Notice of Issuance of New Shares by Third-Party Allotment

M3 announces issuance of new shares through third-party allotment, with NTT DOCOMO Inc. (“Docomo,” below) and Sony Corporation. (“Sony,” below) as the scheduled subscribers, based on a resolution by the Board of Directors at a meeting held today.

1. Outline of Offering

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<tbody>
<tr>
<td>(1)</td>
<td>Payment Date</td>
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<td>(2)</td>
<td>Type and Number of Shares to be Issued</td>
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<tr>
<td>(3)</td>
<td>Issuance Price</td>
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<td>(4)</td>
<td>Total Value of Stocks to be Issued</td>
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<td>(5)</td>
<td>Subscription or Allotment (Scheduled Subscriber)</td>
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<td>(6)</td>
<td>Other</td>
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2. Purpose and Reason for Issuance

M3 operates m3.com, a specialized web portal for medical professionals that delivers healthcare related information to its 270+ thousand physician members in Japan, offering marketing and clinical trial services. Presence outside of Japan include the U.S., U.K., France, China, Korea and India, with aggressive business expansion overseas that has amassed over 4.5 million physicians as members across our global platforms, allows provision of services such as marketing support, marketing research, and job placement support that leverages on the platform’s powerful value as a media channel.

We have previously expanded and developed both domestic and overseas businesses through methods such as M&A, and this third-party capital procurement will be used in investment activities such as continued M&A to further develop and expand the business.

Furthermore, we plan to acquire all outstanding stock Nihon Ultmarc INC. (“Ultmarc,” below), a medical
database business operator, from Docomo. We have agreed to enter into this capital and business partnership with Docomo with the aim to create a multi-service platform to develop and provide corporate health management solutions that utilize Docomo’s unbridled brand power and sales capacity, along with M3’s ability to develop unique service such as the M3 Patient Support Program, a health management solution for improving employee health and productivity by supporting determination of the best treatment option for illnesses through utilization M3’s physician panel to obtain insights such as second opinions.

In addition to the objective of raising capital in order to acquire all shares of Ultmarc and to fund investments aimed at obtaining and expanding business foundations which includes the establishment of a joint venture company with Docomo as described under “(2) Specific Use of Procured Capital” of “3. Amount of Capital to be Procured, Use of Capital, and Expected Timing of Expenditure,” Docomo is a scheduled subscriber to this third-party allotment with aim to also strengthen the cooperative relationship and to increase the efficacy of the alliance.

Furthermore, Sony has been the largest shareholder since establishment of M3. With one of Sony’s representative executive officers serving as an outside director for M3, we have received knowledgeable insight and advice in management decisions. Sony is a scheduled subscriber to this third-party allotment with aim to further strengthen the cooperative relationship.

3. Amount of Capital to be Procured, Use of Capital, and Expected Timing of Expenditure

(1) Amount Capital to be Procured

<table>
<thead>
<tr>
<th></th>
<th>Aggregate Amount to be Paid</th>
<th>50,203,000,000 Jpy</th>
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<tbody>
<tr>
<td>2</td>
<td>Maximum Estimated Cost of Issuance</td>
<td>175,710,500 Jpy</td>
</tr>
<tr>
<td>3</td>
<td>Estimated Proceeds</td>
<td>50,027,289,500 Jpy</td>
</tr>
</tbody>
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<Note> 1. Estimated cost of issuance is excluding of consumption tax.
2. Estimated cost of issuance includes items such as legal and registration expenses.

(2) Specific Use of Procured Capital

Appropriation plans for above Estimated Proceeds of 50,027,289,500 Jpy as below:

<table>
<thead>
<tr>
<th>Specific use of Capital</th>
<th>Expected Amount (Jpy)</th>
<th>Expected Timing of Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition cost of all shares for Nihon Ultmarc INC.</td>
<td>6,600,000,000</td>
<td>April 2019 ~ June 2019</td>
</tr>
<tr>
<td>Capital stock contribution accompanying establishment of the joint venture with NTT DOCOMO INC.</td>
<td>245,000,000</td>
<td>April 1, 2019</td>
</tr>
<tr>
<td>Funding of activities such as acquisition costs for M&amp;As aimed to obtain and expand business foundations</td>
<td>43,182,289,500</td>
<td>April 2019 ~ March 2022</td>
</tr>
</tbody>
</table>

M3 operates m3.com, a specialized web portal for medical professionals that delivers healthcare related information to its 270+ thousand physician members in Japan, offering marketing and clinical trial services. Presence outside of Japan include the U.S., U.K., France, China, Korea and India, with aggressive business expansion overseas that has amassed over 4.5 million physicians as members across our global platforms, allows provision of services such as marketing support, marketing research, and job placement support that leverages on the platform’s powerful value as a media channel.

We have previously expanded and developed both domestic and overseas businesses through methods...
such as M&A. Main examples include Health Impetus Private Limited in India (utilizes their physician
database to provide services such as medication advice provision) AXIO Medical Holdings Ltd, the holding company for Vidal Group which operates a pharmaceutical database
business with centers across France, Germany, and Spain), IQUS Limited (developer of “RotaMaster,” a roster
optimizing software for staff scheduling at medical sites in the UK), iG-Holdings Inc. (the holding company for
medical advertising agencies INFRONT Inc. and INSIGHT-T Inc.), Cosmocel Co., Ltd. (a medical device
distributor and consultancy), Y’s, Inc. (operator of Stroke Rehabilitation Centers), Sofiamedi Corp. (operator of
at home nursing care business), and Wake Research Holdings, LLC (clinical trial site management company in
the U.S.). We plan to use the capital raised through this third-party allotment for continued aggressive
investment such as in M&As geared towards expanding and developing our business.

M&As aimed at expanding the business foundation is expected to encompass both domestic and overseas
assets across each of the Medical Platform, Evidence Solution, Career Solution, Overseas, and Other
Emerging Businesses segments, and may also include minority investments in venture companies and funds
that show potential for significant synergies with our group.

Furthermore, M3 will be acquiring shares of Ultmarc, a medical database business operator, from Docomo
as of April 2019 (Details can be found in the press release “Note of Acquisition and Consolidation of Nihon
Ultmarc INC.” released on February 28, 2019) through the appropriation of 6.6 billion yen in capital. Through
this acquisition, M3 aims to fortify the foundation of M3’s Medical Platform services surrounding marketing
support and market research provided for healthcare related corporates.

In addition, as stated in section “2. Purpose and Reason for Issuance,” in accordance with the capital and
business partnership and joint venture agreement with Docomo, a 245 million yen capital contribution (M3
stake; 49%) will be made to establish empheal inc. as a joint venture in April 2019. This capital includes
funding and investments for business expansion such as service development, maintenance, sales, and
marketing activities.

There is no other specific M&As planned at the moment, however, considering the M&A investments
amounting to 13.5 billion yen over the past 2 years, further investments amounting to over 40 billion yen by the
fiscal year ending March 2022 is expected. The capital gained through this allotment will be in part allocated
to such M&A activities, and any concrete deal will be promptly announced as they manifest.

Unappropriated capital after the expected expenditure period, it will continue to be allocated towards
activities such as M&As to acquire assets that will fortify and expand the business foundation. Capital will be
invested in assets such as highly secure financial instruments until appropriated.

4. Rational for Usage of Funds

Appropriation of funds gained through this third party allotment for purposes stated above under “(2)
Specific Use of Procured Capital” of “3. Amount of Capital to be Procured, Use of Capital, and Expected Timing
of Expenditure,” will assist in improving M3’s enterprise value, and ultimately contribute to increasing the profits
for our existing shareholders, and therefore has been deemed rational.

5. Rational for Terms of Issuance

(1) Basis for Calculation and Specific Details for the Amount to be Paid

Issue price will be 1,646 yen (all prices rounded to the nearest yen), the average of the closing prices of M3
stock listed on the Tokyo Stock Exchange Section 1 over the period of one month leading up to the day prior to
the Resolution of the Board of Directors date (“resolution date,” below) (February 27, 2019).

The issue price is at a 9.81% discount to the closing price of the day prior (February 27, 2019) to the
resolution date. It is also at a 1.17% premium to the average price of 1,627 yen over the period of three
months leading up to the day prior to the resolution date, and at a 14.32% discount to the average price of
1,921 yen over the six months leading up to the day prior to the resolution date (this calculation incorporates the
effect of the two for one stock split executed on October 1, 2018.)
The basis for calculation had been agreed upon during the period prior to January 25, 2019 with the scheduled subscribers upon rational that prices post January 28, 2019 will better incorporate any impact from M3’s latest quarterly results that had been scheduled for announcement on January 25, 2019, as well as the use of a leveled method of an average price across a recent past period will reduce special factors from stock price volatility.

Thereafter, further discussions were held between M3, Docomo and Sony, upon observing the prices post January 28, 2019. As described above, although the issue price is at a 9.81% discount to the closing price on February 27, 2019, we have agreed to the issue price upon consideration of the price range of 1,459 to 1,843 jpy over the month prior to February 27, 2019, the potential volatility that may occur between the resolution date to the payment date.

This issue price is in line the Guideline with Respect to the Administration of Third Party Allocations of New Shares and Other Transactions issued by JSDA, and has been determined as not falling under favorably discounted pricing. Furthermore, one of Sony’s representative executive officers who serves as an outside director for M3, has been excluded from the Resolution of the Board of Directors pertaining to this third-party allotment due to existing special interests. In addition, M3’s audit committee (consisting of three outside directors) is also of the opinion that the issue price does not fall under favorable discounted pricing, for the reasons that the price is based off of fair market value, and the use of the average over a set period is a leveled method that provides added objectivity.

(2) Rational for Issuance Quantity and Dilution

This third-party allotment plans issuance of 30,500,000 shares (305,000 voting rights), and will result in a dilution of 4.71% (ratio of voting rights: 4.71%) to the 647,834,800 shares (6,477,308 voting rights) outstanding as of September 30, 2018 (incorporating the two for one stock split executed on October 1, 2018).

However, in addition to the expected increase in development and profitability through expenditure of the capital as described in “(2) Specific Use of Procured Capital” of “3. Amount of Capital to be Procured, Use of Capital, and Expected Timing of Expenditure,” and the expected increase in M3’s enterprise value through the strengthening of alliances with Docomo and Sony as described in “2. Purpose and Reason for Issuance,” both Docomo and Sony’s policy towards mid to long term retention of the shares issued through this third-party allotment described in “(3) Intentions of the Scheduled Subscribers” below, supports our rational and decision for the amount of issuance and the resulting dilution.

(3) Intentions of the Scheduled Subscribers

Docomo’s investment in M3 through this third-part allotment underscores both parties’ objectives to solidify the relationship in effort to increase the efficacy of the business alliance. We have received verbal agreement that Docomo will be under the policy to retain the shares allotted through this third-party allotment on mid to long term perspectives. Please note that M3 plans to gain a letter of commitment from Docomo which states that Docomo shall notify M3 in writing, if transferring all or some of the new shares during the two year period from the date of issuance of the new shares, and that M3 will report the said information to the Tokyo Stock Exchange to make it available to the public.

Sony’s investment in M3 through this third-part allotment underscores both parties’ objectives to solidify the capital alliance. We have received verbal agreement that Sony will be under the policy to retain the shares allotted through this third-party allotment on mid to long term perspectives. Please note that M3 plans to gain a letter of commitment from Sony which states that Sony shall notify M3 in writing, if transferring all or some of the new shares during the two year period from the date of issuance of the new shares, and that M3 will report the said information to the Tokyo Stock Exchange to make it available to the public.

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