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Capital Alliance with Genomix Co., Ltd. (Project Code: B2-1)
~ Expansion of 3rd Growth Driver Initiatives in Advanced Medicine: Regenerative Medicine ~

M3, Inc. (Headquarters: Tokyo, Japan; CEO: Itaru Tanimura; URL: <https://corporate.m3.com/en/>, "M3" below) announced an investment in Genomix Co., Ltd. (Headquarters: Osaka, Japan; CEO: Tsutomu Kanazaki; URL: <http://www.genomix.co.jp/>, "Genomix," below) in the amount of 200 million yen.

1. Background

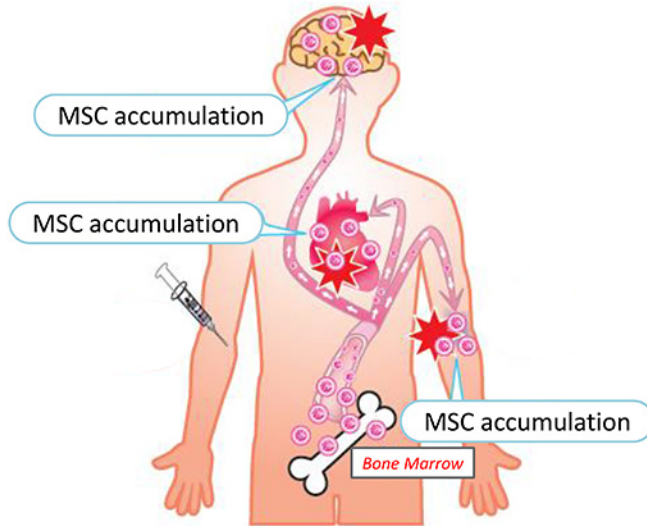
M3 operates m3.com, a specialized web portal for medical professionals that delivers healthcare related information to its 250+ thousand physician members in Japan, offering marketing and clinical trial services designed mainly for the pharmaceutical industry. Presence outside of Japan include the U.S., U.K., France, China, Korea and India, with aggressive business expansion overseas that has amassed over four million physicians as members across our global platforms, allowing for provision of services such as marketing support, marketing research, and job placement support that maximizes on the platform's powerful value as a media channel. Currently, we are undertaking a new initiative, "Advanced Medicine Blueprint" and in addition to having received approval for the production and sale of "DuraBeamTM" in September 2017, an artificial dura mater developed based on technology researched by Riken, the consolidation of COSMOTEC, a medical device distribution and consulting firm specializing in the areas of cardiovascular surgery, general surgery, and endovascular treatments, has contributed tremendously in fortifying our business in the area of advanced medicine. Genomics is the sole company across the globe developing Tissue Regeneration Inducing Medicine. Through injection of this compound, it functions to activate and mobilize bone marrow mesenchymal stem cells (MSCs) into blood circulation around the injured tissue, inducing functional tissue regeneration. Compared to existing regenerative products, this compound has the following three merits:

- 1) Lower production cost allows for mass production (simple production equipment and quality control methods)
- 2) High histocompatibility (no rejection issues given regeneration is of own body cells)
- 3) Categorized as a compound under pharmaceutical affairs, instead of as a regenerative medicine product, allowing for regulatory adherence to standard pharmaceutical drug guidelines

Genomix estimates the potential of this product's indication expansion will create a total addressable market that exceeds 1 trillion yen.

< Mechanism of Action of Tissue Regeneration Inducing Medicine >

MSC-mediated tissue regeneration



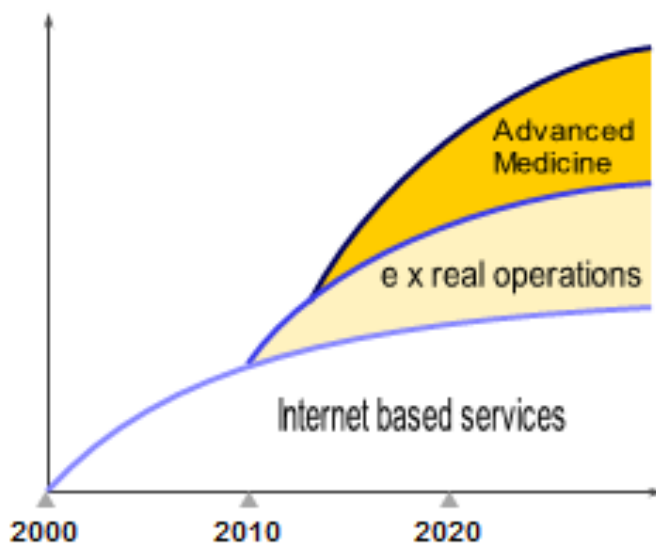
Ref: Genomix

- “Tissue Regeneration Inducing Medicine” has an ability to activate and mobilize bone marrow mesenchymal stem cells (MSCs) into the blood circulation.
- When administered, the drug increases the number of MSCs in the patients’ blood circulation and gets the MSCs to accumulate around injured tissues.
- The accumulated MSCs eventually induce functional tissue regeneration in the patient’s body.

< M3’s Third Growth Driver: Advanced Medicine Blueprint >

Development of the advanced medicine business is positioned as the third growth driver for M3, following “internet based services” and “e x real operations” drivers. This initiative expands the development area of this third growth driver into the field of regenerative medicine.

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

2. Expected Synergies

Below are some expected synergies from this acquisition.

(1) Clinical Development Support

M3's platform offers internet linked clinical study services starting with "Mr. Finder," to support and accelerate processes such as patient recruitment for Genomix's clinical studies.

(2) Marketing Support

M3's 4 million strong physician panel platform is expected to provide strong support as a media power for aggressive marketing and sales efforts toward physicians.

(3) Overseas Expansion Support

M3's experience in overseas expansion can be applied to provide active support in areas such as clinical studies and licensing negotiations with global pharmaceutical firms.

◆Company Overview

Name: Genomix Co., Ltd.

Established: October 2006

Location: Osaka, Japan

URL: <http://www.genomix.co.jp/>

CEO: Tsutomu Kanazaki

Business Area: R&D aimed at productization of Tissue Regeneration Inducing Medicine, others

For this press release and releases going forward surrounding the third growth driver will be numbered with project codes, as outlined below.

< M3 Advanced Medicine Strategy Map (As of November 17, 2017) >

