

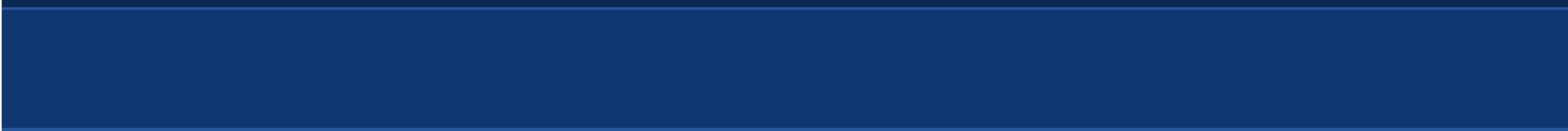
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# Acquisition of COSMOTEC

Reference Material

September 2017





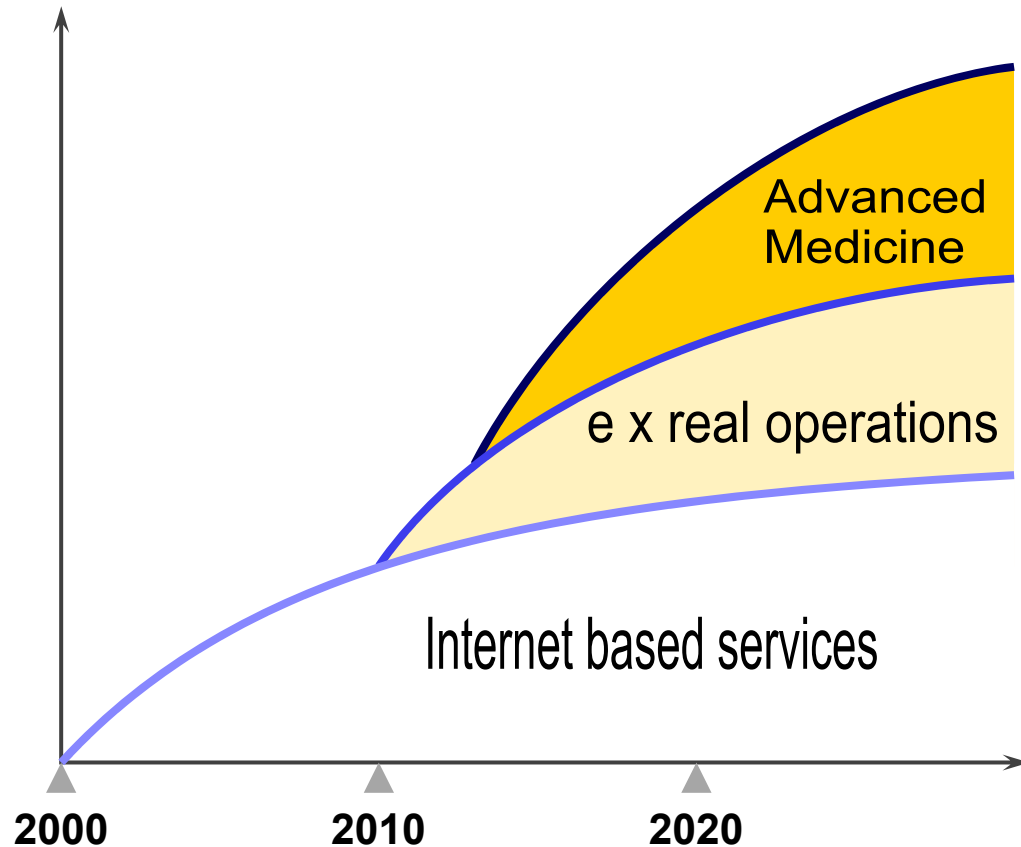
The following presentation contains forecasts, future plans, management targets and other forward-looking projections relating to M3, Inc. and/or its group. These statements are drawn from assumptions of future events based on data currently available to us, and there exist possibilities that such assumptions 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.

# Evolution of M3 Growth Levers

Added Value Creation



Specific Initiatives

- Seeds Rocket / M3i
- Various solutions within Cancer specialties
- M3 AI Labo
- Genome Diagnosis / G-TAC
- e-Clinical Trials
- M3 Career (Career support for physicians)
- MR-kun Family
- Web Surveys

**👉 Full scale entry into field of advanced medicine. Current acquisition is a part of this third growth driver for M3.**

# Overview of COSMOTEC

## COSMOTEC Co., Ltd.

**Established** 1992

**Business Scope**

Sales of and consulting for medical devices surrounding cardiac surgery, general surgery, and endovascular treatment

**Employees** Approx. 100

**Offices**

Tokyo, Sapporo, Sendai, Nagoya, Osaka, Okayama, Fukuoka

**Revenue**

5,862 million Jpy (FY 2016.8)

## Main Technology Fields

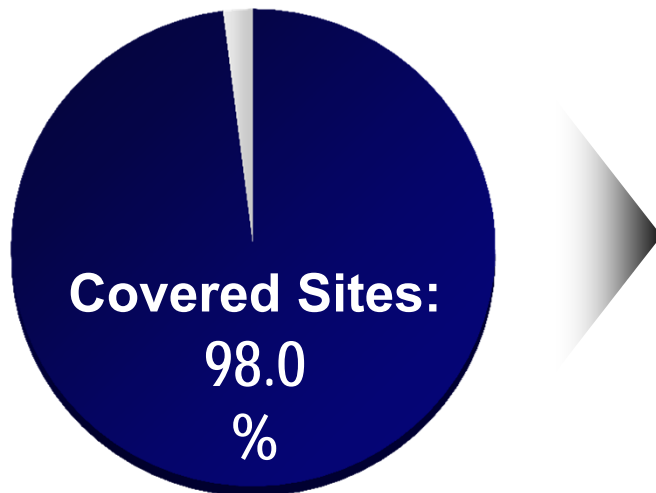
- Cardiovascular Surgery
  - Artificial Cardiopulmonary Device
  - Artificial Lung
  - Artificial cardiopulmonary circuit
- Endovascular Surgery
  - Catheters
  - Stents
- Other treatment and diagnosis medical devices
  - Wound closing device
  - Hemostatic device

# Attributes of COSMOTEC

- **Approx. 1,000 transactions with medical institutions annually. Track record of transaction with 98% (approx. 500 sites) of institutions conducting cardiovascular surgery**
- **Top class in domestic market share of major devices for cardiac surgery**
- **Focus also on seed excavation and in-house development. Expanded share of total sales to 25% over the past 10 years for non cardiac surgery devices**

## Coverage of Cardiovascular Surgical Sites

Uncovered sites: 2.0%



## Business Expansion Outside of Cardiac Surgery Field

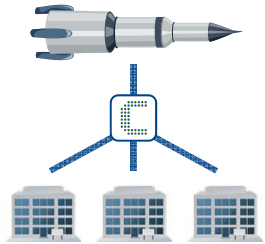
**Share of sales contributed by non cardiac surgery devices**  
**0% → 25%<sub>(approx.)</sub> in 10 yrs**

**Vascular Surgery / Cancer / Reproductive Medicine**  
**New Product Induction + Development**

# Ideas for Synergy Creation

## Synergy

## Development Directive



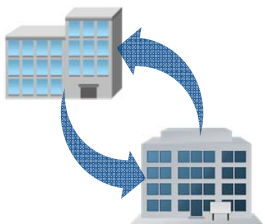
① **Distribution arm for Seeds Rocket Business**

**Distribution through COSMOTEC of unique medical devices born through Seeds Rocket Business**



② **Induction of Overseas Advanced Medical Devices**

**Import overseas medical devices not yet available in Japan, by executing both clinical trials and promotion activities within M3 group**



③ **Development of Marketing Platform for Medical Device Companies**

**Coordinate with m3.com to develop a new platform connecting medical device makers to medical institutions**

 **Develop as a new business foundation to disseminate both domestic and foreign advance medical devices**

# Strategic Objective of Acquisition

## COSMOTEC

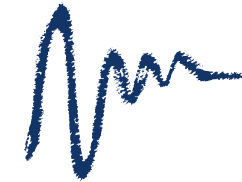


- Distribution/client platform for medical institutions nationwide
- Extensive expertise in supporting clinical sites, cultivated within cardiac surgery field
- Relationships with multiple overseas medical device makers and track record of importing devices into Japan

## Strategic Objective

**Development of business platform within the field of advanced medicine as the third growth driver**

## M3



- 250,000+ physician member platform
- e-services such as MR-kun and Mr. Finder
- Various initiatives within field of advanced medicine such as Seeds Rocket Business and AI Labo