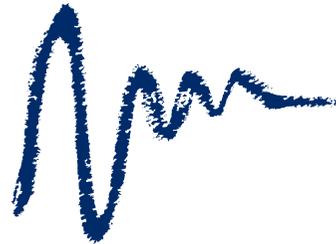

Disease Specific Solution Provision

— Consolidation of Y's, Inc. —

August 2018





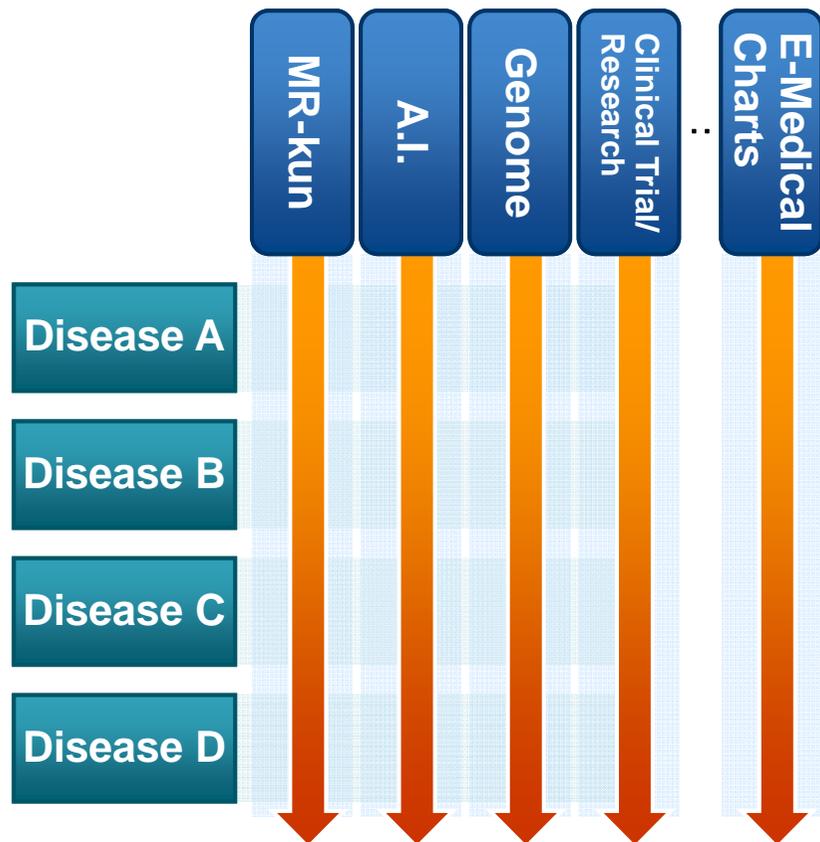
The following presentation contains forecasts, future plans, management targets and other forward-looking projections relating to M3, Inc. and/or its group. These statements are drawn from assumptions of future events based on data currently available to us, and there exist possibilities that such assumptions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

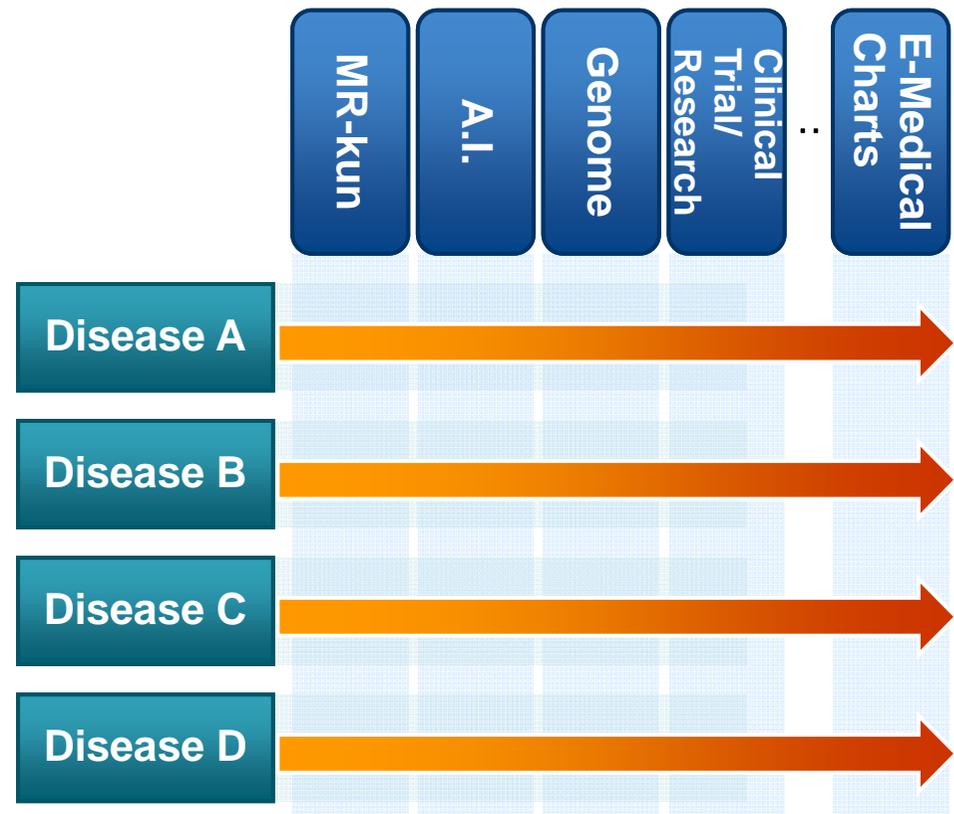
Value Creation Going Forward

Until Now



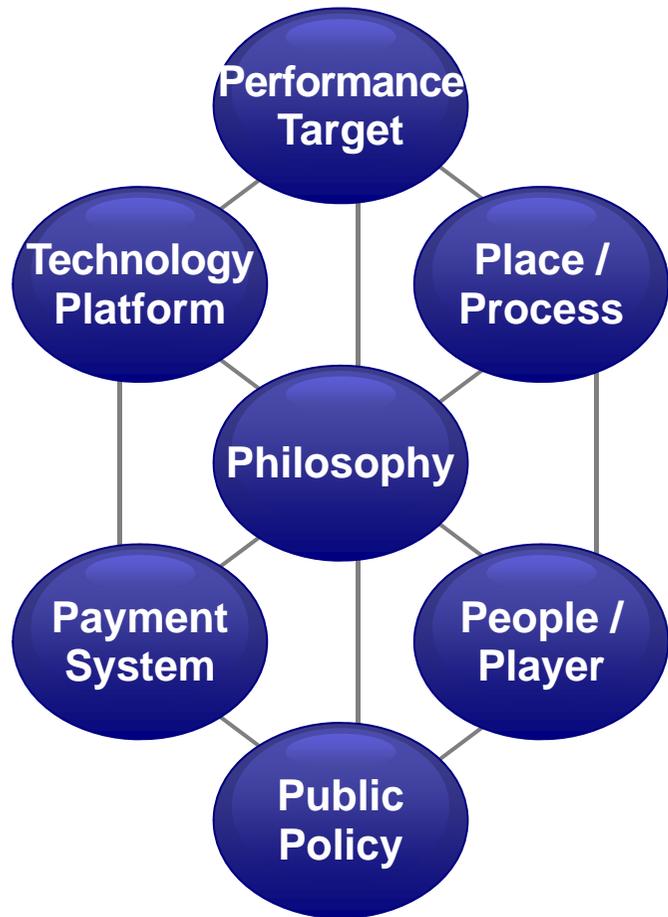
- Individual service and function development
... the Dots

New Approach to be Strengthened



- Strengthen solutions for disease and medical issues
... the Lines

7Ps of Healthcare Business



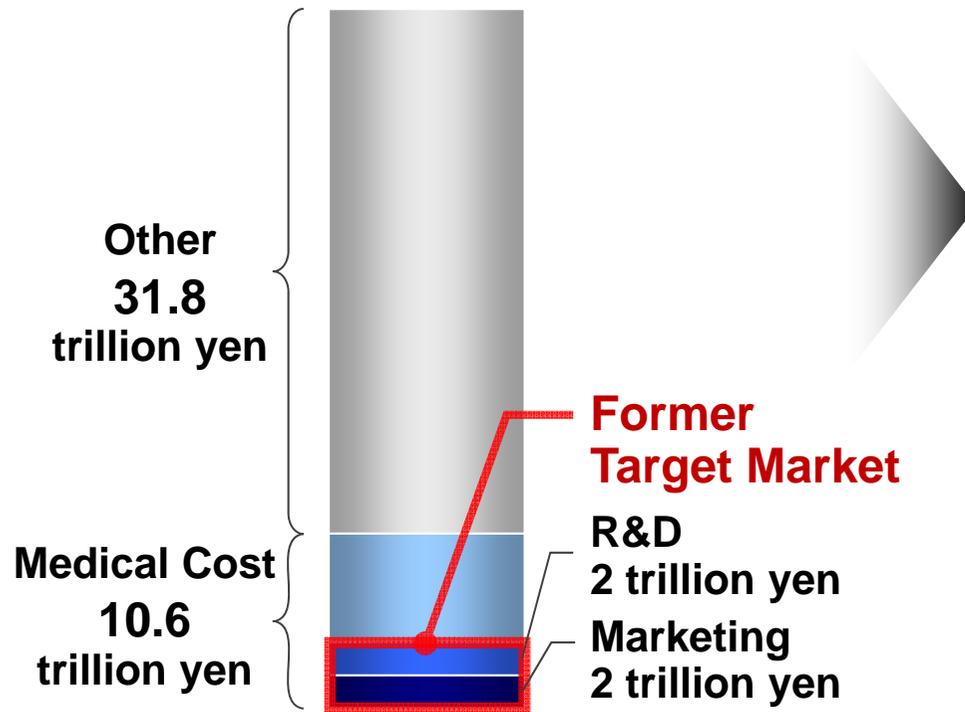
7P: a Problem Solving Framework for Healthcare

7 P's	Description	Example
 <ul style="list-style-type: none"> ■ Performance Target 	<ul style="list-style-type: none"> ■ Concrete directionality of solution 	<ul style="list-style-type: none"> ■ Patient reduction ■ Medical cost redux
 <ul style="list-style-type: none"> ■ Philosophy 	<ul style="list-style-type: none"> ■ Fundamental principle 	<ul style="list-style-type: none"> ■ Overall optimum over local optimum
 <ul style="list-style-type: none"> ■ Technology Platform 	<ul style="list-style-type: none"> ■ Products/ technology and their utilization 	<ul style="list-style-type: none"> ■ Diagnostic and treatment technology ■ A.I., Genome
 <ul style="list-style-type: none"> ■ Place / Process 	<ul style="list-style-type: none"> ■ Place of medical care delivery 	<ul style="list-style-type: none"> ■ Hospital ■ Home care, hospital coordination
 <ul style="list-style-type: none"> ■ Payment System 	<ul style="list-style-type: none"> ■ Payment system, cash flow 	<ul style="list-style-type: none"> ■ Medical and long-term care insurance, patient expenses
 <ul style="list-style-type: none"> ■ People / Player 	<ul style="list-style-type: none"> ■ Healthcare service provider 	<ul style="list-style-type: none"> ■ Doctors, medical sites ■ Cloud workers
 <ul style="list-style-type: none"> ■ Public Policy 	<ul style="list-style-type: none"> ■ Legal and political frameworks 	<ul style="list-style-type: none"> ■ Insurance system, medical regulations

Expansion of M3's Addressable Market

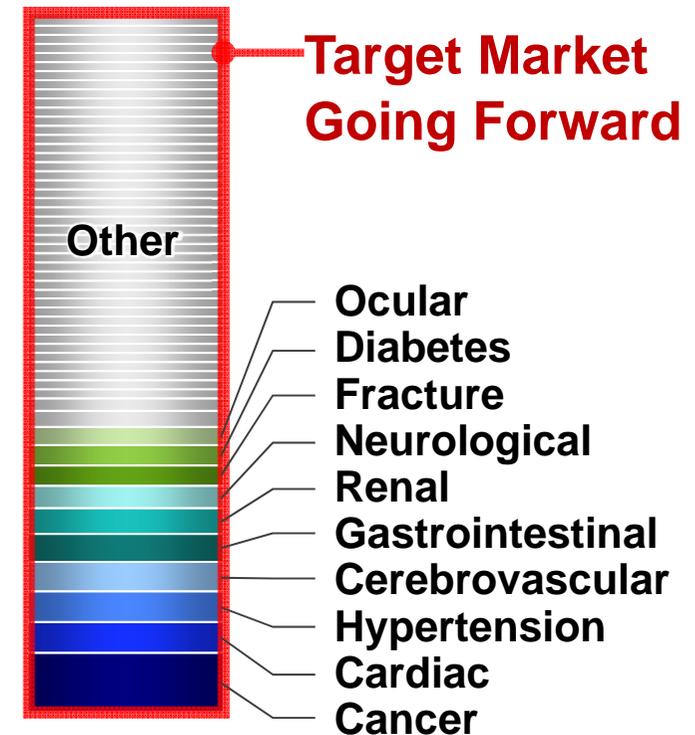
Former Target Market

Marketing and R&D
4 trillion yen



7P Project Market

National Healthcare Expenditure (Japan)
42.4 trillion yen



 Creating solutions across the entire healthcare eco-system (7P Project), not limited to marketing and R&D, expands our addressable market from 4 trillion yen to 40 trillion yen, and up to 500 trillion yen including overseas markets.

Acquisition Objective

Y's, Inc.

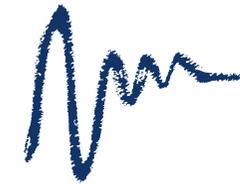


- 10 facilities with physical therapists, acupuncture and moxibustion specialists, and various trainers
- Superior care program specializing in post-stroke rehabilitation focused on QOL improvement and results

Strategic Objective

**“e + real” integration
for disease specific
solution provision**

M3, Inc.



- Physician membership panel exceeding 270,000 physicians in Japan
- Digital services such as MR-kun and Mr. Finder, and business expansion expertise
- Various advanced medicine initiatives such as Genome business, AI Labo

Overview of Y's



Y's, Inc.

Founded 2014

Main Business

Operation of non insurance covered “Stroke Rehabilitation Centers” for post-stroke rehabilitation

Employees approx. 110

Facilities

10 facilities centered around Kanto area

Sales

FY2016: 428 million yen
FY2017: 639 million yen



Stroke Rehabilitation Center

■ Thorough One-on-one Care

- 2 hour one-on-one sessions for definite results
- Go beyond a typical hospital’s recovery standard of “at the least you can live,” to visualizing and working towards manifesting a specific state of being
- Top package: 60-day twice a week program offered at 300,000 jpy

■ Highly Valued by Service User

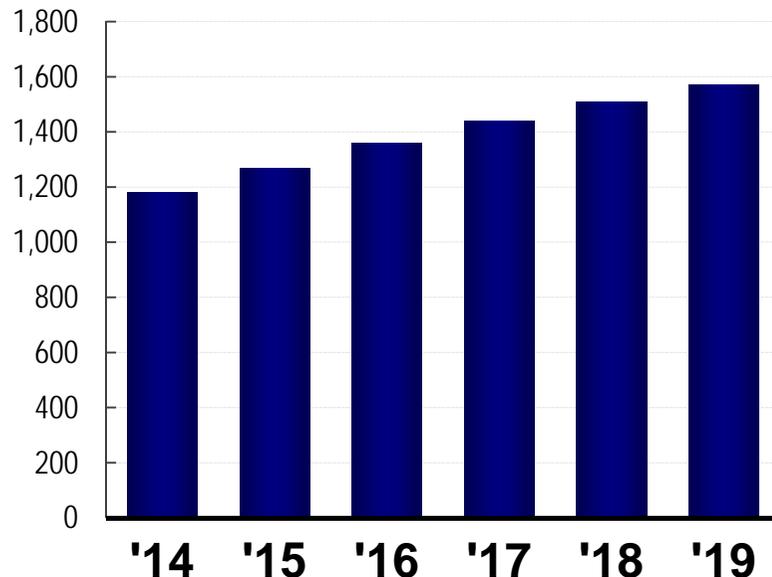
- 70% sign-up after trial use
- 68% repeat rate (includes maintenance care)



Cerebrovascular Disease Rehabilitation Market and Potential

- An estimated 1.5 million patients currently have cerebrovascular disease, and this number is expected to increase
- Rehabilitation market potential, estimated from the number of patients, amount to 800 billion yen
- Y's have provided rehabilitation services to over 2,000 patients suffering from the aftereffects of a cerebrovascular event

Cerebrovascular Disease Patients (Est.)



Market Environment

- Limited number of players relative to market size
- Y's is the number one leader in the industry
- Actual competition is against insurance covered rehabilitation services, and differentiation can be made through awareness of the dramatic difference in effectiveness

Ideas for Synergy Creation

Synergy

Development Direction



(1) Client base expansion via m3.com

Leverage m3.com member physician panel to disseminate awareness of Y's services to patients



(2) Home rehabilitation care business creation

Utilize M3 group company Sofiamedi's expertise on home care to develop a non insurance covered home rehabilitation care business



(3) Combine with genome diagnostics to improve treatment

Offer G-TAC's drug response genetic testing to patients with cerebrovascular disease to decipher the most effective drug in relapse prevention

👉 Aggregate all M3 group resources to create an optimum solution, specific to cerebrovascular disease