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

<table>
<thead>
<tr>
<th>(million yen)</th>
<th>FY2016 1Q</th>
<th>FY2017 1Q</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>18,057</td>
<td>21,874</td>
<td>+21%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>6,202</td>
<td>7,686</td>
<td>+24%</td>
</tr>
<tr>
<td>Pre-tax Profit</td>
<td>5,965</td>
<td>7,749</td>
<td>+30%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>3,942</td>
<td>5,235</td>
<td>+33%</td>
</tr>
</tbody>
</table>
### Segment Definition Changes

#### Previous and New Segment Correspondence Chart

<table>
<thead>
<tr>
<th>Original Segments</th>
<th>Medical Portal</th>
<th>Evidence Solution</th>
<th>Clinical Platform</th>
<th>Sales Platform</th>
<th>Overseas</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MR-kum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Career</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ask Doctors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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**

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

* 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
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Reps</td>
<td>17%</td>
</tr>
<tr>
<td>Internet</td>
<td>39%</td>
</tr>
<tr>
<td>Other (conferences, publications, etc.)</td>
<td>44%</td>
</tr>
</tbody>
</table>

### Marketing Budget Allocation of drug companies in Japan

<table>
<thead>
<tr>
<th>Category</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Reps</td>
<td>92%</td>
</tr>
<tr>
<td>Internet</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: M3 research, percentages are approximate.
Medical Platform Services

Marketing Process at Healthcare Related Companies

- **Strategy Planning**
  - Product strategy development

- **Content Production**
  - Key message identification and content production

- **Message Delivery**
  - Efficient message delivery to the medical scene

- **Deal Closing**
  - Product sales expansion

**Pharma Company Needs**
- Corporate Planning
- Marketing

**Corresponding Department**
- Marketing
- M3 Research
- Mx Data

**M3 Services**
- Web Content Creation
- Agency Business
- MR-kun
- Web Conference
- One Point eDetail
- CSO
- Medical Marketer
- M3 Database

-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

Currently

Main CLIENTS

(approx.) 50 Companies

SALES per CLIENT

(approx.) ¥500 mn

Full Potential

100 Companies

¥0.8 bn ~ ¥1 bn per client

growth potential of 4~5x current levels

drivers:
  - # 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. 15% YoY
Medical platform has shown sound growth, while platform linked and overseas have expanded rapidly.
“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.”
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.
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)

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

FY17 FCT 10.5 bn yen

Sales
Ordinary Profit

FY10 11 12 13 14 15 16 17 1Q

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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 drastically 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

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…

Multi Opinion Service

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)

4+ million members worldwide

Other Nations
(M3 Global Research, MDLinx, Russia)
Korea (Medigate)
India
China (Medlive)
France, Germany, Spain (VidalGroup)
U.K. (Doctors.net.uk)
U.S.A (MDLinx)
Japan (m3.com)

Over 4 million physicians utilize M3’s global platforms

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Sales and Profit Trend of Overseas

(million yen)

- Growth lead by the US business
- Q1 yoy growth:
  - Sales: +44%
  - Profit: +216%
  minimal FX impact

FY17 FCT 22 bn yen
On track with healthy sales and profits

Led by the research business. Profitability also improved

Launched the career business. Research business also healthy

China MR-kun expands healthily, with profits increasing by 1.5x yoy

US profit expanded in addition to contribution from the new consolidation of Vidal
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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>953</td>
<td>1,019</td>
<td>1,096</td>
<td>1,154</td>
</tr>
<tr>
<td></td>
<td>FY15 1Q</td>
<td>FY15 2Q</td>
<td>FY15 3Q</td>
<td>FY15 4Q</td>
</tr>
<tr>
<td></td>
<td>1,250</td>
<td>1,362</td>
<td>1,490</td>
<td>1,561</td>
</tr>
<tr>
<td></td>
<td>FY16 1Q</td>
<td>FY16 2Q</td>
<td>FY16 3Q</td>
<td>FY16 4Q</td>
</tr>
<tr>
<td></td>
<td>1,680</td>
<td>1,753</td>
<td>1,838</td>
<td>1,908</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 9 pharmaceutical companies
- Launched career services for physicians

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

Operating Profit & Net Profit

(mn yen)

Operating Profit

Net Profit

(mn yen)

FY (6m)

IFRS

IFRS

IFRS

IFRS

FY (6m)

IFRS

IFRS

IFRS

IFRS

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

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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