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Listed Company: M3, Inc.
(Tokyo Stock Exchange Section 1: 2413)
(<https://corporate.m3.com>)
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Announcement Regarding the Recognition of Gain Relating to Loss of Control Over Subsidiaries

M3, Inc.'s ("M3," below) subsidiary, Medlive Technology Co., Ltd. ("Medlive," below), which was incorporated in the Cayman Islands and operates the China business through its subsidiary, Jinye Tiancheng (Beijing) Technology Co., Ltd., was approved for the listing (the "Listing Approval") of its shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on June 17th. Medlive's board of directors agreed to the listing at the board meeting today.

Medlive is a joint venture between M3 and Tiantian Co., Limited (Headquarters: Belize; "Tiantian" below). As a result of the Listing Approval, it has been agreed upon today at M3's board of directors meeting to revoke M3's right to nominate the majority of Medlive's Directors as was stated in the joint venture contract between M3 and Tiantian. In conformity with the above, Medlive and its subsidiaries ("Medlive group," below) will be deconsolidated from M3 as a result of M3's loss of control, and will become an equity-method affiliate of M3. Related gains will be appropriated to M3 accordingly as described below.

1. Objective for the listing, deconsolidation and loss of control

As a result of the listing of Medlive's shares on the Stock Exchange, M3 expects that it is in the best interest of the long-term growth strategy for Medlive to manage their operations in a more autonomous and agile manner. Furthermore, direct interaction between Medlive and its stakeholders in the capital markets is expected to reinforce their pursuit towards increasing enterprise value. M3 will also relinquish control over the nomination of the majority of Directors in respect to Medlive's independence accompanying the occasion of its listing.

While Medlive group will no longer be consolidated under M3, M3 will continue to support Medlive as its large shareholder through partnerships such as provision of expertise and licensing contracts.

2. Overview of Medlive

Trade name	Medlive Technology Co., Ltd. (formerly: Kingyee Co., Limited)
Location	Cayman Islands
Representative	Ms. Tian Liping, Chairwoman, Chief Executive Officer, and Executive Director
Business	Holding company for entities of Medlive group *Medlive group business: operation of professional physician platform in China, which provides digital detailing, digital marketing consulting, digital market research, and development of software for healthcare professionals
Capital [Note 1]	USD 1,599,000 (as of today)
Established	April 8, 2013
Financing Ratio	M3 50%, Tiantian 50% (as of today)

[Note 1: sum of Common Stock and Additional Paid-in Capital]



3. Outlook

The impact from this deconsolidation and loss of control is currently being assessed. However, as a result, M3 is expected to record a remeasurement gain in the amount of 10 billion yen based upon the fair value of the 267,540,000 Medlive shares owned by M3, to be recorded as M3's operating profit in the first quarter of FY2021, accompanying the deconsolidation and subsequent equity-method affiliation of the Medlive group.

Note: This press release is not an offer to sell or a solicitation of any offer to buy the securities of Medlive Technology Co., Ltd. in the United States or elsewhere. The securities referenced in this press release have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities will not be publicly offered or sold in the United States.