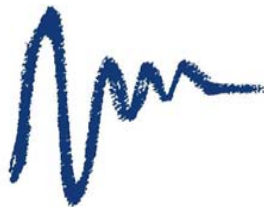



So-net M3

Presentation Material

Jul. 2009



So-net M3



The following contains statements that constitute forward-looking statements, plans for the future, management targets, etc. relating to So-net M3, Inc. and/or its group. These are based on current assumptions of future events, and there exist possibilities that such assumptions are objectively incorrect and actual results may differ from those in the statements as a results of various factors.

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.

So-net M3, Inc.

Company Background



So-net M3

Business domain

Internet-based
healthcare businesses

Name

→ M3

Medicine

Media

Metamorphosis

History

2000 Sep	Founded
Oct	Launched MR-kun service
2002 Mar	Acquired WebMD Japan
2004 Sep	Listed on TSE Mothers
2005 May	Alliance with Medi C&C and entry into Korean market
Sep	Launched QOL-kun service
Dec	Launched AskDoctors service
2006 Jun	Acquired MDLinx and entered into US market
2007 Mar	Listed on TSE 1
2008 Oct	Opened “MedQuarter.de” to enter into Europe market

m3.com: Japan's #1 Physician Website

Sponsor-free

Medical News

Search engine

Research Paper search

Web-based medical tools

The screenshot shows the m3.com homepage. At the top, there's a navigation bar with 'm3.com' and a search bar. Below the navigation bar, there's a 'Medical News & Journal' section with a list of news items. To the left, there's a sidebar with a 'Search engine' section and a 'Research Paper search' section. Below the sidebar, there's a 'Web-based medical tools' section. The main content area is divided into several sections, including 'Medical News', 'Search engine', 'Research Paper search', and 'Web-based medical tools'. The 'Medical News' section features a list of news items with titles and brief descriptions. The 'Search engine' section includes a search bar and various filters. The 'Research Paper search' section has a search bar and a list of search results. The 'Web-based medical tools' section contains various medical calculators and tools. The right side of the page features a 'Sponsored' section with advertisements for 'MR-kun' and 'QOL-kun'.

Sponsored

m3.com
Concierge
• MR-kun
• QOL-kun

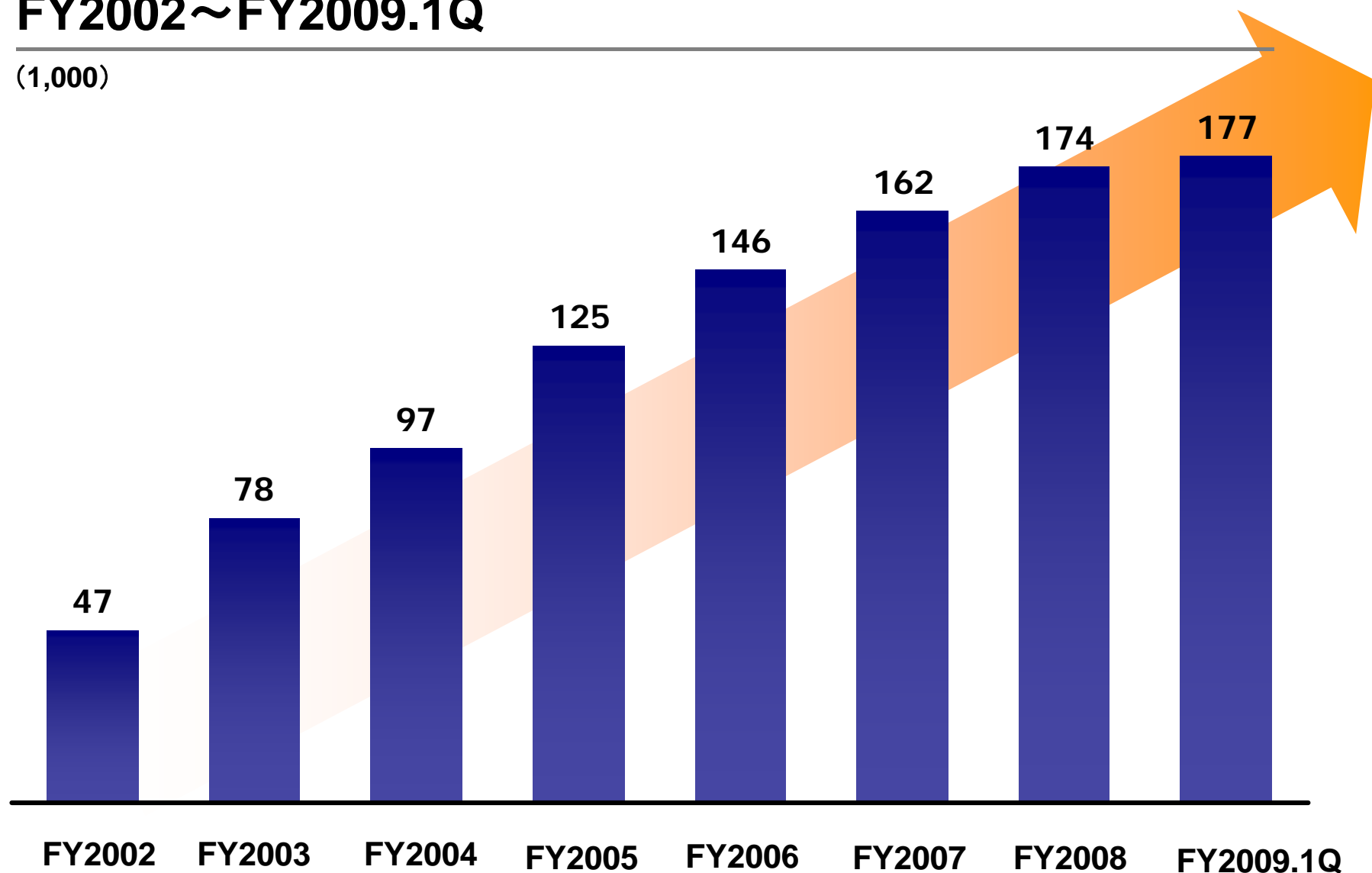
- Used by 36 companies in Japan (as of Jun. 2009)
- MR-kun:27
- QOL-kun:9

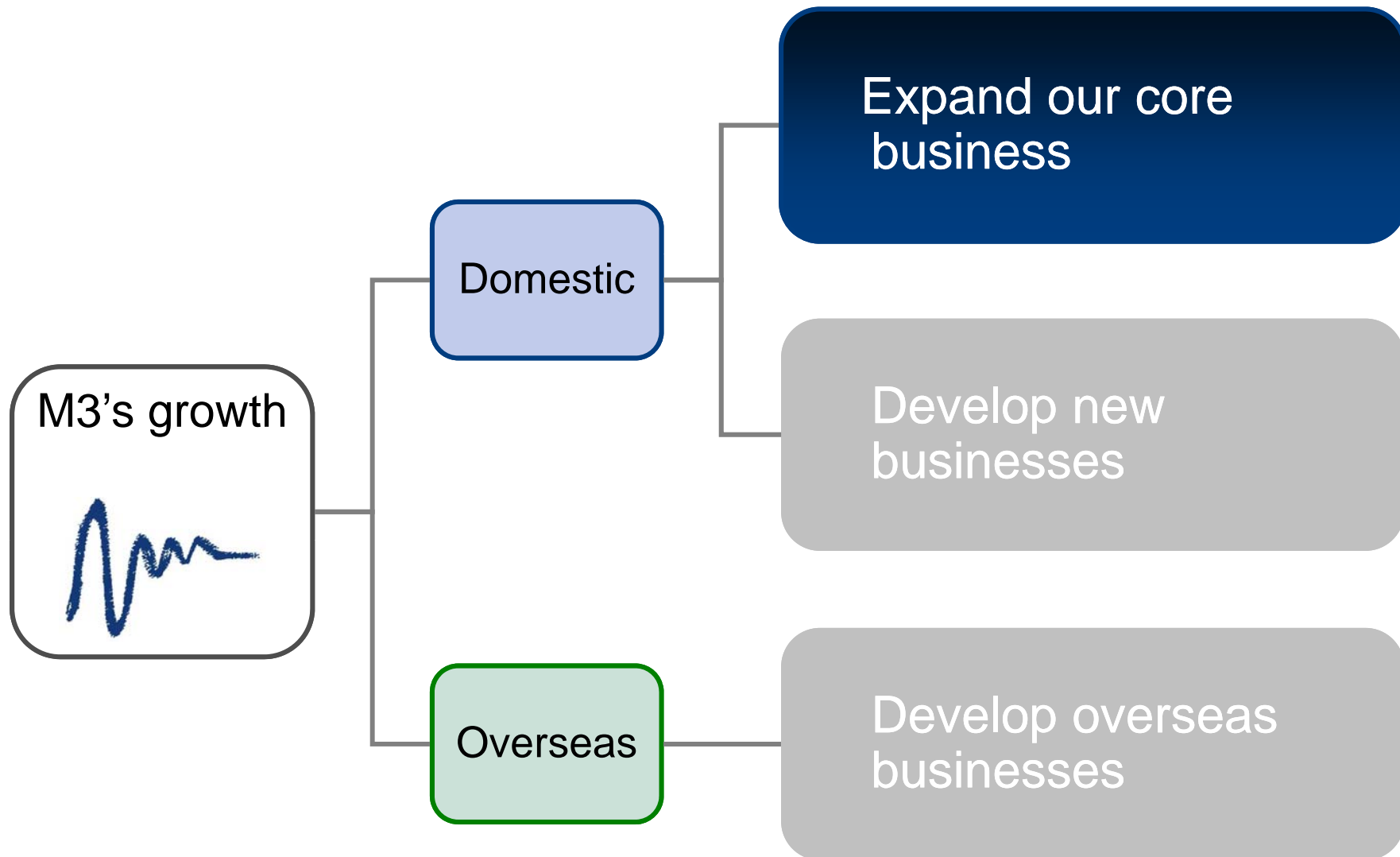
Sponsor messages

Physicians Registered in m3.com

FY2002~FY2009.1Q

(1,000)

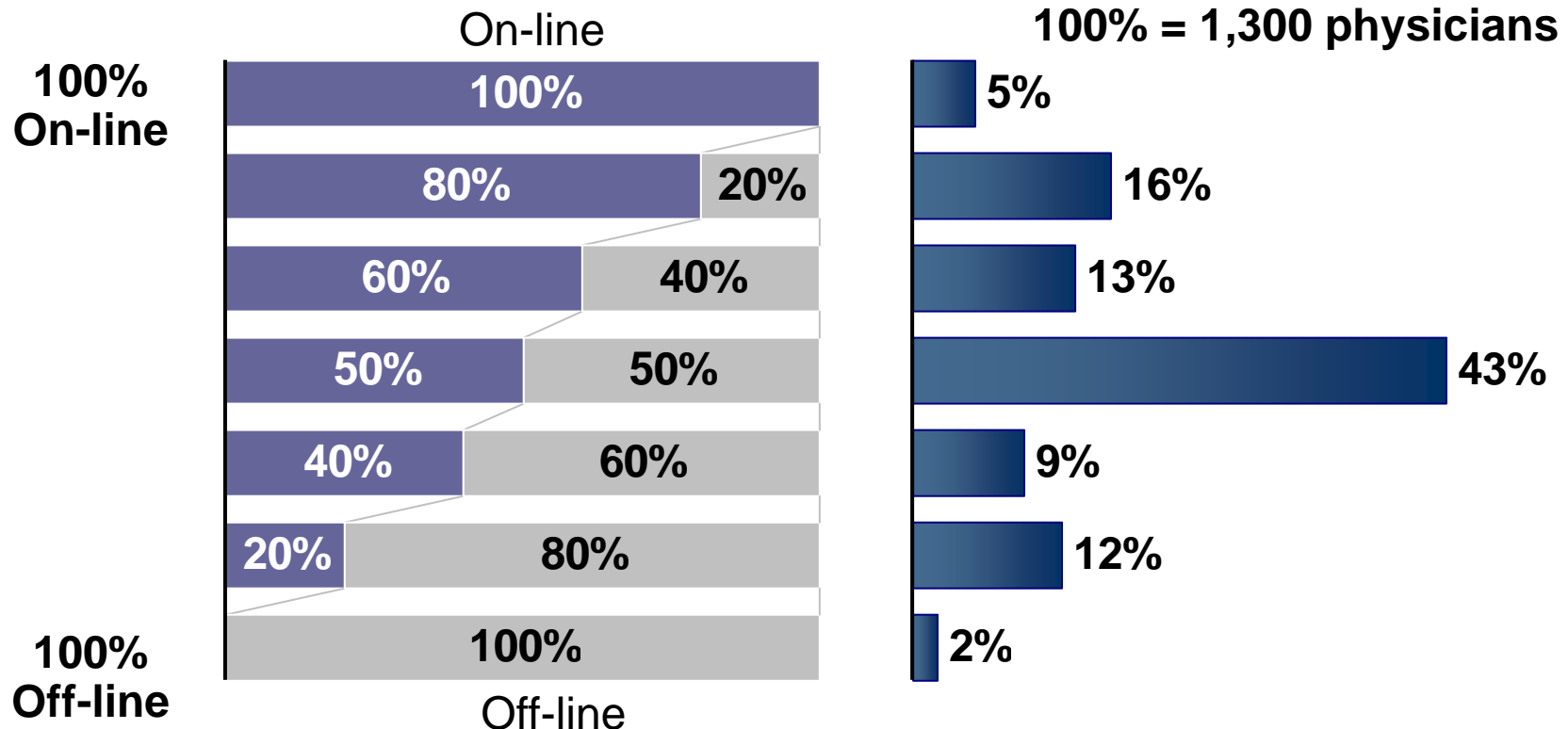




Physicians' Demand for On-Line Detailing

Q. What is the ideal ratio of on-line and off-line promotional information (“details”) from pharma companies?

A.



Demand for eDetails is quite high for busy physicians as they can get the information when it's convenient for themselves, not for MR

Source: So-net M3 questionnaire to 1,300 physicians

Japanese Pharma's Huge Marketing Costs

	Head count		Annual costs per person		
MRs (Pharmaceutical companies)	55,000	×	¥20mn	=	¥1.1tn
MSs (Pharmaceutical wholesalers)	30,000	×	¥10mn	=	¥300bn
					Total cost of whole industry ¥1.1-1.4 tn

Source: MIX, Research by So-net M3

MR-kun Annual Fee Structure

MR-kun base fee

Detail fee

Contents production fee

Operation fee

■ ¥100 per detail

■ M3 produces web contents shown on MR-kun

■ Basic operation, including sending messages to physicians and replying to physicians' questions

Initial Phase

¥70mn

- Revised as of Oct. 2005 for new client
- Previous fee: ¥60mn

¥20mn

§

¥40mn

¥30mn

§

¥10mn

¥130mn ~ ¥150mn

Top clients

¥60mn

§

¥170mn

§

¥480mn

¥50mn

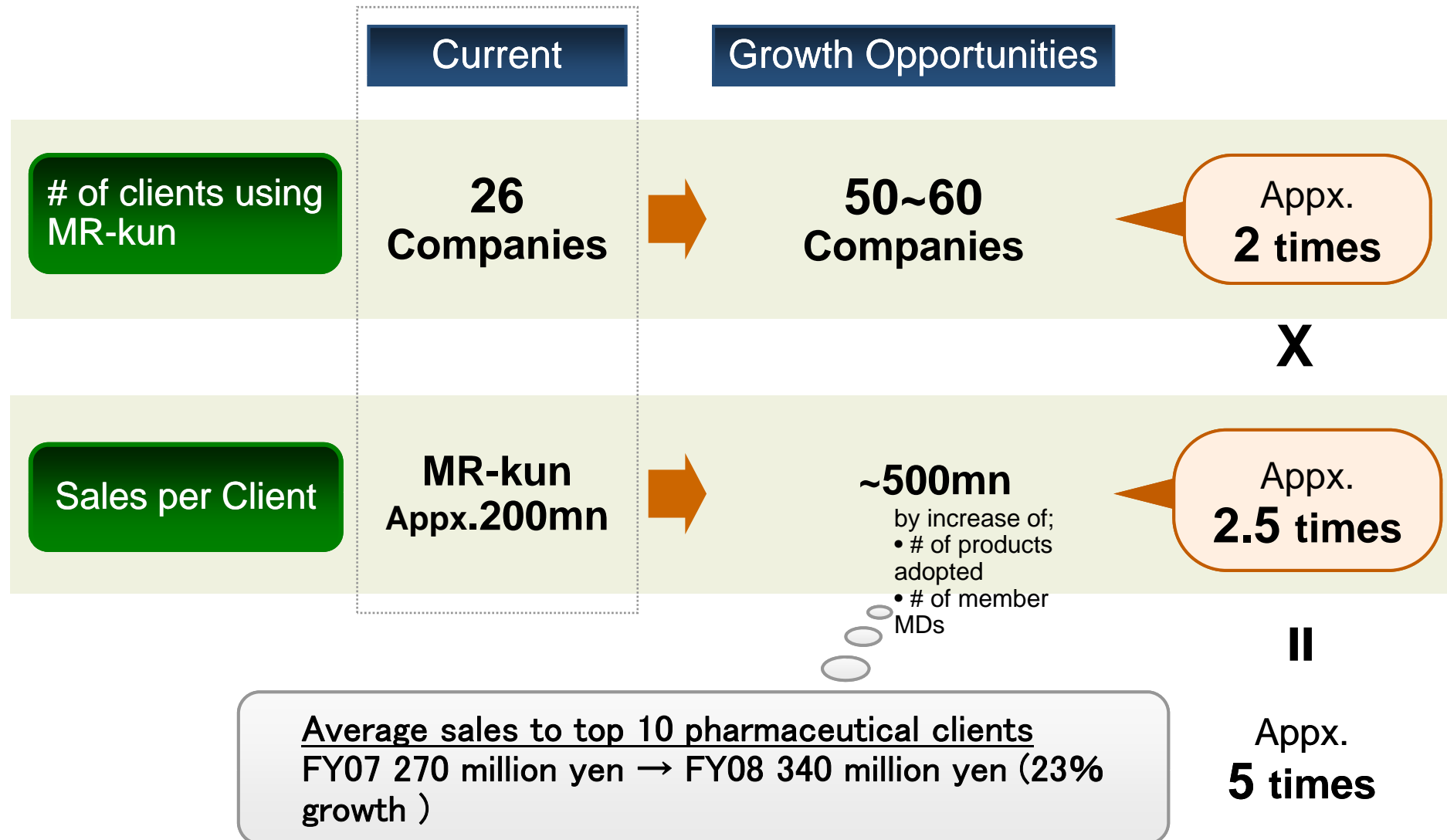
§

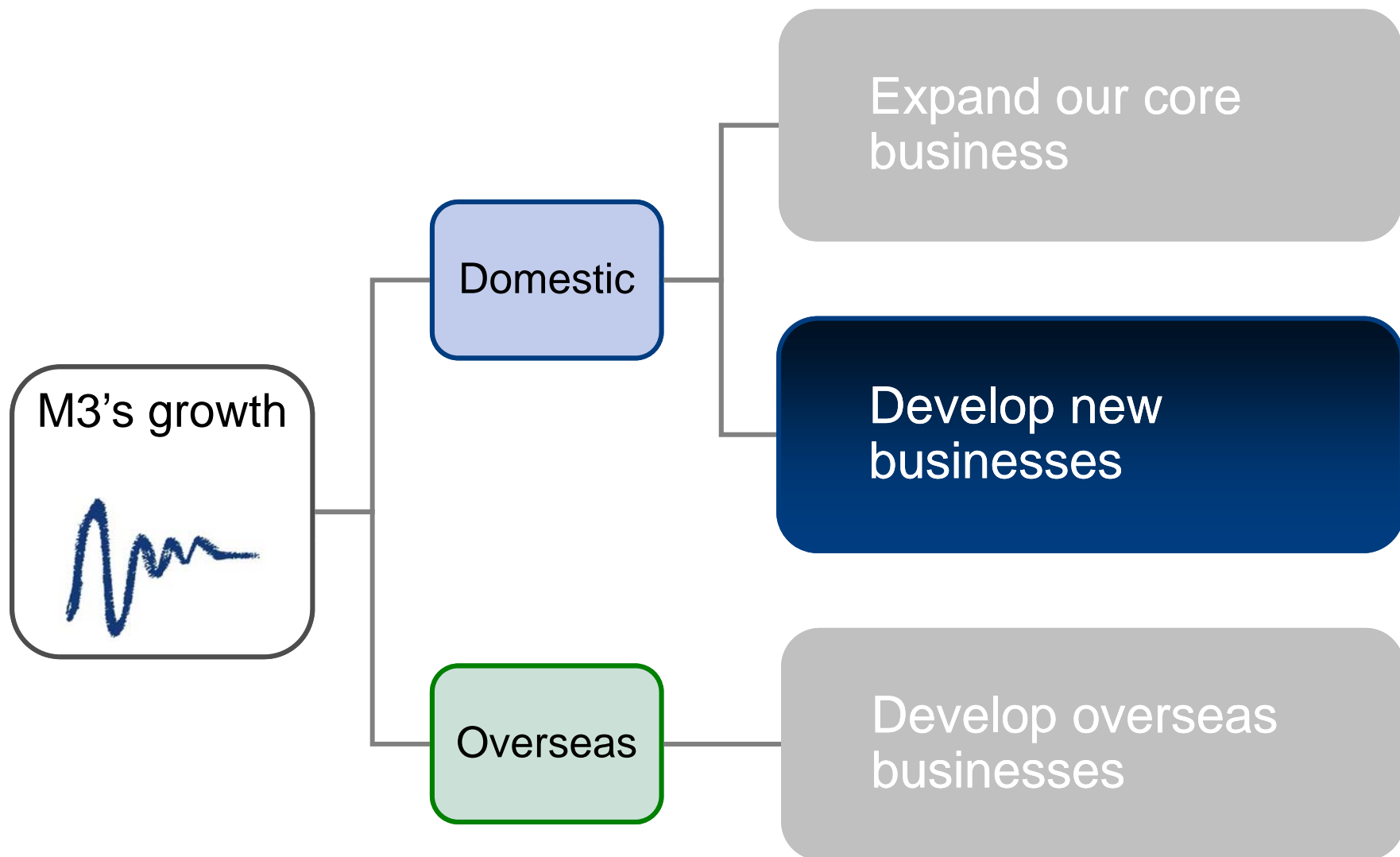
¥210mn

¥10mn

¥370mn ~ ¥600mn

MR-kun's & QOL-kun's Growth Potential in Japan





New Business Development on the Platform

		FY2009 Sales forecast		
		Assigned staff	Above 500mn	¥200mn ~ ¥500mn
New Businesses	Research (Japan)	Web-based Physician Surveys	3.5	✓
	m3MT	E-mail, banner promotion service for pharma companies	2.5	✓
	QOL kun etc.	Promotion service for non-pharma companies	7	✓
	m3.com CAREER	Job information for Physicians, Nurse, Pharmacist	3	✓
	AskDoctors	Consumer service	2	✓
	iTICKET	Online clinical reservation system for patient	13	✓

- Approx. 3 billion yen revenue is expected from the new business In FY2009.
- Many of the new businesses are run by few staff and quite profitable.
- More in pipeline

Expansion of AskDoctors

<Started PC service>

'05 Dec



<Expanded to 3 major mobile carriers' official site>

'06 Apr



'06 May



'06 Oct



<Alliance with Yahoo! JAPAN>

'07 Apr



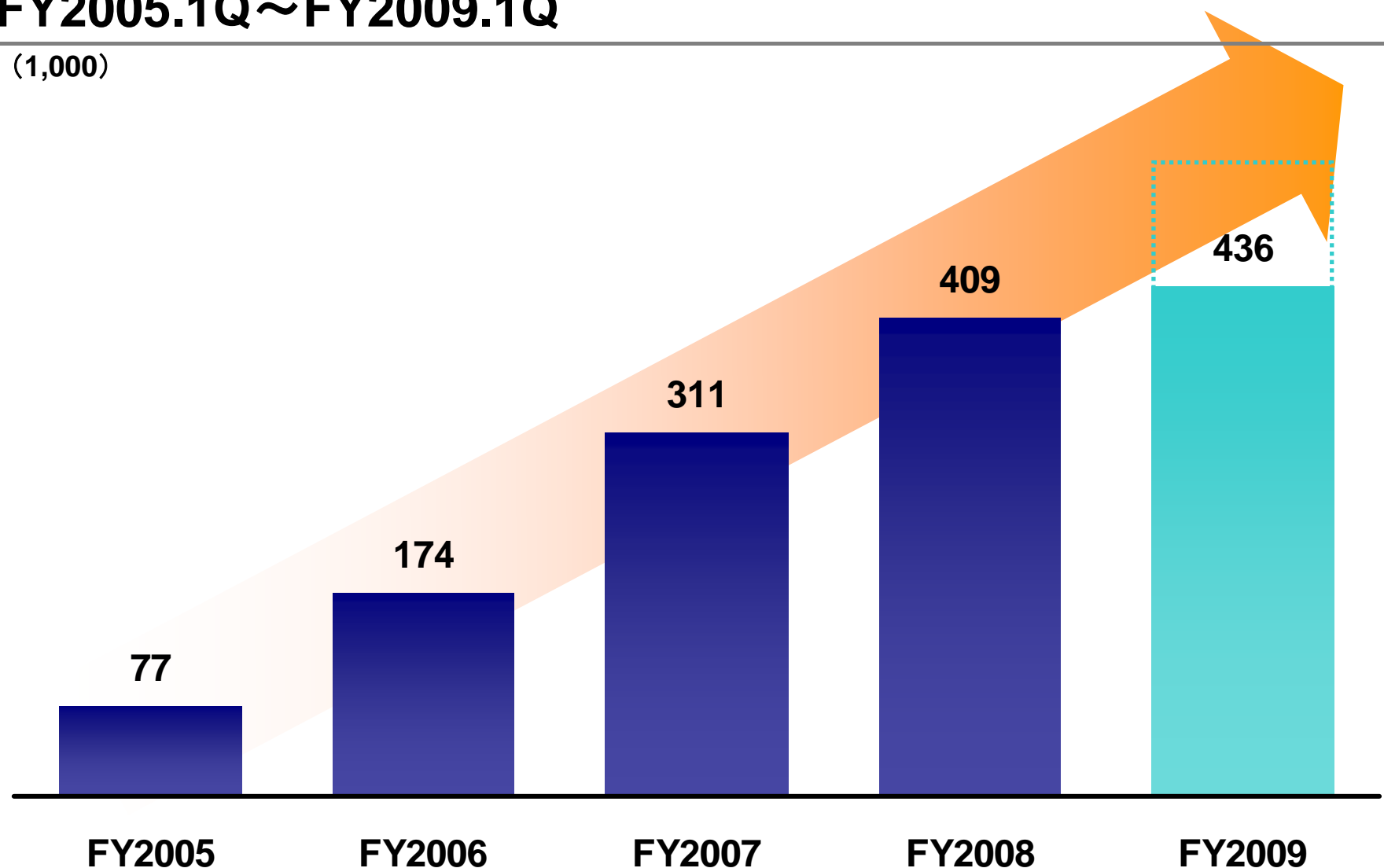
**AskDoctors
Answer Engine**

- More than 1,800 physicians answer to questions
- ¥315/month with rights to ask 3 questions a month
- 90%+ questions get answers from physicians
- More than 2.4 million Q&A archives

Membership of AskDctors

FY2005.1Q~FY2009.1Q

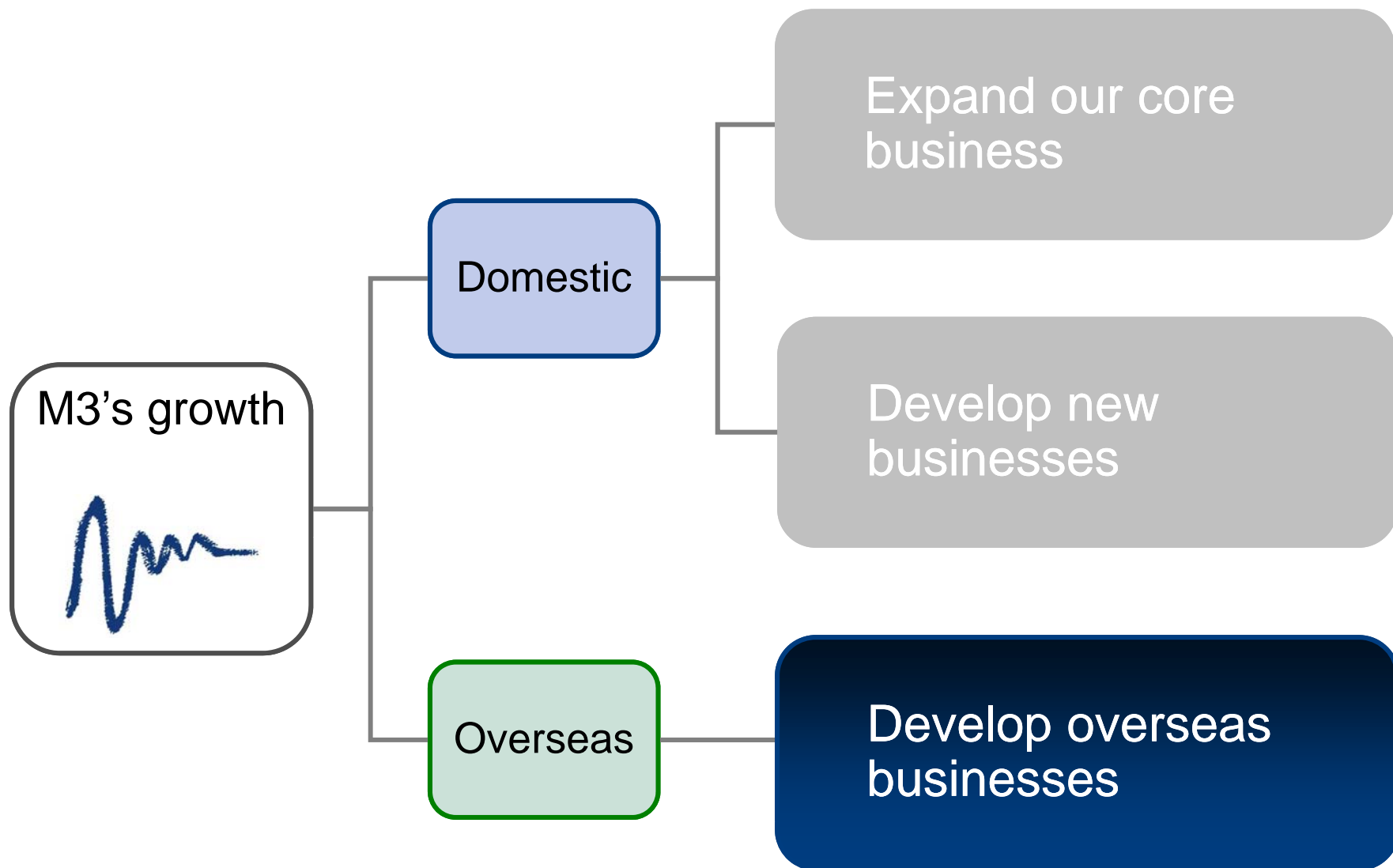
(1,000)





No1 company in Japan
for EBM data collection
...Supporting clinical trial
for launched drug

- **Receiving new project orders steadily.**
... More than 5bil Yen backlog and another 2-3bil Yen projects in pipeline
- **1bil yen synergy potential in profit**
...More efficient system development, minimize SMO cost for doctor recruiting by using m3.com, and cut cost for being listed(already delisted from the market from Sep)
- **Delay in launch of a few big projects will hurt financial results this FY. Full contribution from FY2010**



Development in the US

HemeOnc Linx
MDLinx
Today's Top Medical Abstracts.

Hello, Dr. Longfamilynamed
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Topics in HemeOnc

- Alternative Therapies
- Anemia/Polycythemia
- BMT/SCT
- Basic Science/Genetics
- Bone/Cartilage
- Breast
- Carcinogenesis
- Coagulation/Bleeding Dz
- Colorectal Cancer/Polyps
- Dermatologic Oncology
- Diagnostics/Radiology
- Economics of Medicine
- Endocrine Oncology
- GI Oncology
- Gynecologic Oncology
- Head and Neck
- Hepatobiliary/Pancreas
- GI Oncology
- Gynecologic Oncology
- Head and Neck
- Hepatobiliary/Pancreas
- Leukemia / Lymphoma
- Lung/Thoracic Oncology
- Myeloproliferative Dz
- Neurologic Oncology
- Pain/Palliative Care
- Pediatric Heme/Oncology
- Pharmacology/Therapy
- Popular Press
- Renal/Urologic
- Side Effects
- Soft Tissue/ Sarcoma/Transfusion
- Medicine

Help

Visit zolinza.com to learn more about

Zolinza
[vorinostat] capsules

Messages

- Today's Hot Topic: [Making Cigarettes More Addictive](#)
by John Smith, PhD. MDLinx
- Top 50 Articles of 2006: [What your colleagues were reading](#)
by John Smith, PhD. MDLinx
- Neupogen studies: [Updated prescribing research](#)
by John Smith, PhD. MDLinx
- Pipeline updates: [Weekly clinical study updates](#)
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Articles: General HemeOnc

Latest (58) | **Week's Top Read** | Month's Top Read

[Receive daily email updates on General HemeOnc](#)

- [Anthracyclines, Mitoxantrone, Radiotherapy, and Granulocyte Colony-Stimulating Factor: Risk Factors for Leukemia and Myelodysplastic Syndrome After Breast Cancer](#)
Journal of Clinical Oncology, 01/29/07
- [Activation of Integrin-Linked Kinase Is a Critical Prosurvival Pathway Induced in Leukemic Cells by Bone Marrow-Derived Stromal Cells](#)
Cancer Research, 01/31/07
- [Epstein-Barr Virus: Evasive Maneuvers in the Development of PTLD](#)
American Journal of Transplantation, 01/30/07
- [Artificial sweeteners and cancer risk in a network of case-control studies](#)
Journal of Clinical Oncology, 01/30/07
- [Final Results of a Prospective Clinical Trial With VAMP and Low-Dose Involved-Field Radiation for Children With Low-Risk Hodgkin's Disease](#)
Journal of Clinical Oncology, 01/30/07
- [Anthracyclines, Mitoxantrone, Radiotherapy, and Granulocyte Colony-Stimulating Factor: Risk Factors for Leukemia and Myelodysplastic Syndrome After Breast Cancer](#)
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American Journal of Transplantation, 01/30/07
- [Epstein-Barr Virus: Evasive Maneuvers in the Development of PTLD](#)
American Journal of Transplantation, 01/30/07

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- “M3 Messages” (US version of MR-kun) started on MDLinx (merged with M3 USA in Mar. 2009)
 - Washington D.C.
 - 264K medical professionals as registered member
- 7 of the top 15 global pharmaceutical firms adopted “M3 Messages ” already
 - Signed with 7 companies in 15 products
 - All in Oncology, Rheumatology or Neurology area
 - Close to sign in other areas
- Trial project was completed successfully
 - Exceeded message read goal by 200%
- From now on, the regular fee table is applied

Acquisition of SmartestDoc's business

Home | Rules | Register | Contest Us

Smartest OncologistSM

Why take the challenge?

- Receive current updated information
- Find out how much you know
- Compare yourself with other oncologists
- Get national recognition
- It's fun and it takes less than a minute

Each month the top 10 finalists will receive complimentary registration to meetings organized by Physicians' Education Resources (PER) for 1 year.

[Learn More](#)

How does it work?

- Each day we will ask 5 questions in Oncology
- Whoever answers the most questions correctly in the shortest amount of time will be recognized as the Smartest Oncologist
- The quiz changes everyday
- At the end of the month, the person with the most points will be recognized as the Smartest Oncologist

[Start Here](#)

Monthly Standings
July, 2009

- 1 Dr. T Tran (FL)
- 2 Dr. A Khalil (OH)
- 3 Dr. S Frodohi (PA)
- 4 Dr. J LeighMon, Jr (PA)
- 5 Dr. A Bhinder (OH)
- 6 Dr. S Schinke (CA)
- 7 Dr. J Mason (CA)
- 8 Dr. M MacMay (PA)
- 9 Dr. E Slater (CA)
- 10 Dr. S Garg (MI)

Want to be the Smartest Oncologist?
Continue your education with PER's CME activities
[CancerLearning.com](#)

Daily Standings
Monday, July 20, 2009

- 1 Dr. T Tran (FL)
- 2 Dr. D Sohrabji (PA)
- 3 Dr. D Medlin (NY)
- 4 Dr. A Khalil (OH)
- 5 Dr. H He (AL)
- 6 Dr. S Frodohi (PA)
- 7 Dr. A MacLean (TX)
- 8 Dr. P Thopaliya (AZ)
- 9 Dr. A Bhinder (OH)
- 10 Dr. J Cono (NY)

Faculty of Experts (L to R): Dr. Dan Heller, GI Cancer; Dr. Hegop Kenterjian, Hematologic Malignancy; Dr. Hope Hugo, Breast Cancer; Dr. Dean Bejarin, GU Cancer; Dr. Mark Socinski, Lung Cancer;

Anonymity
Your name and your answers are anonymous. You are the only person who will see your quiz results. Your email address will be used only for communications from us. We do not disclose, sell or share your personal information with any other third party or outside agency. For more information, please read our [Privacy Statement](#) and [Terms and Conditions](#).

[Contact the Webmaster](#) Please send us your feedback, questions, and comments and let us know of any problems you may be experiencing on our site. Thank you for helping us make our site better!

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- 2,500 registered oncologists (25% of oncologists in the U.S.)
- Daily quiz competition on the website for oncologists
 - Supervised by opinion leaders in oncology area.
 - More than 500 oncologists participate everyday.
 - Nationwide high score ranking is shown.
- Synergy
 - Increase attractiveness of MDLinx.com.
 - Utilize as contents for “M3 Messages”.

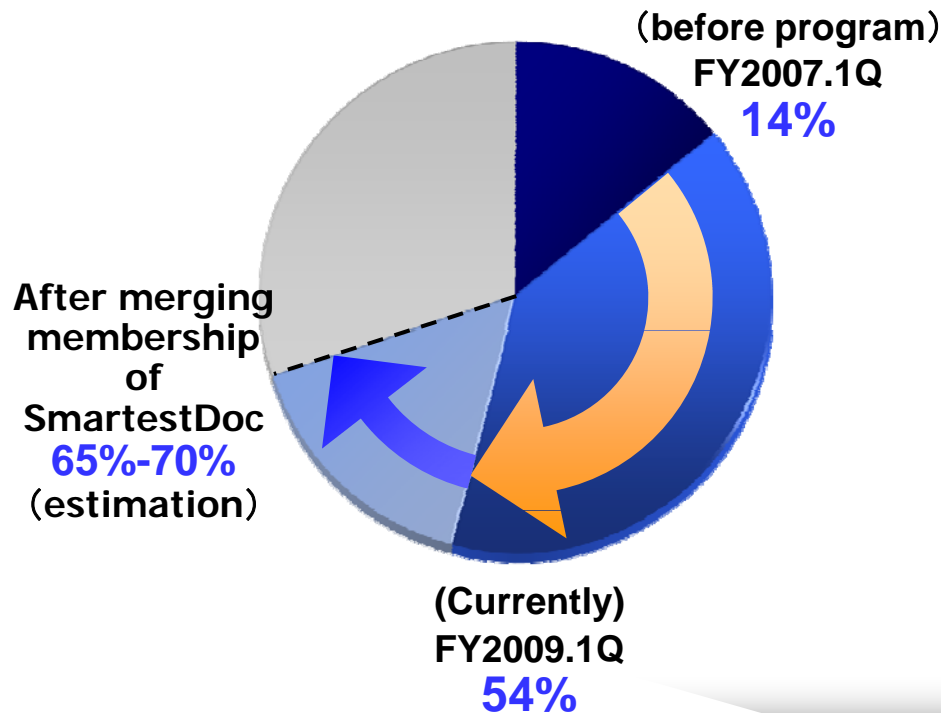


Expand this service to other areas.

MDLinx (US): Member Coverage by Specialty

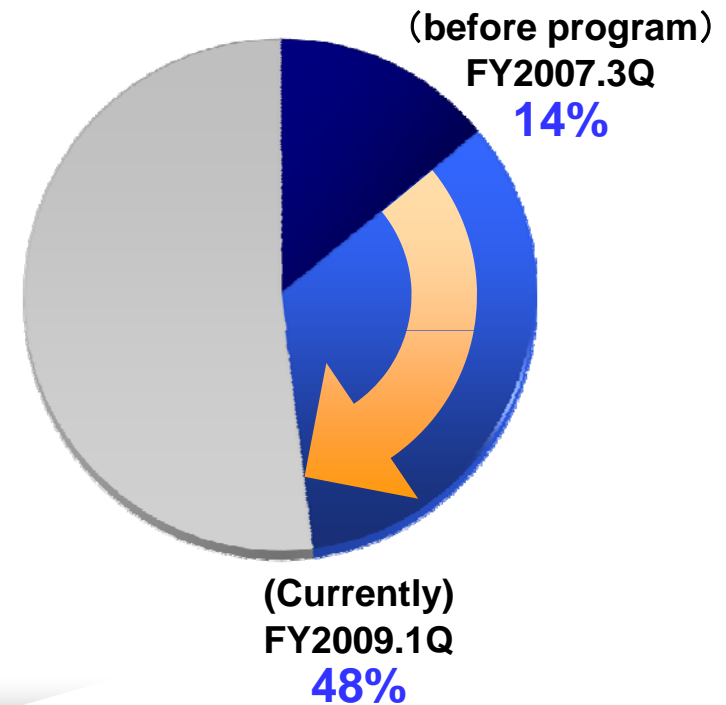
Oncology area

(100%=10,000 specialists)



Rheumatology


(100%=4,200 specialists)



Succeeded in acquiring half of oncologists and rheumatologists in the U.S. as members of the site.
Starting new acquisition programs in Psychiatry, Neurology, Cardiology, and PCP area.

Project Status (7 companies, 15 products)

	Company scale		Product	Area	Start sending eDetails		
	Sales Rank	1-10			11-15	Ongoing	FY2009 1H2H
A社		✓	A-1	Oncology	✓		
			A-2	Oncology			✓
B社		✓	B-1	Oncology	✓		
			B-2	Oncology	N/A		
C社		✓	C-1	Oncology		✓	
			C-2	Oncology		✓	
			C-3	Oncology	N/A		
D社		✓	D-1	Neurology		✓	
			D-2	Oncology	N/A		
			D-3	Oncology	N/A		
E社		✓	E-1	Oncology		✓	
			E-2	Oncology		✓	
			E-3	Oncology			✓
F社		✓	F-1	Rheumatology			✓
G社		✓	G-1	Oncology		✓	

 In addition to above, 4 more projects (Oncology, Rheumatology, Neurology, and PCP) are under negotiation.

Consolidated P/L Statement for FY2009 1Q

(yen million)

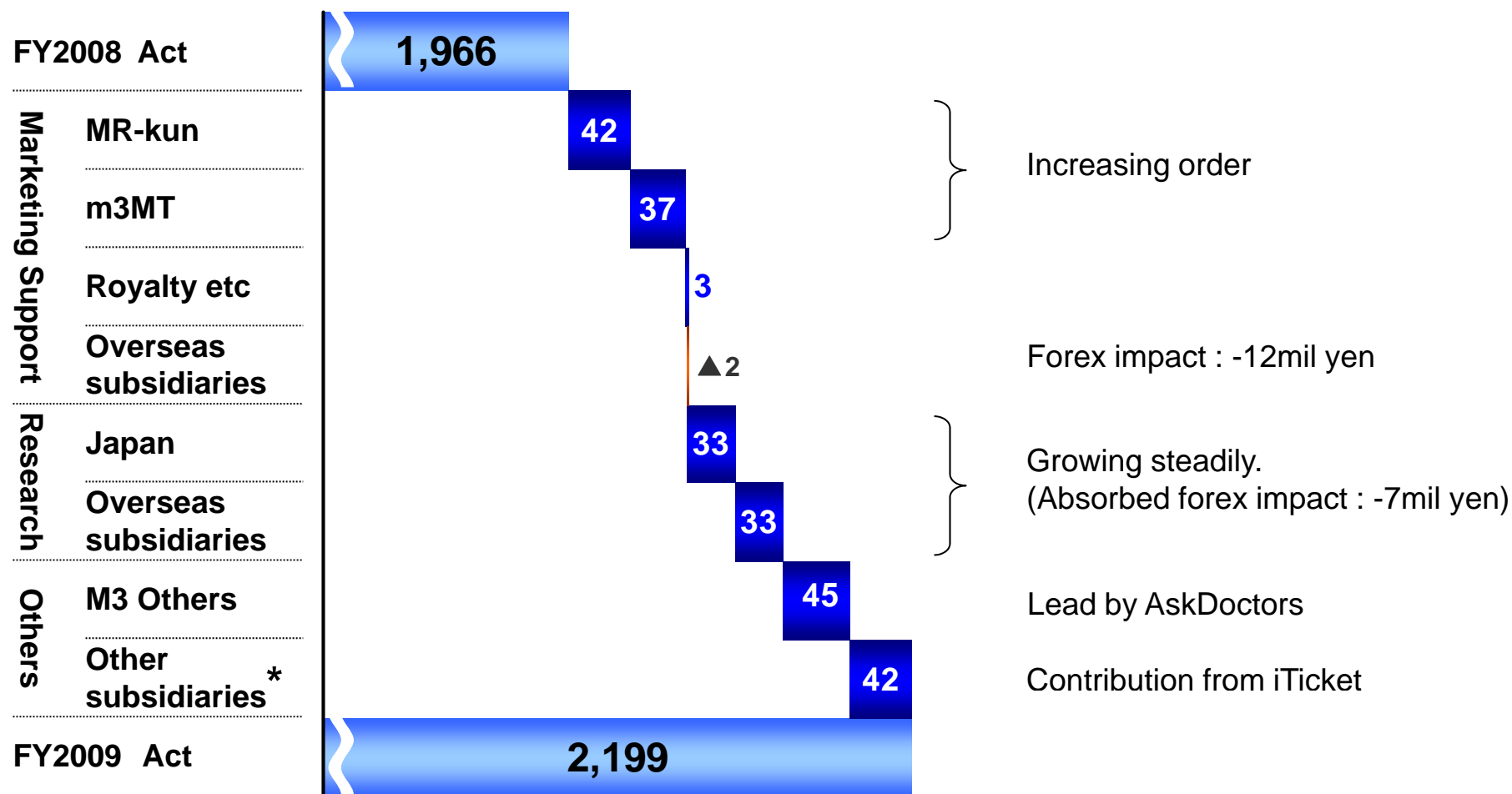
	FY2008.1Q	FY2009.1Q	YoY Growth
Sales	1,966	2,199	+12%
Operating income	917	1,064	+16%
Ordinary profit	952	1,077	+13%
Net profit	525	614	+17%

Sales Breakdown by Business Segments

Marketing Support	1,364	1,442	+6%
Research	236	302	+28%
Others	366	453	+24%

Consoli. Sales Analysis (vs P.Y.)

(yen million)



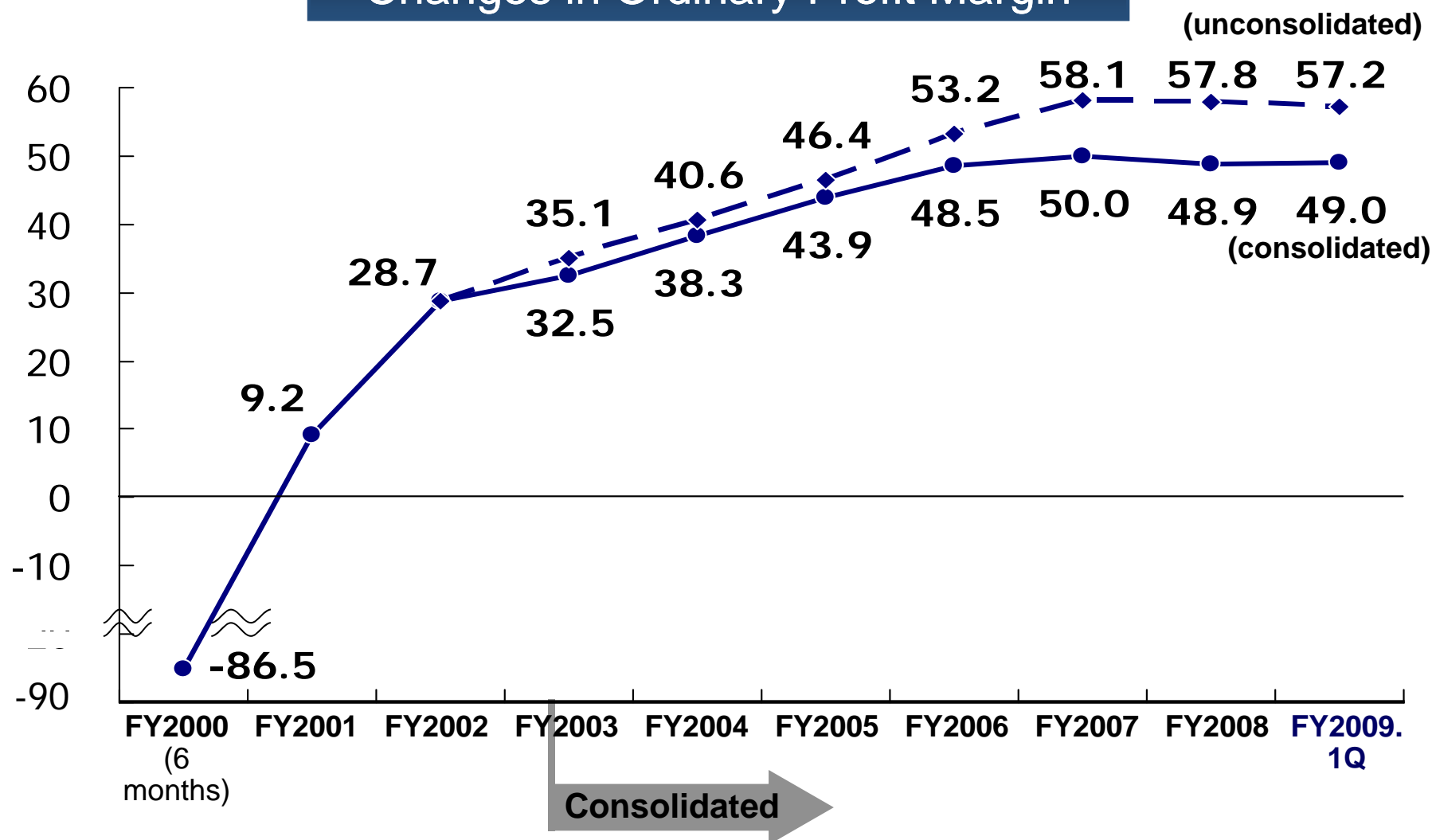
*"other subsidiaries" include consoli. adjustment



Steady growth momentum continues.

M3's Margins have Constantly Grown

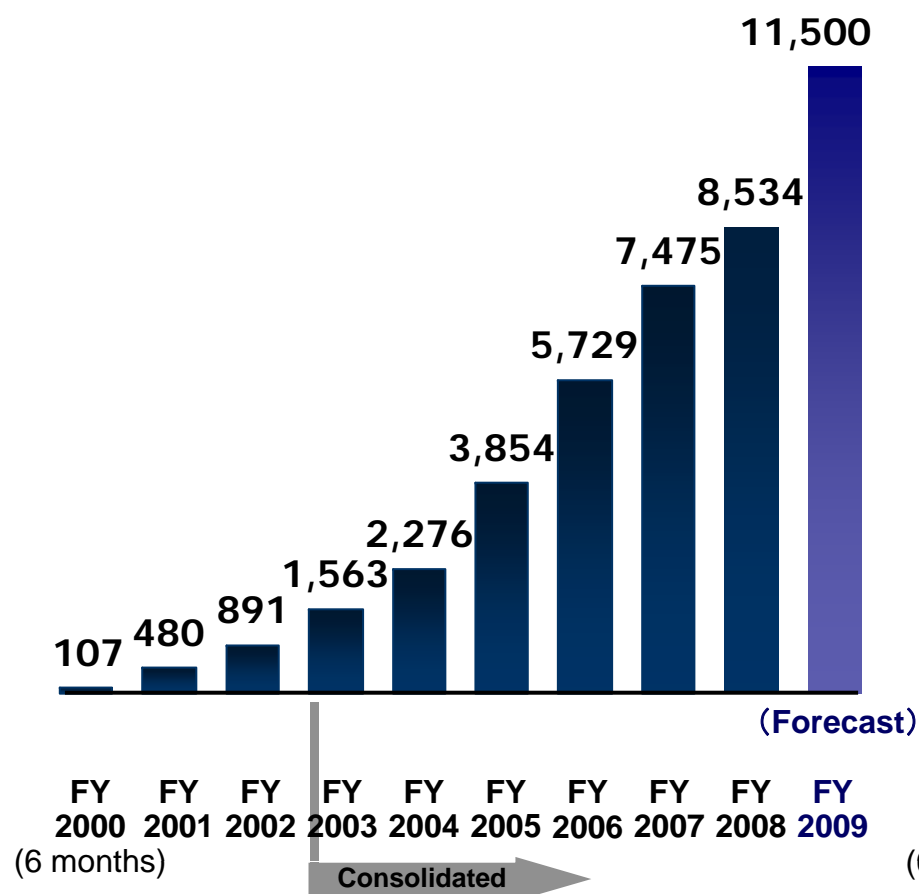
Changes in Ordinary Profit Margin



Annual Results & Forecast for FY2009

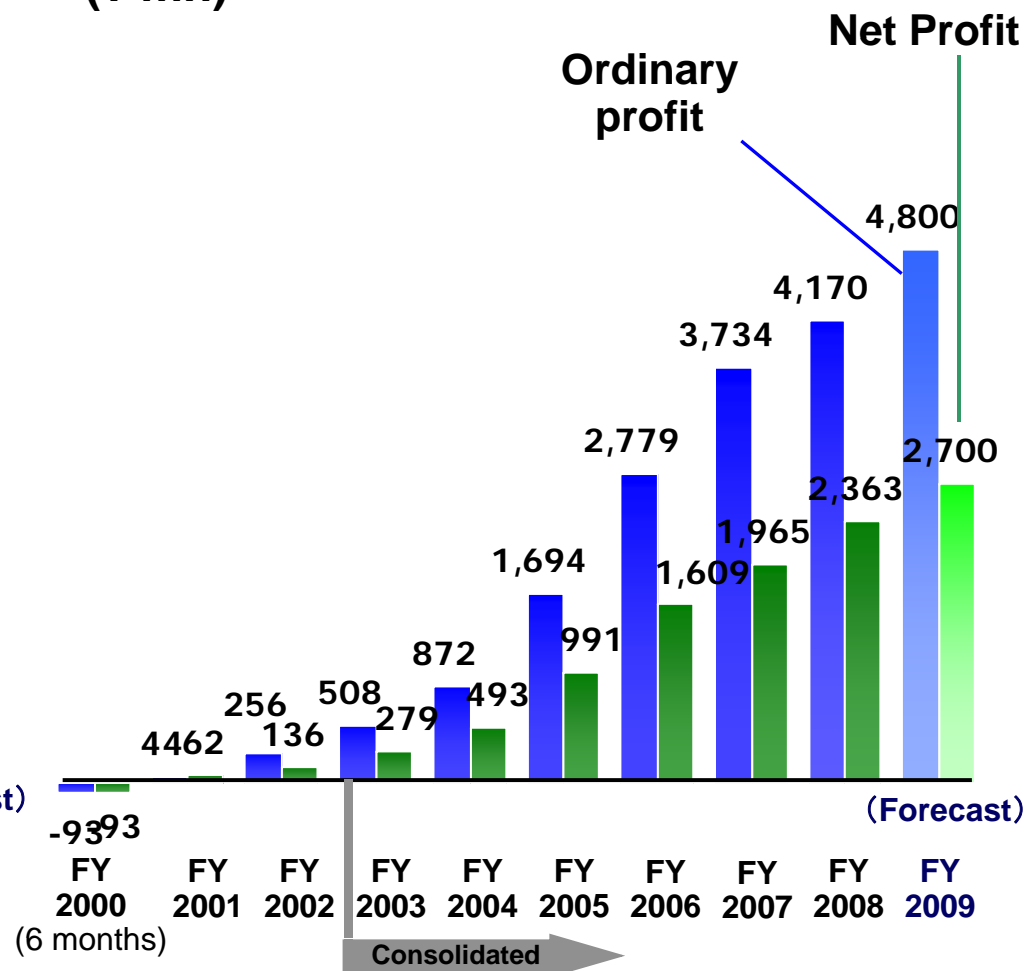
Sales

(¥ mn)

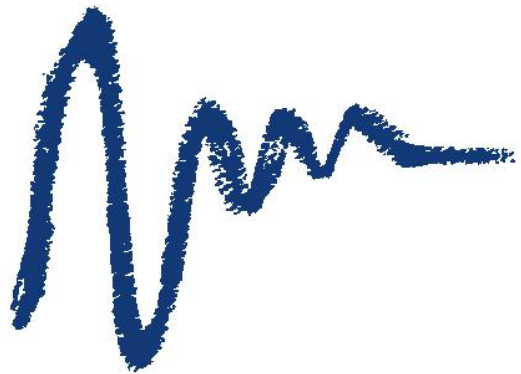


Ordinary Profit & Net Profit

(¥ mn)



Creating New Value in Healthcare



So-net M3

→ M3

Medicine

Media

Metamorphosis

→ Healthcare sector is huge...

- Japanese national spending on medical services is approximately ¥33tn (approximately ¥50tn if peripheral businesses are included)
- Equivalent to 10% of Japanese GDP
- Sector controlled by only 270,000 people, e.g., physicians, representing only 0.2% of the population

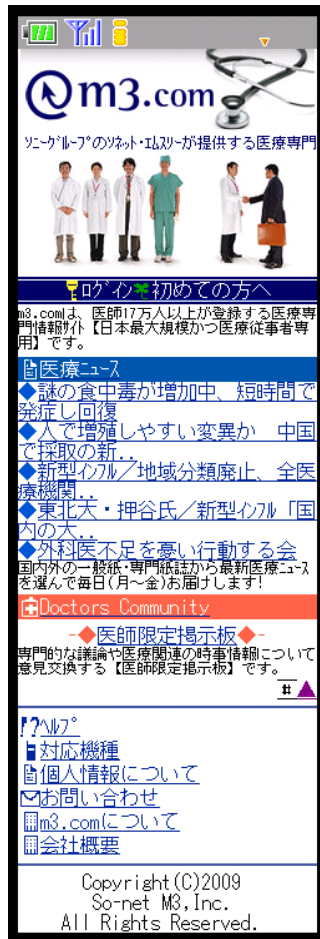
→ M3 aims to create new value in this sector

- Solve the issues and problems of the medical sector
- With new and unique business models
- While focusing on areas where we can add high value (e.g., have high profit) to boost our enterprise value

Source: Ministry of Health, Labour and Welfare, the Japan Medical Association, So-net M3



m3.com mobile



- Contents
 - Medical News
 - Doctors Community (for doctors only)
- Mobile-only functions
 - Updates display order of medical news every hour in order of popularity.
 - Easy Login with QR-code, without ID/Password.
 - Mobile-oriented new functions will be introduced.
- Use of mobile terminals by doctors
 - In the U.S., more than half of doctors use mobile terminals (ex. BlackBerry) for medical practice.

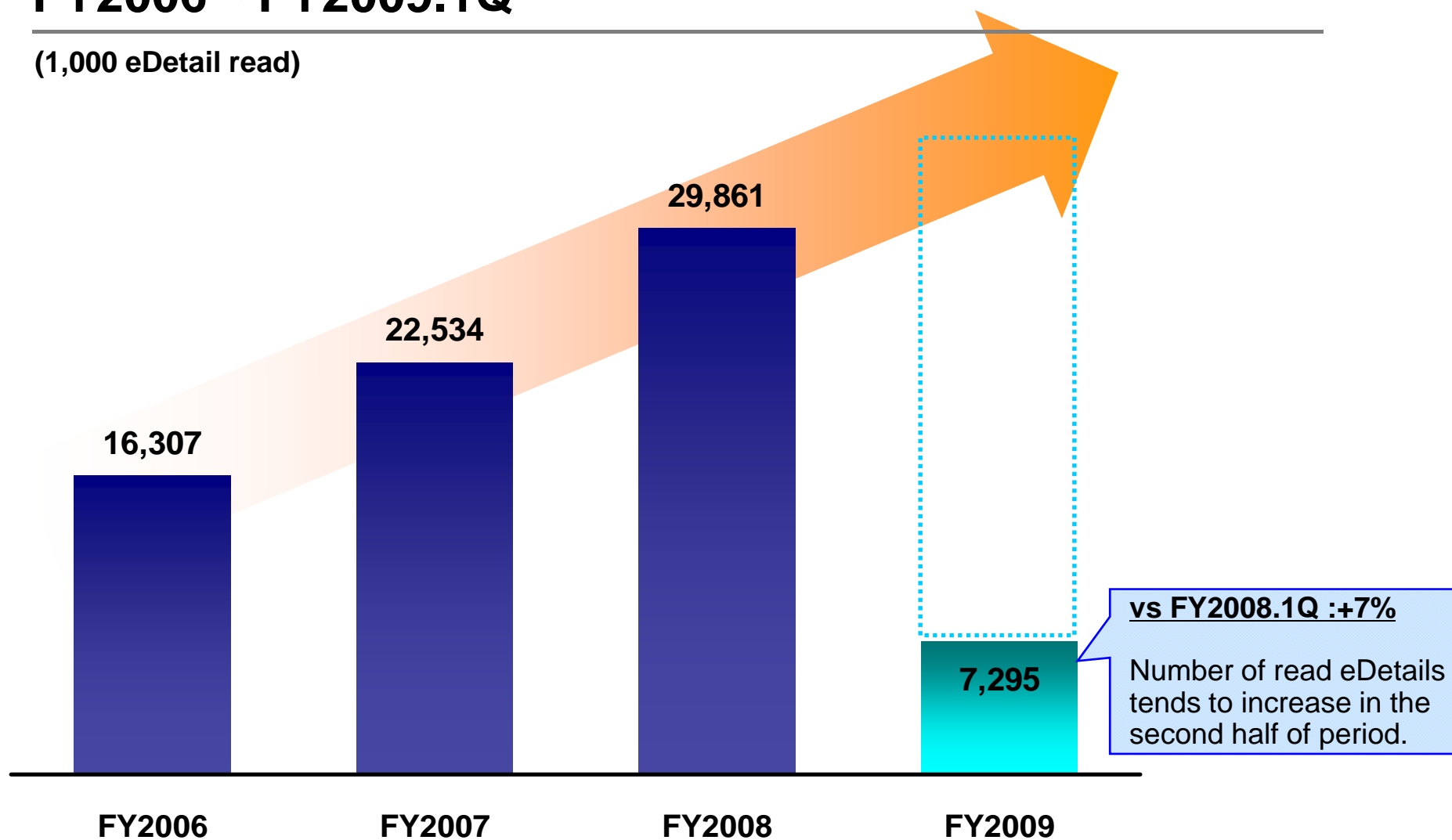
➡ Once penetrated, the site will add banner advertising and mobile version of “MR-kun” to become a new source of revenue.

➡ Aim at Acquiring 70,000 doctors as mobile-site users in few years.

MR-kun eDetails Read by Physicians

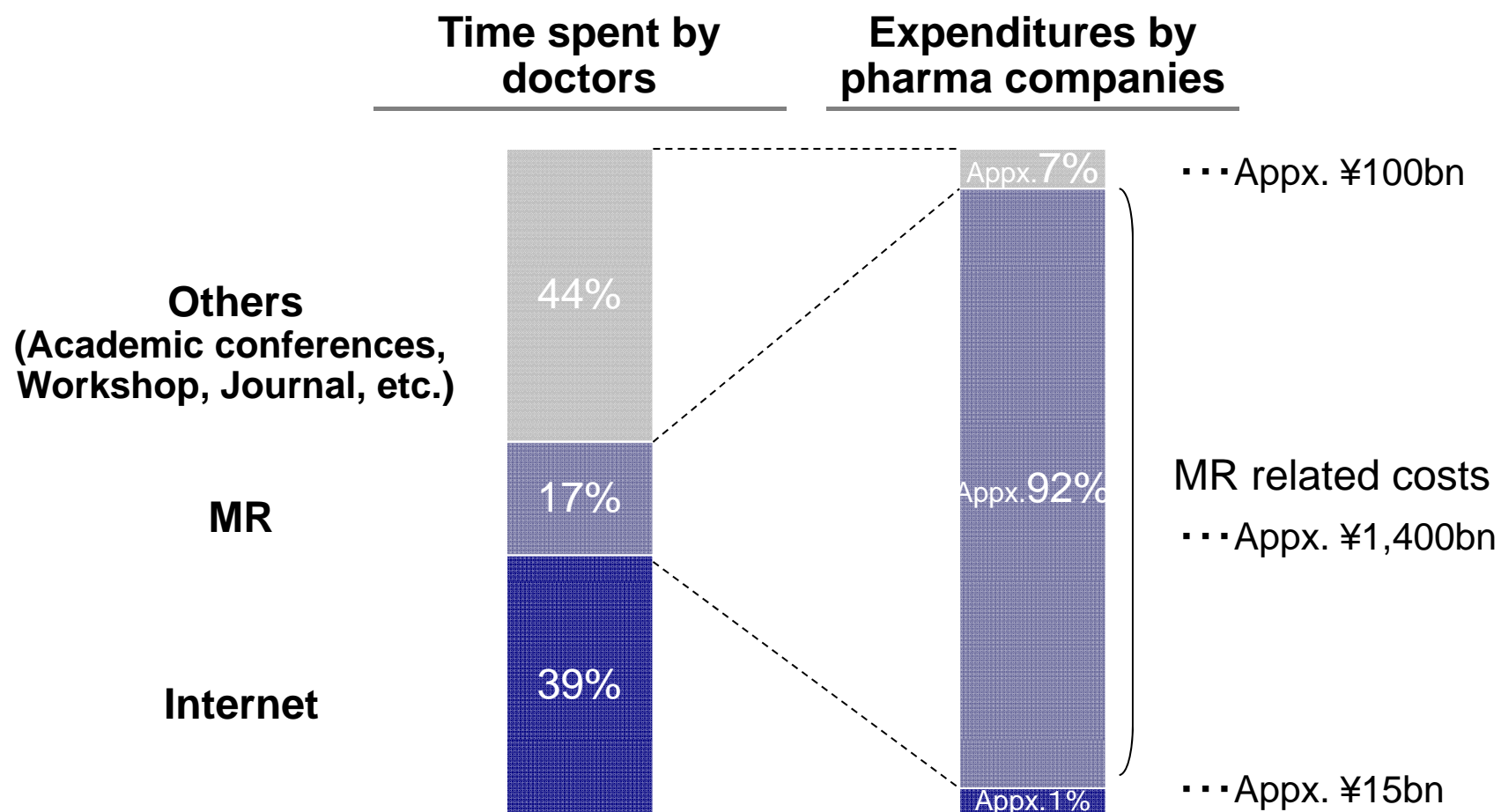
FY2006~FY2009.1Q

(1,000 eDetail read)



Allocation of Physicians Time and Pharma's Marketing Costs

While doctors spend more time on the internet to find medical information, pharma companies allocate most of their budget on MRs.

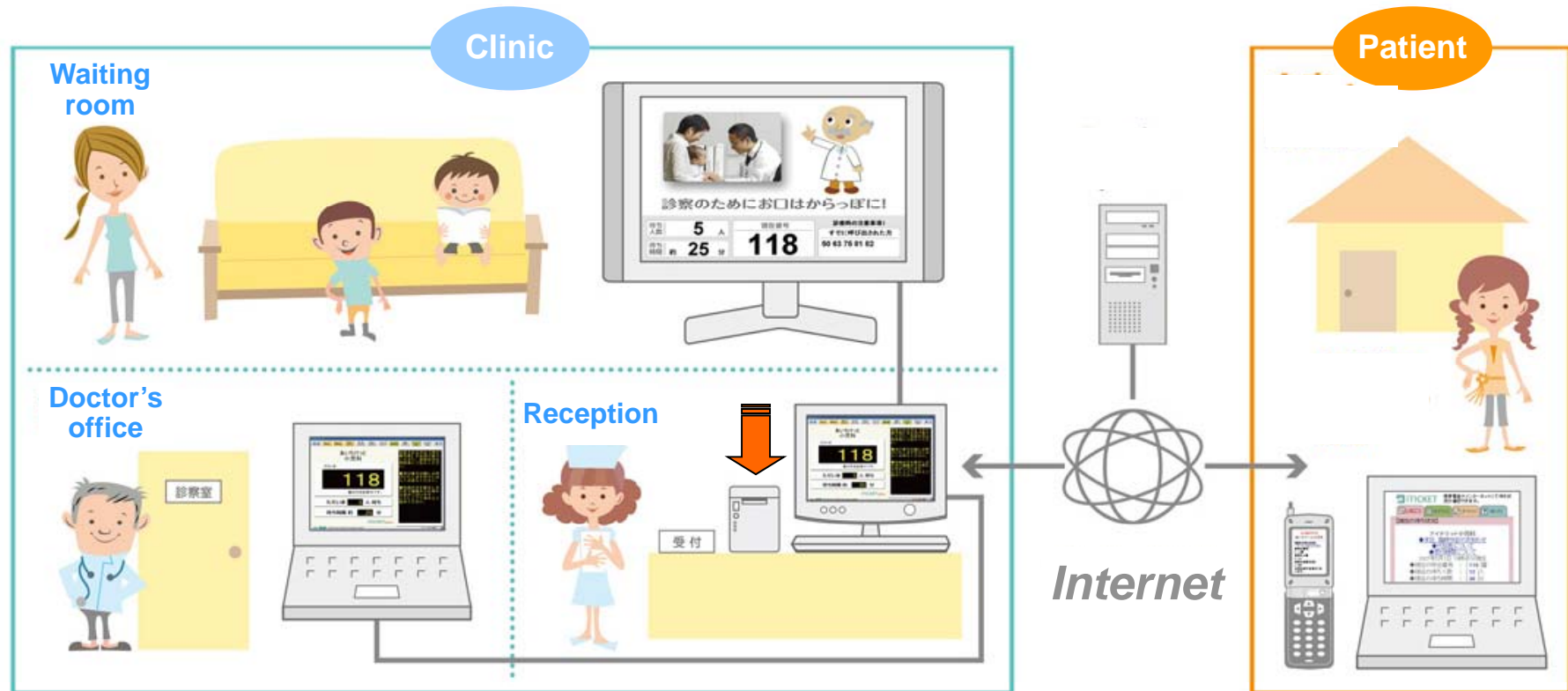


Source: So-net M3 questionnaire to physicians and estimation

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ITICKET Business

Web-based reservation system for clinics



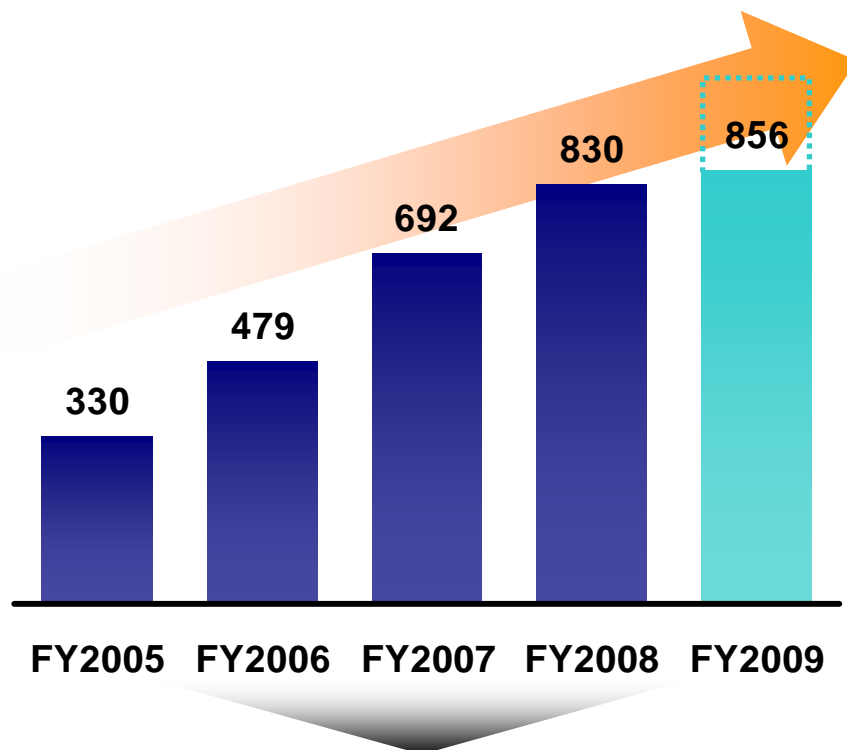
👉 Used at 800+ clinics , more than 1 million unique users per month

In addition, more than 100,000 members (mostly moms with little kids) registered to the recently-opened pan-clinic site in a few months. ...became one of the largest “mom” platform in Japan.

2 Revenue Source for iTICKET

① Fee from clinic

Clinic Users



<Fee Structure>

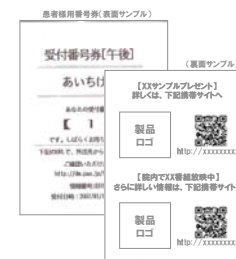
- Initial Fee : ¥500k / Clinic ~
- ASP Service : ¥11k / Month ~

② Advertisement

Clinic Media

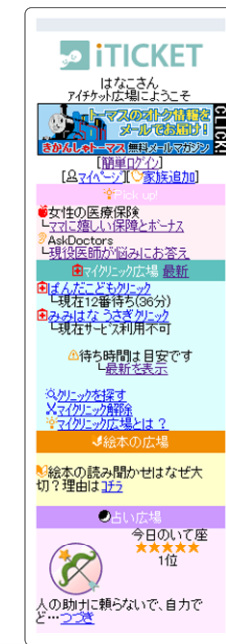


Ticket Media (2008 Sep. ~)



Consultation Ticket

Mobile Media (2008 Nov. ~)



<Fee Structure>

- Clinic Media : ¥1.5m / Month ~
- Mobile Media : ¥130k / 2Week ~
- Ticket Media : ¥750k / Project ~