

Capital Alliance with VisionaryHoldings Co., Ltd.

~ 7P Project: Holistic Solutions for Issues Surrounding Ophthalmologic Diseases ~

M3, Inc. (Headquarters: Tokyo, Japan; CEO: Itaru Tanimura; “M3” below) and VisionaryHoldings Co., Ltd. (Head office: Tokyo, Japan; CEO: Naohiko Hoshizaki; “VisionaryHoldings,” below) have announced an agreement for M3’s capital participation in VisionaryHoldings as a part of the “7P Projects”.

1. Background

M3 operates m3.com, a specialized web portal for medical professionals that delivers healthcare related information to its 280,000+ physician members in Japan, and offers marketing and clinical trial services. Recent business expansion have been in areas such as AI diagnostic tool development, genome diagnostics provision, and stroke rehabilitation centers, no longer limited to pharmaceutical marketing. “7P Projects” aim to integrate such businesses in order to provide holistic solutions for multiple issues within individual therapeutic areas. Furthermore, presence outside of Japan include the U.S., U.K., France, China, Korea and India, with aggressive business expansion overseas that has amassed over 5.5 million physicians as members across our global platforms, allowing provision of a wide range of services.

With a network of nearly 400 stores nationwide, VisionaryHoldings holds CRM data of up to 9 million customers, proportionate to 10% of Japan’s population. VisionaryHoldings has increased its presence in the eyewear market through reinforcement of products and unique services to improve the longevity of healthy vision, such as its core eye care service, “Total Eye Exam”. The exams provide detailed results on eye condition such as visual distance, enabling the stores to provide each customer with optimally customized quality eyewear, attracting many customers in their 50s and over.

Despite the aging society, Japan’s medical services surrounding “audiovisual” health is likely still inadequate. For example, doctor consultation rate for cataracts, glaucoma and age-related macular degeneration in patients is estimated to be under 10-20% (*1). Moreover, only a portion of those with or self-suspected hearing loss consult doctors or consider using hearing aids (*2). Presumably, there are many potential individuals carrying audiovisual health problems that negatively impact their quality of life.

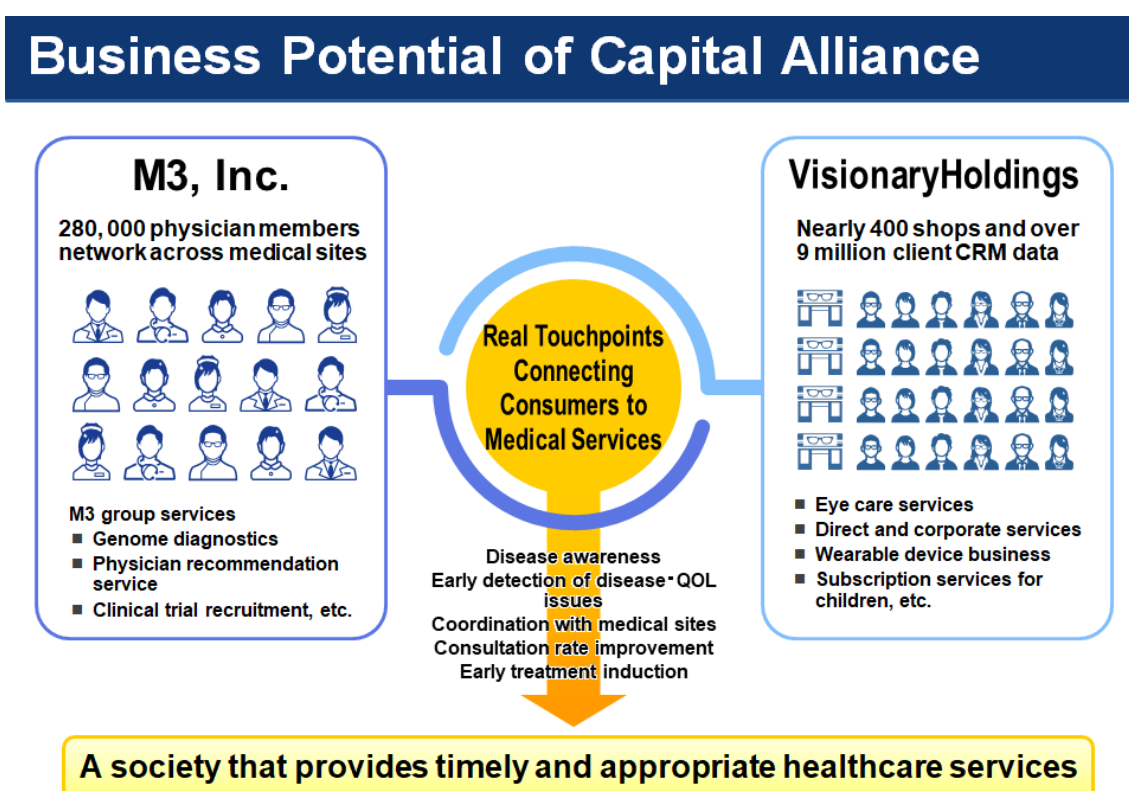
M3 has entered into a capital alliance with VisionaryHoldings which operates close to 400 stores servicing a nationwide customer base. The JV aims to actualize a society where cost effective audiovisual-related healthcare services are readily accessible, and will operate next-generation flagship stores. Furthermore, as part of the “7P Project” initiatives, the JV will develop businesses to increase connectivity between existing or

potential audiovisual patients, and the appropriate medical and healthcare services, through combination of customer bases, network, and services of both companies. Going forward, the JV aims to expand its expertise to other VisionaryHoldings stores across Japan.

*1 Cataracts, glaucoma and age-related macular degeneration patients who do not consult doctors are estimated to be 4 million, over 35 million and 600 thousand, respectively.

*2 Out of those with or self-suspected hearing loss, only 36% have consulted an otolaryngologist, and 30% have consulted their primary care doctor. (Institute of Japan Hearing Aid Manufacturers Association, JapanTrak2018 Survey Report)

2. Expected Synergies



(1) Provision of eye care products and services to M3's service users

Through the establishment of the JV, M3 will integrate VisionaryHoldings' core audiovisual as well as its high-value-add healthcare services such as health checks, personal care and direct sales, with M3's B-to-C solutions such as disease awareness initiatives, online health consultation services (AskDoctors, LINE Healthcare), and corporate health management support services (M3PSP). This will enable provision of products and services to previously difficult to reach individuals and corporates.

(2) Acquiring touchpoints to general consumers

The JV will utilize VisionaryHoldings stores as physical touchpoints to the general consumer, promoting consumer facing services and products such as genome diagnostics, Stroke Rehabilitation Center, and medical and healthcare devices provided by M3 Group. Simultaneously, through coordination with the 280,000 doctor members

(equivalent to over 90% of doctors in Japan) on “m3.com,” the JV will enable development of an environment where potential patients situated peripheral to VisionaryHoldings stores will be able to quickly reach the appropriate medical services.

(3) Eventual nation-wide roll-out

Businesses and services launched by the JV will be rolled-out nationwide through the integration of nearly 400 VisionaryHoldings stores, CRM data of more than 9 million customers, and M3’s information platform. This will contribute to improving the health and quality of life for individuals with audiovisual impairments.

3. Strategic Significance of the JV

M3 promotes “7P Projects”, which aims to provide holistic solutions for specific diseases through provision and combined integration of services extending beyond pharmaceutical marketing support. 7P Projects will address the rising issues surrounding an increasing number of potential patients with ophthalmic ailments within an aging society. Solutions for issues within the therapeutic area surrounding disease awareness, prevention, doctor consultation rates, coordination with appropriate medical facilities, and treatment, will be generated through utilization of the platform of nearly 400 nationwide VisionaryHoldings ground locations as touchpoints for potential patients, and combining various services of M3 Group.

4. Outline of Capital Alliance

M3 will acquire 33% of the shares of VisionaryHoldings through third party allotment of approximately 4.2 billion yen.

Furthermore, VisionaryHoldings will establish a new company, to which it will transfer its business division operating its next-generation flagship stores through an absorption-type demerger. The JV will be an equity method affiliate of M3 (VisionaryHoldings: 50%, M3: 50%).

<Schedule>

February 17, 2020 (TBC)	Resolution at extraordinary general meeting of shareholders at VisionaryHoldings
February 18, 2020 (TBC)	Payment for third-party allotment, and launch of capital and business alliance

<Company Overview>

Name	VisionaryHoldings Co., Ltd.
Established	November, 2017
Headquarters	1-9-11 Horidome-Cho, Nihonbashi Chuo-ku
CEO	Naohiko Hoshizaki
Nature of Business	Sales of eyewear, contact lenses and accessories Control and management of related affiliates and/or invested companies operating above businesses