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 H1 Consolidated Results

<table>
<thead>
<tr>
<th>(million yen)</th>
<th>FY2017 H1</th>
<th>FY2018 H1</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>42,849</td>
<td>53,275</td>
<td>+24%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>12,162</td>
<td>13,875</td>
<td>+14%*</td>
</tr>
<tr>
<td>Pre-tax Profit</td>
<td>12,259</td>
<td>13,993</td>
<td>+14%*</td>
</tr>
<tr>
<td>Net Profit</td>
<td>8,029</td>
<td>9,626</td>
<td>+20%</td>
</tr>
</tbody>
</table>

* Pro Forma Standard Taxation effect was -104 million yen. Actual profit growth was +15% yoy.
### FY2018 H1 Consolidated Results by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2017 H1</th>
<th>FY2018 H1</th>
<th>YoY (cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Domestic</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Platform</td>
<td>Sales</td>
<td>14,089</td>
<td>18,403</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>6,529</td>
<td>6,134</td>
</tr>
<tr>
<td>Evidence Solution</td>
<td>Sales</td>
<td>10,712</td>
<td>10,975</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>2,393</td>
<td>2,764</td>
</tr>
<tr>
<td>Career Solution</td>
<td>Sales</td>
<td>5,620</td>
<td>7,711</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>1,766</td>
<td>2,750</td>
</tr>
<tr>
<td>Other Emerging Businesses</td>
<td>Sales</td>
<td>2,799</td>
<td>5,640</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>537</td>
<td>665</td>
</tr>
<tr>
<td>Overseas</td>
<td>Sales</td>
<td>10,757</td>
<td>11,778</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>1,454</td>
<td>1,553</td>
</tr>
</tbody>
</table>

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

- Upfront investment in sales force and range of new businesses such as AI
- Sales and profits grew despite effects from de-consolidation of IDA
- Both physician and pharmacist placements are healthy
- Healthy expansion of future growth drivers
- Steady expansion of sales and profit
### Implication of Upfront Investment in Medical PF Businesses

**Million jpy**

<table>
<thead>
<tr>
<th></th>
<th>FY2016 H1</th>
<th>FY2017 H1</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Platform</strong></td>
<td>Sales</td>
<td>11,859</td>
<td>14,089</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>5,815</td>
<td>6,640</td>
</tr>
<tr>
<td><strong>Evidence Solution</strong></td>
<td>Sales</td>
<td>10,732</td>
<td>10,712</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>2,343</td>
<td>2,393</td>
</tr>
<tr>
<td><strong>Career Solution</strong></td>
<td>Sales</td>
<td>4,819</td>
<td>5,620</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>1,793</td>
<td>1,766</td>
</tr>
<tr>
<td><strong>Overseas</strong></td>
<td>Sales</td>
<td>7,007</td>
<td>10,757</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>453</td>
<td>1,454</td>
</tr>
<tr>
<td><strong>Other Emerging Businesses</strong></td>
<td>Sales</td>
<td>1,557</td>
<td>2,799</td>
</tr>
<tr>
<td></td>
<td>Profit</td>
<td>351</td>
<td>537</td>
</tr>
</tbody>
</table>

Upfront investment in the career business last year contributed to strong growth this year (sales +37%, profits +56%)
Segment Contribution to Profit Growth (FY09 → FY17)

All segments are driving growth. MR-kun family growth continues, however is now only 24% of group profit.
Special costs incurred dampened profits by 0.7 ~ 1.2 bn yen. Aggressive upfront investment to continue.
### FY2018 H1 Overview

**Medical Platform**
- Diversification of marketing support business for pharmaceutical and medical device companies plus M&A effects drove sales higher by +31% yoy
- Precedent costs in FY18 from aggressive upfront investments (advanced medicine business such as AI, marketing team reinforcements)

**Evidence Solution**
- Sales grew to 11.0 bn yen despite deconsolidation of IDA, with improvement in profit to +16% yoy
- Orders backlog remains at 26 bn yen, with op margins at 25%

**Career Solution**
- Both physician and pharmacist inflow remain robust and accelerated growth, with sales at 7.7 bn yen (+37% yoy) and op. profit at 2.8 bn yen (+56% yoy)

**Emerging Businesses**
- Acceleration in initiatives within the field of advanced medicine. DuraBeam™ developments proceeding as scheduled
- Next growth drivers such as home care continue to expand

**Overseas**
- Continued sales and profit growth with contribution such as from the acquisition of WAKE
- Sales: 11.8 bn yen (+9% yoy), Op. Profit: 1.6 bn yen (+7% yoy)
<table>
<thead>
<tr>
<th><strong>M&amp;A in Q2</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>JAPAN</strong></td>
</tr>
<tr>
<td><strong>Y’s (Stroke Rehabilitation Center)</strong></td>
</tr>
<tr>
<td>Operates 10 non-insurance covered stroke rehabilitation centers across the Kanto area</td>
</tr>
<tr>
<td>One of market industry leaders</td>
</tr>
<tr>
<td>Expected to contribute as part of 7P Projects</td>
</tr>
<tr>
<td>Sales approx. 5 mio usd, slightly in the red, upfront investment expected to continue</td>
</tr>
<tr>
<td><strong>ALMEC (Previously Shin Nippon Biomedical Laboratories, Ltd.)</strong></td>
</tr>
<tr>
<td>Alliances with roughly 200 sites across Kanto, Kansai, and Kyushu areas</td>
</tr>
<tr>
<td>M3 joins the top 3 in the SMO industry</td>
</tr>
<tr>
<td>Sales approx. 10 mio usd, positive profits</td>
</tr>
<tr>
<td><strong>US</strong></td>
</tr>
<tr>
<td><strong>Pharmacology Research Institute (Clinical trial site management)</strong></td>
</tr>
<tr>
<td>Operates 3 clinical trial sites across California</td>
</tr>
<tr>
<td>Further expansion of M3 USA clinical trial business</td>
</tr>
<tr>
<td>Sales: approx. 5 mio usd, positive profits</td>
</tr>
</tbody>
</table>
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**

- **Sales Reps**: 17%
- **Internet**: 39%
- **Other (conferences, publications, etc.)**: 44%

**Marketing Budget Allocation of drug companies in Japan**

- **Sales Reps**: ~1.5 tril yen
- **Internet**: ~40 bn yen
- **Other**: ~100 bn yen

Source: M3 research, percentages are approximate
Currently

Main CLIENTS

(70 companies)

Full Potential

(100 companies)

SALES per CLIENT

(500 mn)

Growth Potential

of 4~5x current levels

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

Sales from Device Companies grew over 2x YoY

Drivers:
- # of products
- # of opt-in MDs
- Added value of contents

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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 remain high at 25%.
M3’s Growth

Domestic

Career Solution

Medical Platform

Evidence Solution

Emerging Businesses

Overseas
Sales and Profit Trend of Career Solutions

(million yen)

- **Sales**
- **Segment Profit**

Sales and profit expansion from increase in staff and productivity

Fully absorbed hiring impact, resulting in accelerated growth rate

**FY18 FCT 13 bn yen**
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
Tama Bio: Received 20 Year Patent

- New patent acquired for the product as a “medical sheet” applicable for a wide variety of utilities

- DuraBeam® and PeriBeam® approval process progressing on track
  - Approval process from the FDA and EU are on schedule

- New pipelines in development following DuraBeam® and PeriBeam®
Sales and Profit Trend of Emerging Businesses

(million yen)

- Sales
- Segment Profits

FY18 FCT 12 billion yen

- Advanced medicine initiatives accelerate. Durabeam business proceeding as planned
- Each business continues to expand steadily, with development in next growth drivers as well
Sales and Profit Trend of Overseas Segment

(million yen)

FY18 FCT 27 bn 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Segment Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09</td>
<td>1,105</td>
<td></td>
</tr>
<tr>
<td>FY10</td>
<td>1,585</td>
<td></td>
</tr>
<tr>
<td>FY11</td>
<td>2,983</td>
<td></td>
</tr>
<tr>
<td>FY12</td>
<td>4,069</td>
<td></td>
</tr>
<tr>
<td>FY13</td>
<td>6,661</td>
<td></td>
</tr>
<tr>
<td>FY14</td>
<td>10,980</td>
<td></td>
</tr>
<tr>
<td>FY15</td>
<td>13,810</td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td>16,338</td>
<td></td>
</tr>
<tr>
<td>FY17</td>
<td>22,425</td>
<td></td>
</tr>
<tr>
<td>H1</td>
<td></td>
<td>11,778</td>
</tr>
<tr>
<td>FY18</td>
<td>2980</td>
<td>1,553</td>
</tr>
</tbody>
</table>
Over 4.5 million physicians utilize M3’s global platforms
China: Membership Expansion

Number of Physician Members in China

(thousands)

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>953</td>
<td>1,096</td>
<td>1,154</td>
<td>1,250</td>
<td>1,490</td>
</tr>
<tr>
<td>1,019</td>
<td>1,190</td>
<td>1,290</td>
<td>1,420</td>
<td>1,680</td>
</tr>
<tr>
<td>1,154</td>
<td>1,362</td>
<td>1,617</td>
<td>1,753</td>
<td>2,026</td>
</tr>
<tr>
<td>1,490</td>
<td>1,680</td>
<td>1,753</td>
<td>1,908</td>
<td>2,147</td>
</tr>
<tr>
<td>1,753</td>
<td>1,908</td>
<td>1,985</td>
<td>1,838</td>
<td>2,243</td>
</tr>
<tr>
<td>1,838</td>
<td>1,908</td>
<td>1,985</td>
<td>1,838</td>
<td>2,406</td>
</tr>
</tbody>
</table>

- Marketing services for drug companies starting with MR-kun, and research services showed steady growth
- MR-kun is now being utilized by 12 pharma companies across 36 drugs
- Newly approaching local clients, in addition to MNCs
- Launched career services for physicians

Topped 2.4 million physicians members, covering the majority of doctors in China
Acquisition of Wake

- Clinical trial site management market size: $14B
- Expected synergies:
  - Patient recruitment optimization
  - First step in provision of efficient large scale clinical trial service
- Launched a JV with Cape Fear Healthcare Systems to further expand the network

Wake to potentially function an M&A engine for M3. Additional 3 sites joined the group through acquisition of PRI.
M3 Group’s Business Strategy
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

* Total addressable market

<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:</td>
<td>10</td>
<td>18 (2x)</td>
<td>41 (4x)</td>
</tr>
<tr>
<td>(Type x Country)</td>
<td></td>
<td></td>
<td></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>
Medical Platform Upfront Investment

**m3.com**
Increase in site management team staff by +37% YoY and strengthening of mobile capabilities

**Pharmaceutical Marketing team Reinforcement (Personnel investment)**
Team members increased +62% versus FY2017 Q2

**Transition into Success Based Schemes**
Increase proposal sizes, launch of two large scale revenue share projects.

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

**Other New Service Development**
1. M3PSP acceleration, 2. full roll out of electronic medical record business, 3. 7P Projects progress including acquisition of Y’S (details to follow)

Aggressive investments to continue
Medical Platform Upfront Investment

**Reinforcement of m3.com**
Increase in site management team staff by +37% yoy and strengthening of mobile capabilities

**Pharmaceutical Marketing Support**
Pharmaceutical Marketing team Reinforcement (Personnel investment)
Team members increased +62% versus FY2017 Q2

**Transition into Success Based Schemes**
Increase proposal sizes, launch of two large scale revenue share projects.

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In-house AI diagnostics engine and industry standardizing platform development

**Other New Service Development**
1. M3PSP acceleration, 2. full roll out of electronic medical record business, 3. 7P Projects progress including acquisition of Y’s (details to follow)
Platform Strength Continues to Strengthen

Doctor Membership
FY17 H1: +5%
FY18 H1

Annual Logins
FY17 H1: <
FY18 H1: +10%

Medical Platform Sales
FY17 H1: <
FY18 H1: +31%

The platform strength growth exceeds that of membership growth, as revenue sources diversify.
**Medical Platform Upfront Investment**

- **m3.com**
  - Reinforcement of m3.com
    Increase in site management team staff by +37% yoy and strengthening of mobile capabilities

- **Pharmaceutical Marketing Support**
  - Pharmaceutical Marketing team Reinforcement (Personnel investment)
    Team members increased +62% versus FY2017 Q2
  - Transition into Success Based Schemes
    Increase proposal sizes, launch of two large scale revenue share projects.

- **New Businesses**
  - Upfront Investment in AI Businesses
    In-house AI diagnostics engine and industry standardizing platform development
  - Other New Service Development
    1. M3PSP acceleration, 2. full roll out of electronic medical record business, 3. 7P Projects progress including acquisition of Y’s (details to follow)
Marketing Team Reinforcement

Marketing Service Staff FTE*
(Index)

* FTE=Full Time Equivalent

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

Sales force increases expected to continue further. Sales impact expected after Q4.
Service Scope Evolution

<table>
<thead>
<tr>
<th>Until now…</th>
<th>Recent Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theme</strong></td>
<td></td>
</tr>
<tr>
<td>Efficient promotion</td>
<td>Firm-wide fundamental productivity improvement</td>
</tr>
<tr>
<td><strong>Client</strong></td>
<td></td>
</tr>
<tr>
<td>Product manager</td>
<td>Top management, Business department heads</td>
</tr>
<tr>
<td><strong>Service Coverage</strong></td>
<td></td>
</tr>
<tr>
<td>Marketing per individual drug</td>
<td>Optimization of entire portfolio, New launch pipelines, etc.</td>
</tr>
<tr>
<td><strong>Contract Format</strong></td>
<td></td>
</tr>
<tr>
<td>Contracts per product</td>
<td>Comprehensive strategic partnerships, revenue share models</td>
</tr>
<tr>
<td><strong>Contract Size</strong></td>
<td></td>
</tr>
<tr>
<td>Up to 100 million yen, Annual contracts</td>
<td>100 million ~ 10+ billion yen, Multi-year contracts</td>
</tr>
</tbody>
</table>

Becoming a “corporate partner” as project scope, duration, and revenue share models increase. Upside continues to expand.
Medical Platform Upfront Investment

- **m3.com**
  - Reinforcement of m3.com: Increase in site management team staff by +37% yoy and strengthening of mobile capabilities

- **Pharmaceutical Marketing Support**
  - Pharmaceutical Marketing team Reinforcement (Personnel investment): Team members increased +62% versus FY2017 Q2
  - Transition into Success Based Schemes: Increase proposal sizes, launch of two large scale revenue share projects

- **New Businesses**
  - **Upfront Investment in AI Businesses**
    - In-house AI diagnostics engine and industry standardizing platform development
  - **Other New Service Development**
    - 1. M3PSP acceleration, 2. full roll out of electronic medical record business, 3. 7P Projects progress including acquisition of Y’s (details to follow)
M3 A.I. Diagnostic Engine Accuracy

- M3’s original A.I. diagnostic engine has already reached the highest global standards.
- A.I. diagnostic accuracy largely depends on the amount of data. M3’s ability for collection surpasses that of any competitor.

Accuracy of A.I. diagnostic engine on par with highest global standards. M3 has largest advantage over data volume accumulation, which dictates A.I. accuracy.
Medical Platform Upfront Investment

m3.com

Reinforcement of m3.com
Increase in site management team staff by +37% yoy and strengthening of mobile capabilities

Pharmaceutical Marketing team Reinforcement
(Personnel investment)
Team members increased +62% versus FY2017 Q2

Transition into Success Based Schemes
Increase proposal sizes, launch of two large scale revenue share projects.

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

Other New Service Development
1. M3PSP acceleration, 2. full roll out of electronic medical record business, 3. 7P Projects progress including acquisition of Y’s (details to follow)
Patient Support Program

AskDoctors

Japan’s Largest Doctors Consultation Service
Access from smartphone and PCs to consult with a physician, 24 hours a day, 365 days a week, plus access to over 2 million archived consultations

Best Doctor Selection

Doctors and Hospitals Recommended by other Doctors
Receive a detailed report listing the most recommended doctors and hospitals within your region

Medical Access Support

Determine and Access the Best Medical Care
Consult specialists regarding treatment options with the support of expert staff, to determine the best method, for important medical decisions cancer treatment and large operations.

P5 Cancer Genome Report

Most Appropriate Care for Cancer Patients
Full report of DNA analysis of the cancer to pinpoint the type of mutation in order to find the exact treatment

M3PSP offers the above 4 services as a comprehensive package toward corporates to provide as employee benefits.
NPS of Industry Leaders

~ Mar 2018

82

Apr 2018 ~

100

FY18H1 NPS +100

M3PSP +86

12.2 Ritz Carlton (Hotel)

-0.4 Lexus (Automobile)

-3.1 iPhone (Smartphone)

-4.1 Amazon Prime (Video broadcasting)

-9.1 ANA (Airline)

-9.2 ZOZOTOWN (EC site)

-16.1 Hankyu Department Store (Department store)

-21.2 Rakuten Card (Credit card)

-22.3 SBI Securities (Securities firm)

-35.5 Prudential Life (Life insurance)

Ref: https://www.nttcoms.com/service/nps/summary/

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<table>
<thead>
<tr>
<th>Clinical Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer (includes suspected)</td>
<td>31%</td>
</tr>
<tr>
<td>Gynecology</td>
<td>13%</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>11%</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>10%</td>
</tr>
<tr>
<td>Rare Disease</td>
<td>5%</td>
</tr>
<tr>
<td>Psychiatry</td>
<td>5%</td>
</tr>
<tr>
<td>Neurology</td>
<td>3%</td>
</tr>
<tr>
<td>Cranial Neurology</td>
<td>3%</td>
</tr>
<tr>
<td>Dermatology</td>
<td>3%</td>
</tr>
<tr>
<td>Others</td>
<td>15%</td>
</tr>
<tr>
<td>(Respiratory, Circulatory, etc.)</td>
<td></td>
</tr>
</tbody>
</table>
M3 DigiKar Full Roll Out

- No.1 seller in cloud based electronic medical record systems
- No.2 seller* across all EMR systems, with accelerating induction pace
- Over 7.6 million chart data, and growing
- Newest AI enhanced model

Will become a platform with records for over 10 million patients by fiscal year end

*Ref: m3.com survey

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Value Creation Going Forward

Until Now

- Individual service and function development... the Dots
- Disease A
- Disease B
- Disease C
- Disease D

New Approach to be Strengthened

- Strengthen solutions for disease and medical issues... the Lines
- Disease A
- Disease B
- Disease C
- Disease D

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# 7Ps of Healthcare Business

<table>
<thead>
<tr>
<th>7 P’s</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Target</td>
<td>Concrete directionality of solution</td>
<td>Patient reduction</td>
</tr>
<tr>
<td>Philosophy</td>
<td>Fundamental principle</td>
<td>Overall optimum over local optimum</td>
</tr>
<tr>
<td>Technology Platform</td>
<td>Products/technology and their utilization</td>
<td>Diagnostic and treatment technology A.I., Genome</td>
</tr>
<tr>
<td>Place / Process</td>
<td>Place of medical care delivery</td>
<td>Hospital</td>
</tr>
<tr>
<td>Payment System</td>
<td>Payment system, cash flow</td>
<td>Medical and long-term care insurance, patient expenses</td>
</tr>
<tr>
<td>People / Player</td>
<td>Healthcare service provider</td>
<td>Doctors, medical sites Cloud workers</td>
</tr>
<tr>
<td>Public Policy</td>
<td>Legal and political frameworks</td>
<td>Insurance system, medical regulations</td>
</tr>
</tbody>
</table>

**7P: a Problem Solving Framework for Healthcare**
# 7P Project Progress

<table>
<thead>
<tr>
<th>Clinical Areas</th>
<th>M3 Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stroke</strong></td>
<td>- AI diagnostic engine for Atrial Fibrilation under development</td>
</tr>
<tr>
<td></td>
<td>- Acquisition of rehab center operator, Y’s</td>
</tr>
<tr>
<td><strong>Rare Diseases</strong></td>
<td>- Clinical research starting with patient excavation under way</td>
</tr>
<tr>
<td><strong>Other Areas</strong></td>
<td>- Various themes under consideration:</td>
</tr>
<tr>
<td></td>
<td>– Cervical cancer</td>
</tr>
<tr>
<td></td>
<td>– AI assisted early diagnoses</td>
</tr>
<tr>
<td></td>
<td>– Drug response testing, etc.</td>
</tr>
</tbody>
</table>

- 2 project in execution, more to come. Future sales potential on the scale of a 10+ billion yen.
### Overview of Y’s

**Y’s, Inc.**

<table>
<thead>
<tr>
<th>Founded</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main Business</strong></td>
<td>Operation of non insurance covered “Stroke Rehabilitation Centers” for post-stroke rehabilitation</td>
</tr>
<tr>
<td>Employees</td>
<td>approx. 110</td>
</tr>
<tr>
<td>Facilities</td>
<td>10 facilities centered around Kanto area</td>
</tr>
</tbody>
</table>
| Sales | FY2016: 428 million yen  
FY2017: 639 million yen |

#### 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)
Medical Cost Reduction Through M3 Operational Expertise

Cerebral Infarctions

- Patients: 1.2 million
- Medical Cost: 1.2 trillion yen
- Aftercare and social costs: 5~10 trillion yen
- Total Annual costs: over 10 trillion yen

Rehabilitation

Top Level Rehab

Insurance Covered Rehab

Only 5% of patients receive effective top level rehab

M3 Business Opportunity

- Propagation of effective non-insurance covered rehabilitation
- Rehab related drug treatment promotion

Segmentation of patient needs allows combination of solutions by parts to support the whole.
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.
## 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><strong>County</strong></td>
<td>3</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>→</td>
<td>(1.5x)→</td>
<td>(3x)</td>
</tr>
<tr>
<td><strong>Business Type</strong></td>
<td>6</td>
<td>10</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>→</td>
<td>(1.5x)→</td>
<td>(4x)</td>
</tr>
<tr>
<td><strong>Business Units</strong></td>
<td>10</td>
<td>18</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>→</td>
<td>(2x)→</td>
<td>(4x)</td>
</tr>
<tr>
<td><strong>(Type x Country)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales (bln yen)</strong></td>
<td>14.0</td>
<td>36.9</td>
<td>94.5</td>
</tr>
<tr>
<td></td>
<td>→</td>
<td>(2.5x)→</td>
<td>(7x)</td>
</tr>
</tbody>
</table>

* Total addressable market

Aggressive investment to continue in order to realize the existing growth potential of over 10~20x times...
Annual Results & Forecast for FY2018

Sales

Operating Profit & Net Profit

(mn yen)

* FY17 results retroactively restated according to IFRS9 (Financial Instruments)

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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