M3, Inc.
Presentation Material

October 2015

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.

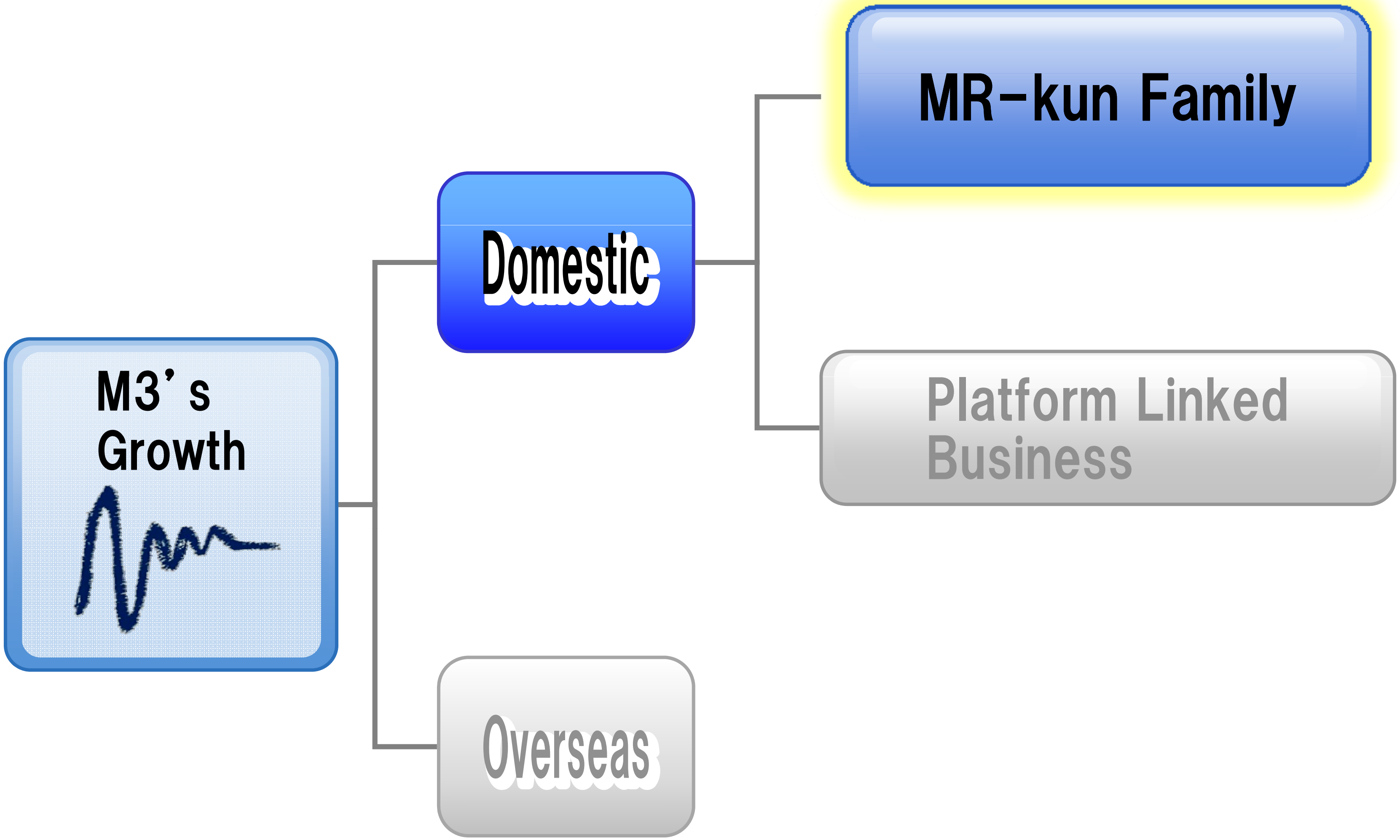
Furthermore, information and data other than those concerning the Company and its subsidiaries/affiliates are quoted from public information, and the Company has not verified and will not warrant its accuracy or dependency.

M3, Inc.

Current Business Situation and Outlook

Overview

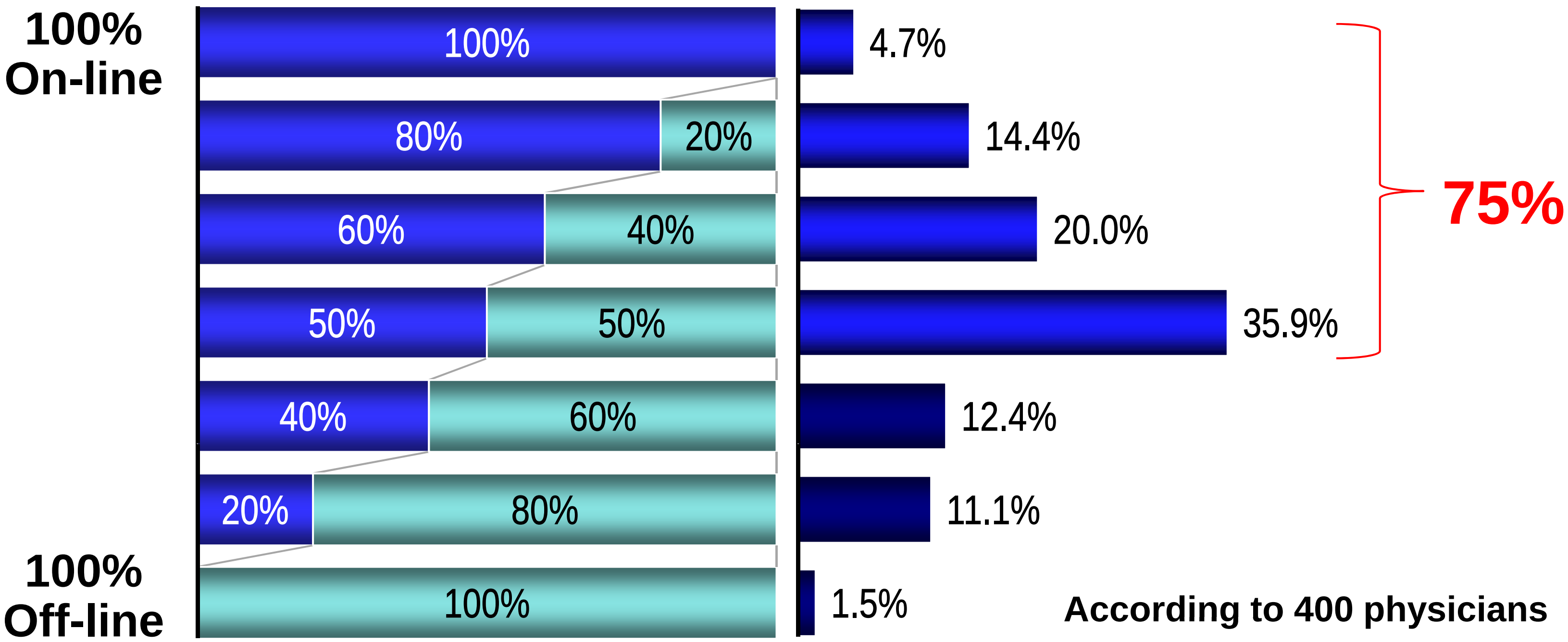
MR-kun Family	■ In line with previous year due to temporary client driven causes and due to partial migration to success-based cost structures.
Career	■ H1 sales grew +17% yoy to 3.76 bn yen. Operating profit grew +35% yoy to reach 1.49 bn yen. Performance remains steady.
Evidence Solution	■ H1 profits grew to 1.78 bn yen, 2.8x the previous year, driven by strength in orders received and steady progress of on-going projects. ■ Losses absorbed from Neues had a -180 mio yen impact on profits.
High Value Evidence Solution	■ POC Clinical Research Inc., which provides comprehensive support in R&D centered around medical technology, was consolidated in July. ■ Providing incubation support for overseas bio-ventures looking to expand in Japan, in collaboration with IDA, consolidated in February.
Overseas	■ U.S. : Spam issue resolved. Effects in Q3 expected to be minimal. ■ U.K. : MR-kun progressing steadily, currently with ~10 drugs online. ■ China： MR-kun contracts increased to cover ~15 drugs for 6 firms, pacing above initial target.


M3's
Growth
Domestic
Overseas
MR-kun Family
Platform Linked
Business

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.

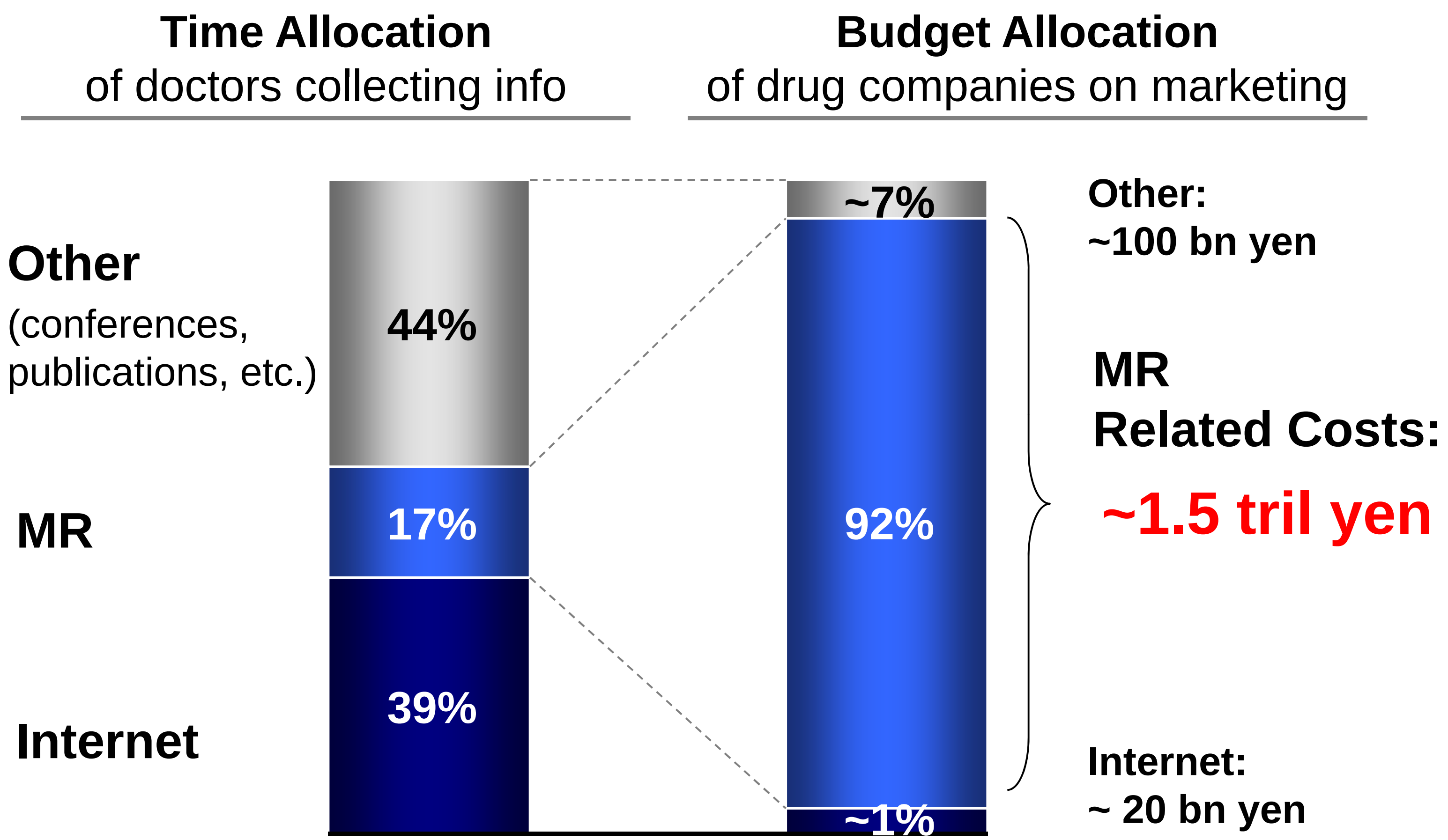


High demand for on-line detailing from busy physicians that prefer on-demand and timely information, without the limitations imposed by off-line MRs.

Source: M3 questionnaire to 400 physicians

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

MR-kun Family's Growth Potential in Japan

	Currently	Growth Potential
Pharma CLIENTS	(approx.) 30 Companies	30~35 Companies
SALES per CLIENT	(approx.) ¥400 mn	¥1 bn ~ ¥1.5 bn per client

drivers:
- # of products
- # of member MDs
- Added value of contents

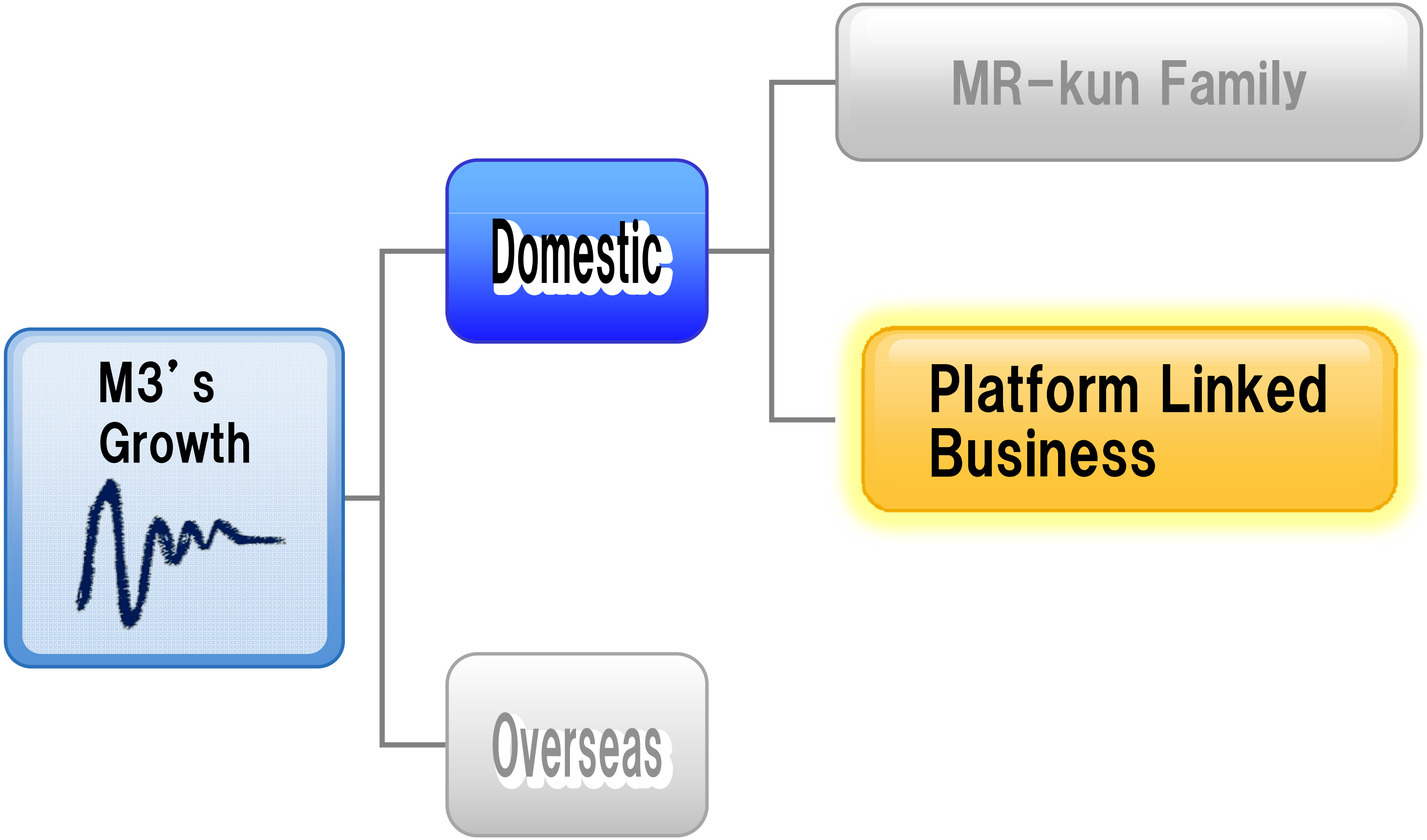
Growth Potential 3~4 times current levels

Broadening of usage across entire service line-up:

Average revenues from **top 20** clients grew at **~9%** YoY

MR-kun Family Fee Structure (annual)

	MR-kun Base & Operation fee	Detail fee	Contents Production fee	Other MR-kun Family Services
		¥100 per detail sent	Production of customized detail contents	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			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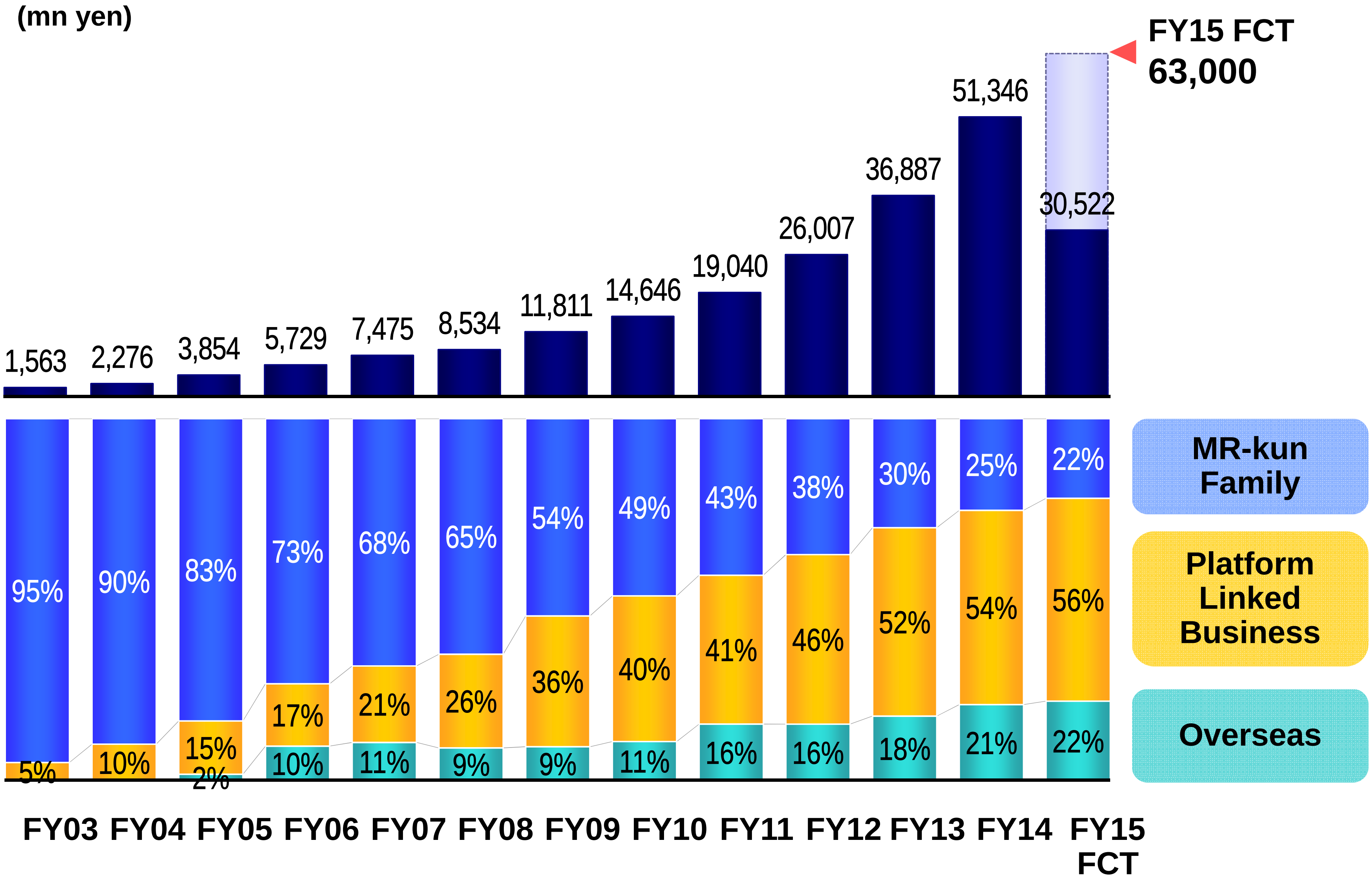
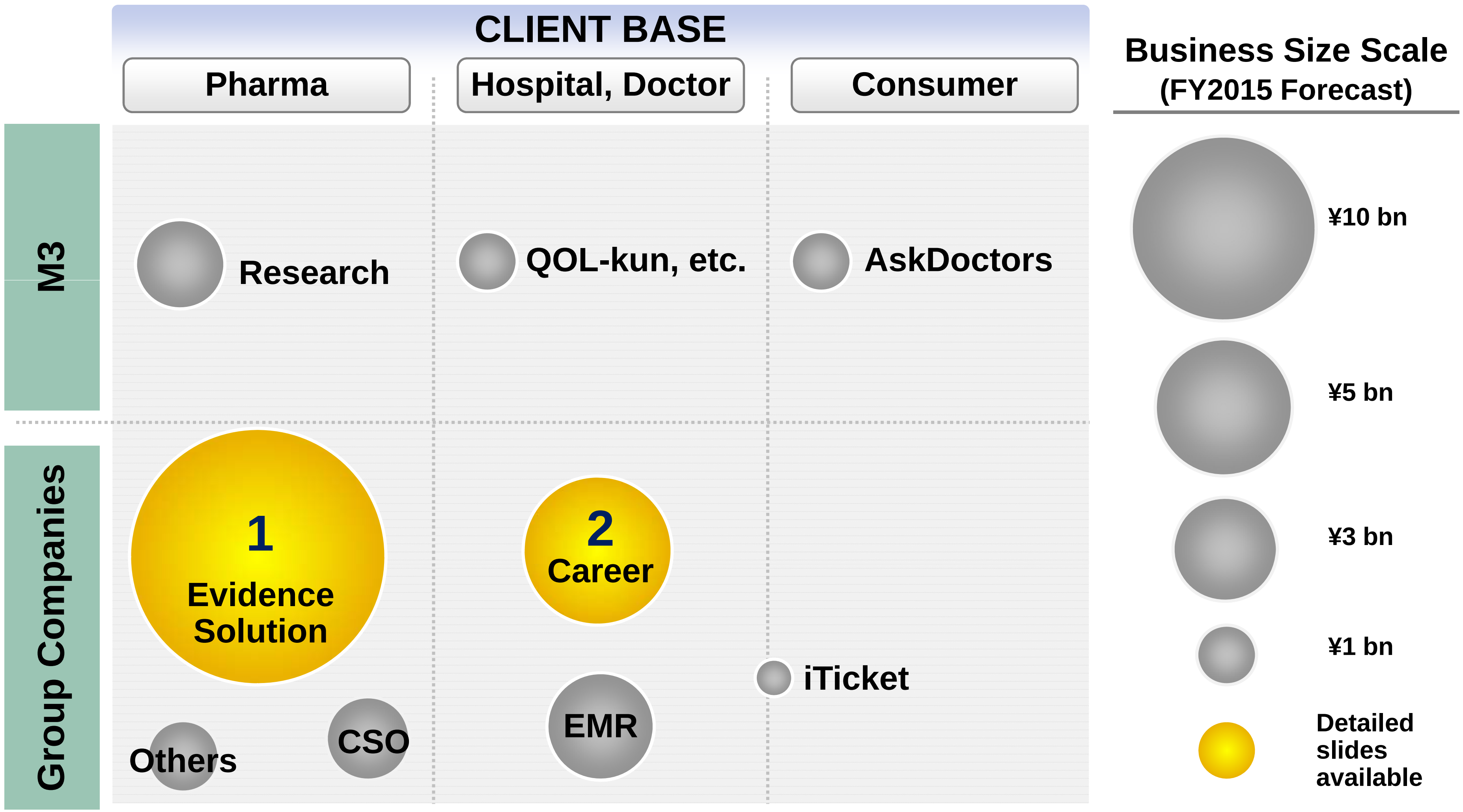
Consolidated Sales Trend



Business Segment Breakdown and Type

Business Segments	Services	FY14 Sales	Business Type
Medical Portal	MR-kun Family	12 bn yen	MR-kun Family
	Career	6 bn yen	Platform Linked Business
	Research	2 bn yen	Platform Linked Business
	Other (Mr. Finder, AskDoctors, others)	2 bn yen	Platform Linked Business
Evidence Solution		13 bn yen	Platform Linked Business
Clinical Platform		3 bn yen	Platform Linked Business
Sales Platform		1 bn yen	Platform Linked Business
Other (iTicket, others)		1 bn yen	Platform Linked Business
Overseas		11 bn yen	Overseas

Platform Linked Business Development



Total revenue of platformed-linked businesses in FY2015 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."

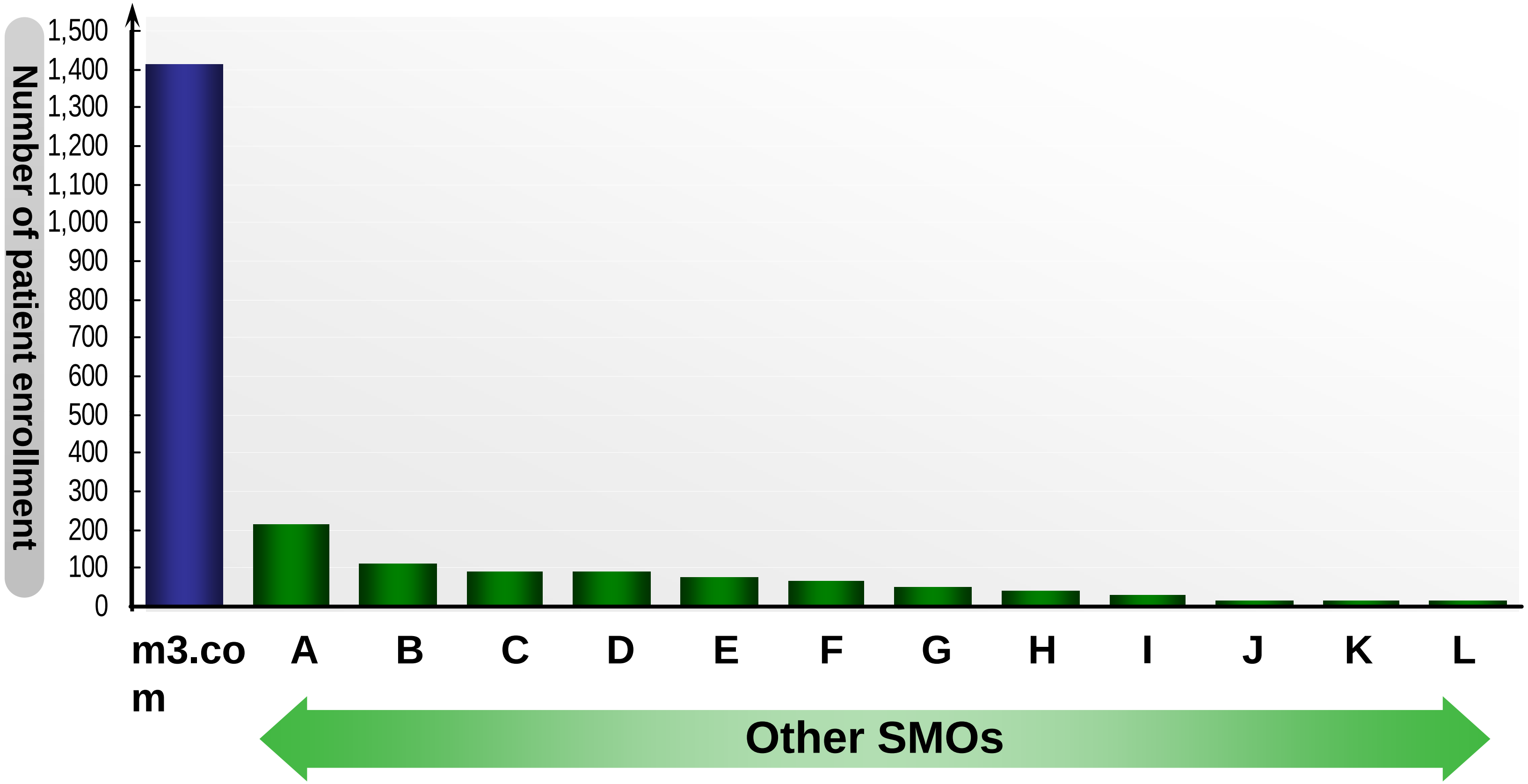
Past 10 years	**MR-kun triggered a paradigm shift to internet based drug marketing**
Going Forward	**Mr. Finder ("Chiken-kun") will lead the shift to internet based drug development**

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

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

Theme	Operation	M&A Timing	# of Staff (approx)
Shift to Online SMO ▸ Site Selection ▸ Feasibility Study, etc	e-SMO 株式会社イスモ	2011	*160*
	Clinical Porter	2009	*80*
	NEUES Medical Development Services	2015/4	*470*
Shift to Online CRO ▸ Monitoring ▸ EDC, etc	Contract Research Organization 株式会社メディサイエンスプラニング	2014	*850*
	Mobix	2009	*80*
	MIC Medical	2012	*320*
Shift to Online Infra ▸ Utilization of electronic medical records, etc	CMS 株式会社シィ・エム・エス	2012	*150*

Number of CRAs by Company (CRO) 1 Evid Sol

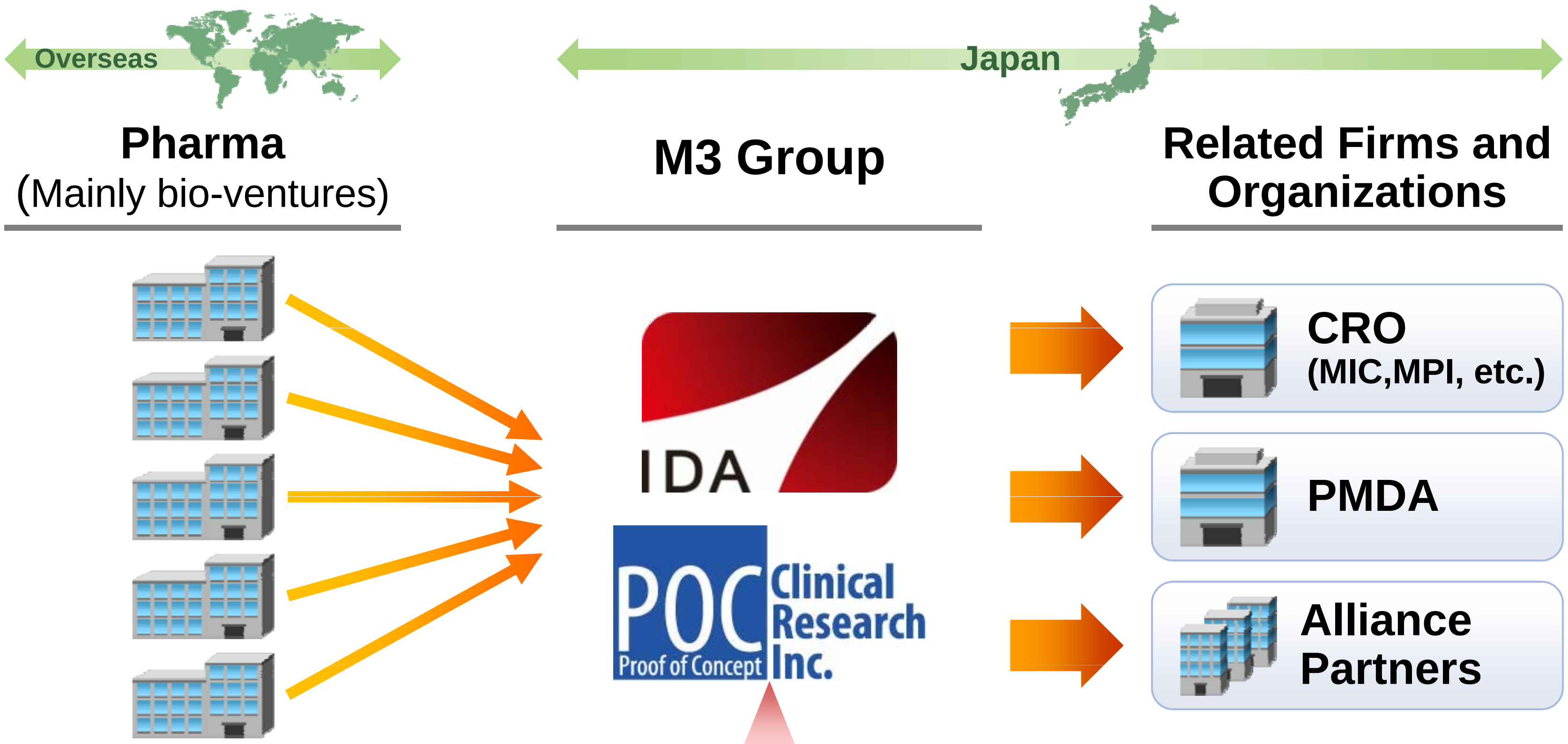
#	CRO Companies	# of CRAs
1	EPS	855
2	**M3 Group**	**841**
3	Cimic	780
4	Quintiles	600
5	Parexel	550
6	**MEDISCIENCE PLANNING**	**494**
7	A2 Healthcare	380
8	**MIC Medical**	**282**
9	Linical	170
10	Intellim	90
11	Bell Medical Solutions	80
12	**Mebix**	**65**

M3 Group

* Data from MIC Research Institute Ltd.

Now at top ranks in number of CRAs amongst CROs, accelerating the "shift to online trials."

High-Value Evidence Solution



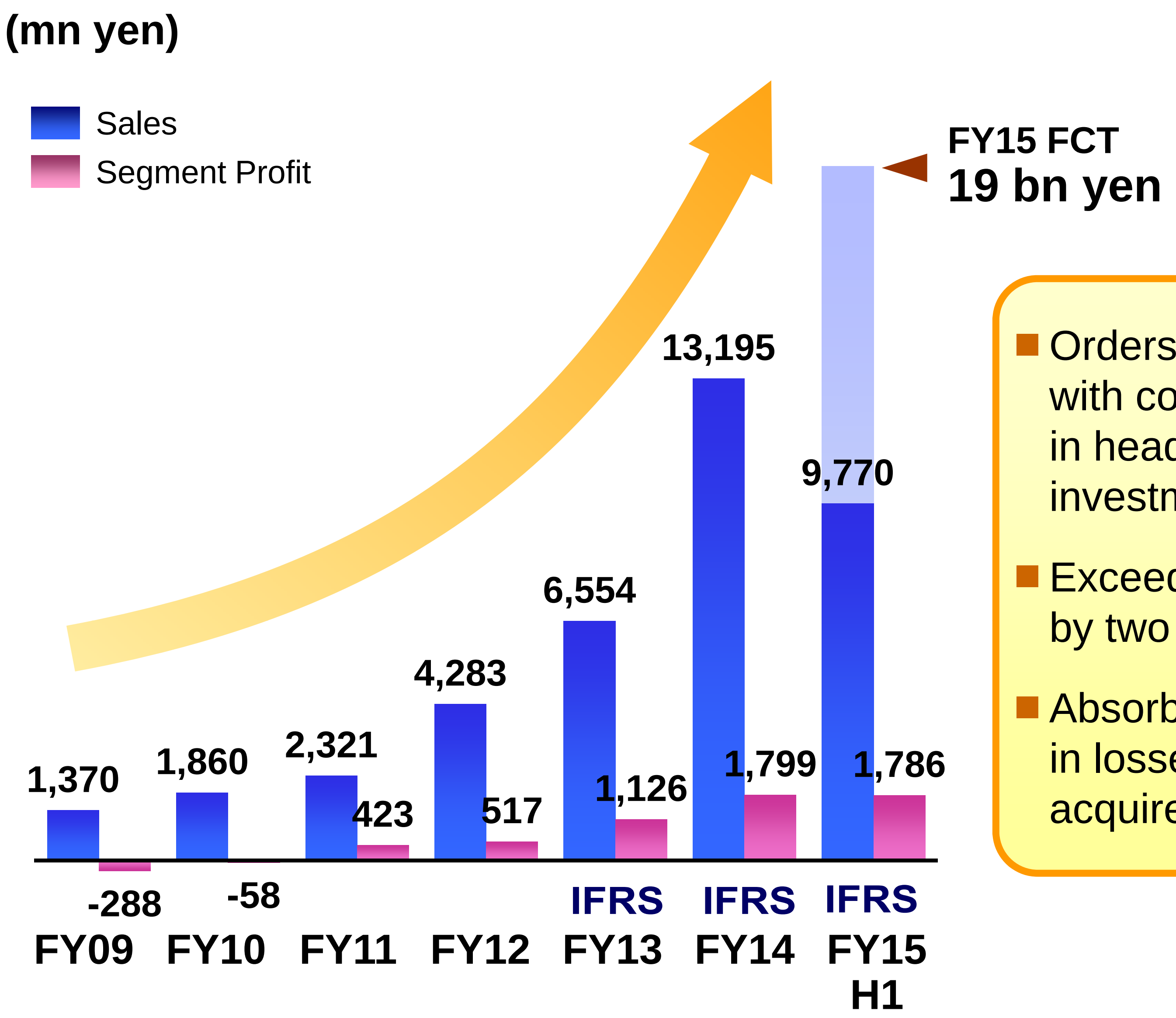
One-stop shop for drug development in Japan, with services such as clinical trial management and approval applications. Conducted roughly 100 projects in the past 3 years.

Comprehensive services to support incubation in Japan for domestic and overseas bio-venture and medical equipment makers. Provides higher value-add services and also acts as “antenna” for investment opportunities.

Sales and Profit Trend of Evidence Solution

1 Evid Sol

IFRS basis

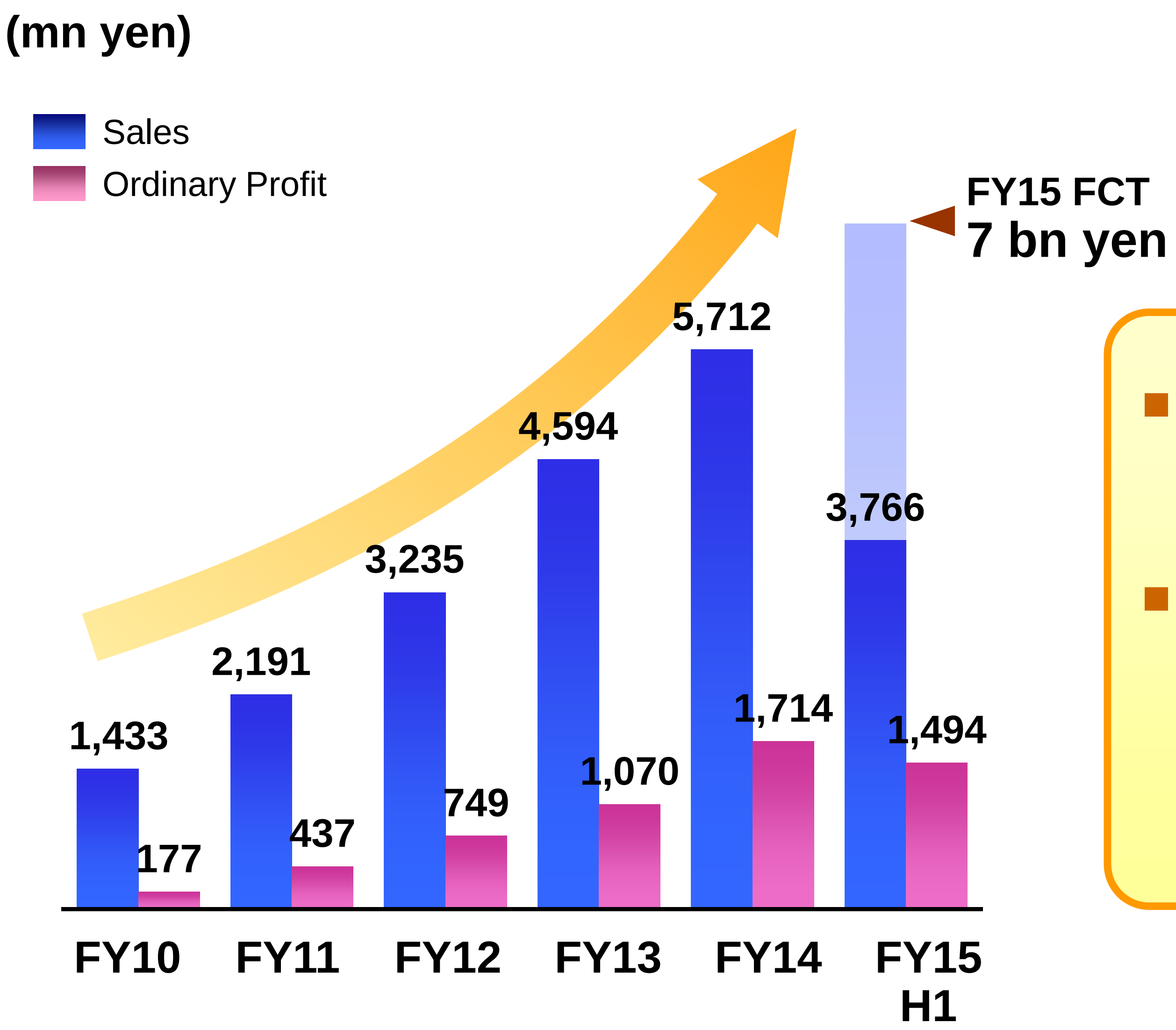


- Orders backlog at 21bn yen, with corresponding increases in headcount as upfront investment.
- Exceeded initial targets, lead by two CROs within the group
- Absorbed 182 mn yen for H1 in losses from SMO, Neues, acquired in April 2015.

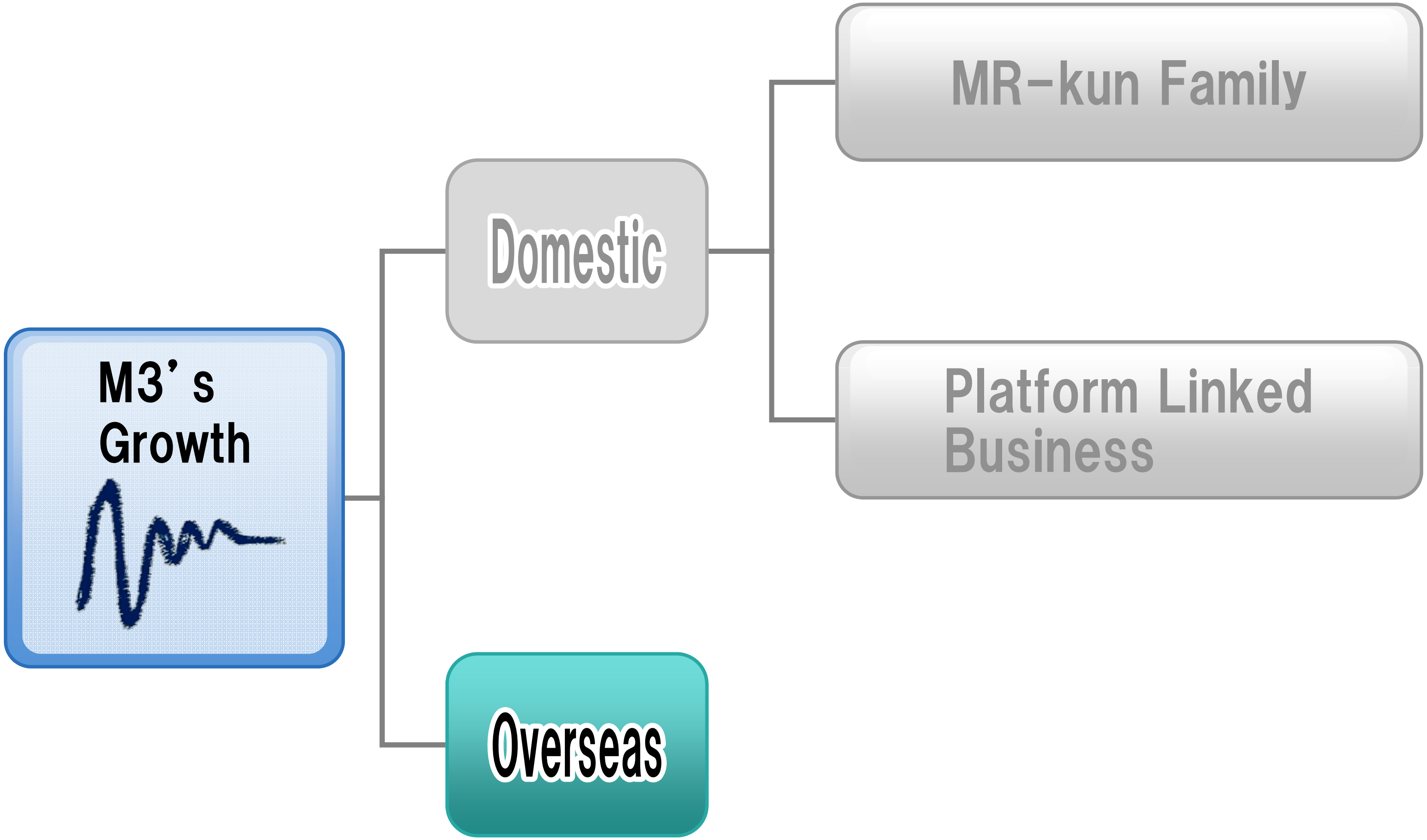
Sales and Profit Trend of M3 Career

2 Career

JGAAP basis



- Successful integration of newly-hired staff improved productivity
- FY2015 should see continued traction from job placement for physicians. Targeting approx. 30% top-line growth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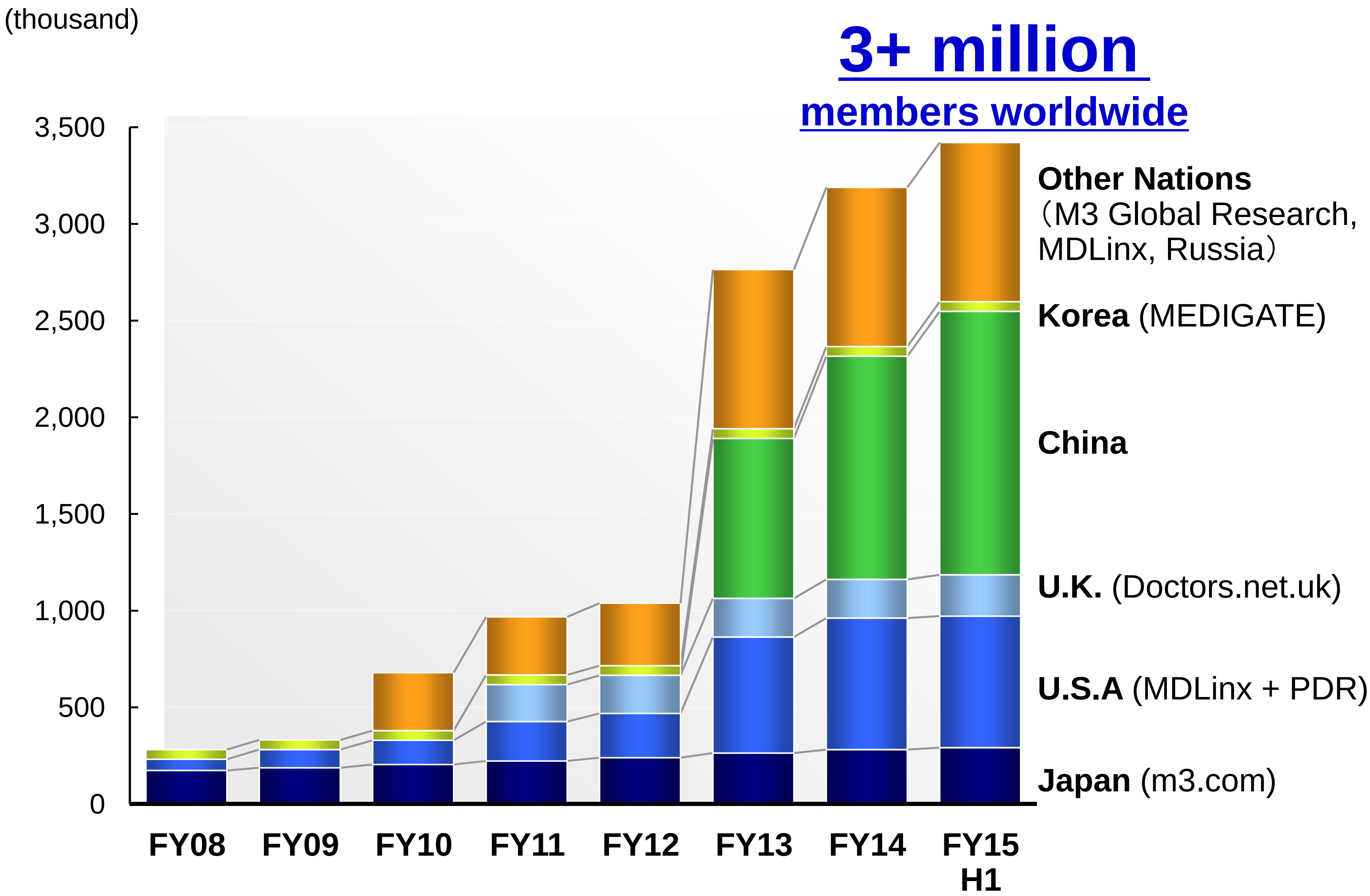
Number of Physician Members and Panelists (Global)



Development in the US

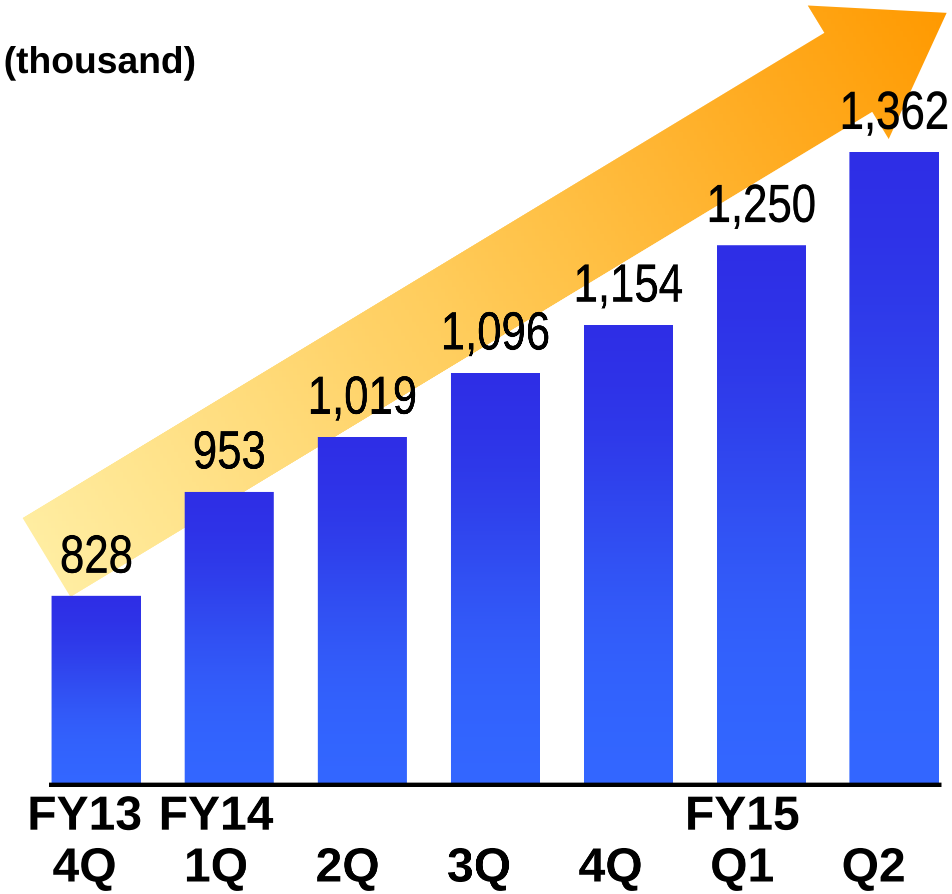
- **Expanding services in the U.S. via MDLinx, operated by M3 USA (100% subsidiary)**
  - Over 600,000 US physician members through partnership with PDR, resulting in coverage topping 80%
  - #1 player in the U.S. for marketing research targeting physicians as a result of superior media power

- **Acquisition of Profiles, Inc.**
  - Acceleration of job placement services for physicians
  - Cost reduction realized through integration with PracticeMatch operations

- **Investigating opportunities to monetize MDLinx**'s growing base of 500,000 non-US physician members

Development in China

Number of Physician Members



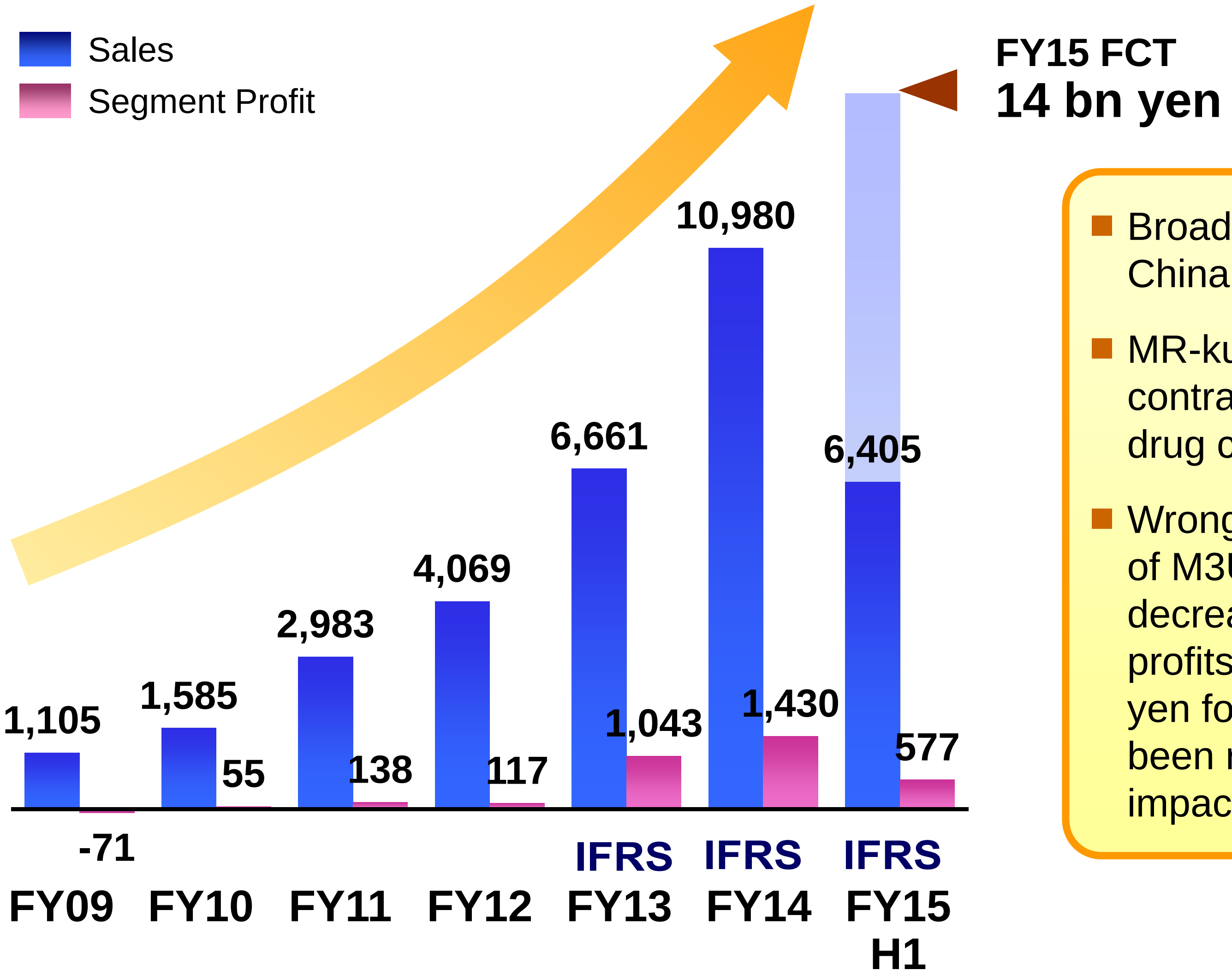
- Marketing services for drug companies starting with MR-kun, and marketing research services showed healthy growth, boosting operating profits
- MR-kun contracts now roughly at 15 drugs with 6 pharma companies, exceeding initial expectations
- High evaluations from drug companies are leading to repeat orders for MR-kun.

☞ **Members exceed1.3 million physicians, covering a majority of doctors in China**

Sales and Profit Trend of Overseas

(mn yen)

IFRS basis



- Broader business scope in China, US and UK
- MR-kun launched in the U.K., contracts signed with multiple drug companies
- Wrongful “spam” classification of M3USA e-mail server decreased sales and impacted profits negatively by 400 mn yen for H1. The problem has been resolved with minimal impact expected for Q3

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)**

FY2015 H1 Results

FY2015 H1 Consolidated Results

IFRSベース

(million yen)	Forecast		Actual	%YoY
Sales	29,000	<	30,525	+24%
Operating Profit	8,500	<	9,158	+22%
Pre-tax Profit	8,500	<	9,182	+22%
Net Profit	5,200	<	6,148	+28%

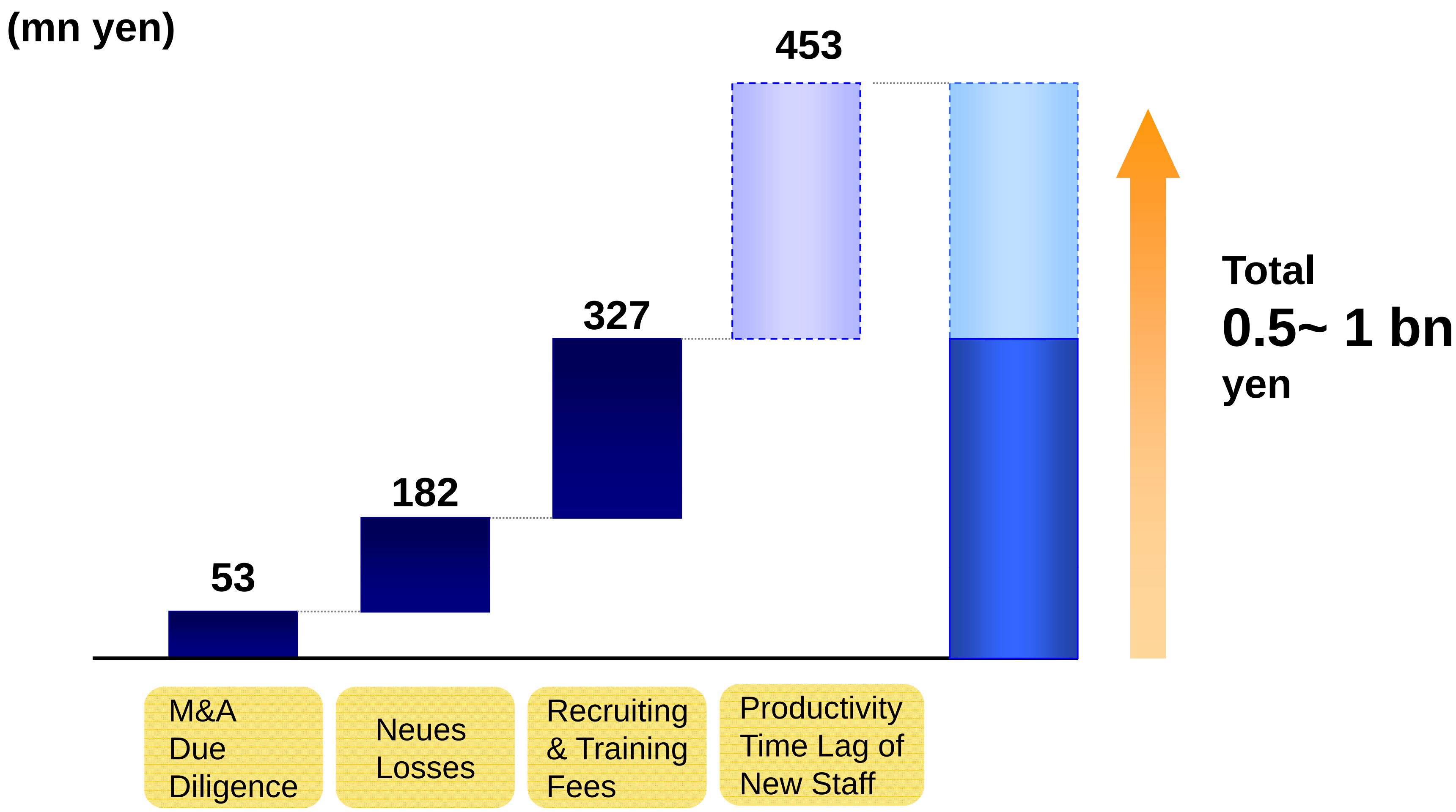
FY2015 H1 Consolidated Results by Segment

IFRS basis

(mn yen)

		FY2014 H1	FY2015 H1	YoY
Medical Portal	Sales	11,098	11,961	+8%
	Profit	6,426	7,069	+10%
Evidence Solution	Sales	6,333	9,770	+54%
	Profit	635	1,786	2.8x
Overseas	Sales	4,784	6,405	+34%
	Profit	609	577	-5%
Clinical Platform	Sales	1,466	1,305	-11%
	Profit	175	133	-24%
Sales Platform	Sales	601	664	+10%
	Profit	-153	12	—
Others	Sales	675	933	+38%
	Profit	17	110	6.3x

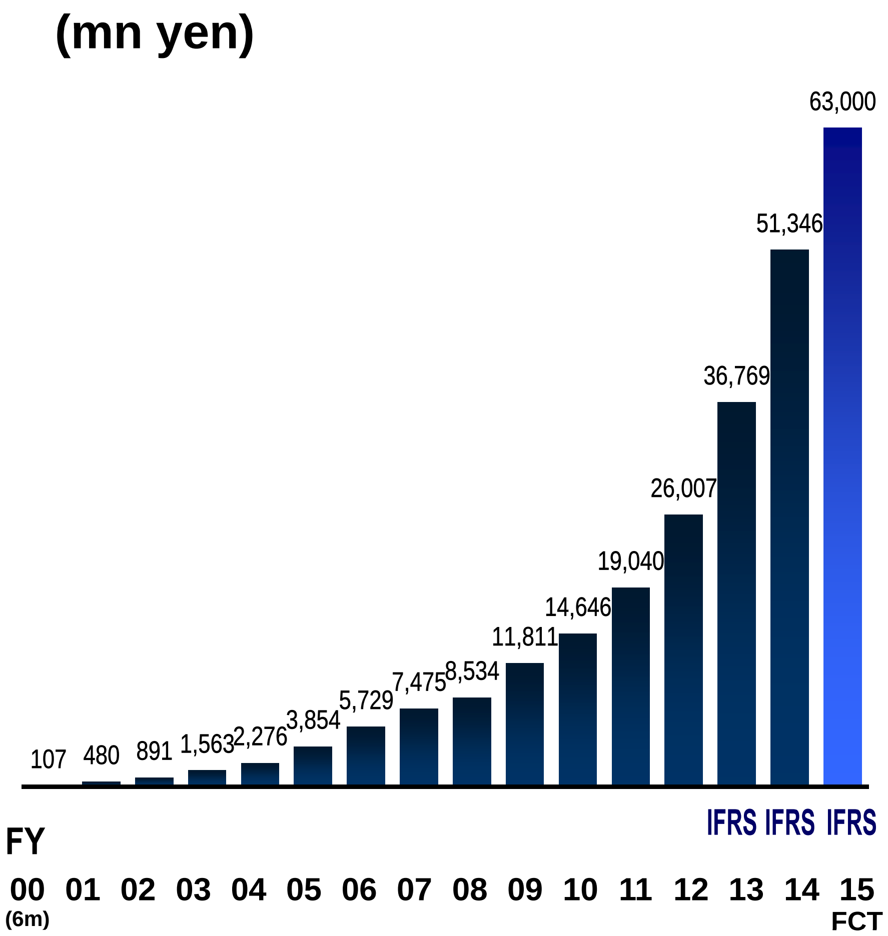
Special Upfront Investment Costs for Future Growth



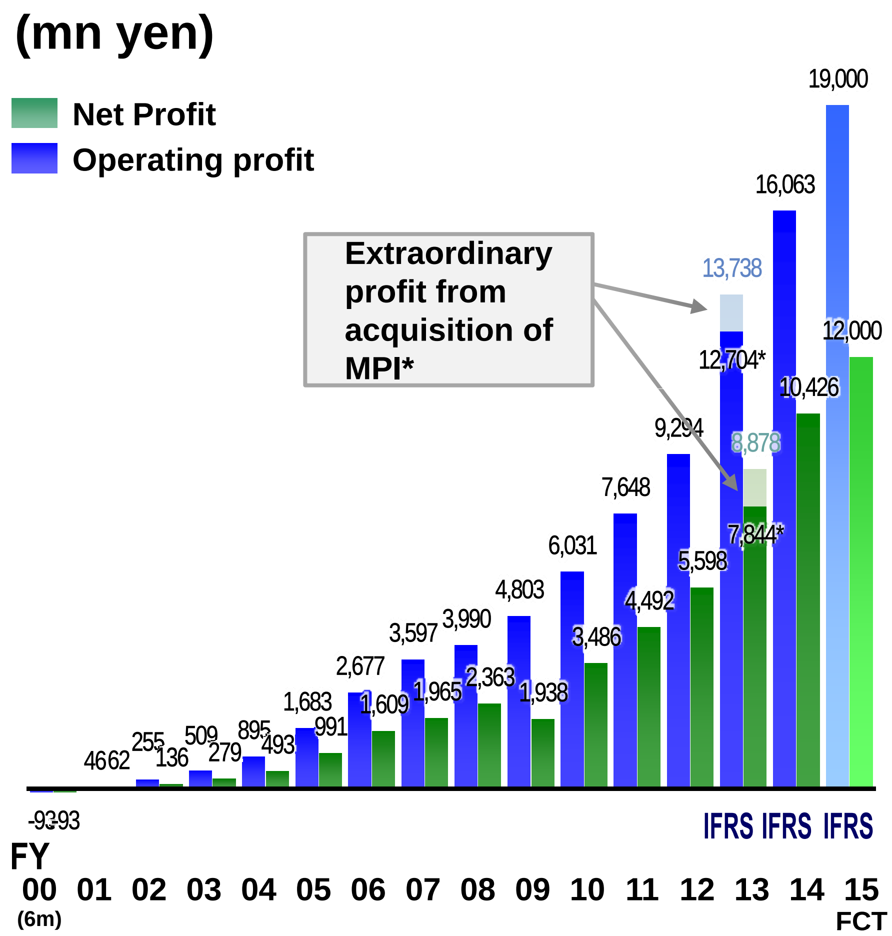
☞ **Upfront investment costs in anticipation of future growth is expected to dampen profits by 0.5~1bn yen. Aggressive investments will likely continue.**

Annual Results & Forecast for FY2015

Sales

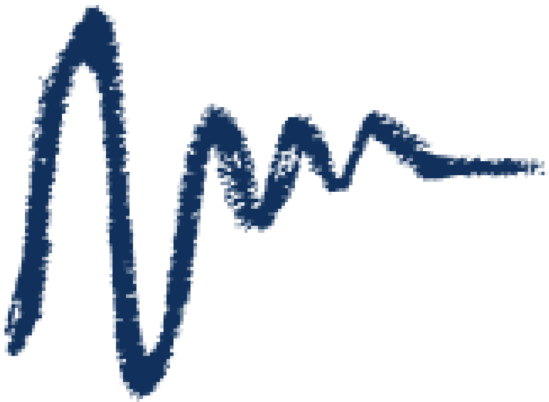


Operating Profit & Net Profit



* 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**