M3, Inc. Presentation Material

January 2020



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.

FY2019 Q3 Consolidated Results

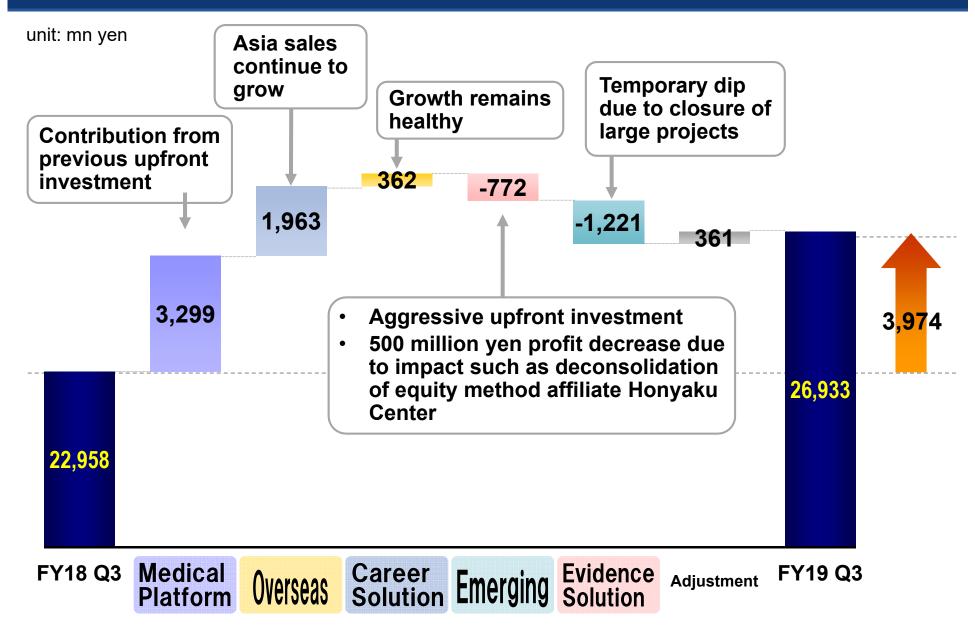
				ILVO
(mn yen)	FY2018 Q3	FY2019 Q3	YoY	
Sales	83,674	96,319	+15%	+20% op growth if excluding impact from deconsoli- dation of group companies
Operating Profit	22,958	26,933	+17%	
Pre-tax Profit	23,109	27,003	+17%	
Net Profit	15,976	18,616	+17%	

IFRS

FY2019 Q3 Consolidated Results by Segment

(mn yen)			FY2018 Q3	FY2019 Q3	YoY	
Domestic	Medical Platform	Sales	29,968	36,986	+23%	
		Profit	10,815	14,114	+31%	
	Evidence Solution	Sales	17,006	15,942	-6%	
		Profit	4,555	3,335	-27%	
	Career Solution	Sales	10,650	12,018	+13%	
		Profit	3,265	3,626	+11%	
	Other Emerging Businesses	Sales	9,120	11,118	+22%	
		Profit	2,026	1,254	-38%	
Overseas		Sales	18,696	22,160	+19%	
		Profit	2,697	4,660	+73%	

Consolidated Operating Profit Change Analysis



FY2019 Q3 Overview

Medical Platform

- Aggressive upfront investments beginning to contribute. Marketing service orders grew 54% yoy in Q3, with newly consolidated Ultmarc also contributing
- Operating profit grew +43% YoY for the Oct-Dec period.

Evidence Solution

- Temporary dip due to ending of large scale PV projects
- Orders backlog steady at 23 bn yen

Career Solution

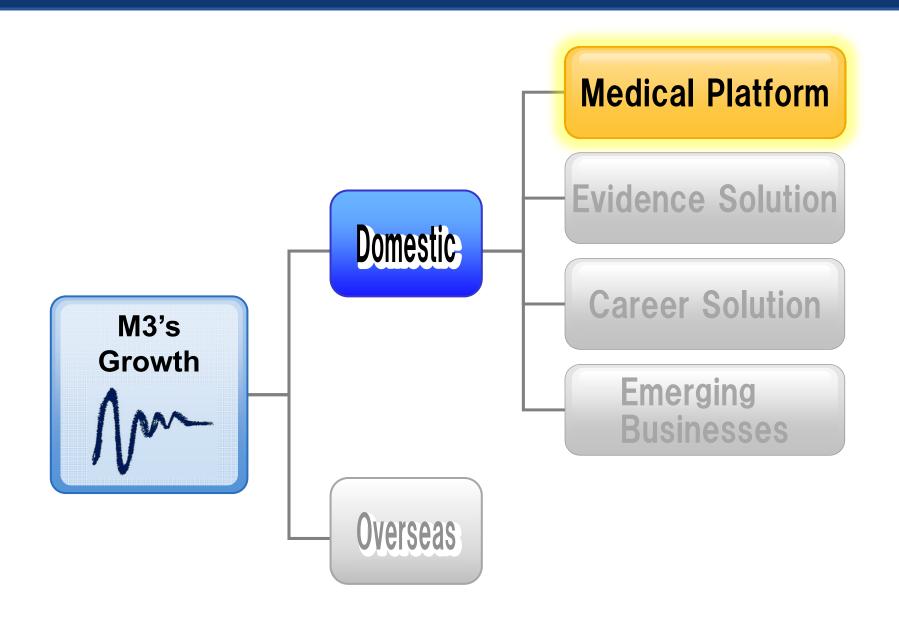
■ Both physician and pharmacist inflow remains robust, with sales at 12.0 bn yen (+13% yoy) and operating profit at 3.6 bn yen (+11% yoy)

Emerging Businesses

- Multiple new businesses in growth phase, with additional seeds being planted
- Deconsolidation of affiliates such as Honyaku Center impacted a 500 million yen drop in op.

Overseas

Rapid APAC expansion brought sales to 22.2 bn yen (+19% yoy) and o.p. to 4.7 bn yen (+73%)

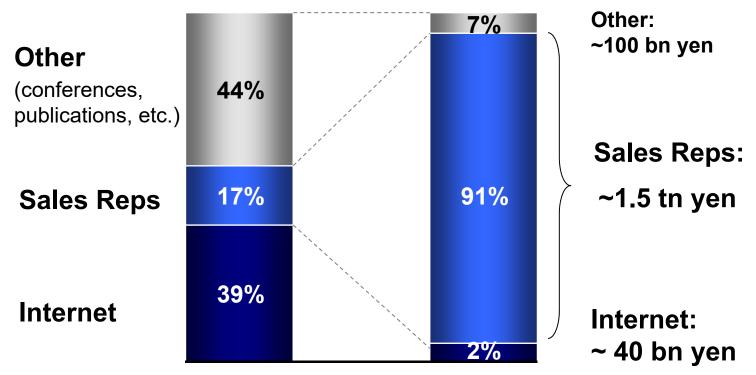


Doctor's Time Allocation vs Pharma's Budget Allocation

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.



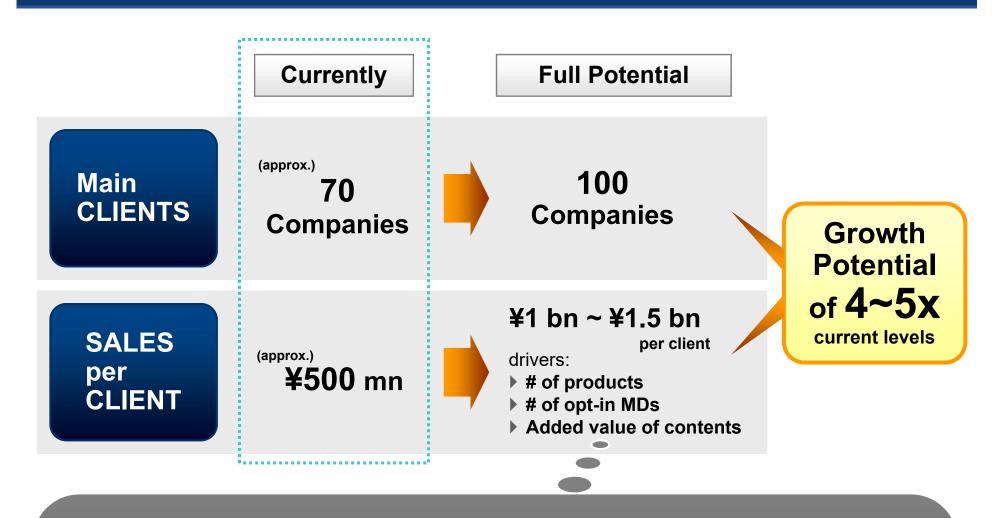
Marketing Budget Allocation of drug companies in Japan



Source: M3 research, percentages are approximate

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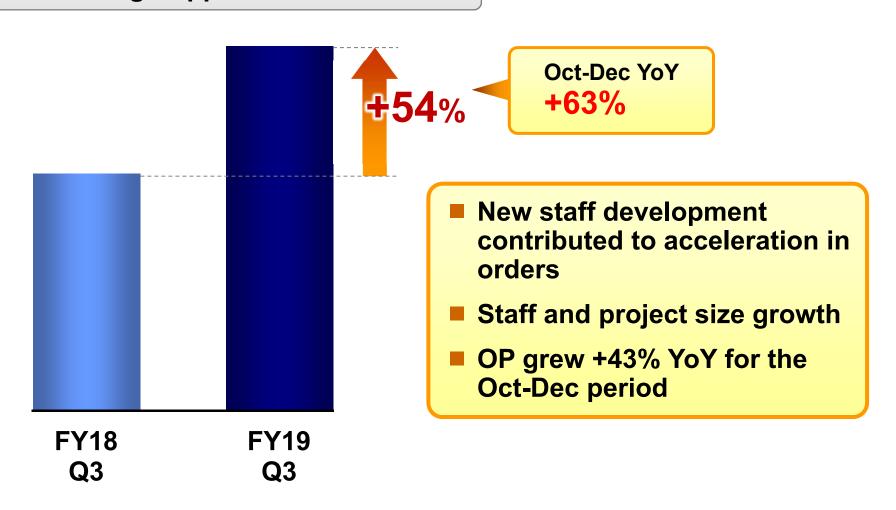
Medical Platform Growth Potential in Japan

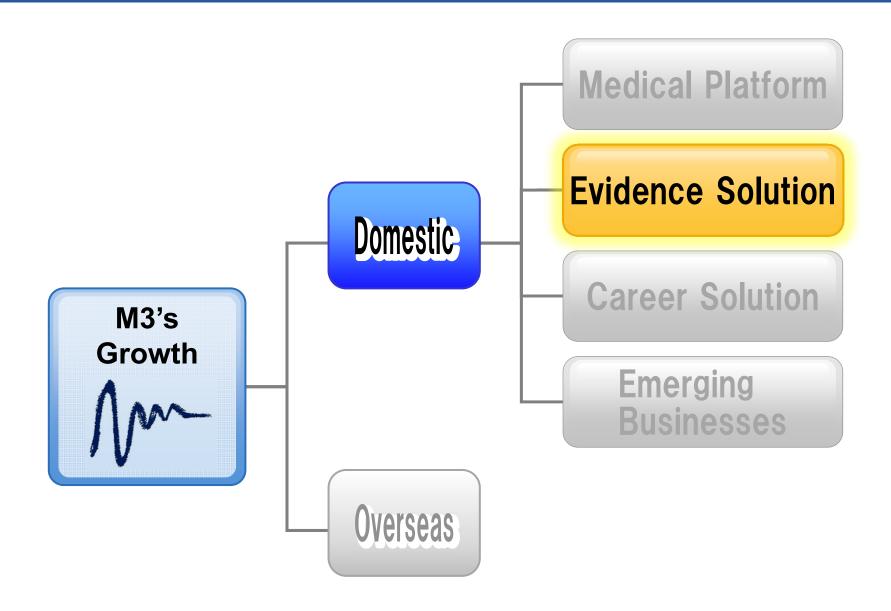


Expansion of project size and increase in cross-business synergies boosting sales from marketing services into healthy growth

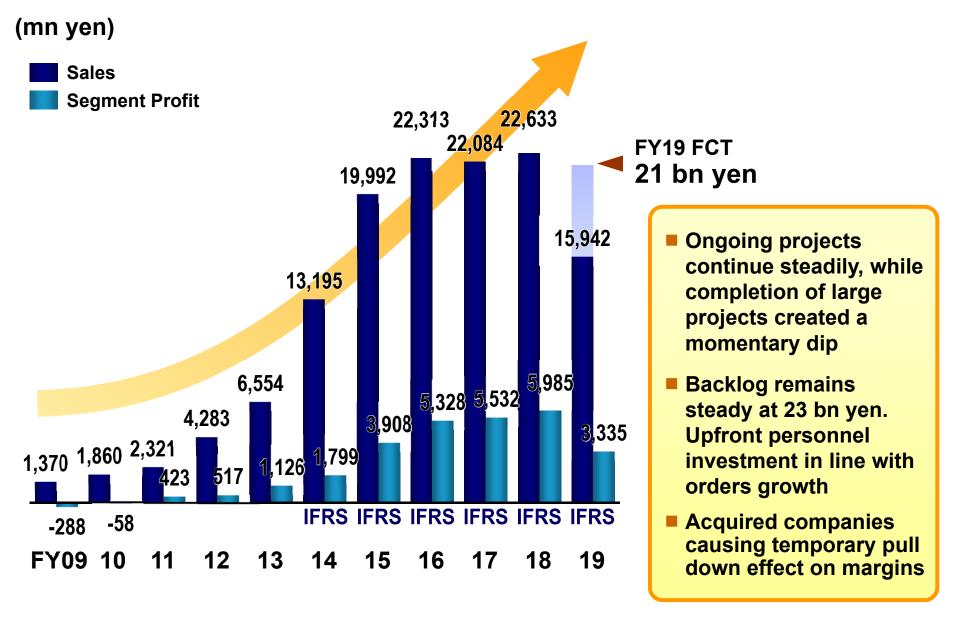
Recovery in Marketing Support Service Orders

Marketing Support Service Orders





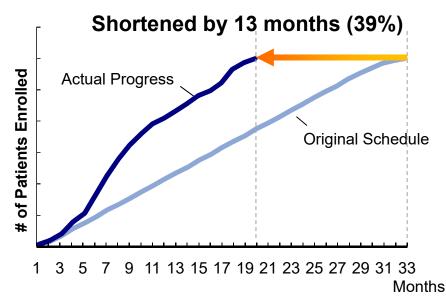
Sales and Profit Trend of Evidence Solution



M3 Group: Accelerated Trial Completion

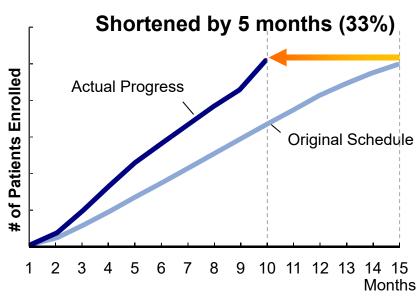
- Mr. Finder finds highly motivated doctors at sites with potential patients
- Trial process management executed in similar fashion to web based marketing (High speed PDCA, conversion management, IT tools utilization)

Global Trial: Endocrinology/ Metabolism

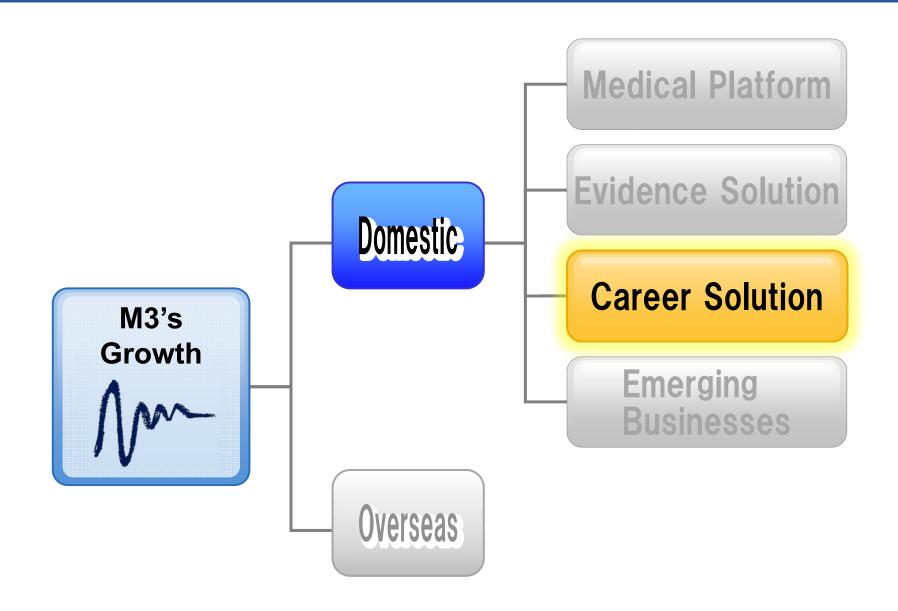


Completed patient enrollment in 20 months vs. allocated 33 months

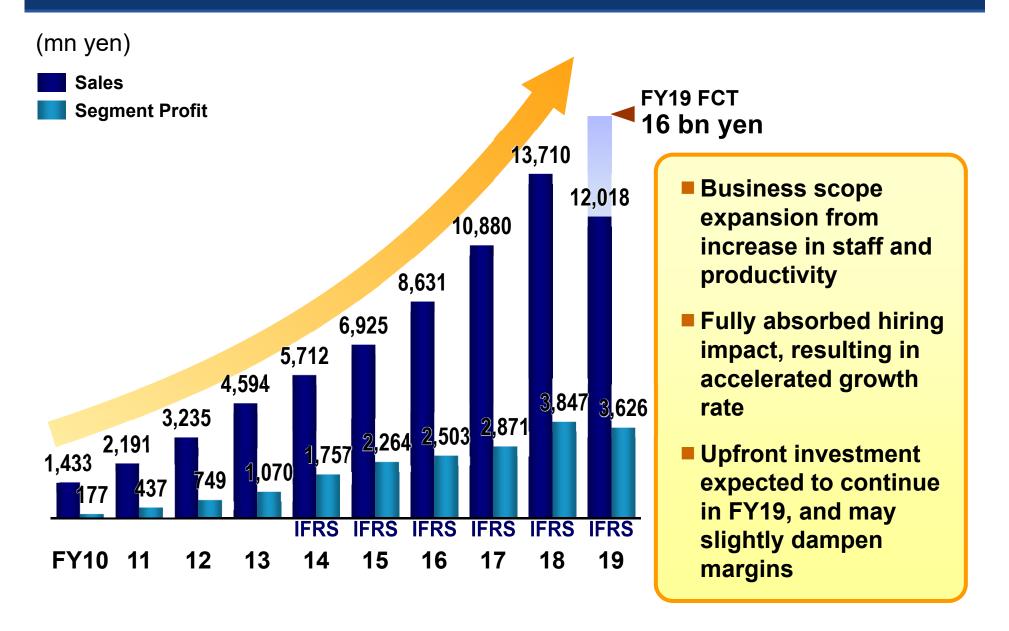
Domestic Trial: Endocrinology/Metabolism

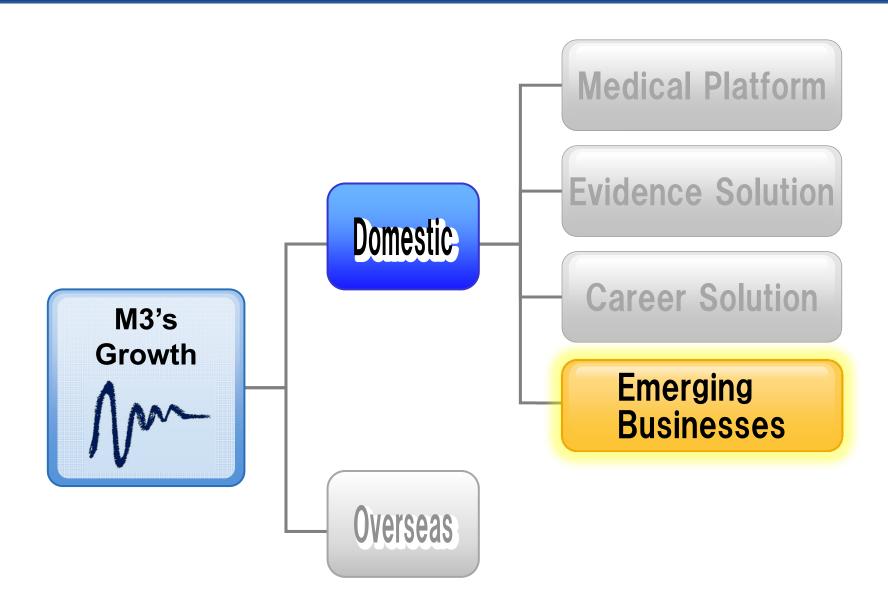


Completed patient enrollment in 10 months vs. allocated 15 months

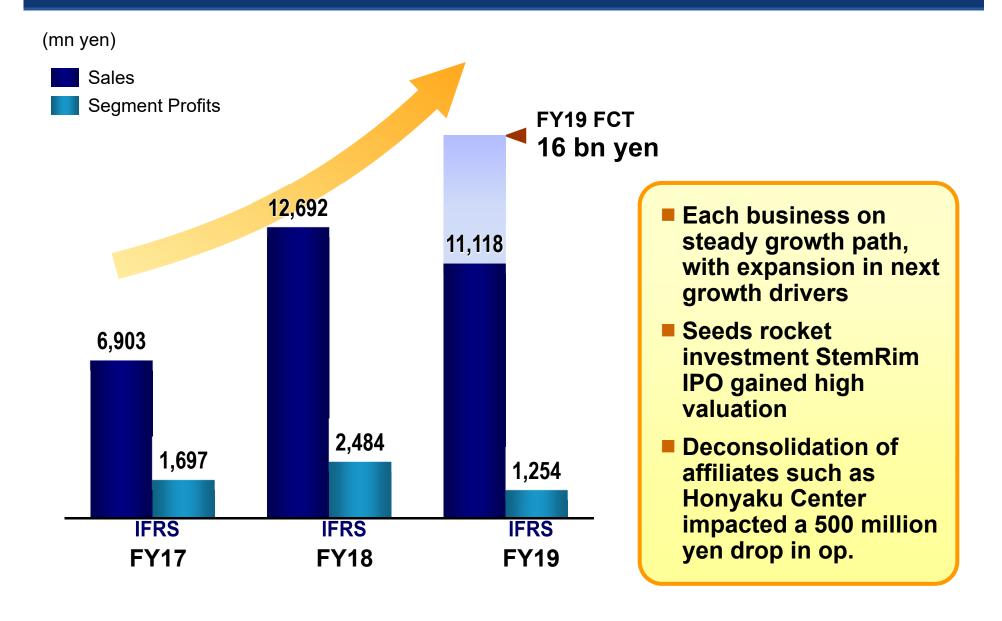


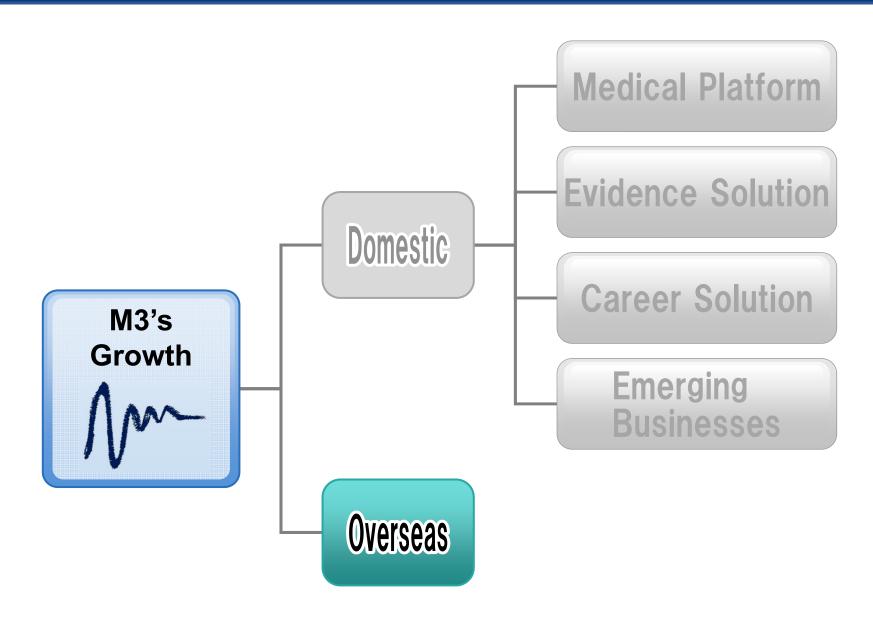
Sales and Profit Trend of Career Solutions



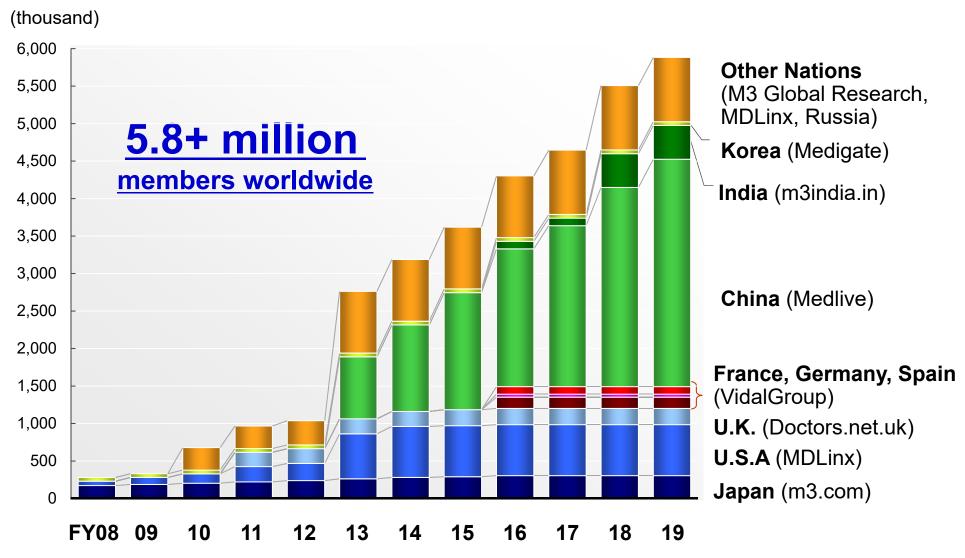


Sales and Profit Trend of Emerging Businesses





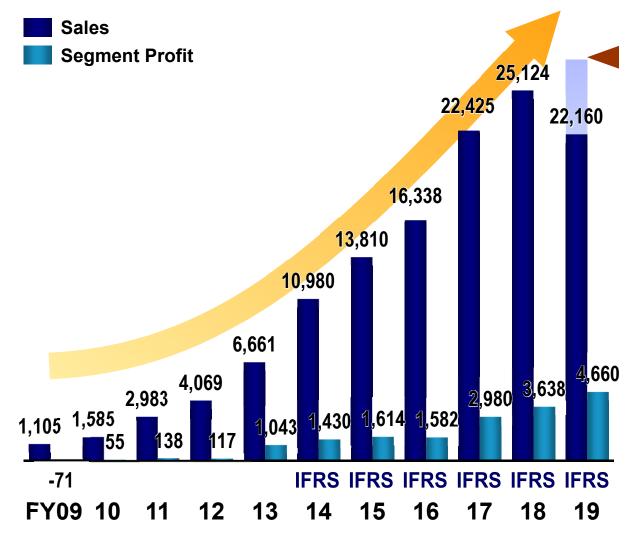
Number of Physician Members and Panelists (Global)



Close to 50% coverage of the total 12 million global doctors

Sales and Profit Trend of Overseas

(mn yen)

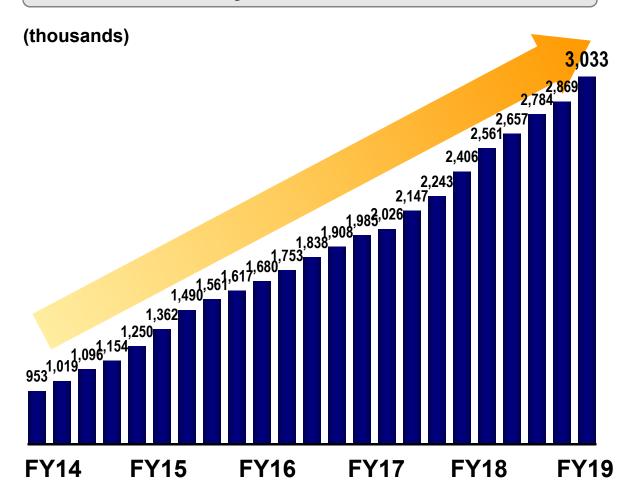


FY19 FCT 30 bn yen

- 70% of profit contribution came from US and Europe, and 30% from APAC
- Business expansion acceleration in all APAC countries (China, India, and Korea)
- China: Sales +43% yoy, profit grew 2x Korea: Sales +30% yoy, profit +60%

China: Membership Expansion

Number of Physician Members in China



- Marketing services for drug companies starting with MR-kun, and research services showed steady growth
- MR-kun is now being utilized by 16 pharma companies across 37 drugs
- Newly approaching local clients, in addition to MNCs
- Launched career services for physicians



Topped 3 million physicians members, covering over 2/3 of doctors in China

Newest Updates

LINE Healthcare

- JV with Visionary Holdings
- Partnership with JMA
- Al Projects Update

Business Potential for LINE JV

LINE

- Consumer reach and activity:82 million users (68% national coverage)
- Possesses infrastructure for service provision (ie. broadcasting, settlements, audio calls, EC, logistics)
- Medical professional members:
 280,000 doctors (90+% coverage)
 160,000 pharmacists (50+% coverage)
- Ask Doctors, Qlife Hospital Search operational expertise, various data
- ■Business channel targeting pharmaceutical companies
- Abundant medical solutions for consumers

LINE Healthcare

Short Term

Med-Long Term

Medical Consultation for LINE Users

- ✓ No.1 remote medical consultation platform Q&A
- Disease and treatment awareness through physician consultations

Online Medical Platform

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

Platform Linked Businesses

- ✓ M3Digikar linked RWD solutions
- ✓ PHR/AI based disease forecasts and prevention promotion
- ✓ and more...

Beta versions launched in Dec 2019 for Android and Jan 2020 for iOS

Consultation Based Disease Awareness Package

Awareness

Site Visit

Consultation

Survey







User demographic based optimal information provision



Consultations using the familiar LINE interface



Follow-up surveys distributed after each consultation

A platform that connects the 28,000 M3 physician members with the 82 million LINE users to provide innovative healthcare services

- LINE Healthcare
- JV with Visionary Holdings
- Partnership with JMA
- Al Projects Update

Visionary Holdings Overview

Headquart ers	Chuo-ku, Tokyo, Japan				
Established	2017 (core subsidiary megane SUPER: 1980)				
Shops	374 shops across japan (As of Dec 2019)				
Businesses	Sales of eye glasses, contact lenses, and related parts, and management of related subsidiaries				
CEO	Naohiko Hoshizaki, CEO				
Employees	approx. 1,500 (as of Apr 2019, excluding commissioned and associate employees)				





Business Potential of Capital Alliance

M3, Inc.

280,000 physician members network across medical sites



- Genome diagnostics
- Physician recommendation service
- Clinical trial recruitment. etc.

Real Touchpoints Connecting **Consumers to Medical Services**

- Disease awareness and early detection
- Coordination with medical sites
- Consultation rate and QOL improvement

Visionary Holdings

Nearly 400 shops and over 9 million client CRM data



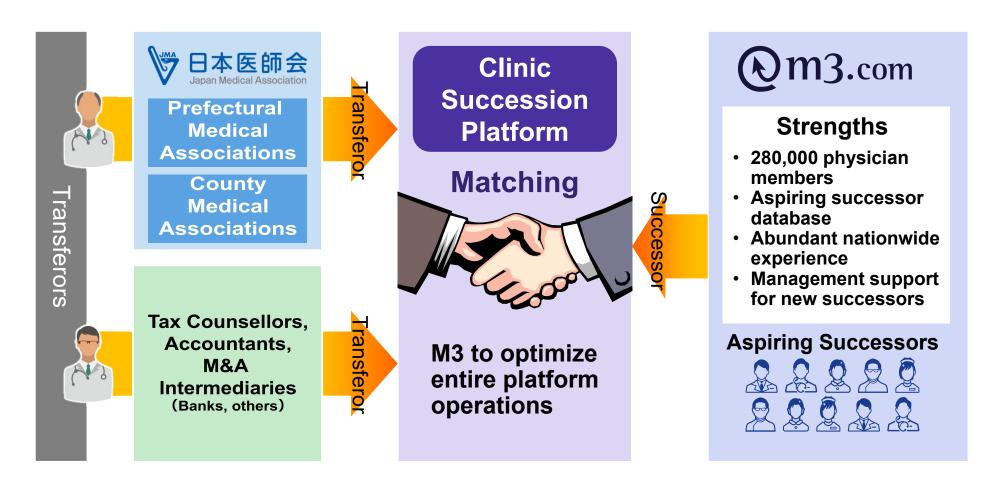
- Various eye care services
- **■** Corporate and adolescent services
- Wearable devices, etc.



Visionary Holdings and M3 will launch a JV to create next generation flagship shops

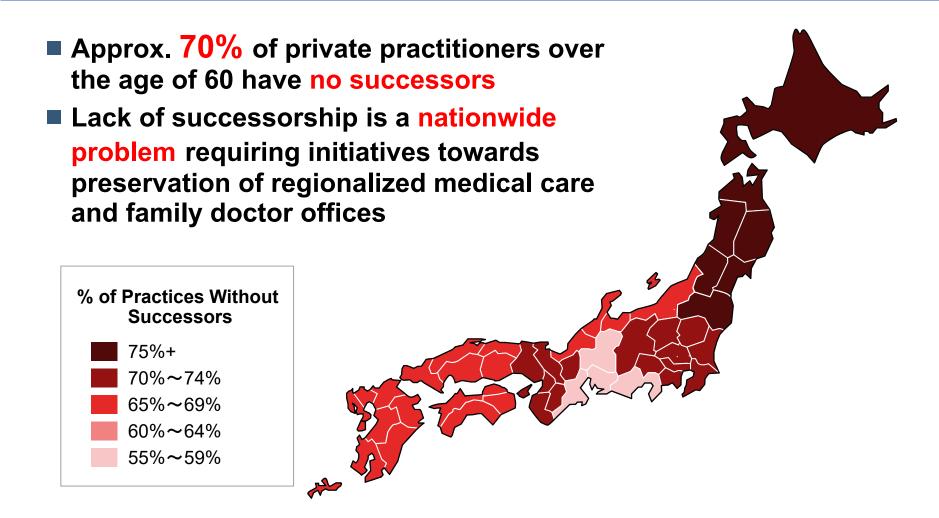
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Business Transfer Support Scheme



Utilize m3.com data analysis, succession specialized consultants to swiftly match appropriate successor candidates in line with transferor preferences.

Comprehensive Partnership with Japan Medical Association



Third-party successors are needed at an estimated 20,000 sites, equating to 1,400 sites annually assuming retirement at 75 years of age

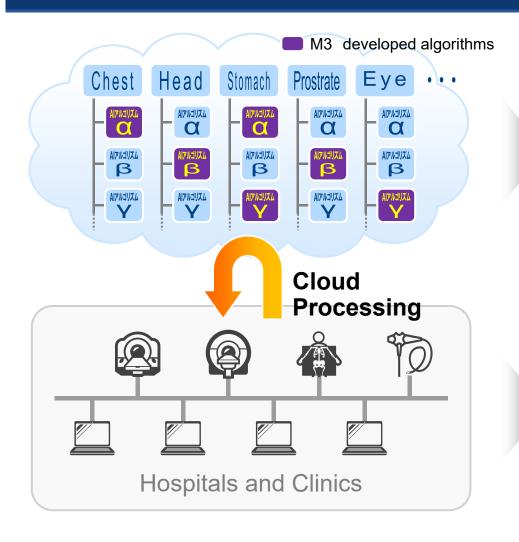
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Rapid Increase in Al Project Pipeline

red = new projects within past 6 months		M3 Services				Expected Launch					
		Corporate	Therapy Area	Medical Data Collection	Algorithm Development	Regulatory Consult	Clinical Study &Trial	Marketing Support	Funding	FY2019	FY2020~
NA S)	М3	Respiratory	~	~	~	~	~	~	~	
M3 Lead		M3	Diabetic Retino.	Y	✓	✓	✓	V	V	✓	
		М3	ALL	Y	~	Y	~	Y	~	<u> </u>	\longrightarrow
		Al Venture	Influenza	✓			~				✓
		Al Venture	Brain Aneurysm	~						✓	
		Al Venture	Insomnia	~					V		Y
		Academia	Respiratory		✓						~
	Domestic	Al Venture	Gastrointestinal			V		/			✓
		Device Maker	Funduscopy			~					/
		Device Maker	Gastro Surgery	✓		~	Y				✓
		Al Venture	Alzheimers					~		✓	
External		Al Venture	Chest Xray Fluoroscopy				~				
T T		Al Venture	Pathology					~			
<u>a</u>		Al Venture	Cardiovascular	/		/					
		Device Maker	PACS Link					/			Y
Lead		Device Maker	Chest CT			Y					
Q		Device Maker	Endoscopy	/							
	Overseas	Al Venture	Thyroid					~		✓	
		Al Venture	Radiation		Y					Y	
		Al Venture	Coronary Artery		Y					Y	
		Al Venture	Coronary Artery		Y					Y	
		Al Venture	Chest Xray			V		/			
	0,	Al Venture	Alzheimer's Al			V					
		Al Venture	Mammography Al								

24 Al development support projects. Al platform to launch within the year Copyright © 2019 M3, Inc. All rights reserved.

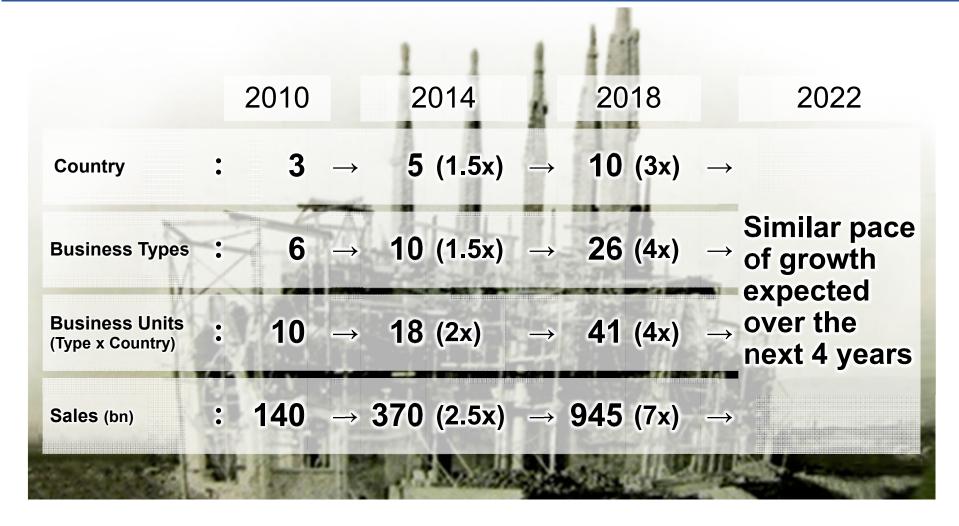
Al Platform Launch



- In addition to M3 developed algorithms, various lineup of externally developed products will also be made available
- Doctors can freely utilize algorithms from the diagnostic support tool lineup
- Ability to select multiple algorithms within a certain body region (head, und, heart, etc.)
- Major modality (CT, MRI equipment) makers plan to participate on this platform

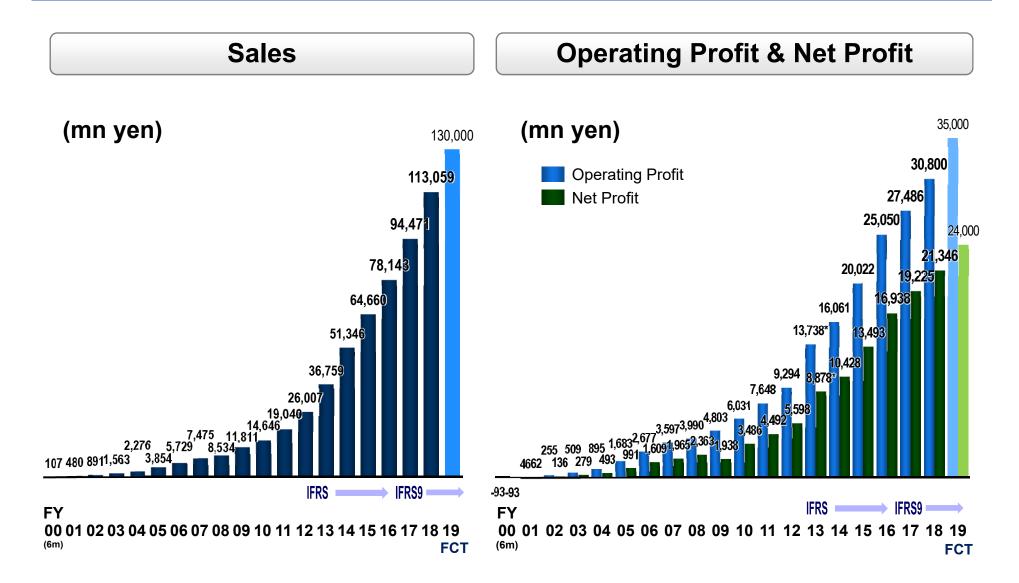
Future Growth

Business Scope Expansion and Growth Potential



Aggressive M&A to ensue in reaching growth potentials exceeding 10~20x current levels...

Annual Results & Forecast for FY2019



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

Creating New Value in Healthcare

M3

Medicine Media Metamorphosis

Healthcare sector is enormous...

"Making use of the Internet to increase, as much as possible, the number of people who can live longer and healthier lives, and to reduce, as much as possible, the amount of unnecessary medical costs"

- this is both the desire and goal of M3.

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

