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.
### FY2018 Q3 Consolidated Results

<table>
<thead>
<tr>
<th></th>
<th>FY2017 Q3 (million yen)</th>
<th>FY2018 Q3 (million yen)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>68,560</td>
<td>83,674</td>
<td>+22%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>20,592</td>
<td>22,958</td>
<td>+11%*</td>
</tr>
<tr>
<td>Pre-tax Profit</td>
<td>20,698</td>
<td>23,109</td>
<td>+12%*</td>
</tr>
<tr>
<td>Net Profit</td>
<td>14,281</td>
<td>15,976</td>
<td>+12%</td>
</tr>
</tbody>
</table>

* Pro Forma Standard Taxation effect was -121 million yen. Actual operating profit growth was +12% yoy.
## FY2018 Q3 Consolidated Results by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2017 Q3</th>
<th>FY2018 Q3</th>
<th>YoY (cumul.)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Sales</td>
<td>Profit</td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>Medical Platform</td>
<td>24,408</td>
<td>11,617</td>
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<tr>
<td></td>
<td>Sales</td>
<td>29,968</td>
<td>11,617</td>
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<tr>
<td></td>
<td>Profit</td>
<td>10,815</td>
<td>7,585</td>
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<tr>
<td></td>
<td>Evidence Solution</td>
<td>16,215</td>
<td>3,824</td>
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<tr>
<td></td>
<td>Sales</td>
<td>17,006</td>
<td>4,555</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>4,555</td>
<td>1,731</td>
</tr>
<tr>
<td></td>
<td>Career Solution</td>
<td>8,156</td>
<td>2,315</td>
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<tr>
<td></td>
<td>Sales</td>
<td>10,650</td>
<td>3,265</td>
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<tr>
<td></td>
<td>Profit</td>
<td>3,265</td>
<td>922</td>
</tr>
<tr>
<td></td>
<td>Other Emerging Businesses</td>
<td>4,537</td>
<td>1,057</td>
</tr>
<tr>
<td></td>
<td>Sales</td>
<td>9,120</td>
<td>2,026</td>
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<tr>
<td></td>
<td>Profit</td>
<td>2,026</td>
<td>429</td>
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<tr>
<td></td>
<td>Overseas</td>
<td>Sales</td>
<td>16,870</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>2,597</td>
<td>2,697</td>
</tr>
</tbody>
</table>

* Newly consolidated subsidiaries contributed more to sales, upfront investment in personnel

**Notes:**
- Upfront investment in sales force and range of new businesses such as AI
- Strong growth in sales and profit in Q3
- Both physician and pharmacist placements are healthy
- Healthy expansion of future growth drivers
- Expansion of sales and profit continue
FY2018 Q3 Overview

- **Medical Platform**
  - Diversification of marketing support business for pharmaceutical and medical device companies plus M&A effects drove sales higher by +23% yoy
  - Precedent costs in FY18 from aggressive upfront investments, forecasting double digit growth next FY.

- **Evidence Solution**
  - Improvement in Q3, with sales +10% and profit +25% QoQ
  - Orders backlog remains at 26 bn yen while op margins rose to 27%

- **Career Solution**
  - Both physician and pharmacist inflow remain robust and accelerated growth, with sales at 10.7 bn yen (+31% yoy) and op. profit at 3.3 bn yen (+41% yoy)

- **Emerging Businesses**
  - New businesses entering rapid growth phase.
  - Acceleration in initiatives within the field of advanced medicine, with new approval gained in Japan for PeriBeam

- **Overseas**
  - Sales: 18.7 bn yen (+11% yoy), Op. Profit: 2.7 bn yen (+4% yoy), with continued growth for both

- **Upfront Investment**
  - Upfront investments progressing favorably. In addition to organic growth of existing businesses, next FY should see 2~3 bio yen in profit uplift (future potential to reach a few hundred billion yen)
All segments are driving growth. MR-kun family growth continues, however is now only 24% of group profit.
Special costs incurred dampened profits by 1.0 ~ 1.6 bn yen. Aggressive upfront investment to continue.
The platform strength growth exceeds that of membership growth, as revenue sources diversify.
Doctors spend the most time collecting information via the Internet. However, pharmaceutical firms operating in Japan spend the majority of their marketing budget on off-line sales rep related costs.

**Time Allocation of doctors collecting info**
- Internet: 39%
- Sales Reps: 17%
- Other (conferences, publications, etc.): 44%

**Marketing Budget Allocation of drug companies in Japan**
- Internet: 2%
- Sales Reps: 92%
- Other: 7%

Source: M3 research, percentages are approximate

Other: ~100 bn yen
Sales Reps: ~1.5 tril yen
Internet: ~ 40 bn yen
Medical Platform Growth Potential in Japan

In addition to pharma companies, sales from device companies are growing

Sales from **Device Companies** grew over \(2x\) YoY

- **Currently**
  - Main CLIENTS: \(70\) Companies
  - SALES per CLIENT: \(¥500\) mn

- **Full Potential**
  - 100 Companies
  - \(¥1\) bn ~ \(¥1.5\) bn per client

**Growth Potential of \(4\sim5\)x current levels**

Drivers:
- # of products
- # of opt-in MDs
- Added value of contents
Expanded service line-up to accommodate a wider range of marketing needs, unlimited to just information delivery (original MR-kun), as a one stop shop.
Orders backlog remained around 26bn yen, with upfront personnel investing corresponding to increase in orders.

Profits expanded as projects progressed and Neues sales and profits recovered.

Margins expanded to 27%.
M3 Group: Accelerated Trial Completion

- Mr. Finder finds highly motivated doctors at sites with potential patients
- Trial process management executed in similar fashion to web based marketing (High speed PDCA, conversion management, IT tools utilization)

Global Trial: Endocrinology/ Metabolism

- Completed patient enrollment in 20 months vs. allocated 33 months

Domestic Trial: Endocrinology/Metabolism

- Completed patient enrollment in 10 months vs. allocated 15 months
Sales and Profit Trend of Career Solutions

(million yen)

- Sales
- Segment Profit

<table>
<thead>
<tr>
<th>FY</th>
<th>Sales</th>
<th>Segment Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>1,433</td>
<td>177</td>
</tr>
<tr>
<td>11</td>
<td>2,191</td>
<td>437</td>
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<tr>
<td>12</td>
<td>3,235</td>
<td>749</td>
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<tr>
<td>13</td>
<td>4,594</td>
<td>1,070</td>
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<tr>
<td>14</td>
<td>5,712</td>
<td>1,757</td>
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<tr>
<td>15</td>
<td>6,925</td>
<td>2,264</td>
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<td>16</td>
<td>8,631</td>
<td>2,503</td>
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<tr>
<td>17</td>
<td>10,880</td>
<td>2,871</td>
</tr>
<tr>
<td>18</td>
<td>10,650</td>
<td>3,265</td>
</tr>
</tbody>
</table>

FY18 FCT 13 bn yen

- Sales and profit expansion from increase in staff and productivity
- Fully absorbed hiring impact, resulting in accelerated growth rate
Sales and Profit Trend of Emerging Businesses

(million yen)

- Sales
- Segment Profits

FY18 FCT 12 billion yen

- Advanced medicine initiatives accelerate.
- Each business continues to expand steadily, with Q3 profit growth of +20% yoy. Development seen in next growth drivers also
- Q3 also benefited from one time profits due to reorganization of group companies
Evolution of M3 Growth Drivers

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

Full-scale entry into the field of Advanced Medicine, as the *third* growth driver for M3
Sales and Profit Trend of Overseas

(million yen)

- Newly consolidated Wake Research and PRI (US clinical trial business)
- Dispatched personnel from Japan to share accumulated business expertise
- Pickup in research business from slowdown during GDPR preparations

FY18 FCT
27 bn yen
Number of Physician Members and Panelists (Global)

4.5+ million members worldwide

Over 4.5 million physicians utilize M3’s global platforms

(Providing a visual representation of the number of physician members and panelists worldwide from FY08 to FY18, with each nation's contribution highlighted.)
China: Membership Expansion

Number of Physician Members in China (thousands)

- Marketing services for drug companies starting with MR-kun, and research services showed steady growth
- MR-kun is now being utilized by 13 pharma companies across 36 drugs
- Newly approaching local clients, in addition to MNCs
- Launched career services for physicians

Topped 2.5 million physicians members, covering the majority of doctors in China

<table>
<thead>
<tr>
<th>Year</th>
<th>Physician Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>953</td>
</tr>
<tr>
<td>FY15</td>
<td>1,096</td>
</tr>
<tr>
<td>FY16</td>
<td>1,154</td>
</tr>
<tr>
<td>FY17</td>
<td>1,250</td>
</tr>
<tr>
<td>FY18</td>
<td>1,362</td>
</tr>
<tr>
<td>FY19</td>
<td>1,490</td>
</tr>
<tr>
<td>FY20</td>
<td>1,617</td>
</tr>
<tr>
<td>FY21</td>
<td>1,753</td>
</tr>
<tr>
<td>FY22</td>
<td>1,908</td>
</tr>
<tr>
<td>FY23</td>
<td>1,985</td>
</tr>
<tr>
<td>FY24</td>
<td>2,026</td>
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<tr>
<td>FY25</td>
<td>2,147</td>
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<td>FY26</td>
<td>2,243</td>
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<tr>
<td>FY27</td>
<td>2,406</td>
</tr>
<tr>
<td>FY28</td>
<td>2,561</td>
</tr>
</tbody>
</table>
M3 Group’s Business Strategy
### Business Scope Expansion and Growth Potential

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>County:</td>
<td>3</td>
<td>5 (1.5x)</td>
<td>10 (3x)</td>
</tr>
<tr>
<td>Business Type:</td>
<td>6</td>
<td>10 (1.5x)</td>
<td>26 (4x)</td>
</tr>
<tr>
<td>Business Units: (Type x Country)</td>
<td>10</td>
<td>18 (2x)</td>
<td>41 (4x)</td>
</tr>
<tr>
<td>Sales (bln yen):</td>
<td>14.0</td>
<td>36.9 (2.5x)</td>
<td>94.5 (7x)</td>
</tr>
</tbody>
</table>

* Total addressable market

7 fold growth over the past 8 years, with growth potential (TAM) of likely over 10~20x times... targeting the similar growth path going forward.
Progress of Main Upfront Investments

① New Service Development
Full roll out of e-medical record business M3 DigiKar, PSP, and multiple other new initiatives

② Pharmaceutical Marketing Team Reinforcement (Personnel investment)
Team members increased +66% versus FY2017 Q3

③ Upfront Investment in AI Businesses
In-house AI diagnostics engine and industry standardizing platform development

④ JV with LINE / B-to-C Business
Established a JV with LINE to develop an online healthcare business

Upfront investments progressing favorably. In addition to organic growth of existing businesses, next FY should see 2~3 bio yen in incremental profit, with future potential to reach a few hundred billion yen
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Growth of New Businesses

**M3 DigiKar**
( Electronic Medical Chart )

- **Sales**
  - 2017 Q1-3: 100
  - 2018 Q1-3: 113

- **O. Profits**
  - 2017 Q1-3: 100
  - 2018 Q1-3: 191

**M3 Doctor Support**
( Medical Facility Management Support )

- **Sales**
  - 2017 Q1-3: 100
  - 2018 Q1-3: 371

- **O. Profits**
  - 2017 Q1-3: 100
  - 2018 Q1-3: 309

**G-TAC**
( Genome subsidiary )

- **Sales**
  - 2017 Q1-3: 100
  - 2018 Q1-3: 379

- **O. Profits**
  - 2017 Q1-3: 100
  - 2018 Q1-3: 581

- **No.1 chosen cloud based electronic medical chart system**
- **Industry top field force with over 5,000 home medial care providers**
- **Alliances with over 1,800 hospitals, national leader in genetic diagnostics provision**

**Expansion in full swing in FY18, expected to accelerate further**
Machine Learning Assisted Entry

Reduction in Number of Key Word Searches per Chart

(Number of searches)

Searches after 1.5 months

1/10

Reduction in Order Input Time (Length)

(Seconds)

Input time 80% LESS

Machine Learning OFF

Machine Learning ON
M3 DigiKar Acceleration

Rebranded as M3 DigiKar

Rebranded as “M3 DigiKar” from “DigiKar” in November

Monthly historical highs of 680 adoptions in December

Adoption rate is expected to accelerate as medical device offering lineup expands

Number of managed data expected to top 10 million medical charts, largely ahead of original schedule
Patient Support Program User Voices

Customer Satisfaction

Q: Please rate your satisfaction level with PSP (1~10, 10 max)

- 8: 23%
- 9: 23%
- 10: 54%

Customer Voices

- We were accepted into the hospital meeting all our requirements, in a very short period of time. It would have been impossible to do alone. (Parent of teen male, ADHD)
- I received extremely valuable and detailed information. Correspondence was sincere, respectful, and speedy at the same time. (Son of 60's female, breast cancer)
- It gave me a sense of security that it was not a systematic process, and sincerely listened and advised. (60's male, stomach cancer)
- I was initially anxious from not understanding the services, but was immensely impressed by the sincere and careful service and communication. (Family of 50's male, thyroid tumor)

 Majority rated the maximum 10, with no ratings below 8.
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Marketing Team Reinforcement

**Marketing Service Staff FTE *(Index)*

* FTE=Full Time Equivalent

Sales force continues to increase. Going forward, contribution expected from newer employees that have been with M3 for less than 2yrs.

**Career Length at M3**

- 1~6m: 15%
- 6m~1 yr: 17%
- 1~2 yrs: 17%
- 2+ yrs: 52%

- Reinforcement of marketing service sales force… costs precedes as team steadily expands
- Gradual effects of investment seen in increased KPIs such as number of proposals

FY17 Q3: 100
FY18 Q3: 166
Service Scope Evolution

Until now...

- Efficient promotion
- Product manager
- Marketing per individual drug
- Contracts per product
- Up to 100 million yen

Recent Trends

- Firm-wide fundamental productivity improvement
- Top management
- Business department heads
- Optimization of entire portfolio
- New launch pipelines, etc.
- Comprehensive strategic partnerships, revenue share models
- 100 million ~ 10+ billion yen
- Multi-year contracts

Becoming a “corporate partner” as project scope, duration, and revenue share models increase. Upside continues to expand.
Progress of Main Upfront Investments

1. **New Service Development**
   - Full roll out of e-medical record business M3 DigiKar, PSP, and multiple other new initiatives

2. **Pharmaceutical Marketing Team Reinforcement**
   - (Personnel investment)
   - Team members increased +66% versus FY2017 Q3

3. **Upfront Investment in AI Businesses**
   - In-house AI diagnostics engine and industry standardizing platform development

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Upfront investments progressing favorably. In addition to organic growth of existing businesses, next FY should see 2~3 bio yen in incremental profit, with future potential to reach a few hundred billion yen.
## Rapid Increase in AI Project Pipeline

### Project List

<table>
<thead>
<tr>
<th>Firm</th>
<th>Therapeutic Area</th>
<th>M3 Services</th>
<th>Expected Product Launch Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Medical Data Collection</td>
<td>Algorithm Development</td>
</tr>
<tr>
<td>M3</td>
<td>Respiratory</td>
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<td>✓</td>
</tr>
<tr>
<td>M3</td>
<td>Diabetic Retino.</td>
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<td>✓</td>
</tr>
<tr>
<td>M3</td>
<td>ALL</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Al Venture</td>
<td>Influenza</td>
<td>✓</td>
<td></td>
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<tr>
<td>Al Venture</td>
<td>Brain Aneurysm</td>
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<tr>
<td>Academia</td>
<td>Respiratory</td>
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<tr>
<td>Al Venture</td>
<td>Coronary Artery</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

16 AI development support projects currently in play. Rapid increase in initiatives such as AI distribution platform and incubation investments.
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Business Potential for LINE JV

**Line**

- Consumer reach and activity: 78 million users (65% national coverage)
- Possesses infrastructure for service provision (ie. Broadcasting, settlements, audio calls, EC, logistics)

**LINE Healthcare**

- Medical professional members: 270,000 doctors (90+% coverage) 160,000 pharmacists (50+% coverage)
- AskDoctors, Qlife Hospital Search operational expertise, various data
- Business channel targeting pharmaceutical companies
- Abundant medical solutions for consumers

**Short Term**

- Medical Consultation for LINE Users
  - Prevalent remote medical consultation platform Q&A
    - 1on1 physician consult
    - Others

**Online Medical Platform**

- Personalized comprehensive medical care based on accumulated big data
  - Remote consultations, Rx instructions
  - Hospital appointments, Rx records
  - Daily care

**Platform Linked Businesses**

- DtoC advertising
- Genome
- Others

B-to-C business expansion using platforms such as LINE Healthcare
Upfront investments progressing favorably. In addition to organic growth of existing businesses, next FY should see 2~3 bio yen in incremental profit, with future potential to reach a few hundred billion yen.
Annual Results & Forecast for FY2018

Sales

(mn yen)

Operating Profit & Net Profit

(mn yen)

* FY17 results retroactively restated according to IFRS9 (Financial Instruments)
Creating New Value in Healthcare

M3

Medicine
Media
Metamorphosis

Healthcare sector is enormous…

- Japanese national spending on medical services is approximately ¥42tn (¥70tn including peripheral businesses)
- Equivalent to 10% of Japanese GDP
- Sector controlled by only 300,000 physicians (0.2% of the national population)

Aim to create new value

- Provide solutions within the healthcare sector
- Provide new and unique business models
- Specialize in niches areas that provide opportunity for high value creation and high profits in order to boost enterprise value