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## Notice Regarding the Launch of the Joint Venture in India

M3, Inc. (Headquarters: Tokyo, Japan; CEO: Itaru Tanimura; URL: <https://corporate.m3.com/en/>; "M3" below) announced the launch of a joint venture with Healthcare at Home Private Limited (Headquarters: New Delhi; "HCAH" below), with the objective to launch internet based healthcare services in India. In conjunction, M3 has partially acquired shares to subsidiarize Health Impetus Private Limited (Headquarters: Navi Mumbai; Full subsidiary of HCAH; "HIPL" below).

### 1. Background of the Joint Venture

HCAH is a joint venture established by the Burman Family, the founding family of one of India's largest fast-moving consumer goods company, Dabur India Limited ("Dabur" below), and by the founders of Healthcare at Home, UK ("HaH" below), a high technology home care service provider based in the United Kingdom. HCAH is providing premium quality high technology home care service in India, leveraging on the Burman Family's preeminent brand and high profile networks within the healthcare and pharmaceutical industries, track record of introducing several dozen of global businesses into India, and over 20 years of experience of HaH founders in providing high technology home care in the U.K.

HIPL is a subsidiary of HCAH, and provides patient support programs to improve adherence and enhance patient engagement for client pharmaceutical companies. Since its establishment in 2008, HIPL has devised various support services to reduce the burden on patients, starting with drug purchasing and extending to medication instructions, with their primary patient support programs to advice adherence through its call centers and counselor dispatches to medical sites. Over 30 major Indian pharmaceutical companies utilize these services for numerous medications and patients, and a database of over 100 thousand physicians.

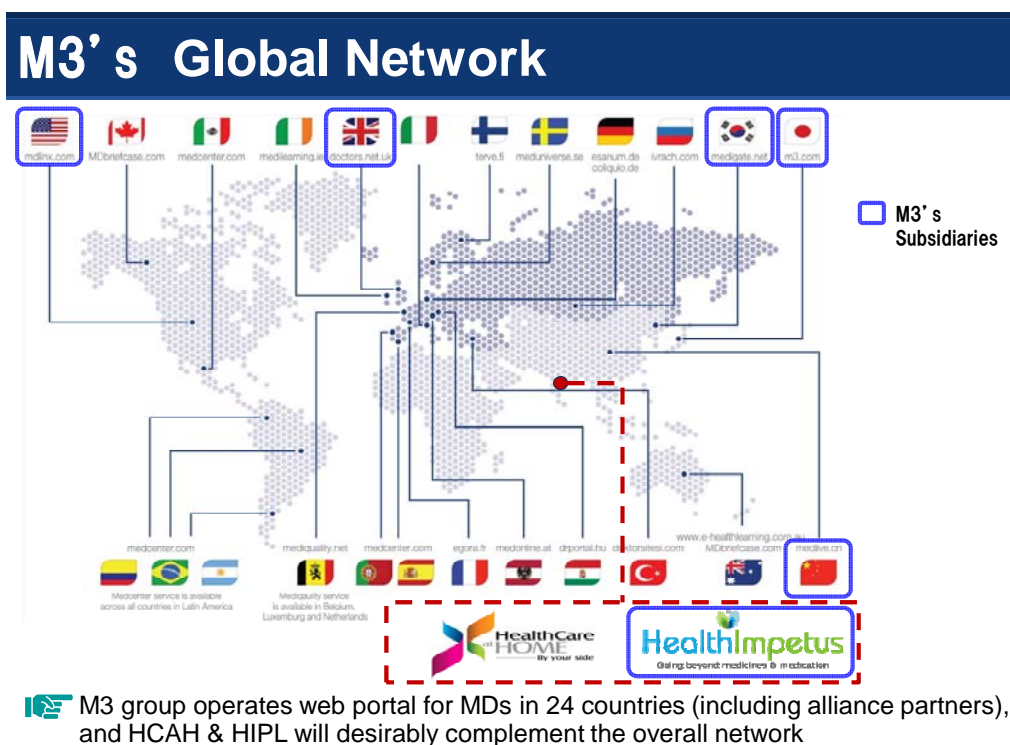
M3 operates m3.com, a web portal for medical professionals that delivers healthcare related information to its 250 thousand physician members in Japan, as well as provides services such as marketing and R&D support, mainly for its pharmaceutical companies. Furthermore, aggressive business expansion into overseas regions including the United States, United Kingdom, China, and Korea, has generated significant media strength amassed from a membership panel exceeding 3.5 million physicians, allowing for provision of pharmaceutical marketing and research services as well as career placement services for physicians.

On this occasion, M3 and HCAH have agreed to enter into a joint venture through M3's acquisition of HIPL shares from HCAH and rights offering for HIPL, making HIPL a joint venture company.

## 2. Objectives of the Joint Venture

M3 will enter a new full-scale launch of M3 group's various services in India starting with internet based healthcare services, by leveraging the track-record and expertise from previous global expansions. Starting with Japan, U.S., Korea, U.K., China, and now business development in India with its 1.3 billion citizens, M3 will directly cover countries inhabited by roughly 3.3 billion people<sup>\*1</sup>, or 40% of the world's population. M3 operates or has affiliations with web portals for medical professionals spanning across 24 countries, with this new addition of India expected to further strengthen our global network of physicians.

<sup>\*1</sup> Reference: "World population 2015", United Nations



We believe that Indian healthcare industry has extensive growth potential as well as high investment interest towards digital marketing, and project the growth of the market for digital marketing of pharmaceutical products to reach 24 billion rupees (roughly 360 million USD) by the year 2020.

## India's Market Potential (M3 estimate)

### Digital marketing for medical products in India

	Market size of medical products in India**	Marketing cost ratio (Adjusted SGA*** / Sales)	Digital marketing ratio****	Market Potential
2014	1.3tn INR (20B USD)	8%	5%	5.3bn INR (78M USD)
2017	2.0tn INR (30B USD)	8%	7.5%	11.8bn INR (180M USD)
2020	3.0tn INR (45B USD)	8%	10%	23.7bn INR (360M USD)
	CAGR* approx. 14.5%			CAGR* approx. 28%

 **Strong market growth potential as well as high demand for digital marketing investment**

\* Compound Annual Growth Rate

M3 group's various business launches will maximize the business portfolio and high profile networks amongst pharmaceutical companies, hospitals, and physicians owned by the joint venture HIPL, partner HCAH, and the Burman Family. These resources will provide a strong basis, combined with M3's expertise of operating global portal sites for physicians and marketing support, for building M3 group's numerous platforms and services.


## Joint Venture Features and M3 Objectives

### HIPL Features

- Since its foundation in 2008, have developed numerous patient adherence services
  - Patient adherence advisory
  - Medication procurement support for patients
  - Patient excavation through health check-up support, etc.
- Client base of over 30 major Indian pharma companies (MNC and major domestic companies)
- Owns high quality physician database

### M3 Objectives

- Network across prominent pharma companies**
  - ✓ Provide continued support programs to over 30 pharma companies
  - ✓ Utilize HIPL's track record and brand accumulated in the eight years since foundation, to start-up M3 platform and services
- Access to high profile physicians**
  - ✓ Database of roughly 100 thousand physicians
  - ✓ Increase physician membership base and engagement through the existing call center
- Steady foundation of existing business**
  - ✓ Existing businesses remain profitable
  - ✓ JV partner HCAH and it's top shareholder, the Burman Family, will provide management support for the JV company and existing businesses

 **The JV's existing businesses and networks across pharmaceutical companies and physicians will provide a basis for building M3 group's platform and services in India.**