

M3, Inc.

Presentation Material

May 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 Consolidated Results Summary

FY2019 Consolidated Results

IFRS

(mn yen)	FY2018	FY2019	YoY
Sales	113,059	130,973	+16%
Operating Profit	30,800	34,337	+11%
Pre-tax Profit	30,942	34,610	+12%
Net Profit	21,346	24,153	+13%

1.2 bil
yen
negative
impact
from
COVID-19

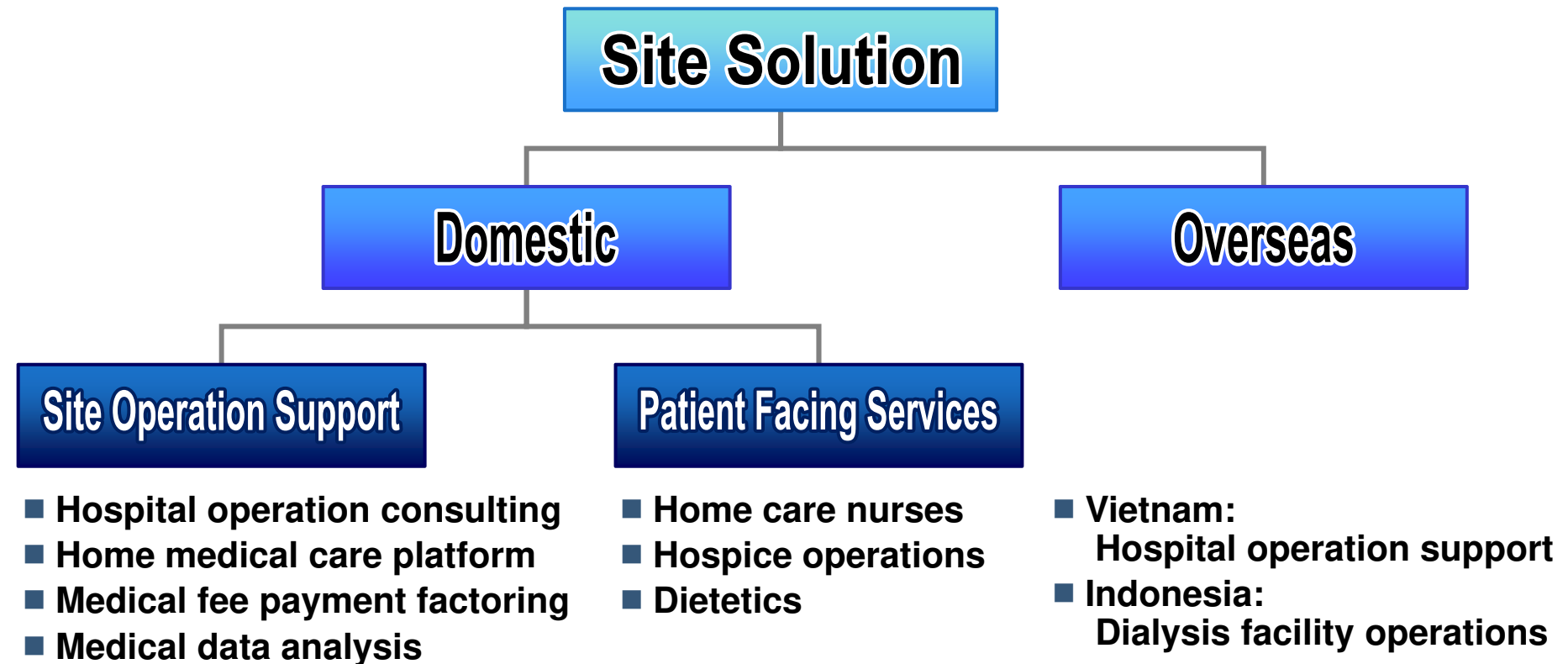
FY2019 Consolidated Results by Segment

(mn yen)

(mn yen)			FY2018	FY2019	YoY
Domestic	Medical Platform	Sales	41,248	51,270	+24%
		Profit	15,391	19,253	+25%
	Evidence Solution	Sales	22,633	21,365	-6%
		Profit	5,985	4,699	-21%
	Career Solution	Sales	13,710	15,393	+12%
		Profit	3,847	4,151	+8%
	Site Solution	Sales	9,182	12,223	+33%
		Profit	881	944	+7%
	Emerging Market Businesses	Sales	3,510	3,286	-6%
		Profit	1,603	513	-68%
Overseas		Sales	25,124	29,961	+19%
		Profit	3,638	5,722	+57%

New Segment: Site Solution

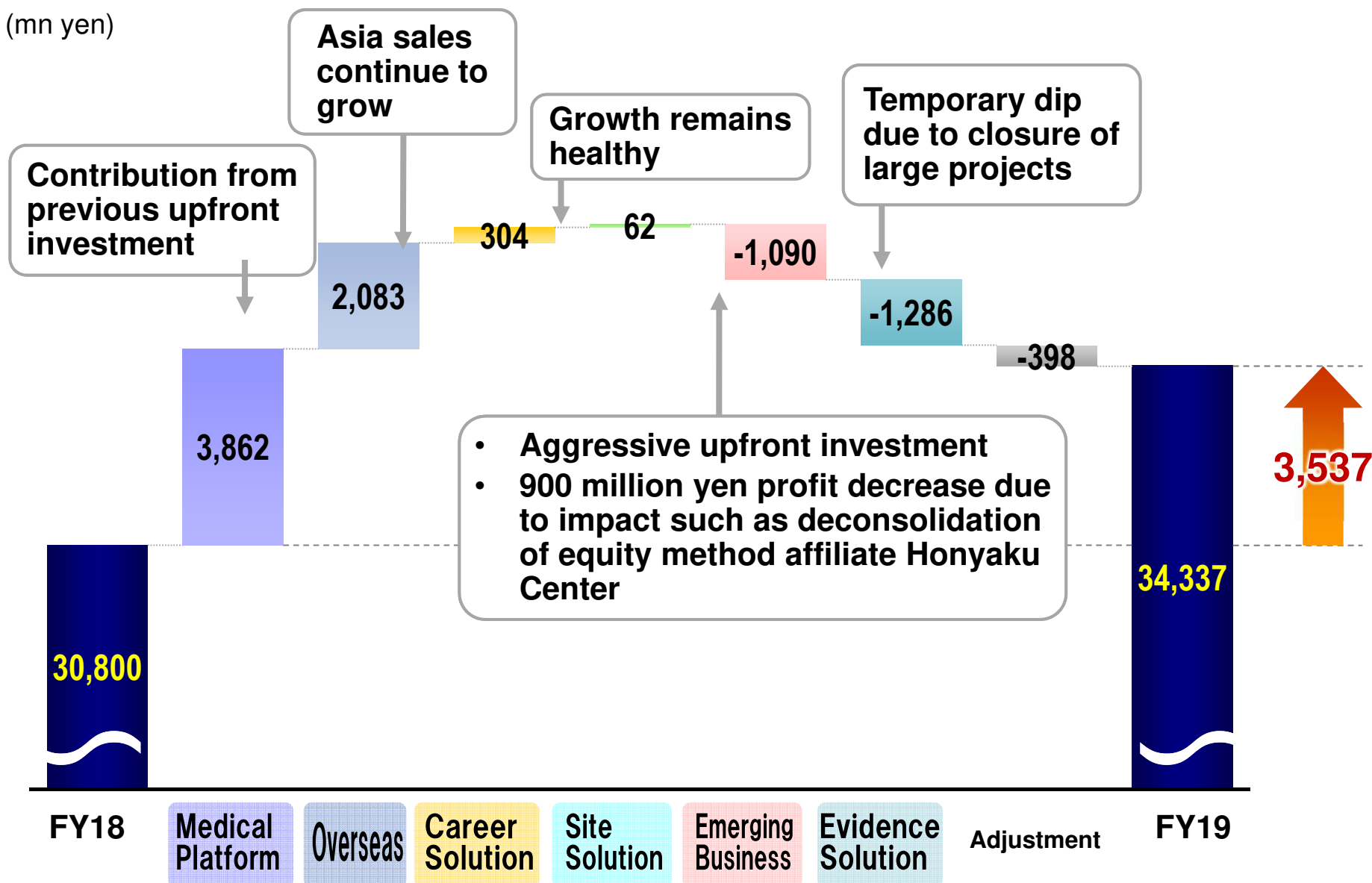
Multilateral medical site management and operations support provided by a wide range of skilled professionals



 **Segregated from Other Emerging Businesses as a its own segment as a result of business expansion**

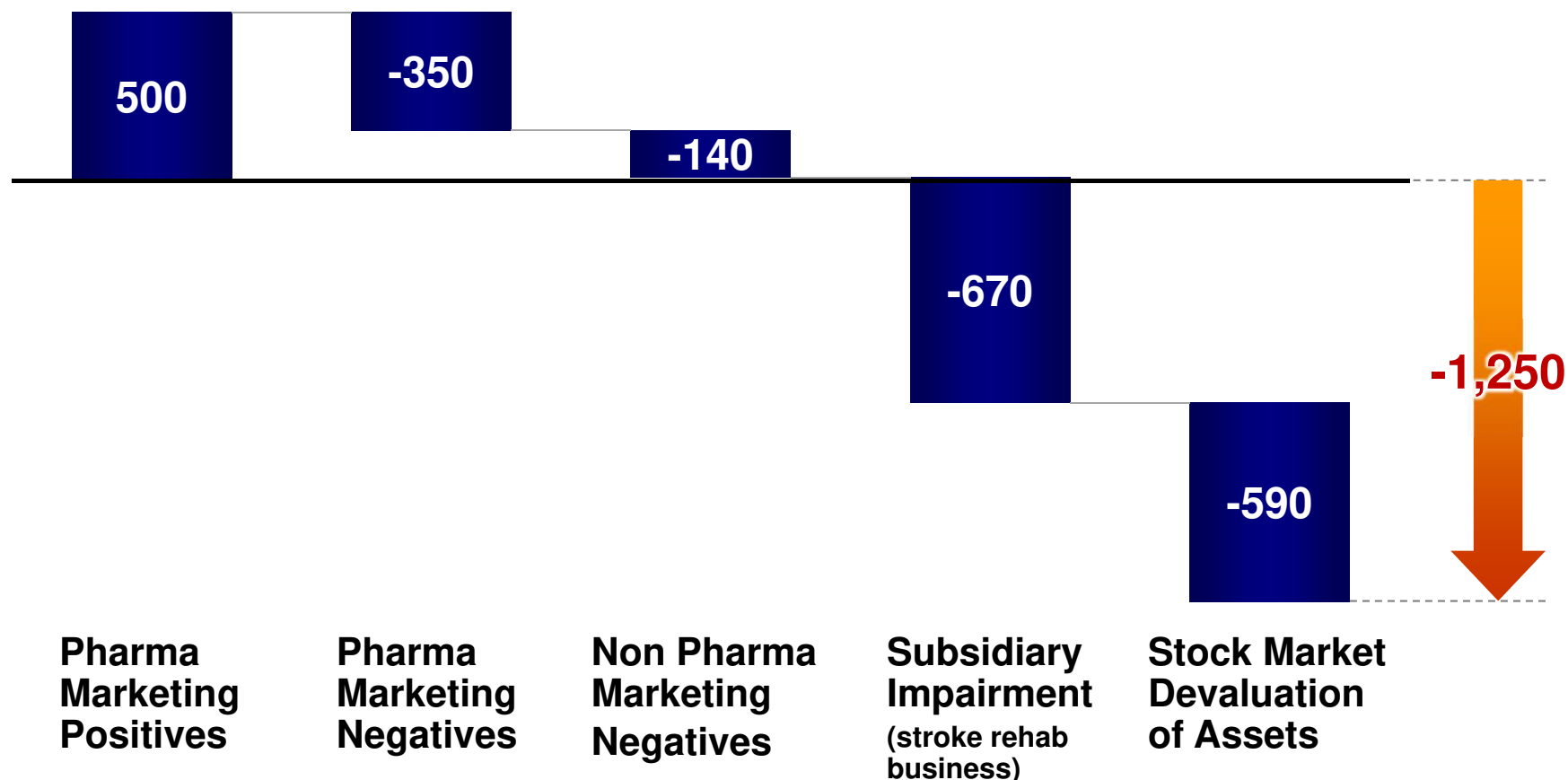
FY19 Consolidated Operating Profit Contribution Breakdown

(mn yen)



FY2019 COVID-19 Impact on Operating Profits

(mn yen)



 **1.25 billion yen negative impact on operating profits due to the COVID-19 pandemic. Majority from market devaluation of assets.**

FY2019 Overview

Medical Platform

- Marketing service annual orders grew 53%yoy
- Segment profit +25% yoy, (+30% excluding Y's impact)

Evidence Solution

- Temporary dip due to ending of large scale PV projects
- Orders backlog healthy at 25 bn yen

Career Solution

- Both physician and pharmacist inflow remains robust, with sales at 15.4 bn yen (+12% yoy) and operating profit at 4.2 bn yen (+8% yoy)

Site Solution

- Increase in affiliate sites and expansion in the home care nursing business resulted in segment sales of 12.2 bn yen (+33% yoy), and operating profits of 900 million yen (+7% yoy)

Emerging Businesses

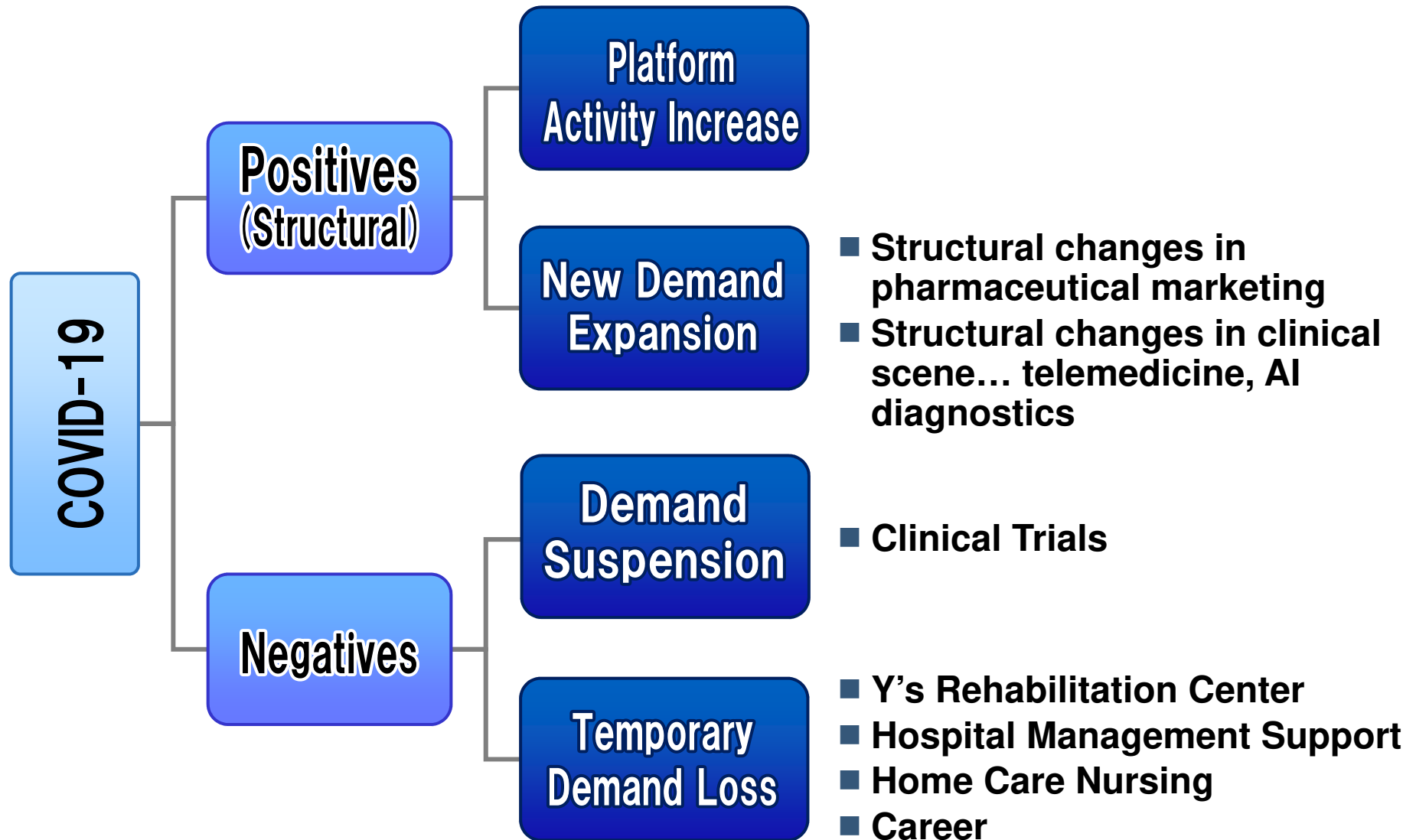
- New business seeds being planted at a healthy pace
- Deconsolidation of affiliates such as Honyaku Center impacted profits negatively

Overseas

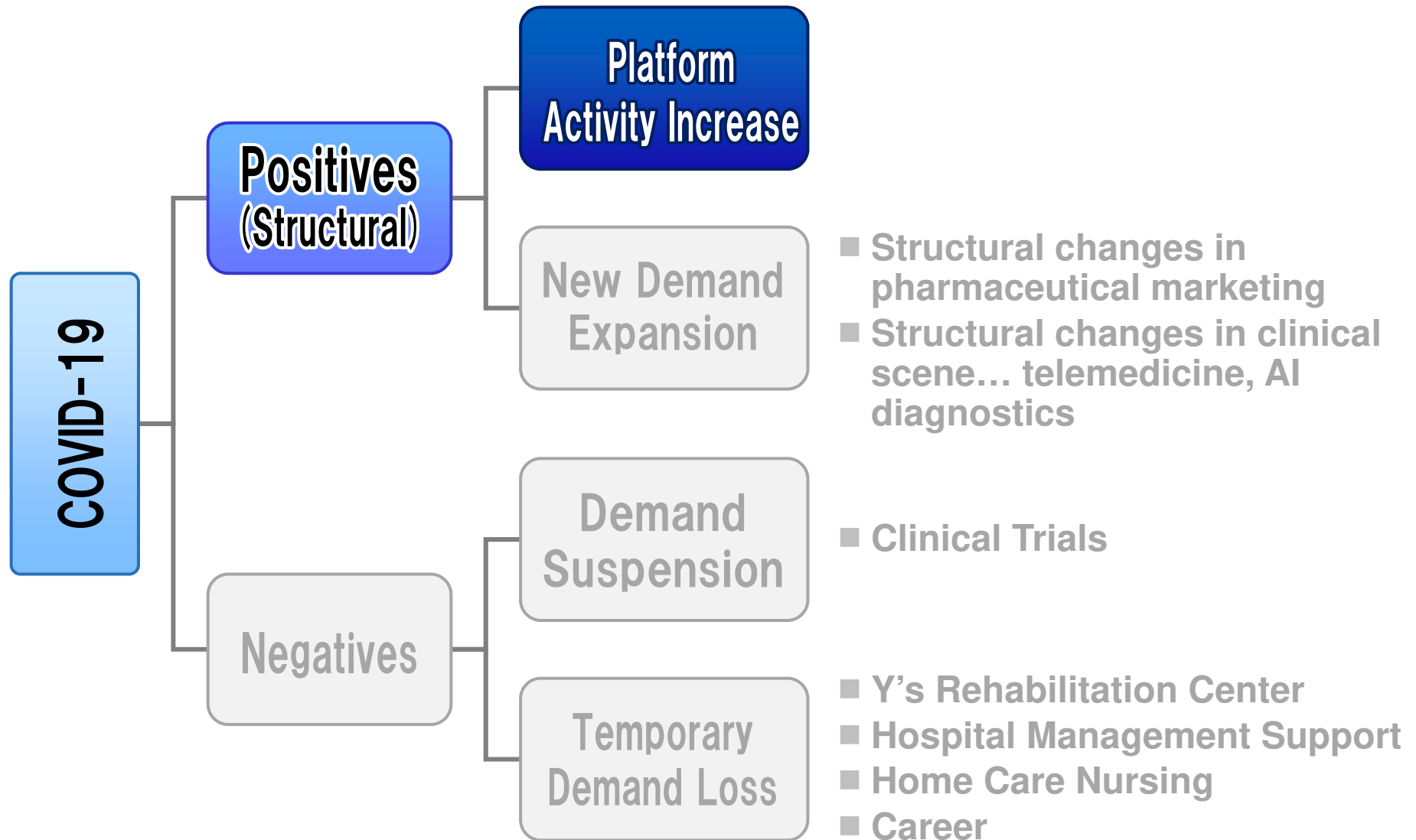
- Rapid APAC expansion brought sales to 30.0 bn yen (+19% yoy) and operating profit to 5.7 bn yen (+57%)

COVID-19 Impact on M3

COVID-19 Impact on M3



COVID-19 Impact on M3



m3.com Site Access Increase

COVID-19 Related Information Provision



**Focused delivery
of related news**

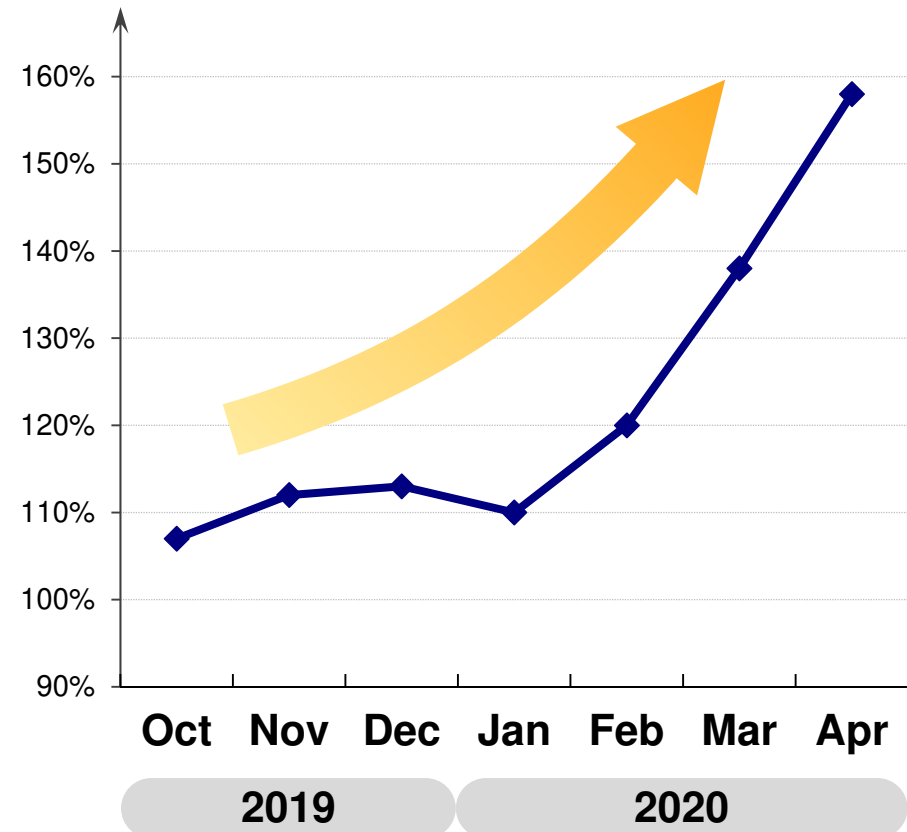


**Proactive
information
exchange across
PtoP communities**



**Expert webinars
regarding COVID-
19 examination**

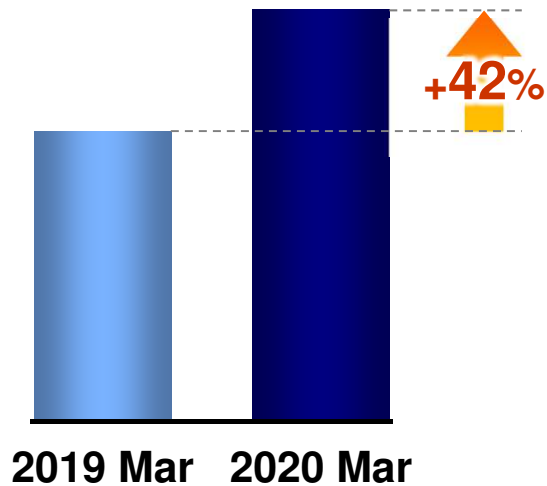
m3.com Access Increase (% yoy)



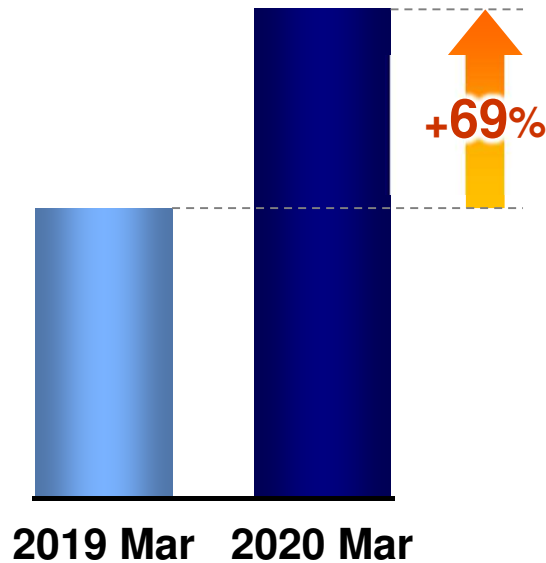
Site access spiking as physicians proactively gather information on m3.com... acting as key infrastructure for the COVID-19 medical scene

Overseas Site Access Increase

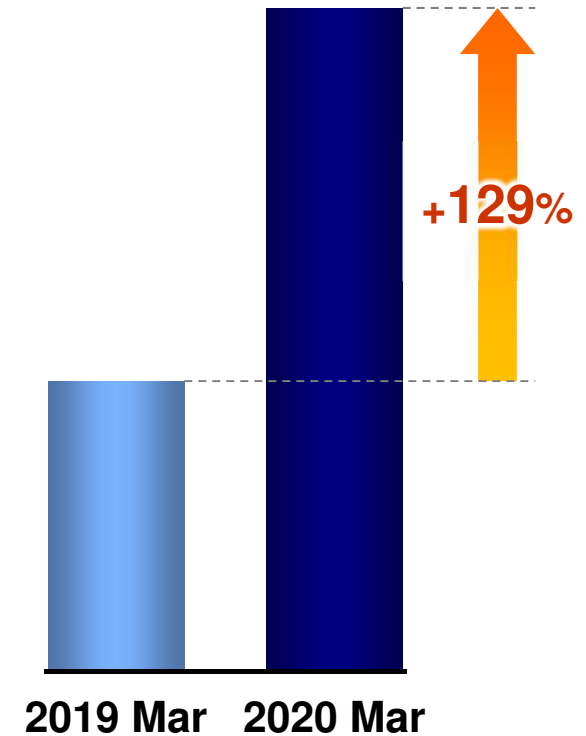
China: medlive.cn
of eDetail Reads



UK: DNUK.net
of Page Views

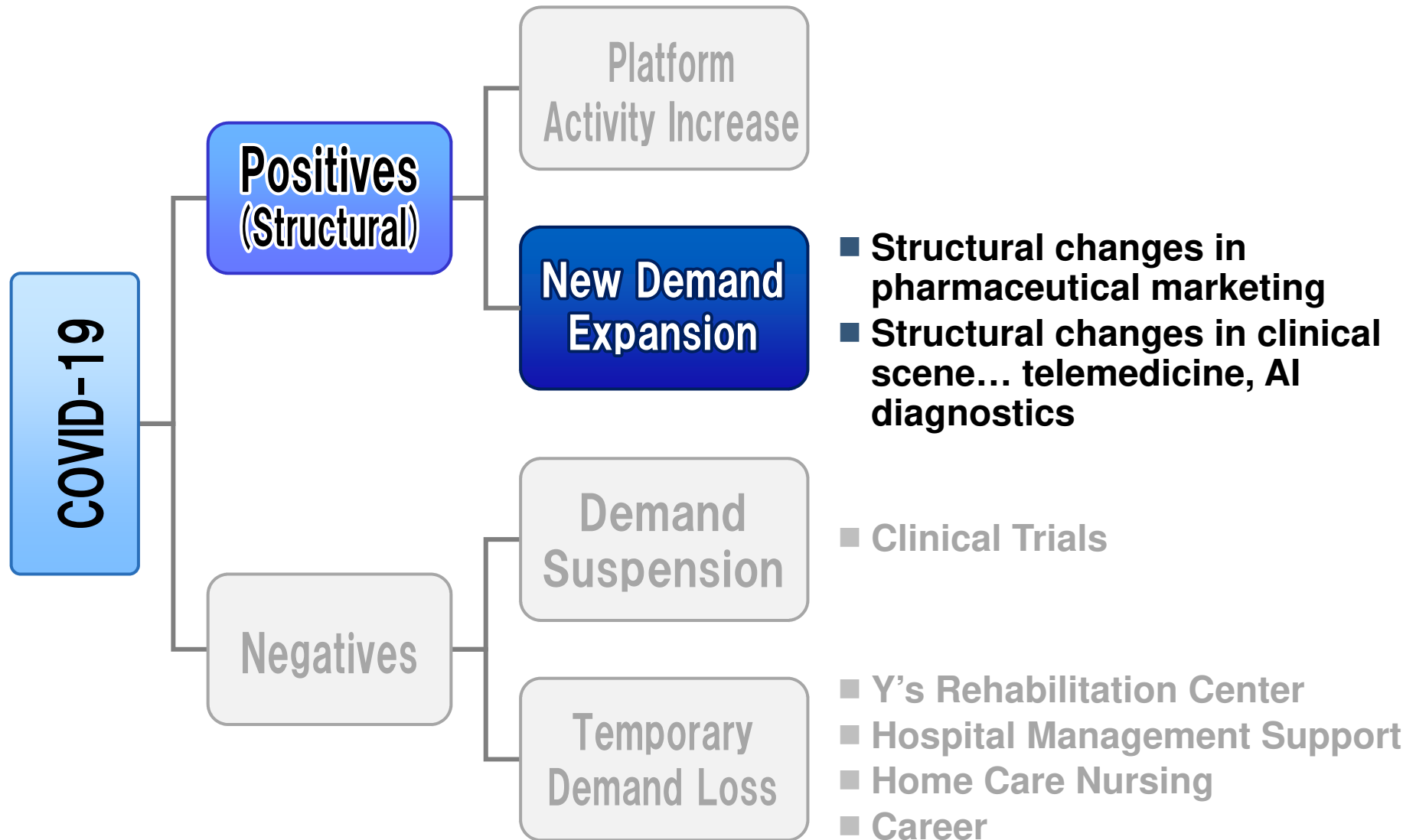


US: MDLinx
of Page Views



Site activity also seen rising across M3's global platforms

COVID-19 Impact on M3



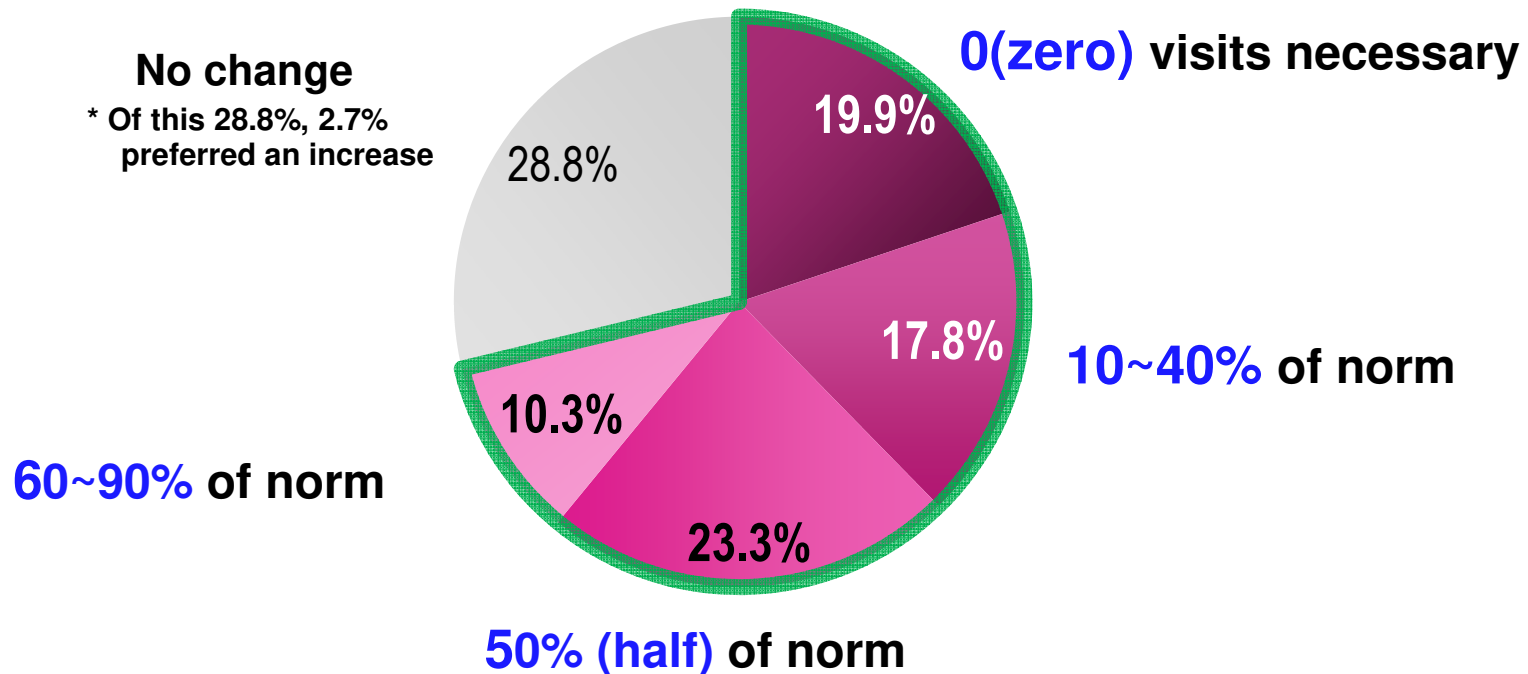
Physician Preferences As Feb 28, 2020

Marketing Support



Over 80% of physicians prefer digital supplementation and restrictions on MR visits

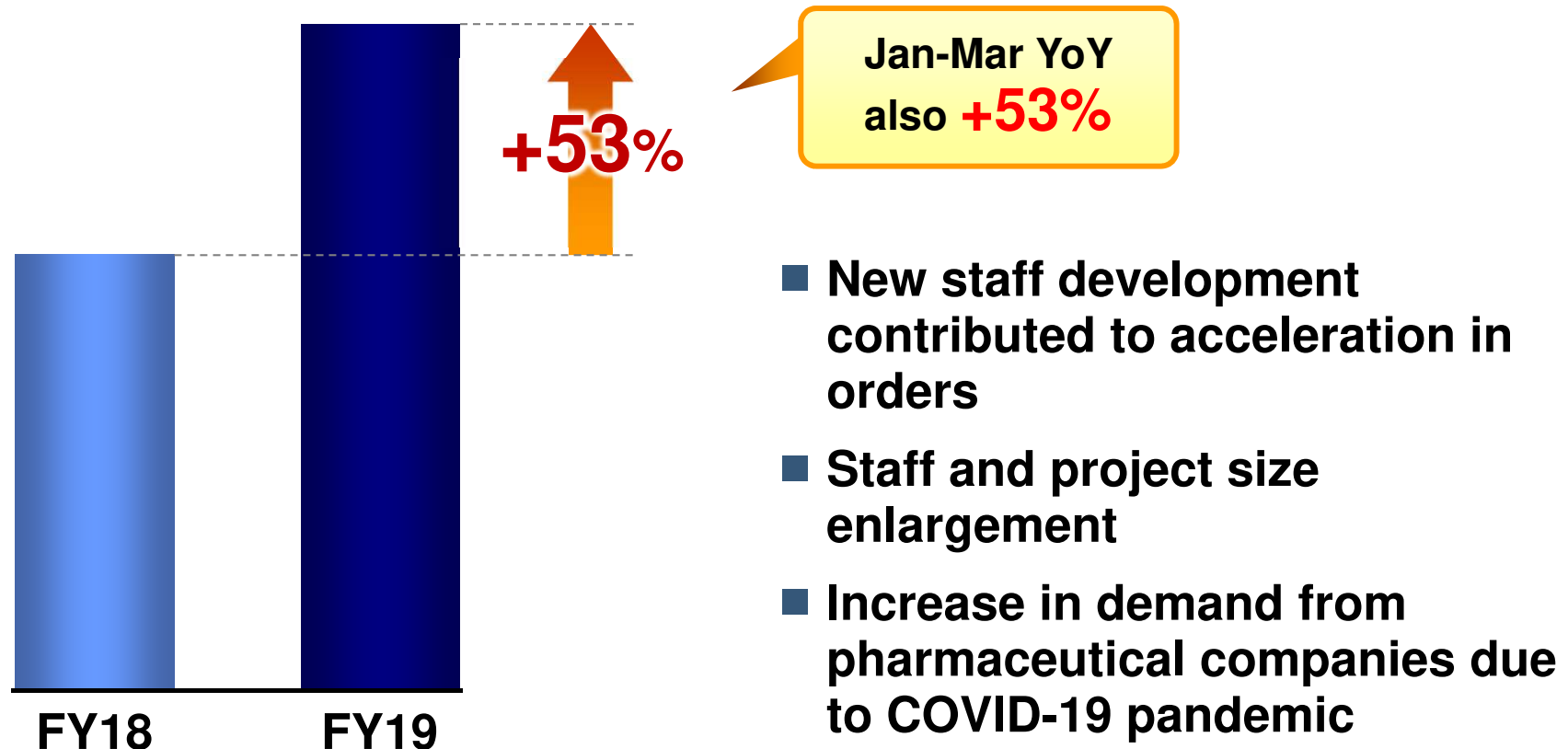
< Physician preference on MR visitation frequency given availability of digital information provision >



Marketing Support Service Orders

Marketing Support

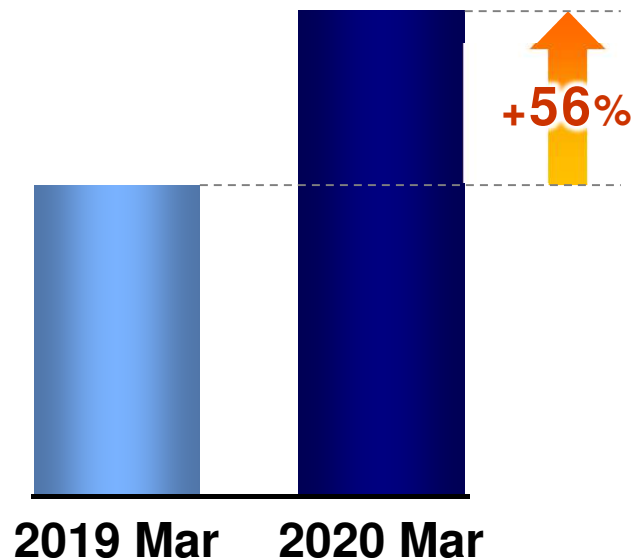
Marketing Support Service Orders



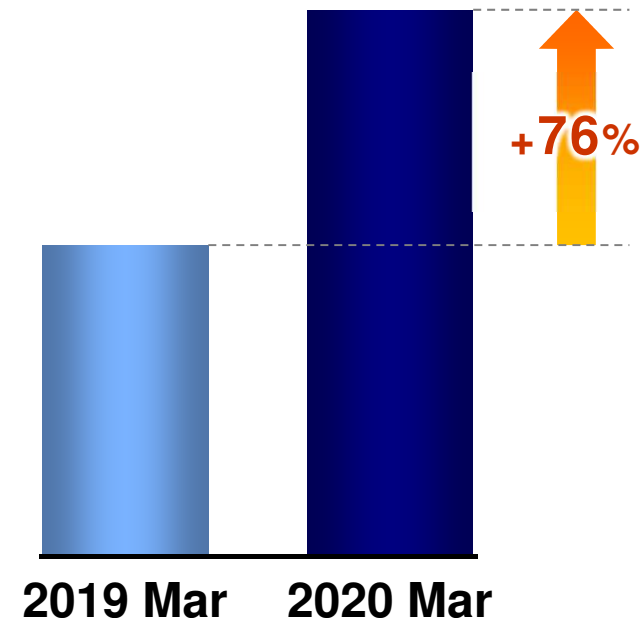
Increase in Service Usage

Marketing Support

of eDetail Read



of Webinar Viewers



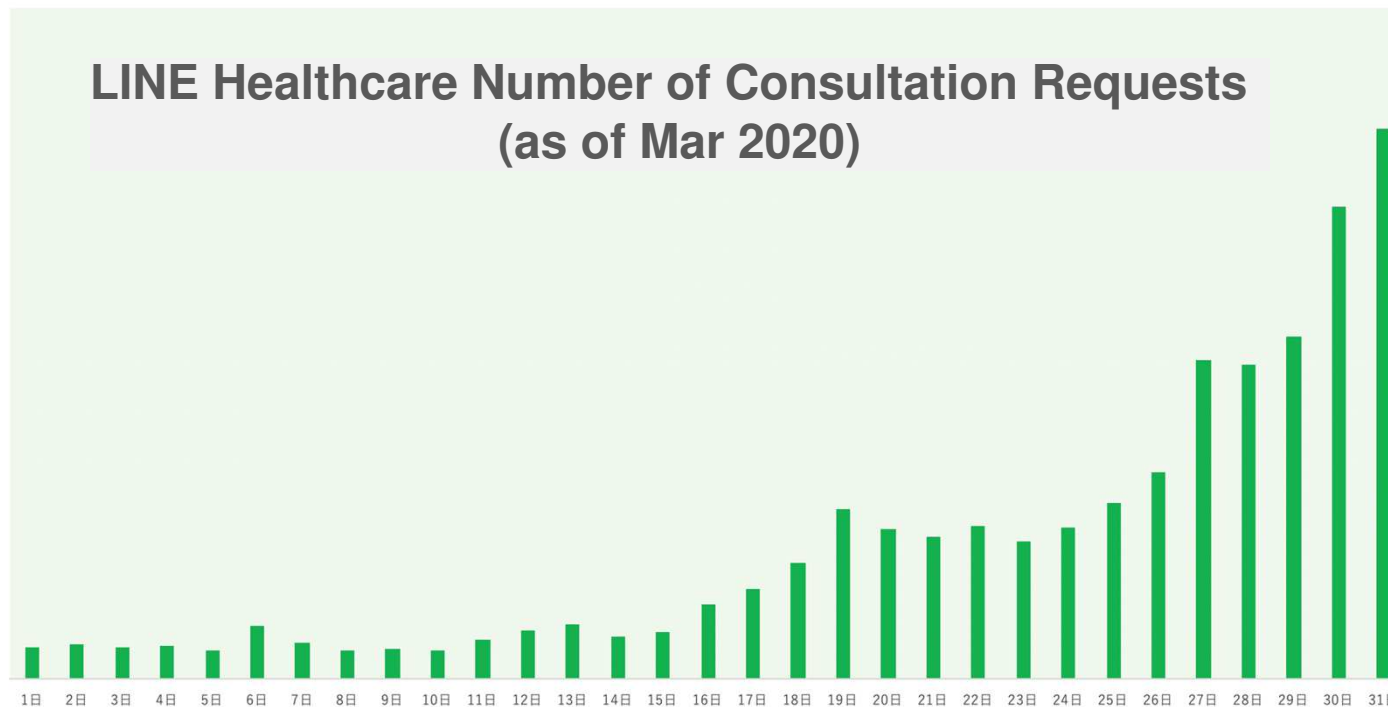
 **Large increase in content delivery by pharmaceutical companies**

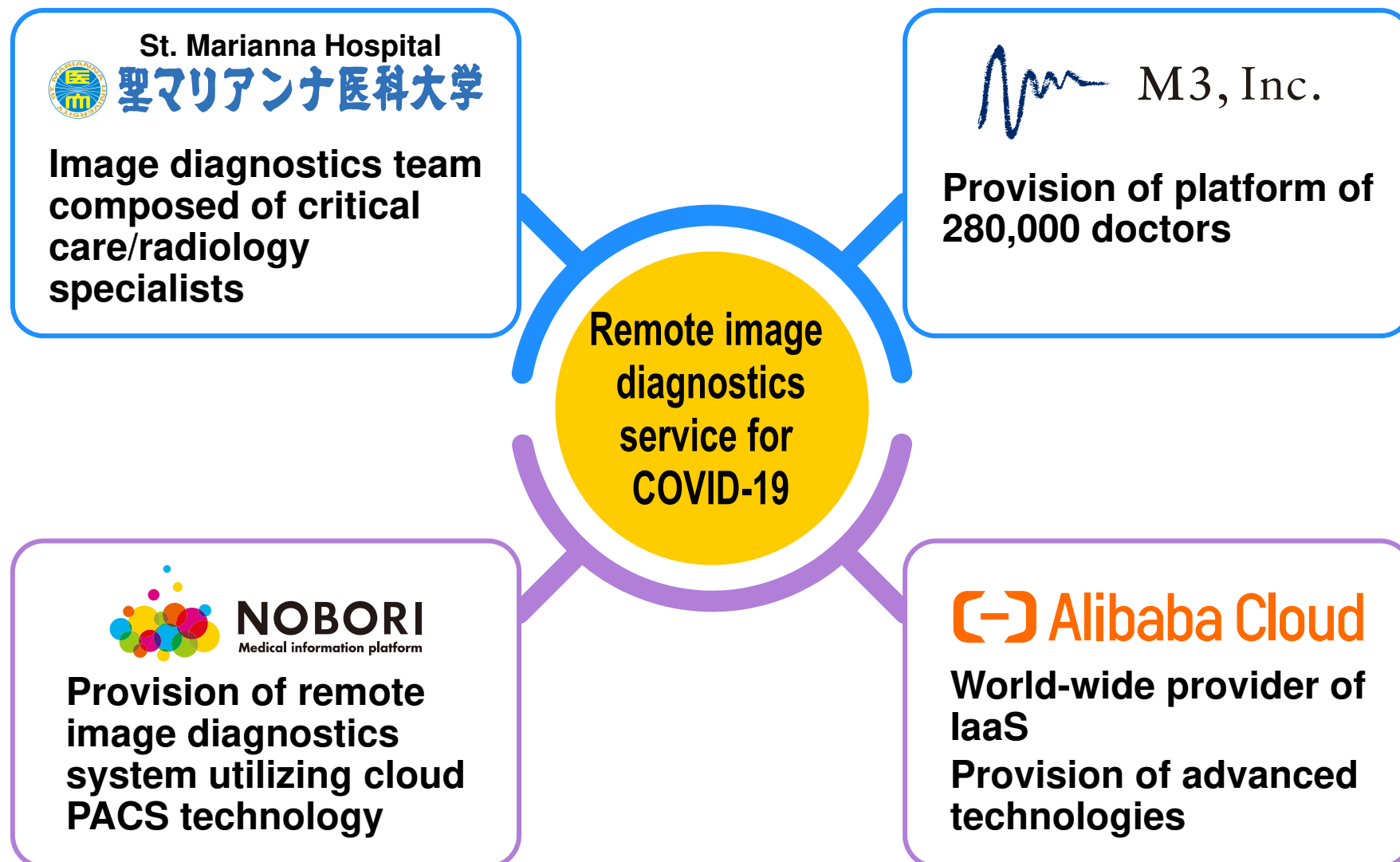
* March 2019 vs March 2020 monthly average comparison

LINE Healthcare Expansion

Telemedicine & AI

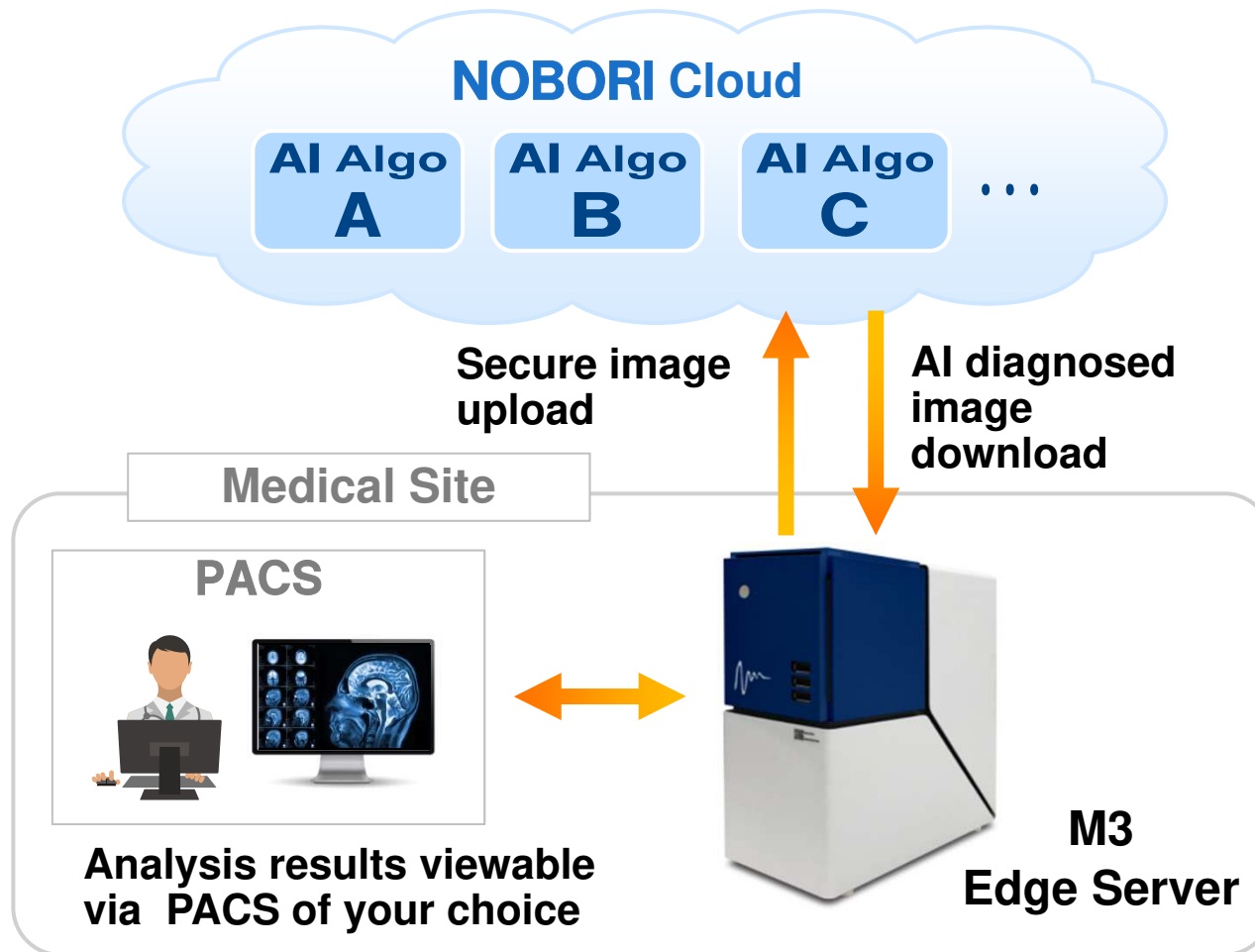
- Over 5.5 million “friends” (since launch in Dec 2019)
- Adopted to support METI’s remote health consultations hotline once again from May 1
- LHC reimbursable online consultation services scheduled for launch reimbursed





Launch of AI Platform Business

Telemedicine & AI



- Business alliance with NOBORI providing medical cloud services
- Connectivity with any PACS (medical image management system)
- Multiple AI image diagnostic algorithms will be on-boarded and categorized by physical regions (head, lungs, heart, etc.)

 **AI medical image diagnostics platform business launched in alliance with NOBORI**

Rapid Increase in AI Projects (1/2)

Telemedicine & AI

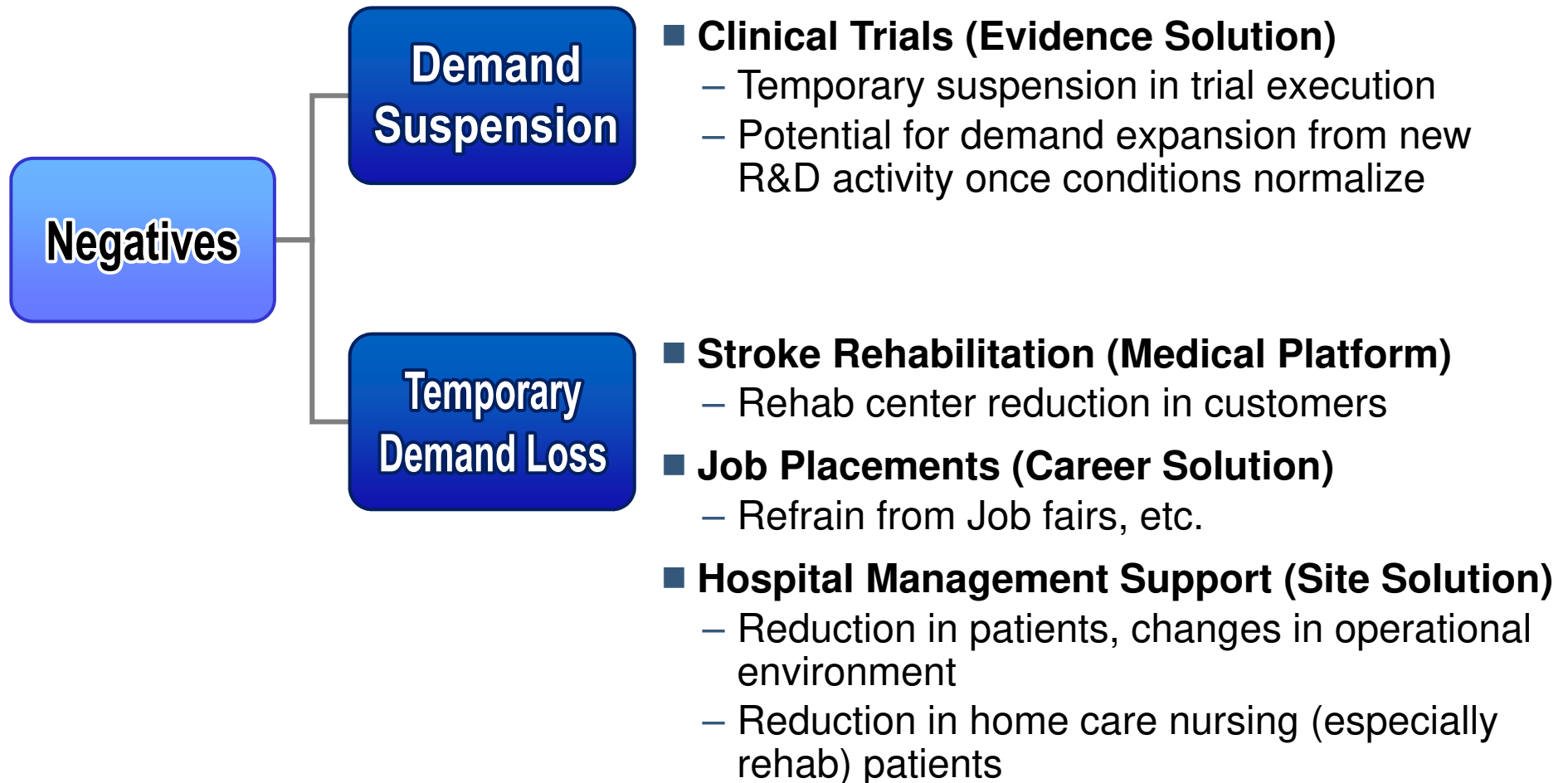
			M3 Services					
			Medical Data Collection	Algorithm Development	Regulatory Consult	Clinical Study & Trial	Marketing Support	Funding
M3 Lead	M3	Respiratory	✓	✓	✓	✓	✓	✓
	M3	Diabetic Retinopathy	✓	✓	✓	✓	✓	✓
	M3	Osteoporosis	✓	✓	✓	✓	✓	✓
	M3	Medical institution (overseas)	✓	✓	✓	✓	✓	✓
	M3	AI Platform	✓	✓	✓	✓	✓	✓
M3 Support	Overseas	AI Venture					✓	
		AI Venture		✓				
		AI Venture		✓				
		AI Venture		✓				
		AI Venture			✓		✓	
		AI Venture			✓			
		AI Venture	✓					
		AI Venture			✓	✓	✓	
		AI Venture			✓	✓	✓	
		AI Venture			✓	✓	✓	
		AI Venture			✓	✓	✓	
		AI Venture			✓	✓	✓	
		AI Venture			✓	✓	✓	

Rapid Increase in AI Projects (2/2) Telemedicine & AI

		M3 Services					
		Medical Data Collection	Algorithm Development	Regulatory Consult	Clinical Study & Trial	Marketing Support	Funding
M3 Support	Domestic	AI Venture	Influenza	✓	✓		
		AI Venture	Unruptured Cerebral Aneurysm	✓			
		AI Venture	Insomnia	✓			✓
		Academia	Respiratory		✓		
		AI Venture	Gastrointestinal		✓	✓	
		Device Maker	Fundoscopy		✓		
		Device Maker	Gastrointestinal Surgery	✓	✓		
		AI Venture	Alzheimers			✓	
		AI Venture	Fluoroscopic moving image		✓		
		AI Venture	Pathology			✓	
		AI Venture	Cardiovascular	✓	✓		
		Device Maker	PACS Connectivity			✓	
		Device Maker	Chest X-Ray & CT		✓		
		Device Maker	Endoscopy	✓	✓		
		AI Venture	Endoscopy	✓			
		AI Venture	Head MRI, Chest X-Ray & CT, Mammography			✓	
		AI Venture	Cardiovascular	✓	✓		
		Device Maker	Chest CT			✓	
		Academia	Interstitial Pneumonia		✓		
		Device Maker	Endoscopy	✓			

 39 cumulative AI projects to date. AI Platform launched.













COVID-19 Impact on M3 (Negative)



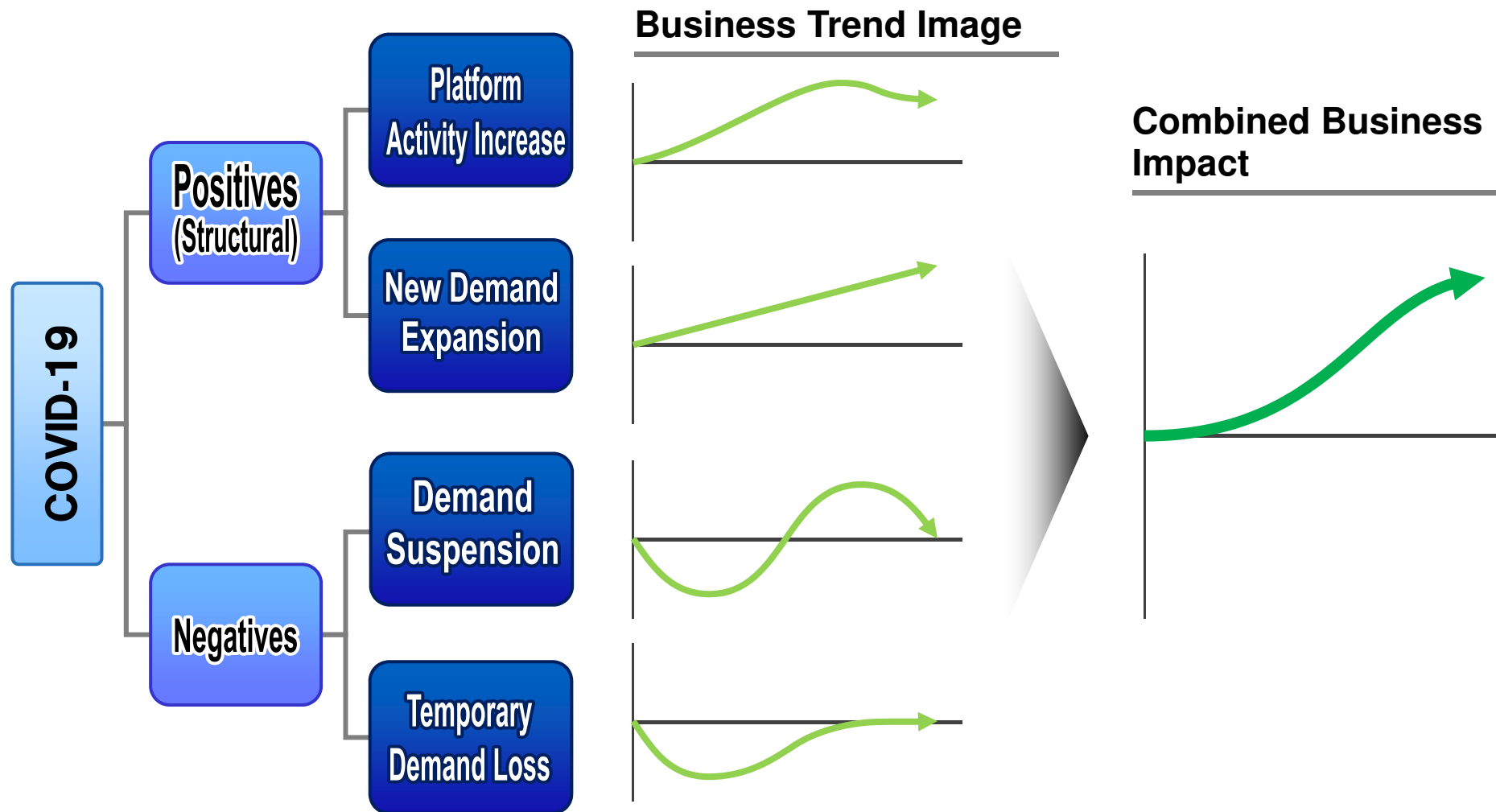
 **Positives arise from irreversible structural changes, while negatives mainly remain as delays or temporary suspensions in demand.**

Forward Outlook

COVID-19 Impact on Each Segment

	<u>During</u>	<u>After</u>	<u>Expected Impact</u>
Medical Platform			<ul style="list-style-type: none"> ■ m3.com activity increase ■ Acceleration in digital shift at pharma cos
Evidence Solution			<ul style="list-style-type: none"> ■ Many trials are currently suspended ■ Demand acceleration expected post COVID-19 from trial resumptions and R&D increase
Career Solution			<ul style="list-style-type: none"> ■ Halt in physical events such as job fairs
Site Solution			<ul style="list-style-type: none"> ■ Negative impact from changes in operational environment (less patients) ■ Reduction in home care (rehab) patients
Emerging Businesses			<ul style="list-style-type: none"> ■ Increase in to-C businesses such as online consultations amidst intensified health consciousness... profit impact minimal for the time being due to free service offerings
Overseas			<ul style="list-style-type: none"> ■ Slowdown in clinical trial business (trials suspension) ■ Acceleration in digital shift across pharma

Change in Growth Pace (current starting point)



 **Short term neutral overall, structural changes expected to be largely positive for the mid to long term**

FY2020 April Consolidated Results

IFRS

(mn yen)	FY2019.4	FY2020.4	YoY
Sales	11,638	12,718	+9%
Operating Profit	3,714	4,481	+21%
Pre-tax Profit	3,743	4,363	+17%
Net Profit	2,559	2,928	+14%

※ Temporary impact such as profit/loss from stock price fluctuations and asset sales have been excluded to reflect core operational results

FY2020 April Consolidated Results by Segment

(mn yen)			FY2019.4	FY2020.4	YoY
Domestic	Medical Platform	Sales	3,516	4,107	+17%
		Profit	884	1,615	+83%
	Evidence Solution	Sales	1,765	1,584	-10%
		Profit	341	295	-13%
	Career Solution	Sales	3,341	3,274	-2%
		Profit	2,244	2,134	-5%
	Site Solution	Sales	915	1,175	+29%
		Profit	92	33	-64%
	Emerging Market Businesses	Sales	232	215	-7%
		Profit	0	-29	-
Overseas		Sales	2,235	2,708	+21%
		Profit	325	546	+68%




※ Temporary impact such as profit/loss impact from stock price fluctuations and sales have been eliminated

1 Billion Yen “M3: Stop COVID-19 Fund”

- Appropriated 1 Billion Yen in funds to support COVID-19 related initiatives
- Utilize all M3 group resources to execute various initiatives serving medical professionals, medical institutions, and the general public

Name	M3: Stop COVID-19 Fund
Total Funds (cost)	Maximum 1 Billion Yen * Sponsorships may result in excess of this amount
Fund Purpose	To support COVID-19 related initiatives that serve the public, medical scene (medical sites and professionals) , and public institutions

Initiatives Currently Under Consideration

Area	Initiatives
 1. Clinical Support (Proper Diagnosis and Treatment)	<ul style="list-style-type: none">■ AI assisted CT image diagnosis support and sponsorship*■ COVID-19 related clinical trial execution support and sponsorship
 2. Medical Site Support	<ul style="list-style-type: none">■ Execution of expert lecture webinars regarding COVID-19 response for medical professionals*■ PPE delivery to the medical scene
 3. Patient Support	<ul style="list-style-type: none">■ Free provision of LINE Healthcare and AskDoctors services■ Development of an activity suppression application for the general public■ Sponsor and execute web meetings for hospitalized patients

* Initiatives that have received funding from SONY

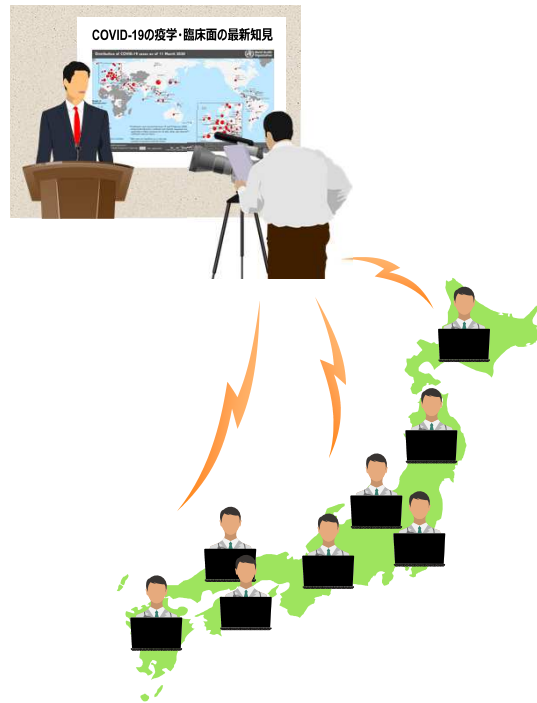
M3's COVID-19 Initiatives (examples)

Online Physician Consultations for the Public



- FREE online physician consultations for the general public via LINE Healtchare (JV between LINE and M3)
- Over 5.5 million “friends”

Webinars for Physicians



- Expert opinion leaders lecture regarding COVID-19 via m3.com... enabled several ten thousand viewers to raise their expertise

Mask Donations for Hospitals

2 million masks



- Recruited roughly 30 corporate sponsors to fund donation of roughly 2 million face masks for medical sites

M3 Growth Strategy

Business Scope Expansion and Growth Potential

	2010	2014	2018	2022
Country	: 3	→ 5 (1.5x)	→ 10 (3x)	→
Business Types	: 6	→ 10 (1.5x)	→ 26 (4x)	→
Business Units (Type x Country)	: 10	→ 18 (2x)	→ 41 (4x)	→
Sales (bn)	: 140	→ 370 (2.5x)	→ 945 (7x)	→

Similar pace of growth expected over the next 4 years

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

Acquisition of NAS (US)

Overseas/Career

M3, Inc.



- Over 374,000 interviewed, pre-screened physicians
- 400+ hospital client base
- Extensive experience in hosting career fairs nationwide



Vertical Integration
Service differentiation
Cross and upsell

NAS

RECRUITMENT INNOVATION

- ACTIVATE™ technology platform with SEO optimization
- Media services for job promotion productivity enhancement

ACTIVATE™
VALUABLE ANALYTICS AND
REPORTING



MONITOR MEDIA REACH



TRACK YOUR BUDGET



DISCOVER TRENDS

Top positioning for hospital and full-time physician placements

Brand Name: m360 Research
(renamed post acquisition)

Established: 2003

Headquarter: Bengaluru, India

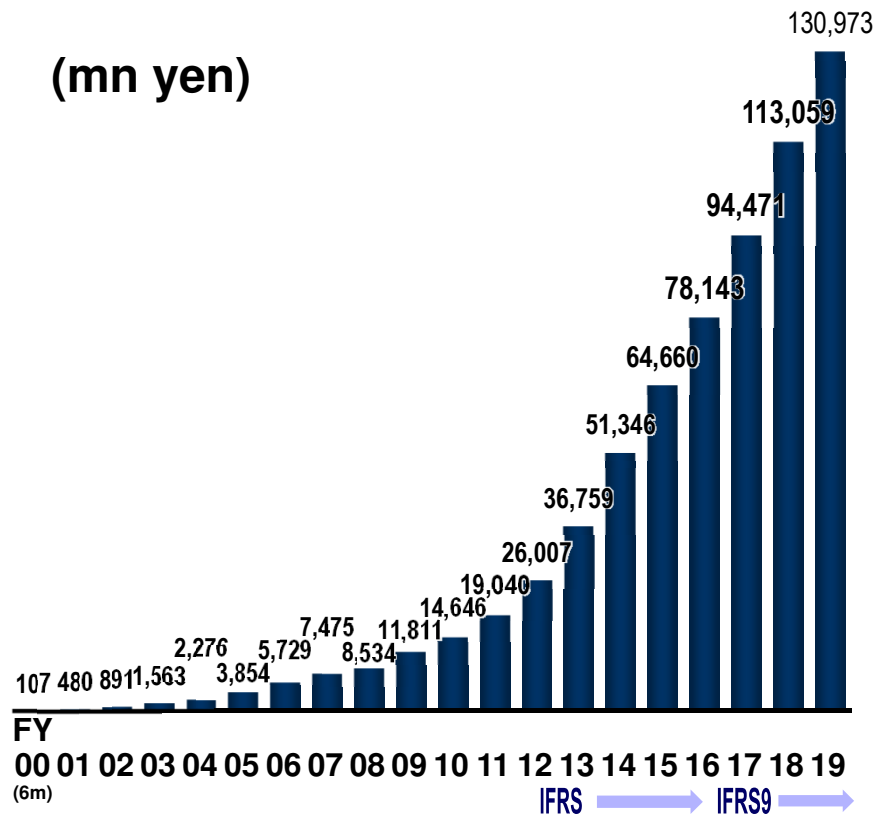
Employees: Approx. 110

- Provides market research services that leverage a global community of over one million physicians across more than 30 countries
- Utilizes sophisticated AI analytic applications and IT technologies
- Synergies
 - Market research business expansion through cross-sells between existing businesses
 - Productivity improvement with operations in India

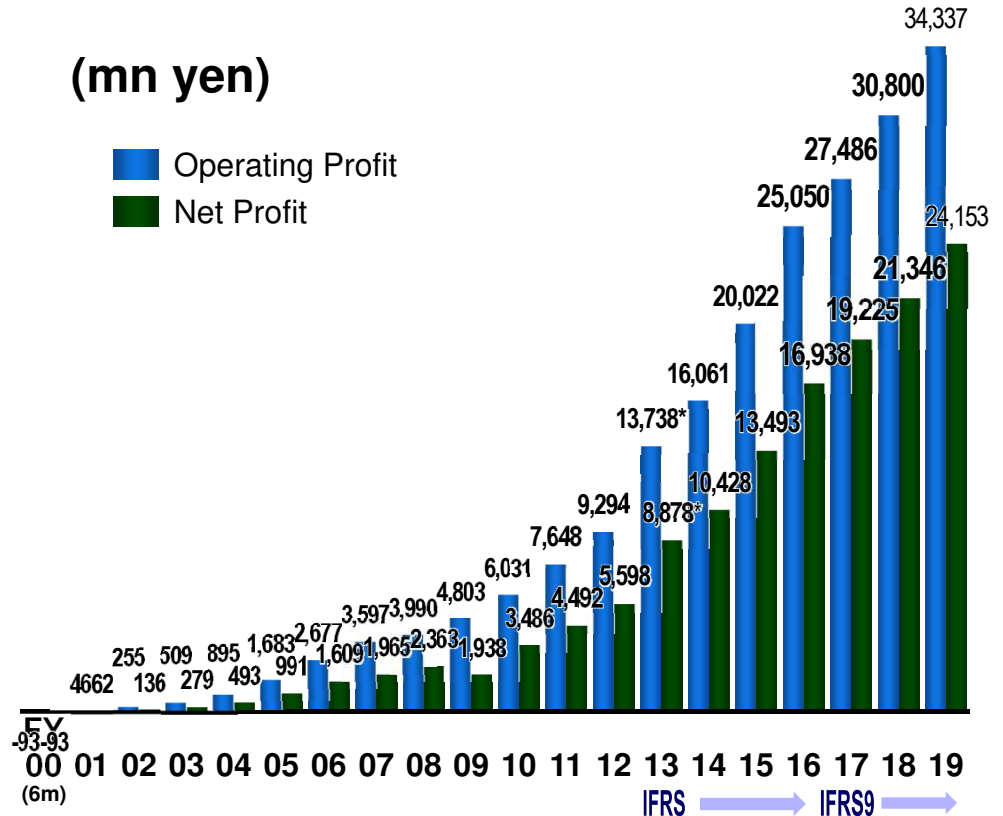


Annual Results

Sales



Operating Profit & Net Profit



 **Forecasts were not given, however, growth is expected continue on a fundamental basis, just as it had through events such as the Lehman shock and 311 earthquake in Japan**

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

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