M3
Presentation Material

3Q FY2012
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

2009 Apr Acquired Mebix and entered into clinical trial market

2010 Nov Acquired EMS Research and established global research physician panel

2011 Aug Acquired Doctors.net.uk and entered into UK market

Business domain
Internet-based healthcare businesses

Name
⇒ M3 Medicine Media Metamorphosis
Physicians Registered in Our Site or Research Panel (Global)

Over 1 million members in total

Korea
(MEDIGATE)

Other Europe
(M3 Global Research, Russia)

U.K.
(Doctors.net.uk)

U.S.A
(MDLinx)

Japan
(m3.com)

Over 1 million members in total

Japan
(m3.com)

U.S.A
(MDLinx)

U.K.
(Doctors.net.uk)

Other Europe
(M3 Global Research, Russia)

Korea
(MEDIGATE)
M3's growth

Expand our core business

Domestic

Develop new businesses

Overseas

Develop overseas businesses
### Japanese Pharma’s Huge Marketing Costs

<table>
<thead>
<tr>
<th>MRs (Pharmaceutical companies)</th>
<th>Head count</th>
<th>Annual costs per person</th>
<th>Total cost of whole industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>55,000 MRs</td>
<td>¥20mn</td>
<td>¥1.1tn</td>
<td></td>
</tr>
<tr>
<td>30,000 MSs (Pharmaceutical wholesalers)</td>
<td>¥10mn</td>
<td>¥300bn</td>
<td></td>
</tr>
</tbody>
</table>

Total cost of whole industry ¥1.1-1.4 tn

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
## MR-kun Increases Sales Like Reps

### Case Study

<table>
<thead>
<tr>
<th>MR-kun</th>
<th>Off-line Reps</th>
<th>Non-covered</th>
<th>covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-covered</td>
<td>1 (baseline)</td>
<td>+9% Sales increase compared with base</td>
<td></td>
</tr>
<tr>
<td>covered</td>
<td>+8% Sales increase compared with base</td>
<td>+16% 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 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>¥70mn</td>
<td>¥100 per detail</td>
<td>M3 produces web contents shown on MR-kun</td>
<td>Basic operation, including sending messages to physicians and replying to physicians’ questions</td>
</tr>
<tr>
<td>Revised as of Oct. 2005 for new client</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Previous fee: ¥60mn</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Initial Phase
- Top 5 clients
  - ¥60mn
  - ¥70mn
- The average of top 5 clients: ¥600mn

## Top 5 clients
- Top 5 clients
  - ¥60mn
  - ¥70mn
- The average of top 5 clients: ¥600mn

- Operation fee
  - ¥10mn

- Initial Phase
  - ¥130mn~¥150mn
MR-kun’s Growth Potential in Japan

Current

# of clients using MR-kun

28 Companies

Sales per Client

MR-kun Approx. 280mn

Growth Opportunities

30~35 Companies

800mn~1bn

by increase of:
• # of products adopted
• # of member MDs

Growth Potential

4~5 times

Major clients use the MR-kun more and more: Average revenue from top 5 clients grew +30% YoY
M3’s growth

Domestic

Expand our core business

Develop new businesses

Overseas

Develop overseas businesses
Consolidated Sales Trend

(yen million)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12 1Q-3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,563</td>
<td>2,276</td>
<td>3,854</td>
<td>5,729</td>
<td>7,475</td>
<td>8,534</td>
<td>11,811</td>
<td>14,646</td>
<td>19,040</td>
<td>18,689</td>
</tr>
<tr>
<td>Overseas development</td>
<td>19%</td>
<td>20%</td>
<td>22%</td>
<td>27%</td>
<td>29%</td>
<td>31%</td>
<td>40%</td>
<td>43%</td>
<td>44%</td>
<td>48%</td>
</tr>
<tr>
<td>New business (domestic)</td>
<td>81%</td>
<td>80%</td>
<td>76%</td>
<td>64%</td>
<td>61%</td>
<td>60%</td>
<td>51%</td>
<td>46%</td>
<td>40%</td>
<td>36%</td>
</tr>
<tr>
<td>Core business (MR-kun)</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
<td>10%</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
<td>11%</td>
<td>16%</td>
<td>16%</td>
</tr>
</tbody>
</table>

FY12 Revised Fct 25,300
Total revenue of new business was less than 5 billion yen. M3 Career was not established yet and only Mebix offered evidence solution service.
New Business Development on the Platform (as of Dec. 2012)

- Total revenue of new business is more than 12 billion yen.
- Planning 10 to 20 new business idea and development to overseas.
“Making use of the Internet to increase, as much as possible, the number of people who can live longer, healthier and happier lives, and to reduce, as much as possible, the amount of unnecessary medical costs”

Past 10 years
- Boosted shifting to online promotion with “MR-kun”

Next
- Challenge shifting to online trials with “Chiken-kun”
Shift to Online Trials

Theme

Shift to Online SMO
- Site Selection
- Feasibility Study etc

Shift to Online CRO
- Monitoring
- EDC etc

Shift to Online Infra
- Utilizing electronic medical records

Operation

Medical Pilot
Acquired in Sep. 2011 (100%)

Fuji CRS
Acquired in Dec. 2011 (100%)

CLINICAL PORTER
Acquired in Apr. 2009 (100%)

MEDISCIENCE PLANNING
Affiliated in May 2012 (25%)

Mebix
Acquired in Apr. 2009 (100%)

MIC MEDICAL
Acquired in Aug. 2012 (75%)

C.M.S.
Acquired in Oct. 2012 (100%)
In the case of study in the Endocrinology and Metabolism area, sites of m3.com doctors enrolled five times more patients than those of other SMOs:
Turning around MIC Medical

Quarterly Performance of MIC
(yen million)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Increase</td>
<td>677</td>
<td>675</td>
<td>682</td>
</tr>
<tr>
<td>Cost Reduction</td>
<td>18</td>
<td>51</td>
<td></td>
</tr>
</tbody>
</table>

- **Sales Increase**
  - Increasing availability ratio and unit price of CRA with optimizing assignment in M3 group including Mebix or MEDISCIENCE PLANNING.
  - Balancing orders reach record level.

- **Cost Reduction**
  - Delisting
  - Review indirect cost such as S.G.A.

Restructuring proceeds steadily, making MIC leaner.
M3 Career, Inc

M3, Inc.

- Media power of m3.com
  - Over 200K Physicians
  - Over 80K Pharmacist
- Experience in the recruiting ad business for medical professionals

Sales and O.P. (vs. PY)

<table>
<thead>
<tr>
<th></th>
<th>FY2011.1Q-3Q</th>
<th>FY2012.1Q-3Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>¥1,623M</td>
<td>¥2,414M (+49%)</td>
</tr>
<tr>
<td>O.P.</td>
<td>¥363M</td>
<td>¥569M (+57%)</td>
</tr>
</tbody>
</table>

SMS

- Direct relationship both with employers (clinics etc) and job seekers (physicians, pharmacists)
- Experience in the employment agent business for nurses and care workers

- Improvement in operation efficiency.
- Development of newly-hired staff in productivity.

Sales will grow +60% in FY12. For future growth, continue prior investment such as increasing staff.
Currently, staff agency business for physicians posts less than 300M yen per year. But its size should be several billion yen in the future.
Number of paid membership has been more than 200 thousand and reached record level.
- Rapidly increasing number of membership using smart phone in AskDoctors.
- Lifetime value of smart phone user tend to be higher than that of feature phone user.

Launching new services and functions
- Offering product development or product assessment in consumer healthcare area excepting medical area.
- Providing medical or healthcare information taking advantage of huge platform of physicians and patients.
- Developing new functions using specialty of smart phone.
M3’s growth

Domestic

Expand our core business

Develop new businesses

Overseas

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

- Washington D.C.
- 229K physicians as registered member

- Acquiring physician members rapidly
  - Added 30K in this 1 year.

- Started career service as a trial.
Sales Breakdown of M3 USA (Including M3GlobalResearch, Doctors.net.uk)

Marketing Support
- Both “M3 Messages” and ”MDLinx Clicks” are growing.

Research
- Increase of registered physicians in MDLinx drives growth.
- Acquired EMS Research Ltd. (current name: M3 Global Research) in Nov. 2010. realized 1M+ global research physician panel.

US operation: expanded steadily.
UK operation: revamp the system of Doctors.net.uk.
Consolidated P/L Statement for FY2012 3Q

<table>
<thead>
<tr>
<th>Sales (¥M)</th>
<th>Operating income (¥M)</th>
<th>Ordinary profit (¥M)</th>
<th>Net profit (¥M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2011 1Q-3Q</td>
<td>FY2012 1Q-3Q</td>
<td>FY2011 1Q-3Q</td>
<td>FY2012 1Q-3Q</td>
</tr>
<tr>
<td>¥13,906</td>
<td>¥18,689</td>
<td>¥6,955</td>
<td>¥7,193</td>
</tr>
</tbody>
</table>

In this 3Q (3 month), posted a record result.
## Consolidated P/L Statement for FY2012 3Q

### Breakdown by Business Segments

<table>
<thead>
<tr>
<th>(百万円)</th>
<th>FY2011.3Q</th>
<th>FY2012.3Q</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>9,845</td>
<td>12,072</td>
<td>+23%</td>
</tr>
<tr>
<td>Profit</td>
<td>5,609</td>
<td>6,904</td>
<td>+23%</td>
</tr>
<tr>
<td><strong>Evidence Solution</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>1,640</td>
<td>2,967</td>
<td>+81%</td>
</tr>
<tr>
<td>Profit</td>
<td>288</td>
<td>366</td>
<td>+27%</td>
</tr>
<tr>
<td><strong>Overseas</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>2,098</td>
<td>2,931</td>
<td>+40%</td>
</tr>
<tr>
<td>Profit</td>
<td>133</td>
<td>139</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Clinical Platform</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>-</td>
<td>360</td>
<td>-</td>
</tr>
<tr>
<td>Profit</td>
<td>-</td>
<td>▲3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>511</td>
<td>576</td>
<td>+13%</td>
</tr>
<tr>
<td>Profit</td>
<td>53</td>
<td>45</td>
<td>▲16%</td>
</tr>
</tbody>
</table>
Consoli. Sales Analysis (vs P.Y.)

(yen million)

<table>
<thead>
<tr>
<th>FY2011.3Q</th>
<th>13,906</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical</td>
<td></td>
</tr>
<tr>
<td>Portal</td>
<td></td>
</tr>
<tr>
<td>MR-kun</td>
<td>951</td>
</tr>
<tr>
<td>Research, Others</td>
<td>484</td>
</tr>
<tr>
<td>Career</td>
<td>790</td>
</tr>
<tr>
<td>Evidence Solution</td>
<td>1,326</td>
</tr>
<tr>
<td>Overseas</td>
<td>833</td>
</tr>
<tr>
<td>Clinical Platform</td>
<td>360</td>
</tr>
<tr>
<td>Others and Elimination</td>
<td>36</td>
</tr>
<tr>
<td>FY2012.3Q</td>
<td>18,689</td>
</tr>
</tbody>
</table>

Increasing order
m3MT, Chiken-kun expansion
Expand M3 Career
Consolidate Medical Pilot, Fuji CRS, MIC Medical. Expand Mebix.
Expand M3GlobalResear
Consolidate DNUK
Consolidate C.M.S.

Steady growth momentum continues.
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 280,000 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