

“Mid-term Management Vision” Explanatory Material

20th Anniversary

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President and CEO

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 CareNet



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Mid-term Management Vision 2019

Enhancing the value of our company as the
”No.1 provider of educational media in clinical medicine”
by continuously providing **platforms to exchange
medical information and solutions**
required from physicians and pharmaceutical companies.

Mid-term numerical goal :

■ Existing business

Aim to achieve a 5% growth every year by adding improvements while responding to the environmental changes

■ Launch new services to the newly emerging markets

Fresh sales 1 billion yen (2019)

**Business circumstances will largely change in the future!
An era is coming where specialty drugs will account for more than 80% of the newly launched drugs**

Number of newly developed drugs

(As of the end of Feb. 2016)

	Phase-II	Phase-III	Under regulatory review	New drugs subtotal
Subtotal	116	244	66	426
Specialty drugs	90	208	59	368 (86%)
Drugs for lifestyle-related diseases	26	36	7	59 (14%)

Source: Aggregated data published by pharmaceutical companies

Traditional labor-intensive method of pharmaceutical companies is ineffective in marketing specialty drugs

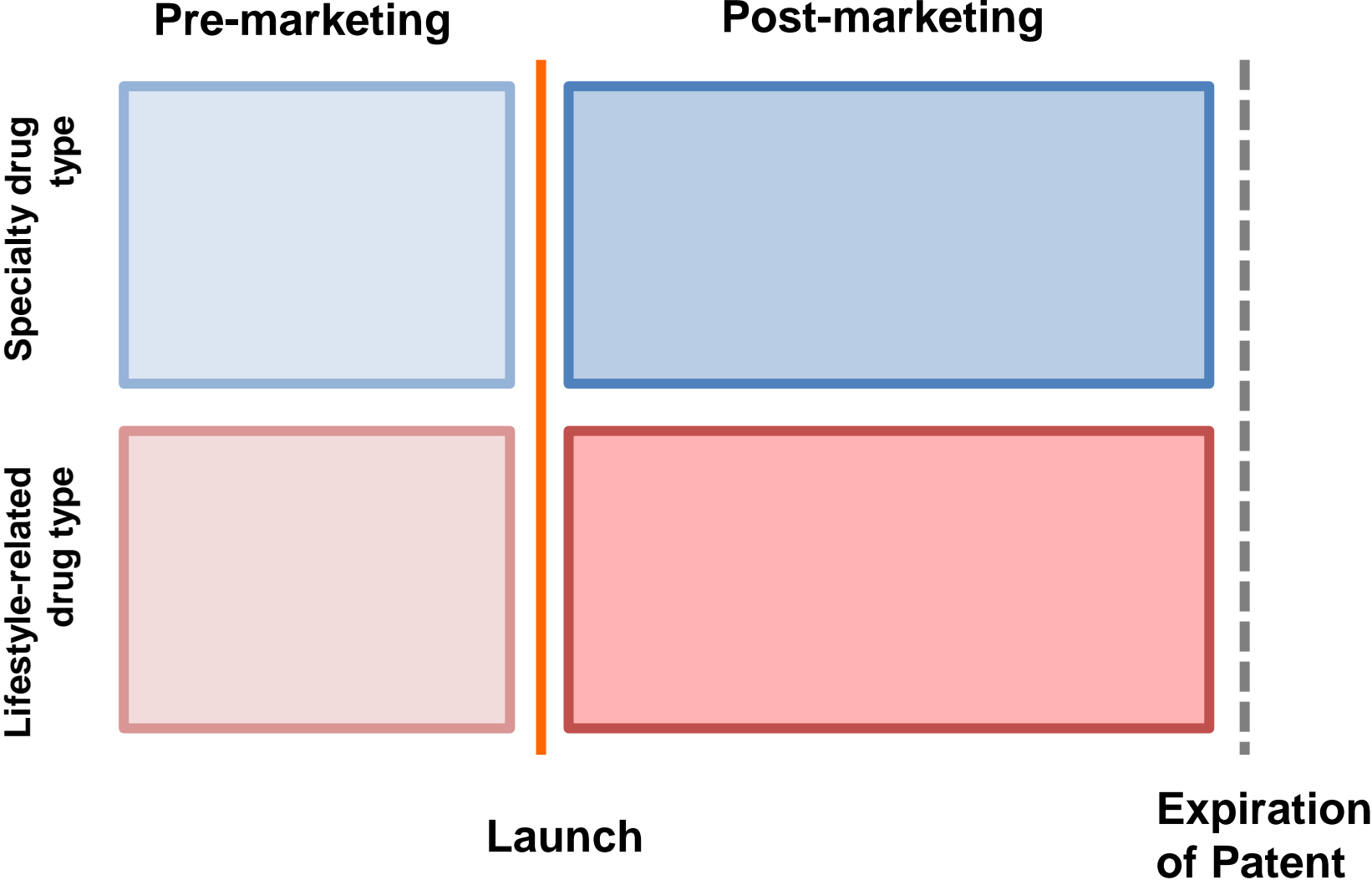
Drugs for lifestyle-related diseases

- Mainly diabetes drugs, hypotensors
- Patents of many main products are expiring
- Many patients use these drugs and the sales amount is large
- Prescribed mainly by practitioners, namely general physicians
- There are many similar drugs, thus the call share of “MR+e” is the key to increase the sales

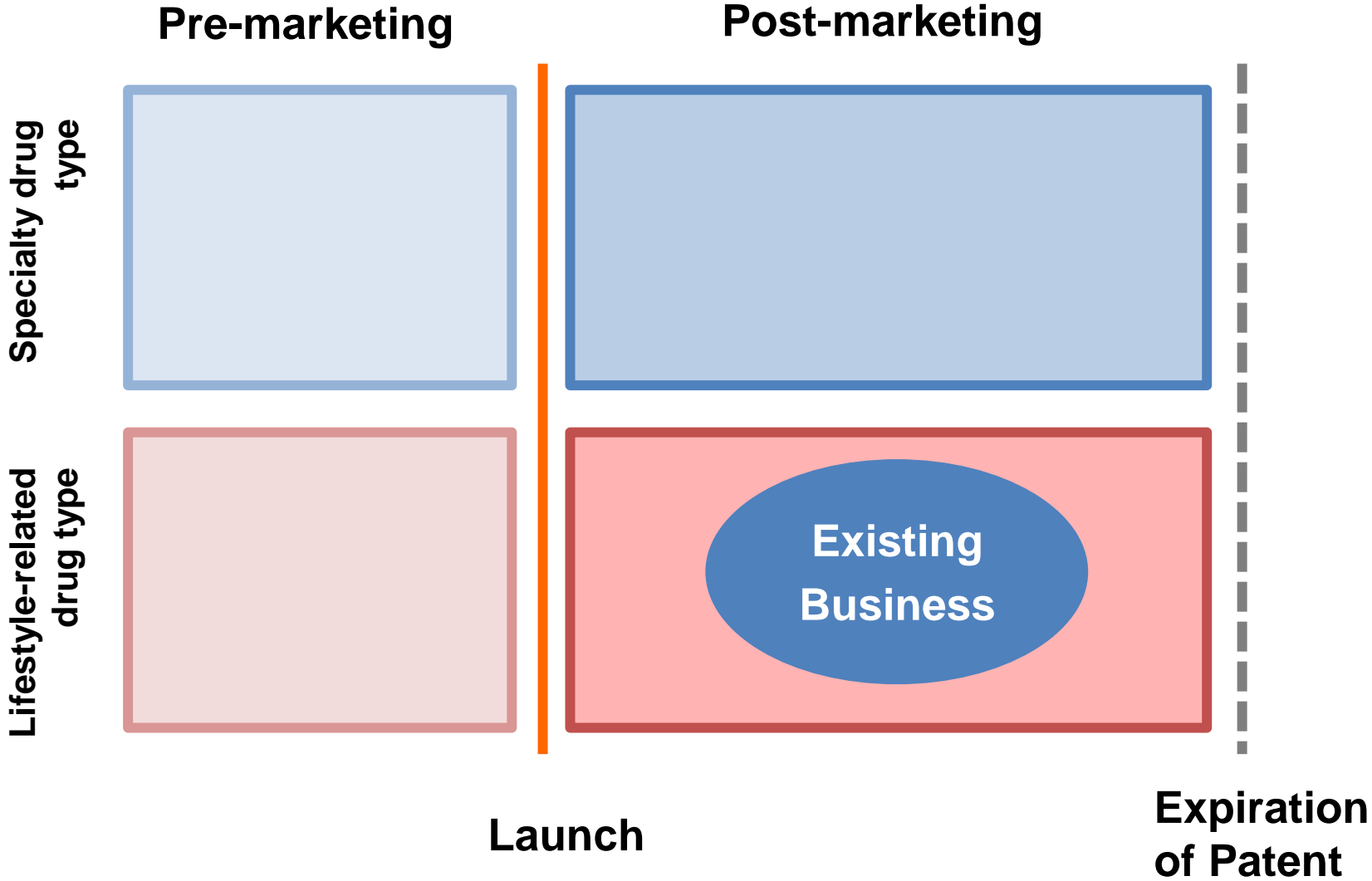
Specialty drugs

- Mainly drugs for cancers or rare diseases
- These drugs have less number of users, but have succeeded in differentiating the effect (their drug prices are also high)
- Prescribed by limited number of specialists working at large hospitals
- Sales talk by MRs is not effective. Sharing data collection and analyses for individual treatment with physicians will result in a prescription increase

Conceptual framework for CareNet business

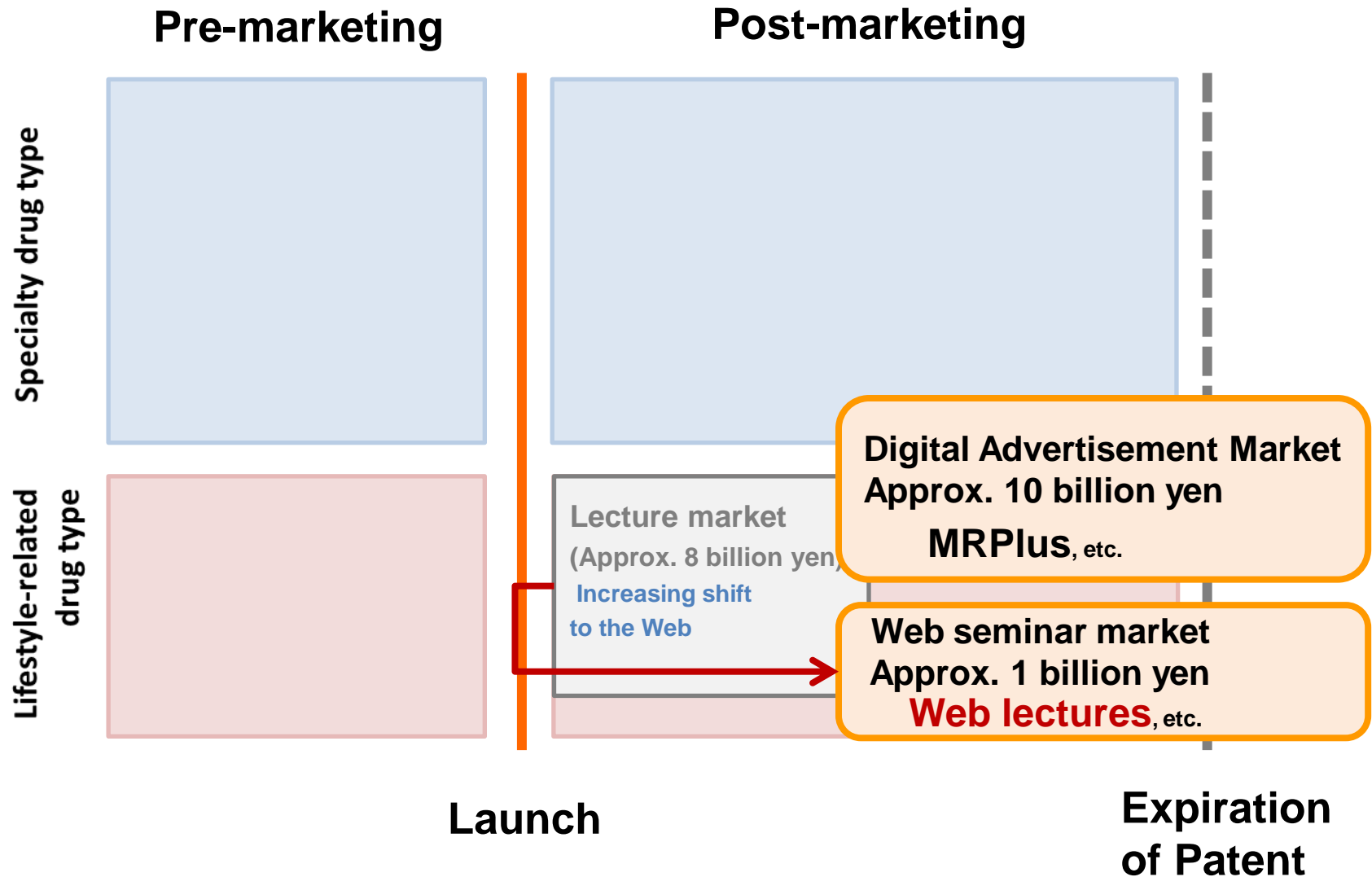


Conceptual framework for CareNet business



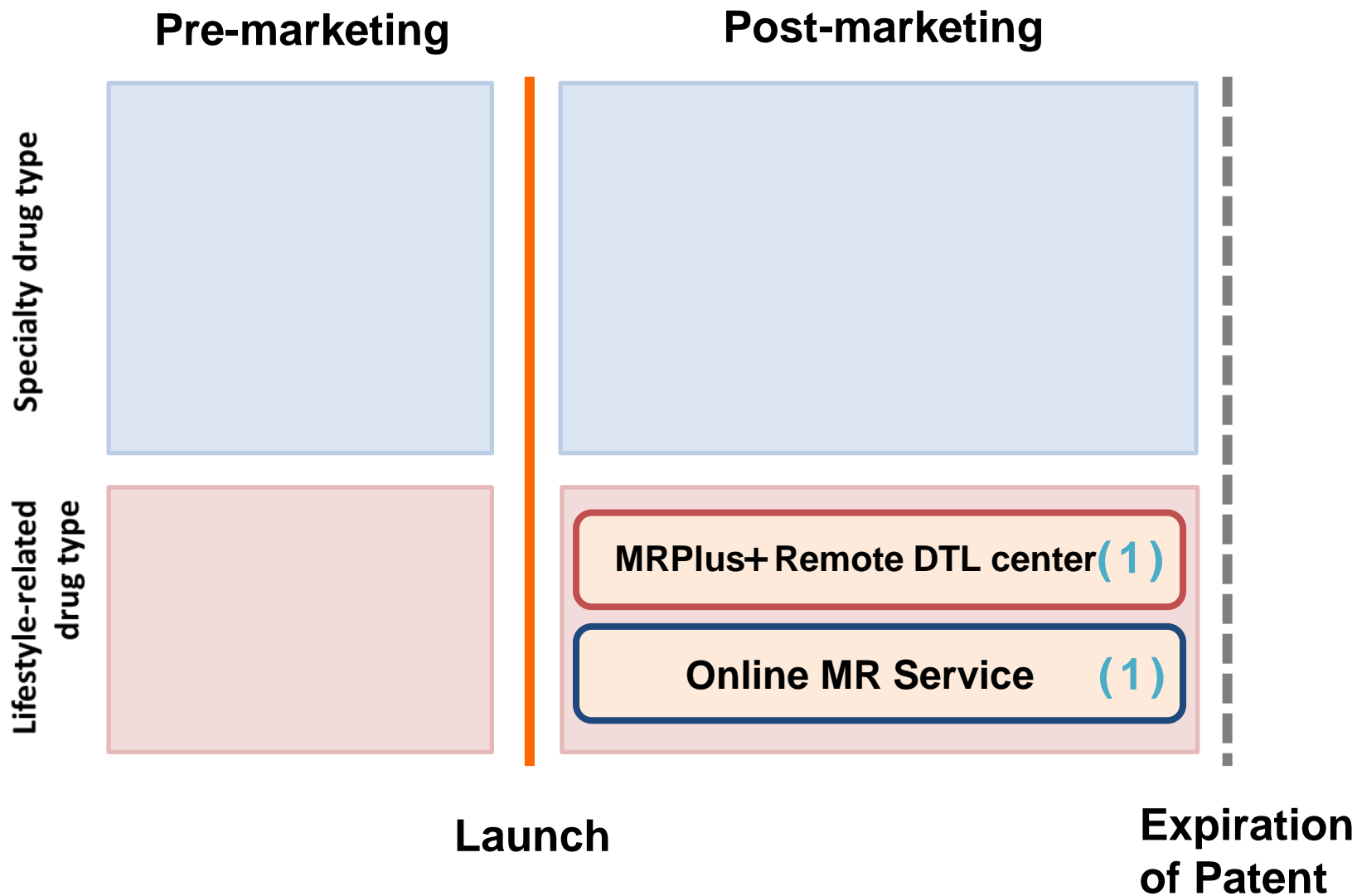
Future of the Existing Business

E-promotion, which has been one of our main businesses, will steadily keep growing in the future

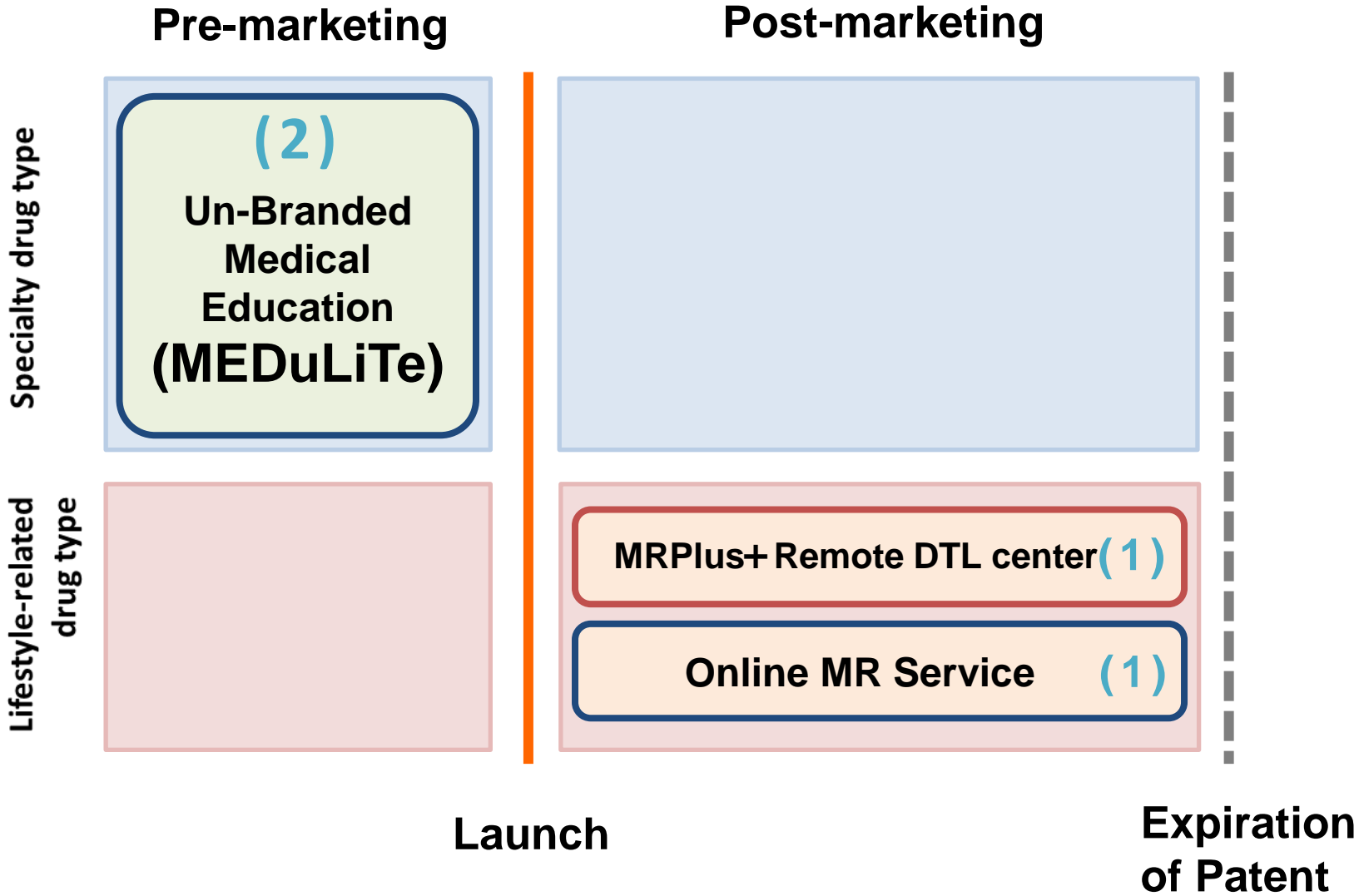


Strategy for Each Segment

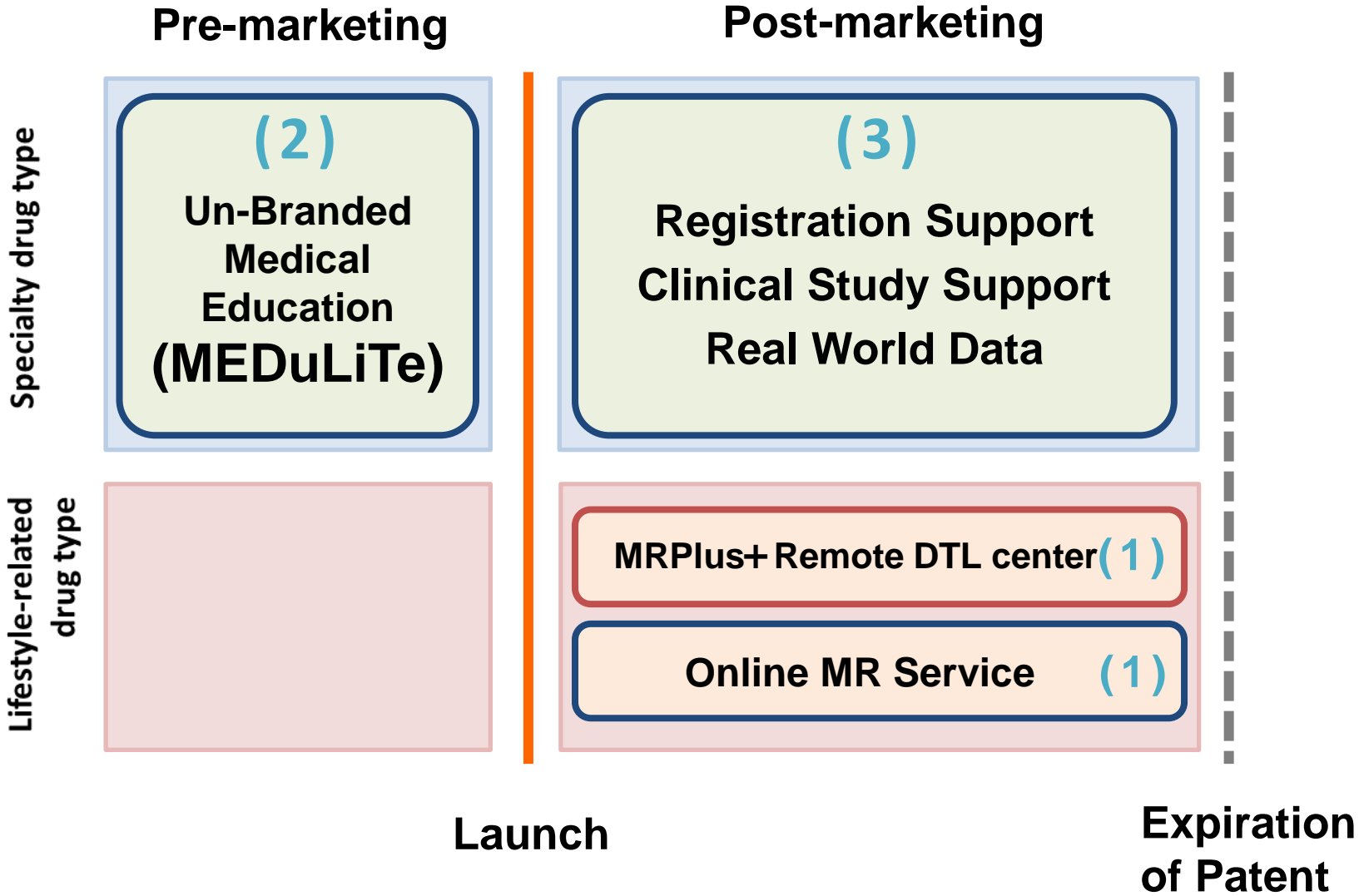
Three segments were selected as the target of the medium-term strategy



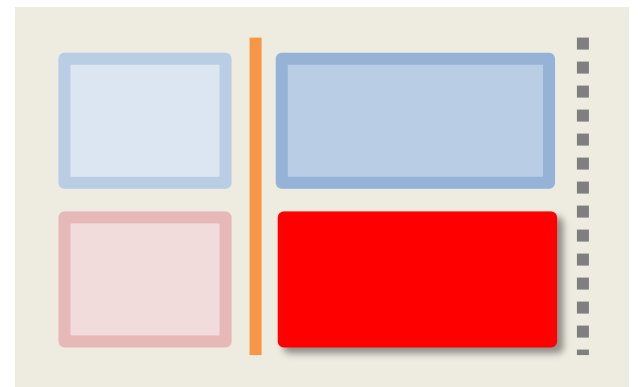
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Improvement of the Existing Services and Online MR Service



Improvement of the existing business

MRPlus + Remote DTL Center

In the future with limited meeting opportunities, responding in a timely manner to the physicians' needs which change according to the lifecycle of a product will be more important.

This service will swiftly support physicians' activities after generating prescription intention through MRPlus by integrating the Remote Detail (DTL) Center.



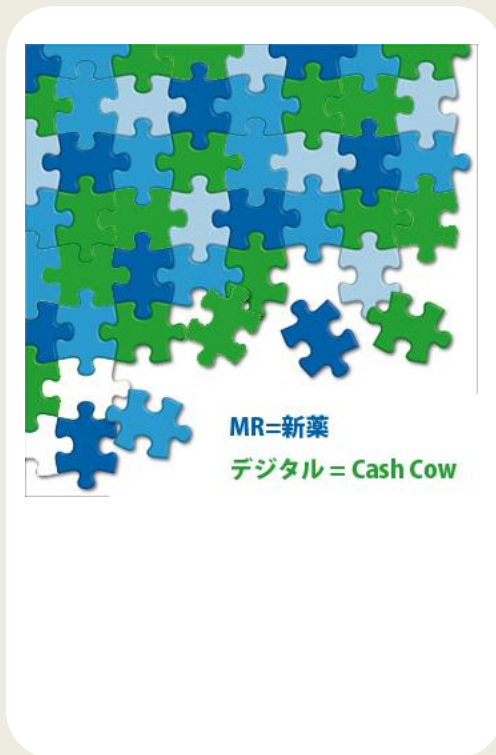
MRPlus

**Remote
DTL
Center**

- Clearly divide the existing service into **MR-type** and **Non-MR type** to expand in the digital PR market which is expected to grow further, and increase the value of our company.
- Add the Remote DTL Center to the Non-MR type. Improve the performance of each project by directly contacting physicians from concierges or medical personnel who are capable of covering inbound + outbound.
- **Pilot Launch of the Remote DTL Center: 2016 (planned)**

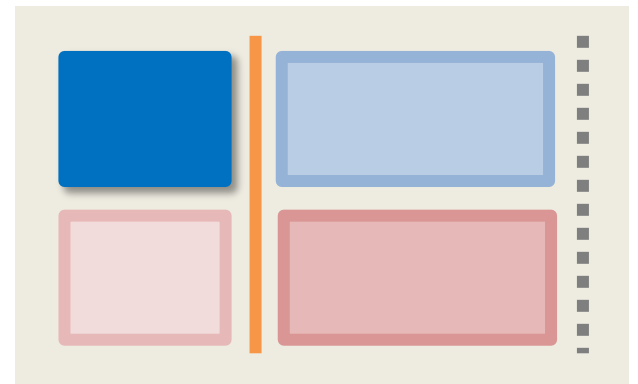
Launch of Online MR Service (New)

- Providing a new multi-channel support service for continued prescription in response to a review of MR resources.



- Respond to the needs for the complete digitalization due to a decrease in MRs in the practitioners' sector, a main market of drugs for lifestyle-related diseases.
- CareNet will act as a digital MR for the **Important Physicians' Panel** in some of the high-cost and time-consuming activities such as providing information to maintain prescriptions, to prevent brand switching, or to find undiagnosed patients with special diseases.
- Add the Remote DTL Center when closing is required.
- Target products are drugs for lifestyle-related diseases, and specialty drugs for internists
- Second half of 2016: Pilot launch

Un-Branded Medical Education Provided Before Launching Specialty Drugs



**MEDuLiTe,
the First Website in Japan Special for
Medical Education**

Launch of MEDuLiTe



PICK UP Hottest Contents

Truly incredible symptom diagnosis II presented by Dr. Takeshi, the 1st session: Approach to Disturbance of Consciousness



Text outline will be included here, text outline will be included here, text outline will be included here, text outline will be included here, text outline will be included here, text outline will be included here....

[View immediately](#)

RECOMMEND Recommended Contents

Truly incredible symptom diagnosis II presented by Dr. Takeshi, the 1st session: Approach to Disturbance of Consciousness



Truly incredible symptom diagnosis II presented by Dr. Takeshi, the 1st session: Approach to Disturbance of Consciousness



CATEGORY

Clinical Departments



All Clinical Departments



Internal Medicine Department



Cardiovascular Internal Medicine Department/
Cardiovascular Surgery Department



Respiratory Disease Department



Nephrology Department



Diabetes, Metabolism, Endocrinology
Department



Pediatric Department



Infectious Disease Department



Hematology Department



Neurology Department

* An image of the website

Launch of MEDuLiTe

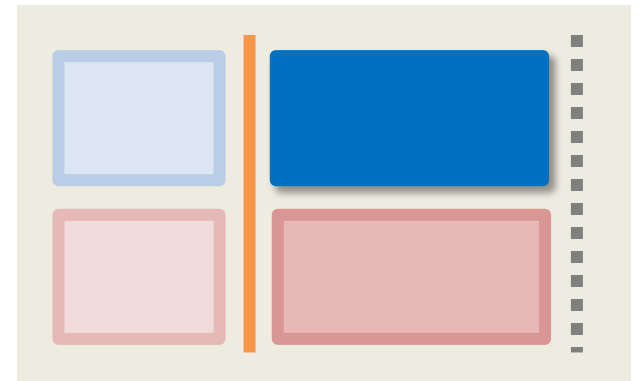


- Planned to be opened in July 2016.
- A learning center specialized in clinical information with non-brands.
- Focusing on the marketing in specialty fields.
- Meeting the needs of pharmaceutical companies; “To give target doctors a good impression of the field to be newly marketed, to build a sense of expectancy, and to make preparation”.
- The needs of pharmaceutical companies are very high as drug information provision or contact from MRs is not legally allowed before obtaining a new drug approval.
- All physicians require is highly academic information, not the subjective information from manufacturers. Such contents cannot be created without high competency and experience.

Clients can be a sponsor of educational contents which are planned/ produced/ posted by CareNet.

Business Model Similar to TV Stations

Purposes and Policies of New Services to be Launched in Post-Marketing of Specialty Drugs



Clinical Data Collection is Important in the Field of Specialty Drugs

Issues in specialty drugs

Insufficient clinical data

Needs to aggregate clinical data

Creating contents to present the data



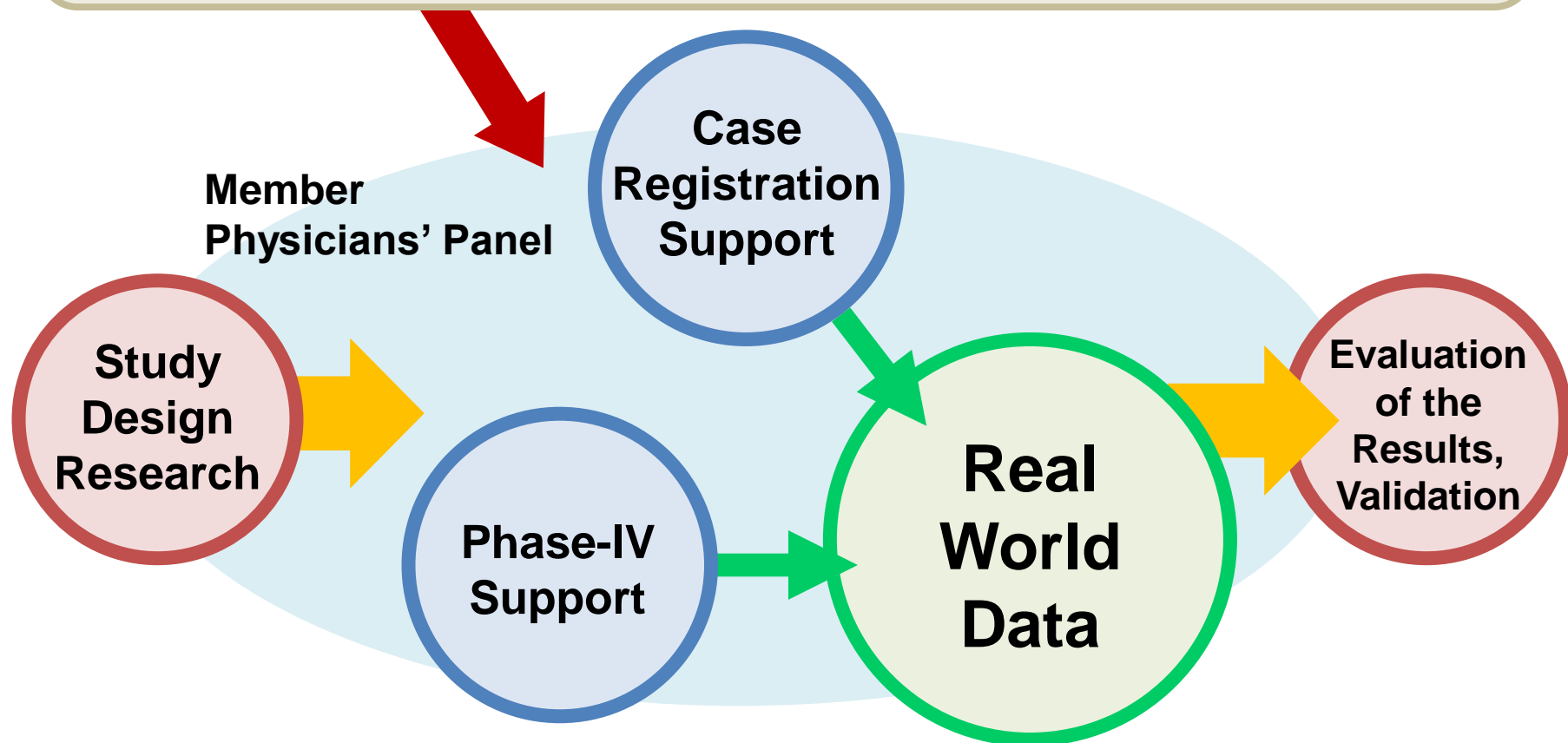
Our company's advantage

- **Experience in recruiting participating physicians and training physicians online**
- **Experience in carrying out calculations and analyses, utilizing clinical cases collected from members**
- **Know-how built through case registration support**

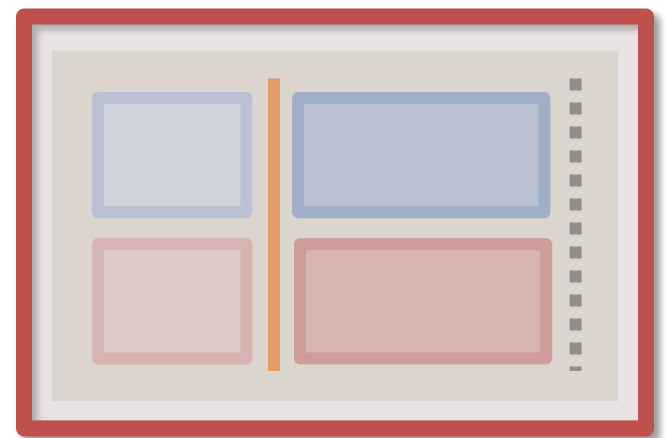
Strength of Real World and CareNet

Activate collection of post-marketing data on specialty drugs to support clinical studies

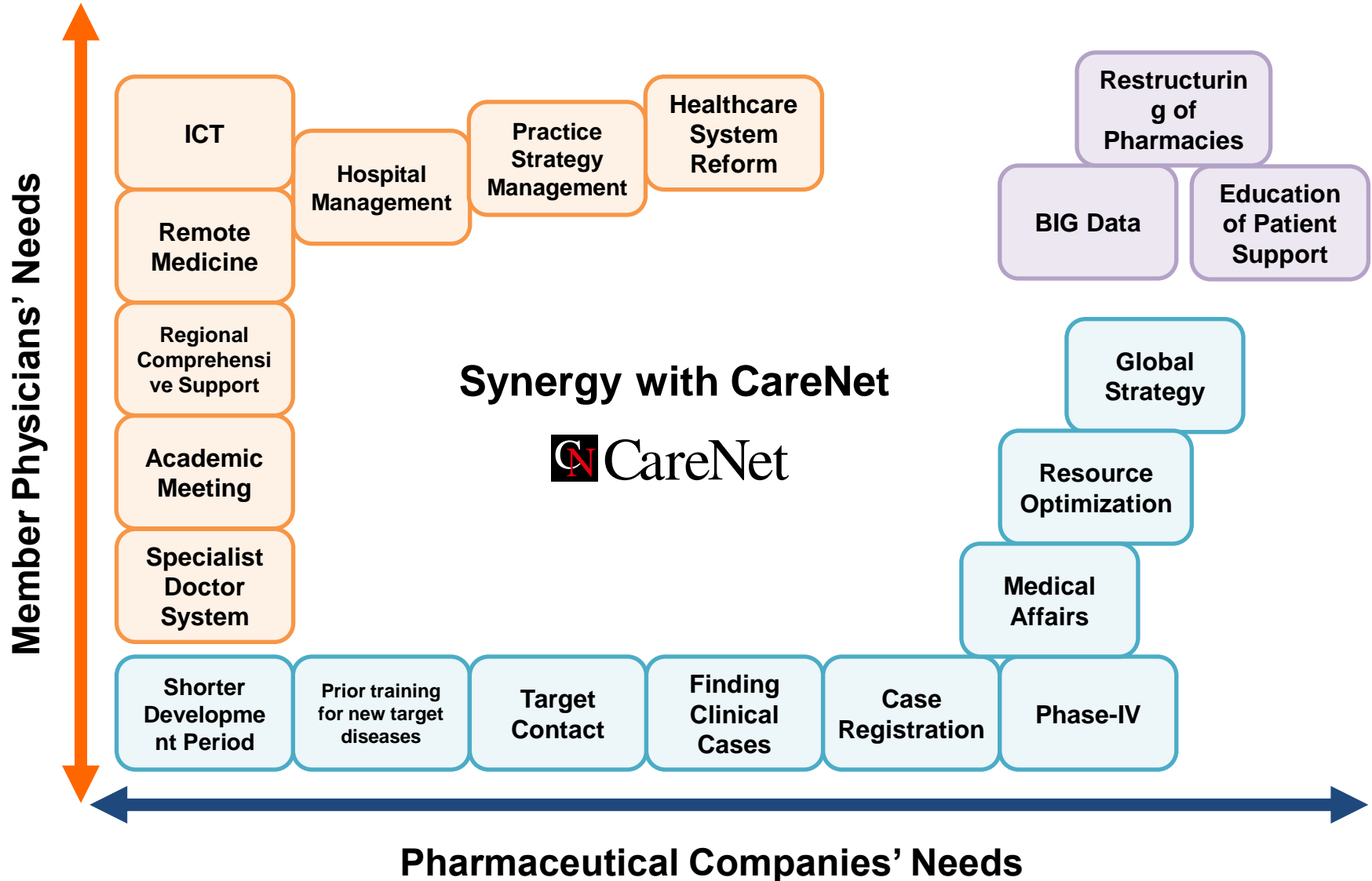
Accelerate the speed of case registration through the physicians' panel consisting of 128,000 members and a database and contribute to improve the performance



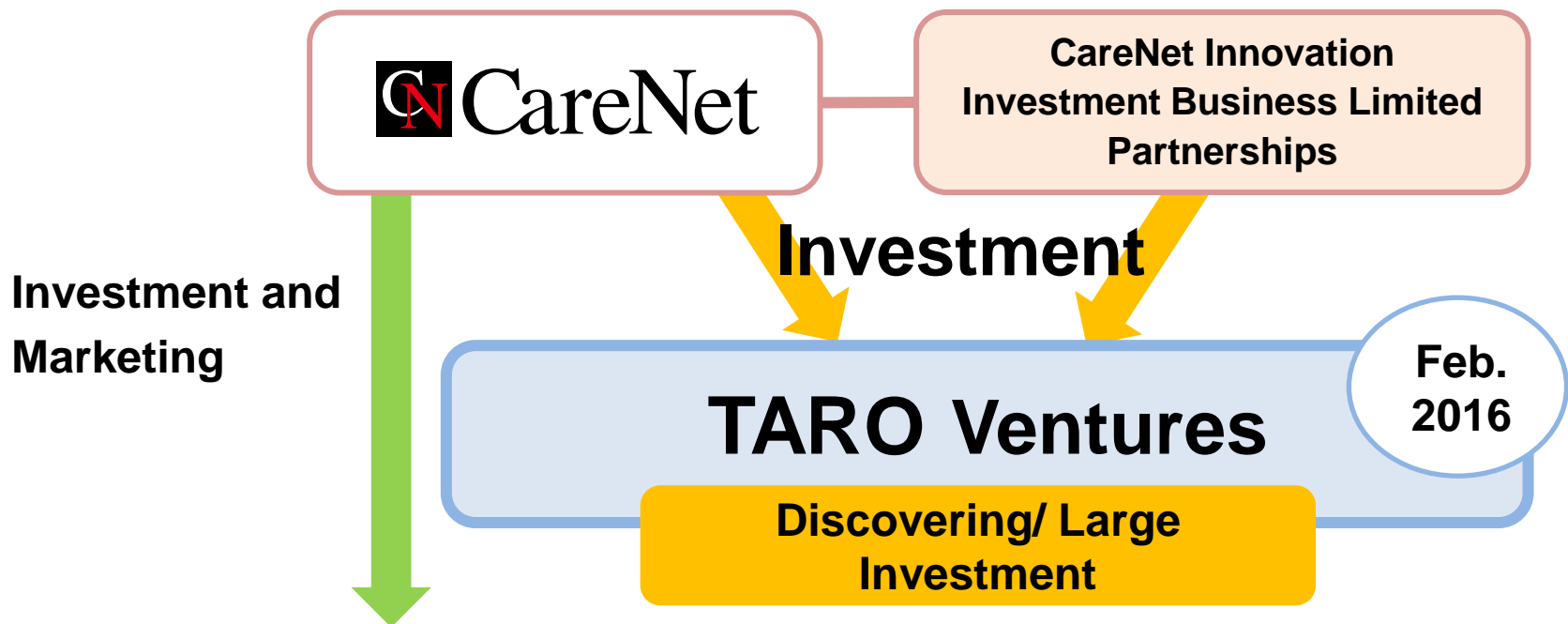
Investment to Venture Seeds in the Medical / Health Care Fields



Incorporate business areas which are common in medical and pharmaceutical fields and in which our competency fits



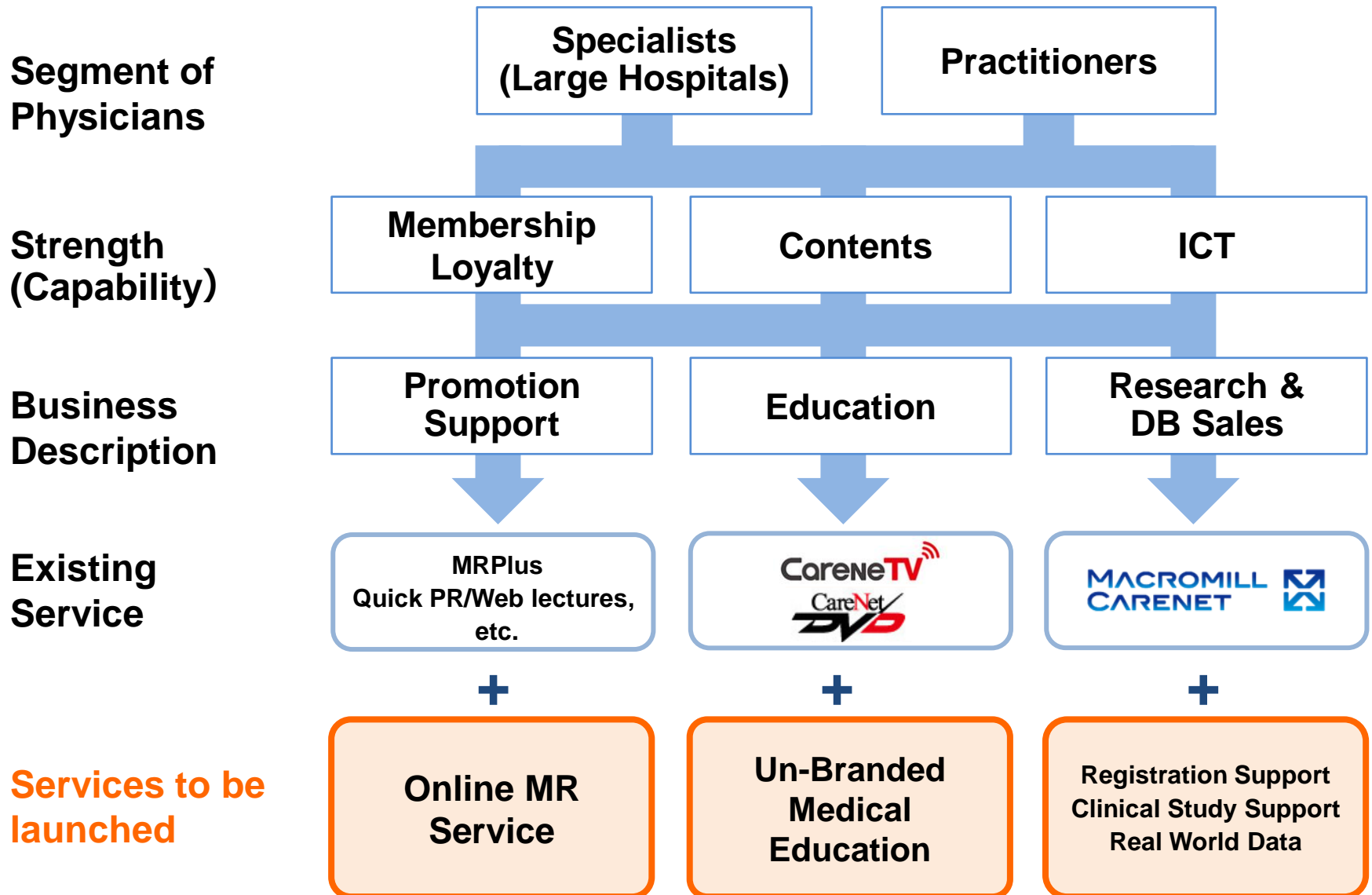
Investment to Related Healthcare Seeds



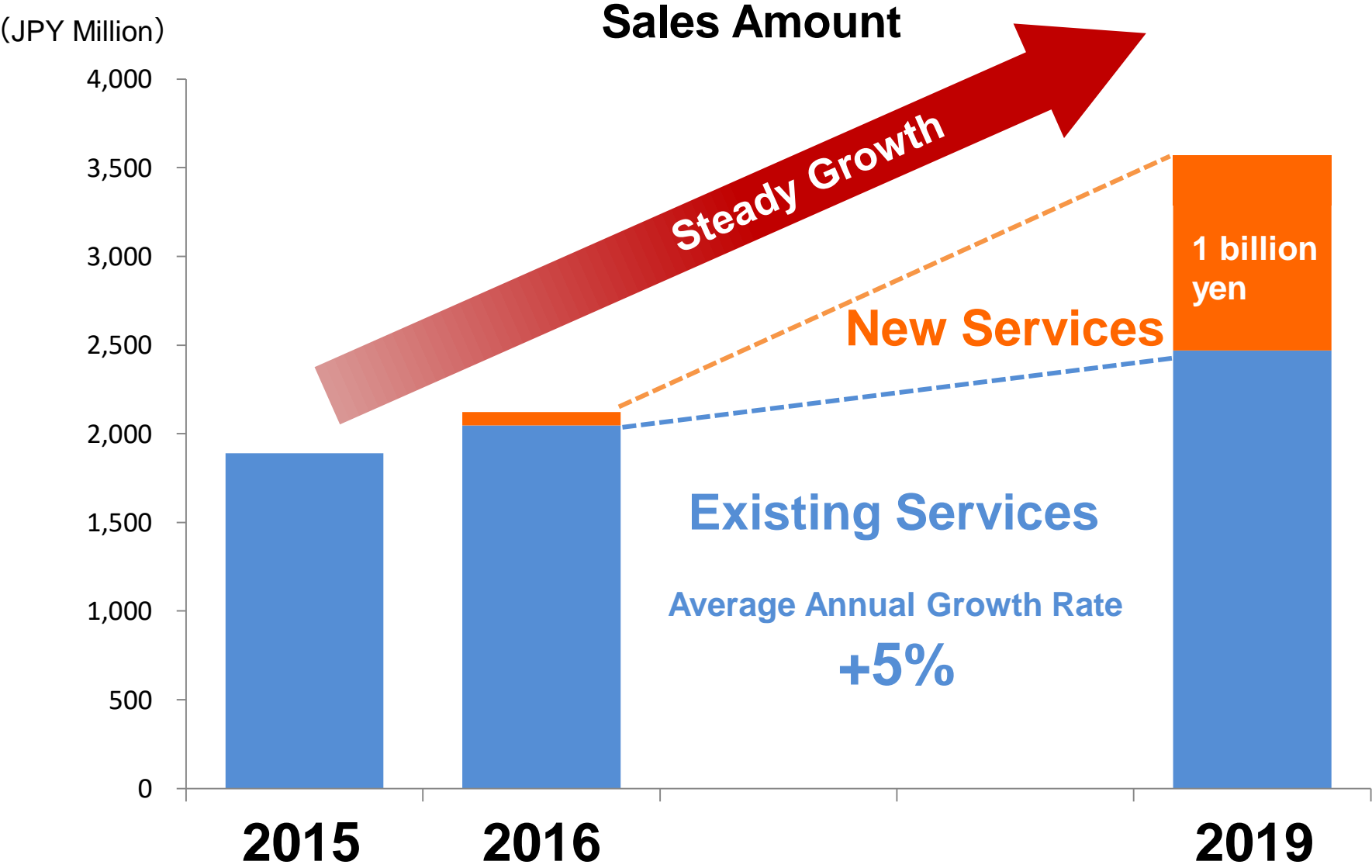
Investment to high value-added businesses in the future healthcare environment

- Medical ICT
- Telemedical service
- Hospital management support
- Support for practitioners
- Support for retaining patients
- New businesses for meeting pharmaceutical needs etc.

Strategy in the mid-term period + Service Matrix



Mid-term Sales Forecast 2019



Thank you for your continued support.



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