The following contains statements that constitute forward-looking statements, plans for the future, management targets, etc. relating to 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 result 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.

M3, Inc.
Company Background

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

Business domain
Internet-based healthcare businesses

Name
➡️ M3
Medicine
Media
Metamorphosis

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m3.com: Japan’s #1 Physician Website

- Sponsor-free
- Medical News
- Search engine
- Research Paper search
- Web-based medical tools

m3.com
MR-kun
Sponsor messages

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Physicians Registered in m3.com

FY2002~FY2010.2Q


47 78 97 125 146 162 174 188 196
Platform Power of m3.com Improving Steadily

- Physicians registered in m3.com: +8.9%
- Physicians login to m3.com: +14.3%
- Physicians in MR-kun active: +15.6%
- MR-kun eDetails read by physicians: +33.2%

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Expand our core business

1. Evidence solution business
2. Other new business

Develop overseas businesses

Develop new businesses

M3’s growth

Domestic

Overseas
## Japanese Pharma’s Huge Marketing Costs

<table>
<thead>
<tr>
<th>Head count</th>
<th>Annual costs per person</th>
<th>Total cost of whole industry</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MRs</strong> (Pharmaceutical companies)</td>
<td>55,000</td>
<td>¥20mn</td>
</tr>
<tr>
<td><strong>MSs</strong> (Pharmaceutical wholesalers)</td>
<td>30,000</td>
<td>¥10mn</td>
</tr>
</tbody>
</table>

Source: MIX, Research by M3
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: M3 questionnaire to 1,300 physicians
FY2006～FY2010

(1,000 eDetail read)

FY2006  FY2007  FY2008  FY2009  FY2010
16,307  22,534  29,861  34,989

FY2009.2Q vs FY2010.2Q
+29%

The growth will be accelerated in the second half of FY.
# MR-kun Annual Fee Structure

<table>
<thead>
<tr>
<th>MR-kun base fee</th>
<th>Detail fee</th>
<th>Contents production fee</th>
<th>Operation fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥100 per detail</td>
<td>¥20mn ¥40mn</td>
<td>M3 produces web contents shown on MR-kun</td>
<td>¥10mn</td>
</tr>
</tbody>
</table>

### Initial Phase
- ¥70mn
  - Revised as of Oct. 2005 for new client
  - Previous fee: ¥60mn
- ¥20mn ¥40mn
- ¥30mn
  - ¥10mn

### Top 5 clients
- ¥60mn ¥70mn
- ¥220mn
- ¥100mn
- ¥10mn

**The average of top 5 clients: ¥400mn**

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MR-kun Increases Sales Like Reps

### Case Study

<table>
<thead>
<tr>
<th>Off-line Reps</th>
<th>Non-covered</th>
<th>covered</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MR-kun</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-covered</td>
<td>1 (baseline)</td>
<td>+9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sales increase compared with base</td>
</tr>
<tr>
<td>covered</td>
<td>+8%</td>
<td>+16%</td>
</tr>
<tr>
<td></td>
<td>Sales increase compared with base</td>
<td></td>
</tr>
</tbody>
</table>

Combining real reps with MR-kun maximizes detailing impact

“MR-kun” alone has substantial power...

**Source:** M3  
**Notes:** Questionnaire to 16,000 General Practitioners

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### MR-kun’s Growth Potential in Japan

<table>
<thead>
<tr>
<th>Current</th>
<th>Growth Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td># of clients using MR-kun</td>
<td>27 Companies</td>
</tr>
<tr>
<td>Appx. 2 times</td>
<td></td>
</tr>
<tr>
<td>Sales per Client</td>
<td>MR-kun</td>
</tr>
<tr>
<td>Appx. 200mn</td>
<td>by increase of:</td>
</tr>
<tr>
<td>Appx. 2.5 times</td>
<td>• # of products adopted</td>
</tr>
<tr>
<td>Appx. 5 times</td>
<td>• # of member MDs</td>
</tr>
<tr>
<td>Average revenue from top 10 pharma clients</td>
<td>FY09.1H 154 million yen → FY10.1H 189 million yen (23% growth)</td>
</tr>
<tr>
<td>MR-kun service regained growth momentum by;</td>
<td></td>
</tr>
<tr>
<td>1. Staff increase</td>
<td></td>
</tr>
<tr>
<td>2. Adoption by more products</td>
<td></td>
</tr>
<tr>
<td>3. Increase number of read eDetails per doctor</td>
<td></td>
</tr>
</tbody>
</table>
M3’s growth

Expand our core business

Domestic

Develop new businesses

1. Evidence solution business
2. Other new business

Overseas

Develop overseas businesses
Evidence Solution Business – Mebix

Clinical trial → PMS* → Evidence building

People driven

Drug launch

CROs

No1 company in Japan for EBM data collection... supporting clinical trial for launched drugs

Plan to go to PMS market

* Post Marketing Surveillance

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### Cost Reduction

<table>
<thead>
<tr>
<th>Programs</th>
<th>FY2009</th>
<th>FY2010 or later</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lean back-office</td>
<td>30</td>
<td>120</td>
</tr>
<tr>
<td>Cost for listing</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>Other indirect cost (office rent etc.)</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>System development cost</td>
<td>10</td>
<td>50 - 100</td>
</tr>
<tr>
<td>SMO related cost</td>
<td>10</td>
<td>30 - 60</td>
</tr>
<tr>
<td></td>
<td><strong>95</strong></td>
<td><strong>280 - 360</strong></td>
</tr>
</tbody>
</table>

Cost reduction proceeds steadily, making Mebix leaner and more profitable.

Executed all processes planned at the acquisition, and turned into black in FY2010 2Q. Those benefits will continue or expand in coming periods.
Mebix – Improving Restructuring

Actual performance (Jul. – Sep.)

Sales

\[ +15\% \]

S.G.A.

\[ -54\% \]

Realized reduction of S.G.A. while increasing sales. Steady progress in restructuring.
Number of registered case by SMO

m3.com acquiring cases extremely faster than other SMO.
M3’s growth

Expand our core business

Domestic

Develop new businesses

1. Evidence solution business
2. Other new business

Overseas

Develop overseas businesses

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# New Business Development on the Platform

## FY2010 Sales forecast

<table>
<thead>
<tr>
<th>Assigned staff</th>
<th>Above 1,000mn</th>
<th>¥750mn</th>
<th>¥0mn ~ ¥750mn</th>
</tr>
</thead>
</table>
| **Research (Japan)**
  Web-based Physician Surveys | 4.5 | ✔    |               |
| **m3MT**
  E-mail, banner promotion service for pharma companies | 3 | ✔    |               |
| **QOL kun etc.**
  Promotion service for non-pharma companies | 9 | ✔    |               |
| **Consumer Business**
  Consumer service | 4 | ✔    |               |
| **M3 Career**
  Job information for Physicians, Pharmacist | 49 | ✔    |               |
| **iTICKET**
  Online clinical reservation system for patient | 15 | ✔    |               |

- Revenue from the new businesses will exceed the revenue of MR-kun in FY2010.
- Many of the new businesses are run by few staff and quite profitable.
- Established joint venture for career business with SMS CO., LTD.
### Expansion of Consumer Business

<table>
<thead>
<tr>
<th><strong>AskDoctors</strong></th>
<th><strong>AskDoctors Lite</strong></th>
<th><strong>AskMoon</strong></th>
<th><strong>AskMind</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="AskDoctors Image" /></td>
<td><img src="image2" alt="AskDoctors Lite Image" /></td>
<td><img src="image3" alt="AskMoon Image" /></td>
<td><img src="image4" alt="AskMind Image" /></td>
</tr>
<tr>
<td>- 90%+ questions get answers from physicians</td>
<td>- Specially offered for Softbank’s contents package (Mar. 2009)</td>
<td>- Mobile site targeting women (May 2009)</td>
<td>- Launched new site about mental health (Jun. 2010)</td>
</tr>
<tr>
<td>- More than 2.4 million Q&amp;A archives</td>
<td>- Browse only service for AskDoctors’ Q&amp;A archives</td>
<td>- Access to emmenia-related Q&amp;A archives on AskDoctors</td>
<td></td>
</tr>
</tbody>
</table>

Consumer business grew to generate 60mil yen revenue per month, preparing new services in mental health care area.
Membership of AskDoctors

FY2005.1Q~FY2010.2Q

(1,000)

FY2005: 77
FY2006: 174
FY2007: 311
FY2008: 409
FY2009: 517
FY2010.2Q: 533

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M3 Career, Inc.

M3, Inc.

- Media power of m3.com
  - 191K Physicians
  - 70K Pharmacist

- Experience in the recruiting ad business for medical professionals

Full-line service and platform for best match between employers and job seekers

Direct relationship both with employers (clinics etc) and job seekers (physicians, pharmacists)

- Experience in the employment agent business for nurses or care workers

Company Name: M3 Career, Inc
Capital: 50 mil yen
Business: Recruiting service for medical professionals
Employees: 49
Shareholders: M3 51%, SMS 49%

In FY2010 1H, posted ¥615M sales and ¥7M operating profit. Because of seasonality and operational issues, operating profit turned into red in 2Q. (1Q: ¥69M, 2Q: -¥62M)
Acquisition of iTICKET

Web-based reservation system for clinics

Used in 900+ clinics, more than 1 million unique users per month, more than 300,000 members (mostly moms with little kids) registered to the pan-clinic site. ...became one of the largest “mom” platforms in Japan.
Media Business will Start on ASP Platform.

**ASP : Reservation for medical care**

<table>
<thead>
<tr>
<th>Year</th>
<th>Clinic Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>'05</td>
<td>330</td>
</tr>
<tr>
<td>'06</td>
<td>479</td>
</tr>
<tr>
<td>'07</td>
<td>692</td>
</tr>
<tr>
<td>'08</td>
<td>830</td>
</tr>
<tr>
<td>'09</td>
<td>942</td>
</tr>
<tr>
<td>'10</td>
<td>976</td>
</tr>
</tbody>
</table>

**Media business**

**Clinic Media (Nov.~)**

**Ticket Media (Sep.~)**

**Consultation Ticket**

**<Fee Structure>**

- **Initial Fee**: 498,000 yen / Clinic ~
- **ASP Service**: 11,400 yen / Month ~

**Mobile Media**

**<Fee Structure>**

- **Clinic Media**: 1,500,000 yen / Month ~
- **Mobile Media**: 130,000 yen / 2Week ~
- **Ticket Media**: 750,000 yen / Project ~

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M3’s growth

- Domestic
  - Expand our core business
  - Develop new businesses

- Overseas
  - Develop overseas businesses

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“M3 Messages” (US version of MR-kun) started on MDLinx (merged with M3 USA in Mar. 2009).

- Washington D.C.
- 328K medical professionals (incl. 100K physicians) as registered member

The service has been adopted by products in Oncology, Rheumatology, Neurology, Cardiology and PCP area.
Oncology area  
(100% = 10,000 specialists)

Rheumatology  
(100% = 4,200 specialists)

Developed leading platforms by acquiring half of oncologists and rheumatologists in the U.S.  
Starting new acquisition programs in Psychiatry, Neurology, Cardiology, and PCP area.

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Among the top 20 global pharmaceutical companies adopted "M3 Messages" already.
- All in Oncology, Rheumatology, Neurology, Cardiology or PCP area
- Close to sign in other areas

Delivery of the messages started already in 12 products. The clients appreciate the performance and made further commitments (contract extension, addition of new products etc.). Others will start soon.

Acquired a big project in PCP (Primary Care Physician) area.

Pipeline for project acquisition is well filled for FY2011.
## Consolidated P/L Statement for FY2010 2Q

### Consolidated (yen million)

<table>
<thead>
<tr>
<th></th>
<th>FY2009.2Q</th>
<th></th>
<th>FY2010.2Q</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Forecast</td>
<td>Actual</td>
<td>YoY Growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>5,030</td>
<td>6,800</td>
<td>6,858</td>
<td>+36%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>2,056</td>
<td>2,400</td>
<td>2,662</td>
<td>+29%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary profit</td>
<td>2,038</td>
<td>2,400</td>
<td>2,605</td>
<td>+28%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>113</td>
<td>1,300</td>
<td>1,434</td>
<td>+1,169%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Consolidated P/L Statement for FY2010 2Q

### Breakdown by Business Segments

<table>
<thead>
<tr>
<th></th>
<th>FY2009.2Q</th>
<th>FY2010.2Q</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Portal</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>4,071</td>
<td>5,173</td>
<td>+27%</td>
</tr>
<tr>
<td>Profit</td>
<td>2,498</td>
<td>2,905</td>
<td>+16%</td>
</tr>
<tr>
<td><strong>Evidence Solution</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>439</td>
<td>982</td>
<td>+123%</td>
</tr>
<tr>
<td>Profit</td>
<td>▲183</td>
<td>▲48</td>
<td>-%</td>
</tr>
<tr>
<td><strong>Overseas</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>446</td>
<td>704</td>
<td>+58%</td>
</tr>
<tr>
<td>Profit</td>
<td>▲49</td>
<td>36</td>
<td>-%</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>117</td>
<td>141</td>
<td>+20%</td>
</tr>
<tr>
<td>Profit</td>
<td>▲1</td>
<td>0</td>
<td>-%</td>
</tr>
</tbody>
</table>

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Consoli. Sales Analysis (vs P.Y.)*

(yen million)

FY2009 2Q Act
- MR-kun: 486
- Research, Others: 130
- Medical Portal: 386
- Career: 543
- Evidence Solution: 258
- Overseas: 24

FY2010 2Q Act: 6,858

Steady growth momentum continues.

Increasing order
Research and AskDoctors expansion
Consolidate M3 Career
Consolidate Mebix
Expanding “M3 Messages” and research service
(Absorbed forex impact: -47mil yen)
Contribution from iTicket

* Sales to outside customers

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Steady growth and increasing profitability of mebix covered loss of M3 career.

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Annual Results & Forecast for FY2010

Sales

(¥ mn)

Ordinary Profit & Net Profit

(¥ mn)

Sales

Ordinary profit

Net Profit

(6 months)

(Forecast)

(6 months)

Consolidated
Creating New Value in Healthcare

- 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 were 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, M3