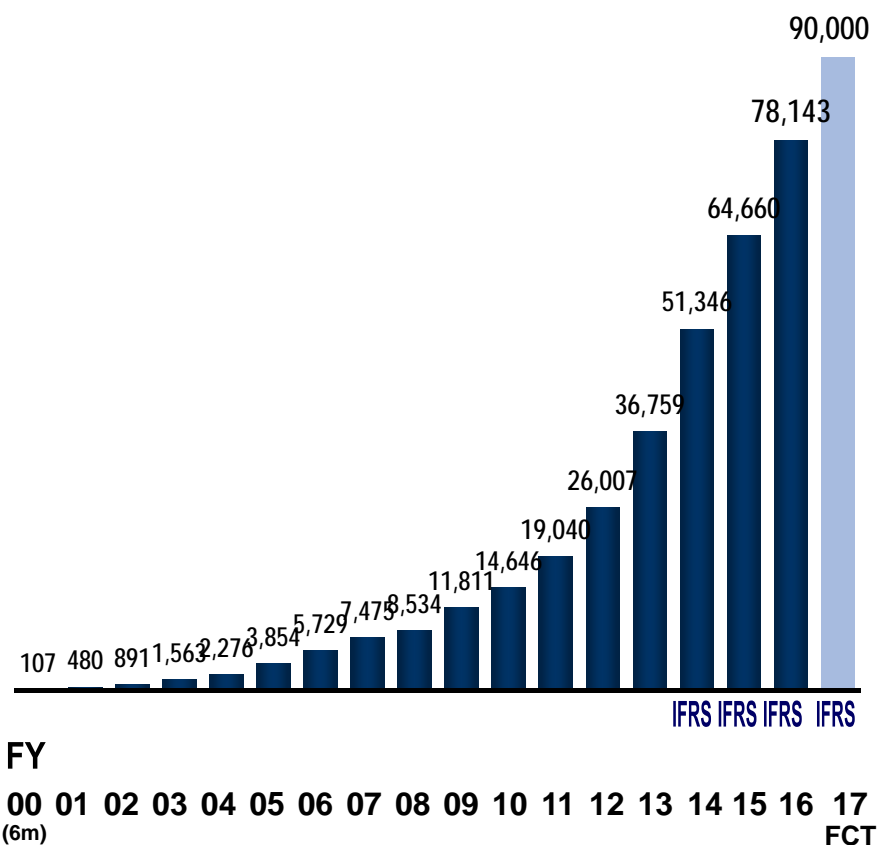


- 👉 **Special costs incurred in anticipation of future growth dampened profits by 250~700 mn yen. Aggressive upfront investment to continue.**

Annual Results & Forecast for FY2017

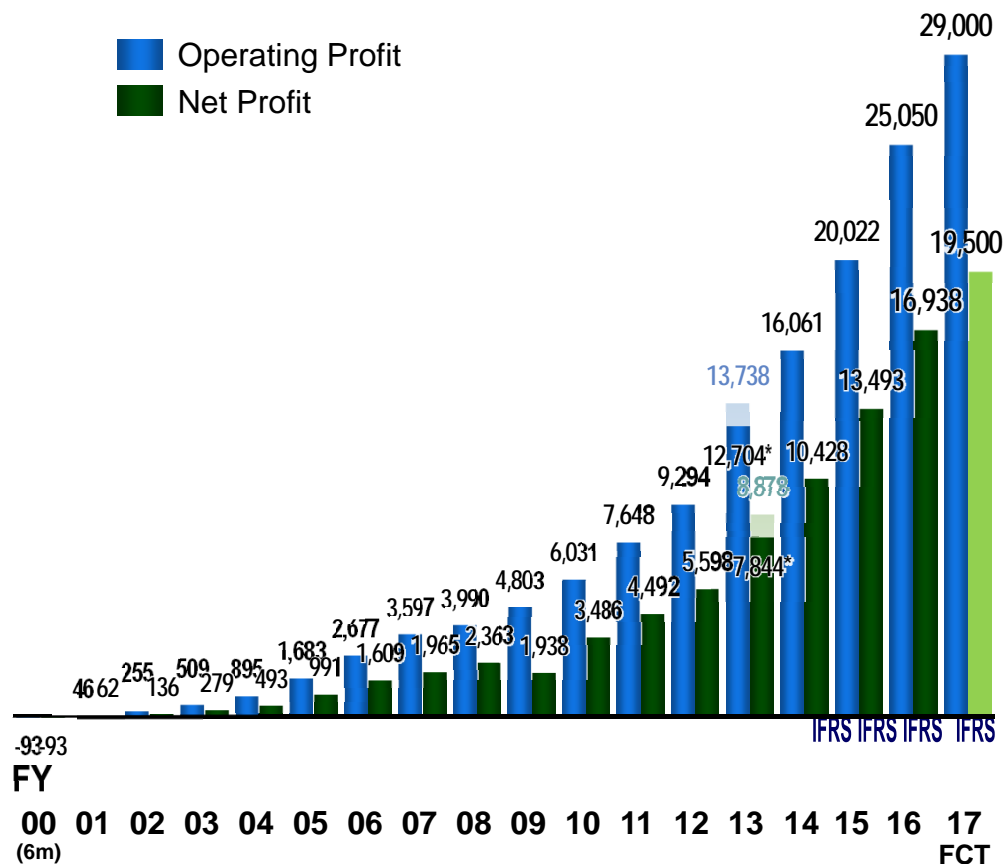
Sales

(mn yen)



Operating Profit & Net Profit

(mn yen)



* Extraordinary 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**