


M3

Presentation Material

1Q 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 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.

M3, Inc.

Company Background



Business domain

Internet-based
healthcare businesses

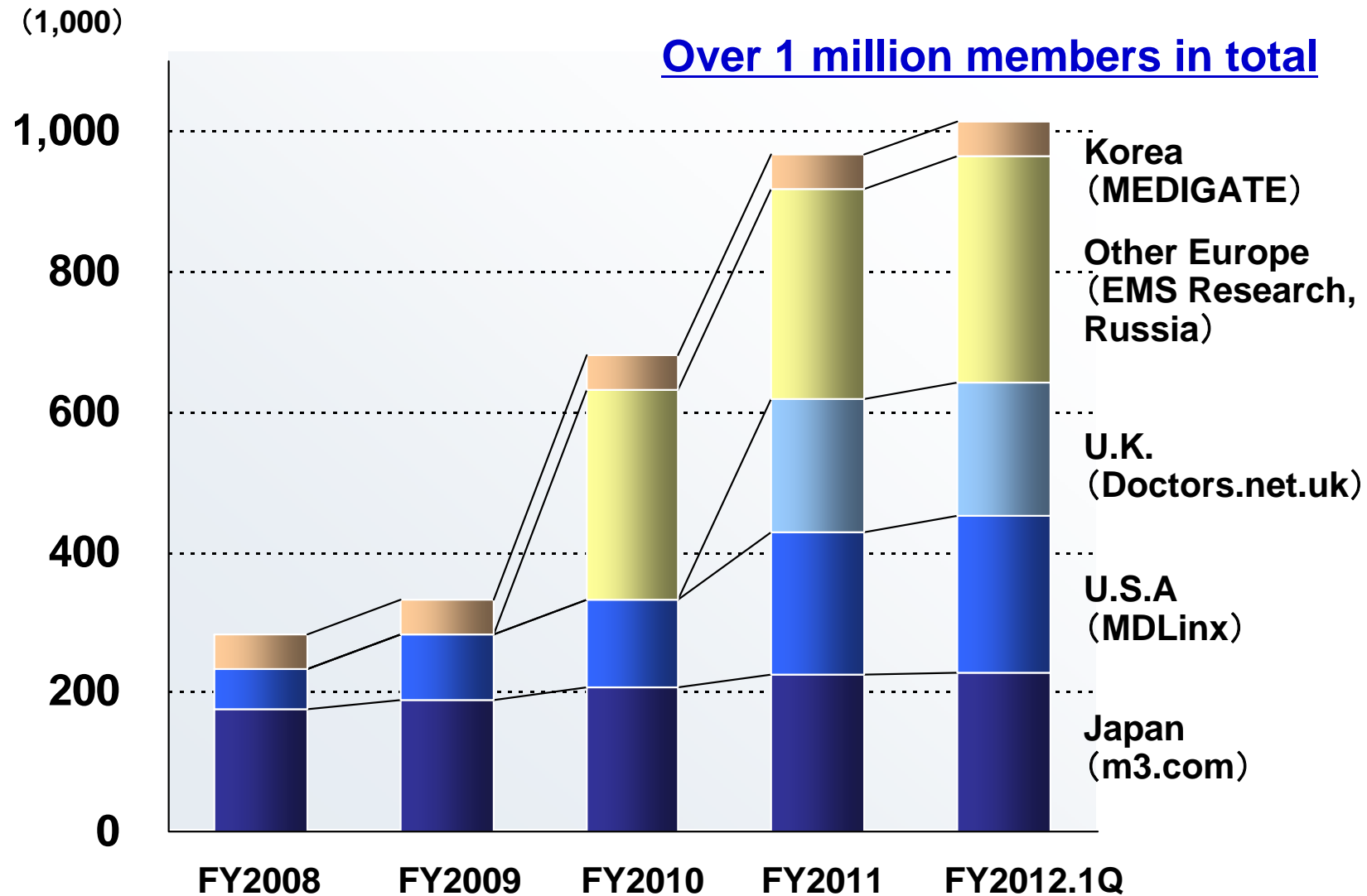
Name

→ 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
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

Physicians Registered in Our Site or Research Panel (Global)



Sponsor-free

Medical News

Search engine

Research Paper
search

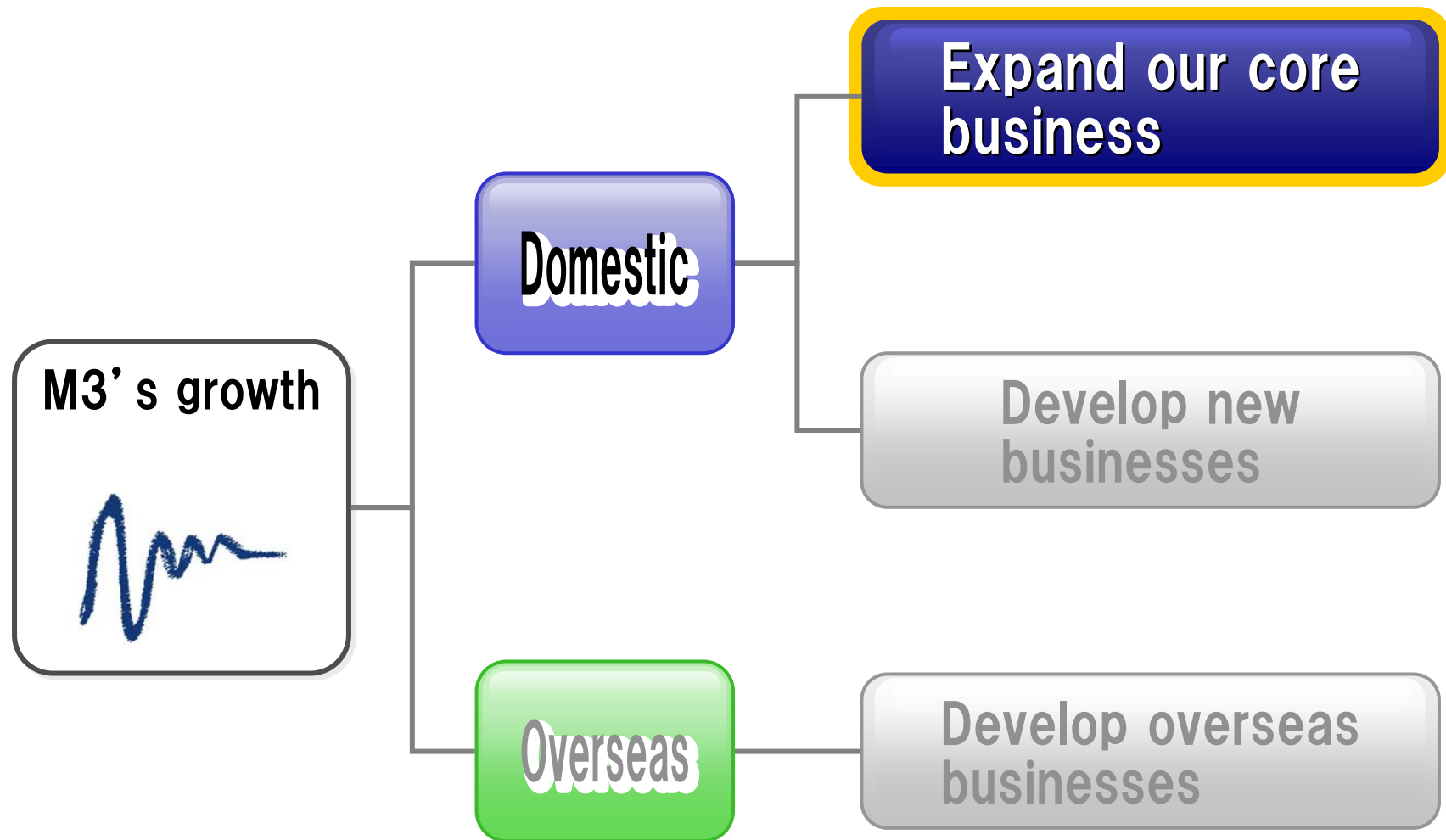
Web-based
medical tools



Sponsored

m3.com MR-kun

Sponsor
messages



Japanese Pharma's Huge Marketing Costs

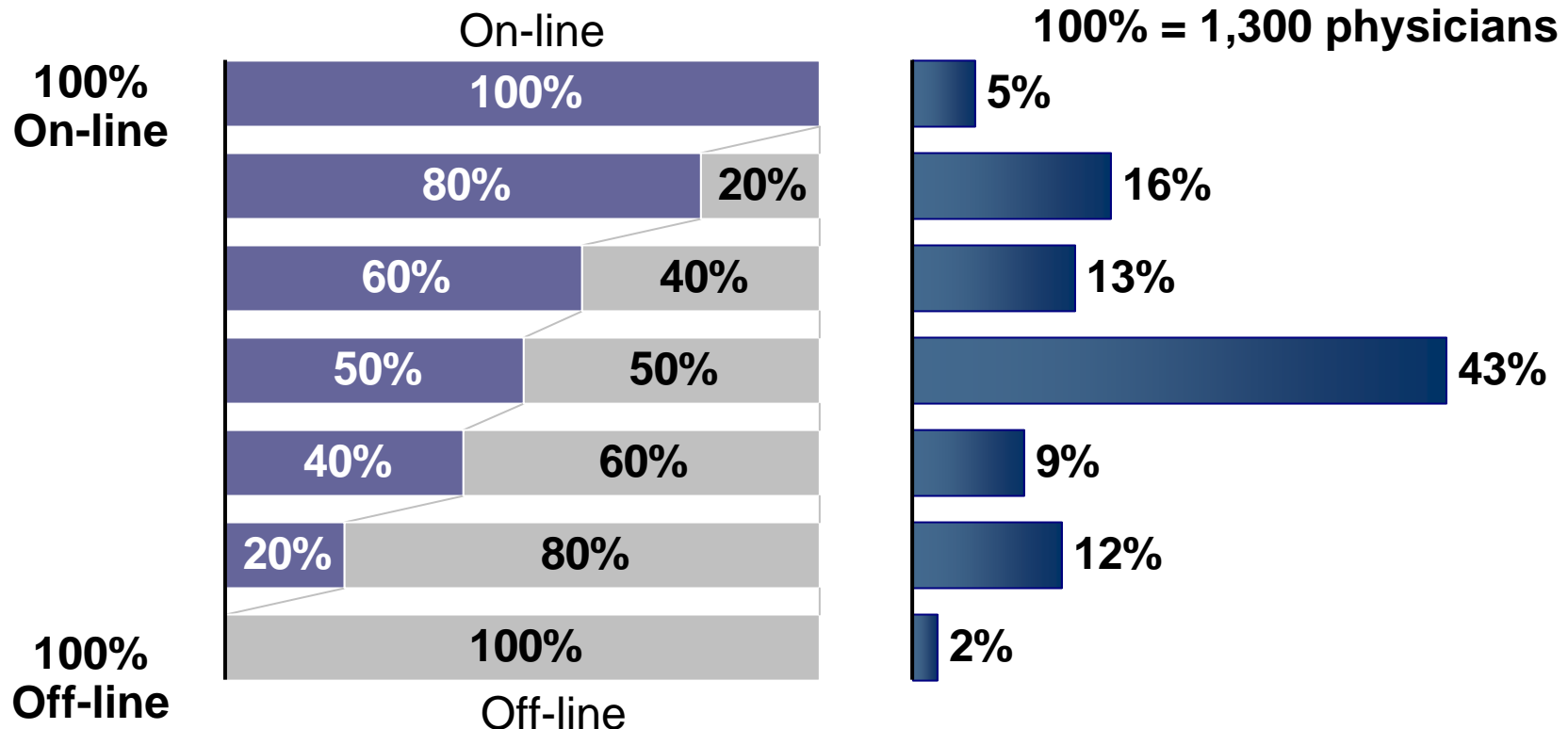
	Head count		Annual costs per person		
MRs (Pharmaceutical companies)	55,000	×	¥20mn	=	¥1.1tn
MSs (Pharmaceutical wholesalers)	30,000	×	¥10mn	=	¥300bn
					Total cost of whole industry ¥1.1-1.4 tn

Source: MIX, Research by M3

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.



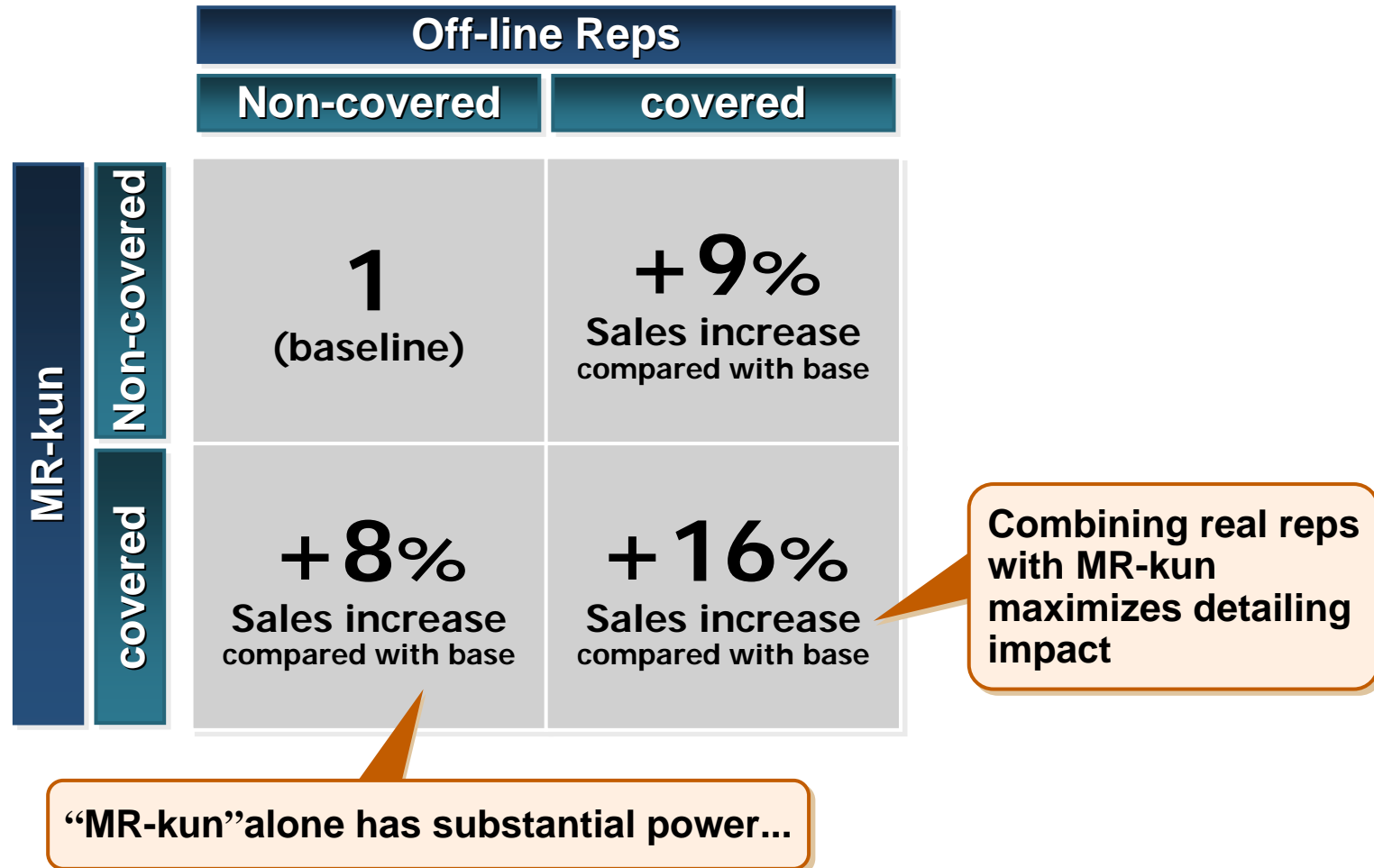
Demand for eDetails is quite high for busy physicians as they can get the information when it's convenient for themselves, not for MR

Source: M3 questionnaire to 1,300 physicians

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MR-kun Increases Sales Like Reps

Case
study



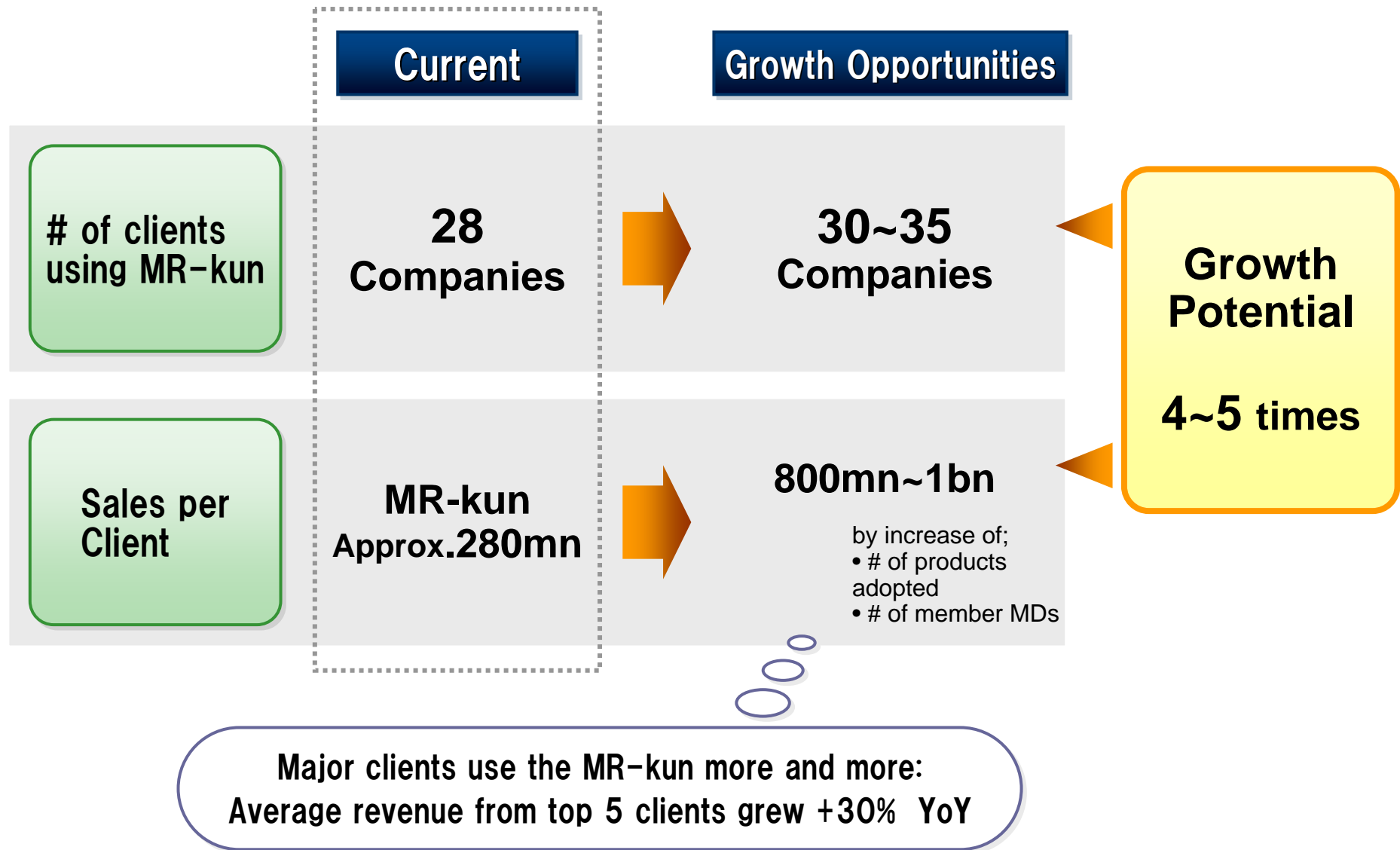
Source: M3
Notes: Questionnaire to 16,000 General Practitioners

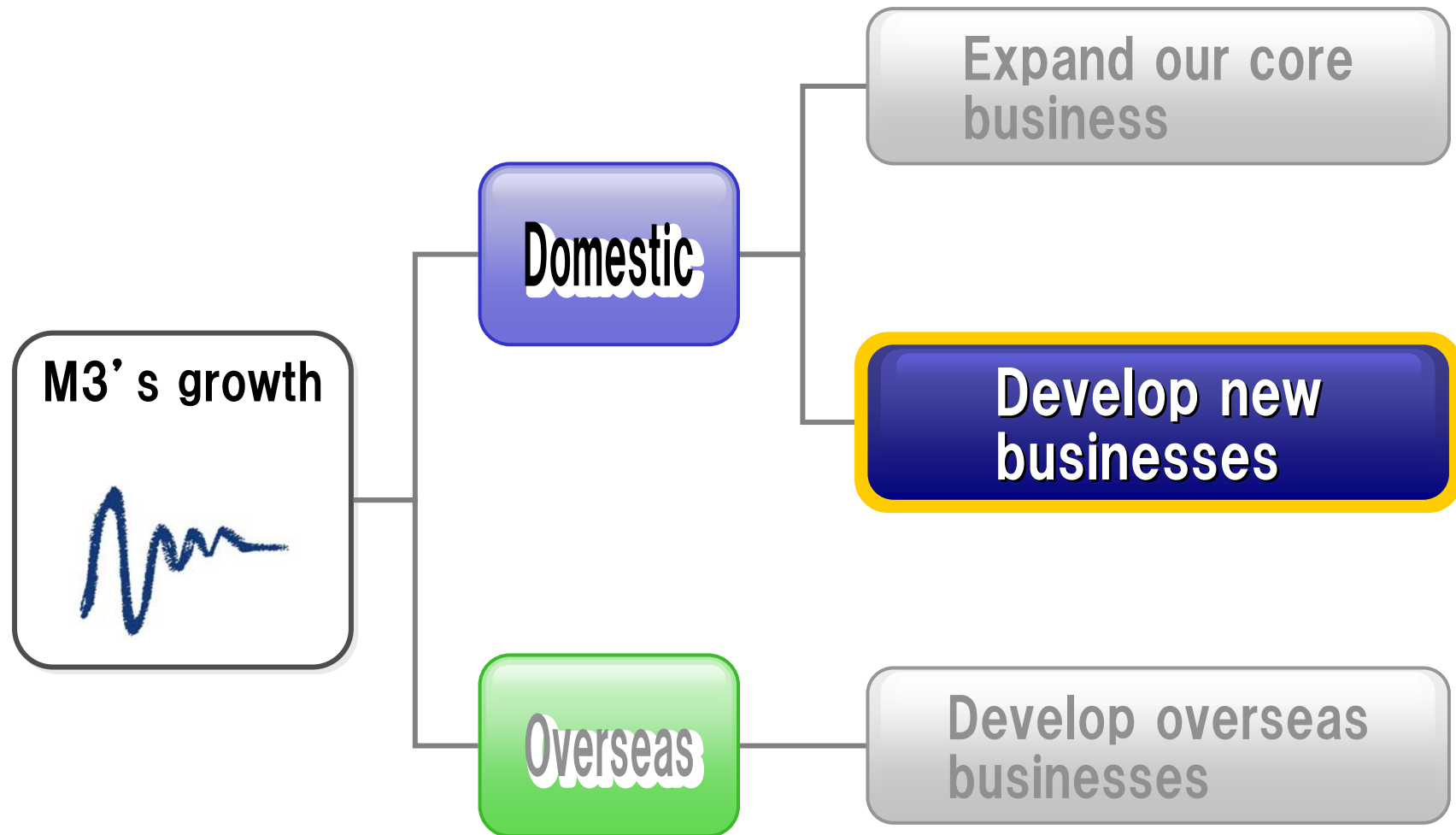
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MR-kun Annual Fee Structure

	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 <ul style="list-style-type: none"> Revised as of Oct. 2005 for new client Previous fee: ¥60mn 	¥20mn § ¥40mn	¥30mn §	¥10mn
	¥130mn~¥150mn			
Top 5 clients	¥60mn § ¥70mn	¥350mn	¥150mn	¥10mn
	The average of top 5 clients: ¥600mn			

MR-kun's Growth Potential in Japan



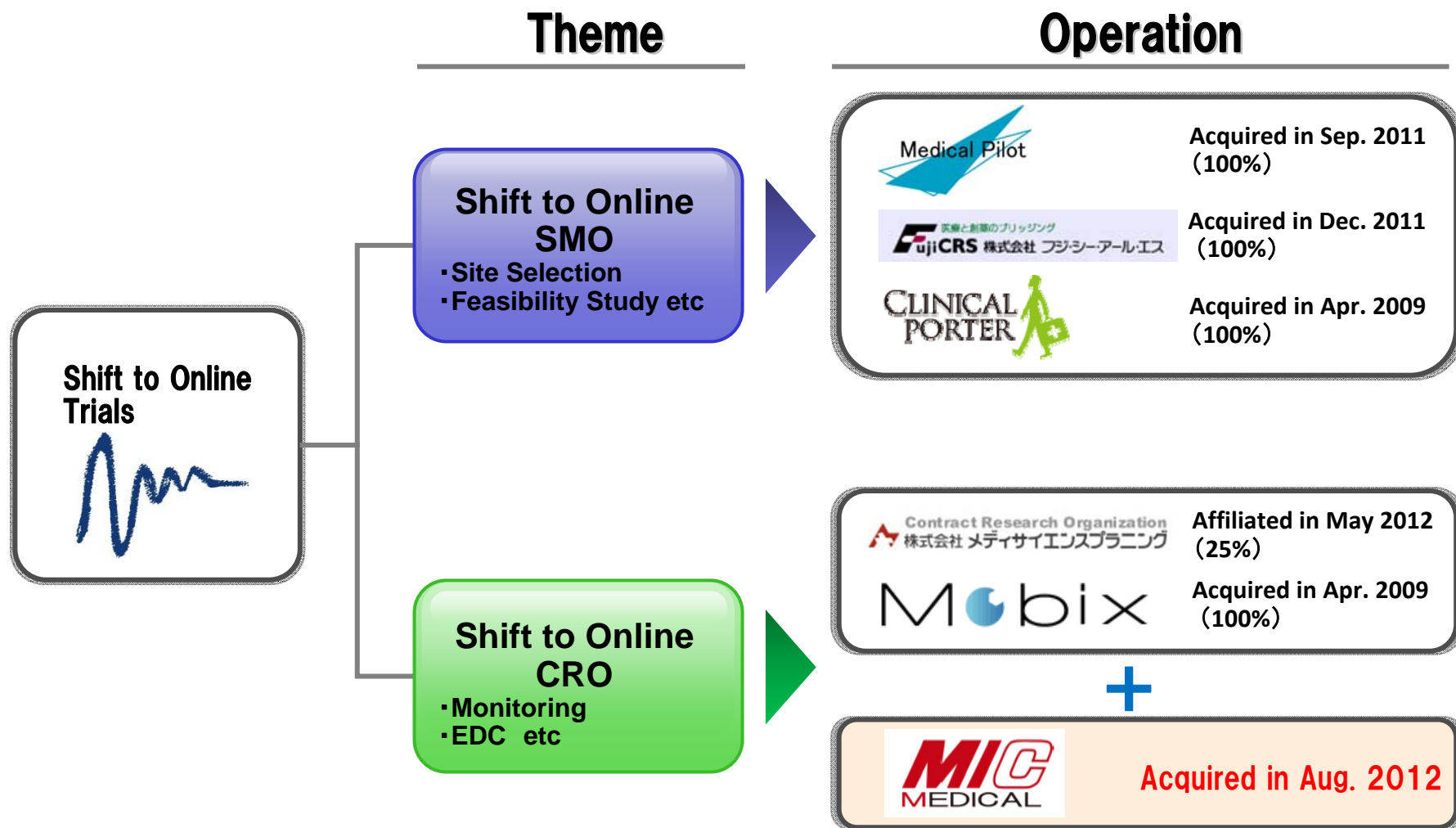


New Business Development on the Platform

		FY2012SalesForecast			
		Assigned staff	Above 1,000mn	¥750mn ~ ¥1,000mn	¥0mn ~ ¥750mn
<div>Research (Japan)</div> <div>m3MT</div> <div>QOL kun etc.</div> <div>Consumer Business</div>	Web-based Physician Surveys	9	✓		
	E-mail, banner promotion service for pharma companies	8			✓
	Promotion service for non-pharma companies	10		✓	
	Consumer service	6		✓	
<div>Consolidated subsidiary</div> <div>Mebix</div> <div>M3 Career</div> <div>iTICKET</div>	Evidence solution service	100	✓		
	Job information for Physicians, Pharmacist	120	✓		
	Online clinical reservation system for patient	20			✓

- Revenue from the new businesses exceeded the revenue of MR-kun.
- Many of the new businesses are run by few staff and quite profitable.
- Acquired MIC Medical Corp. in FY2012.

Shift to Online Trials

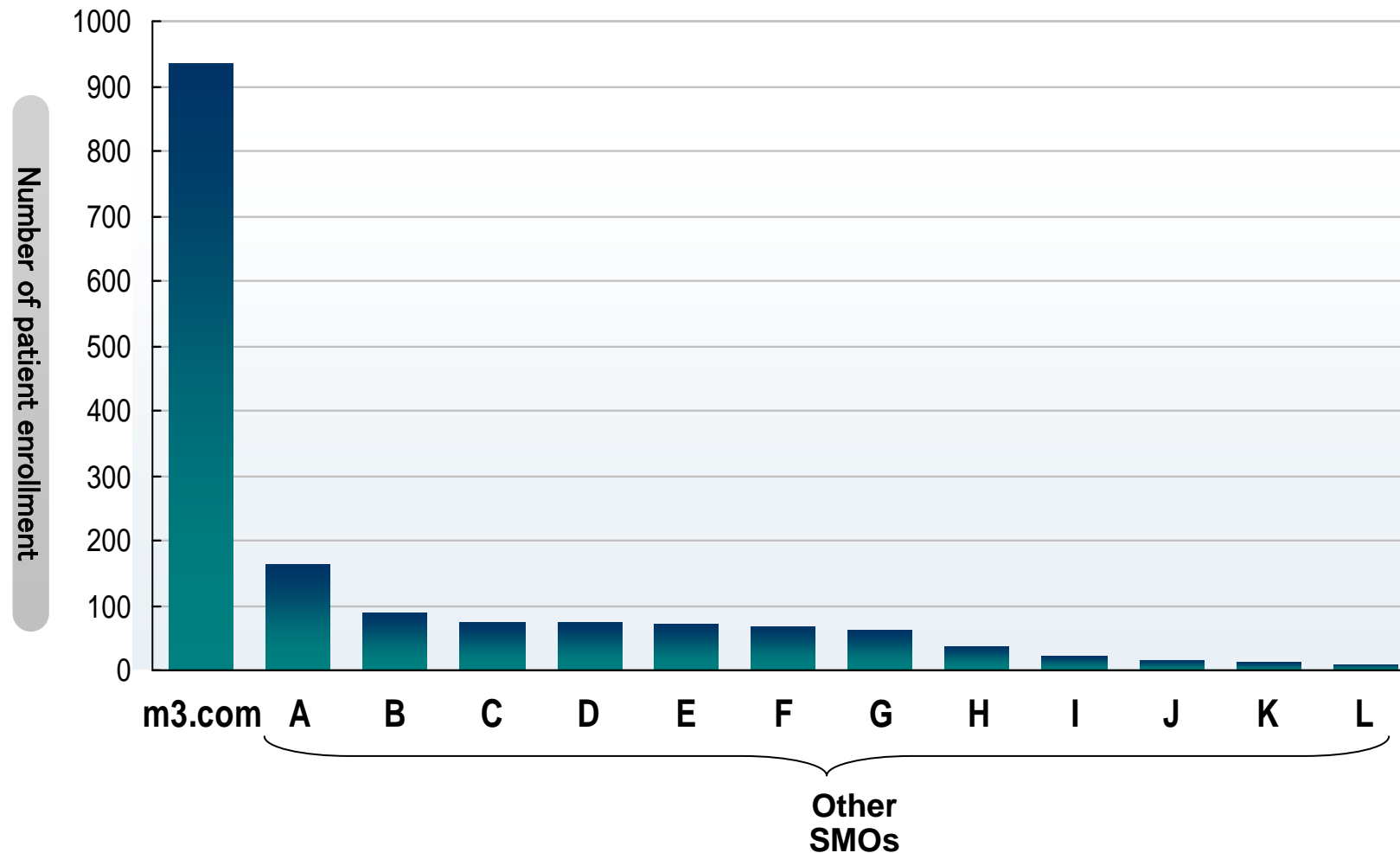


➡ Maximize value of online trials in combination with real operation.

Patient Enrollment in a Large-scale Clinical Trial

Case
study

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:



M3 Career, Inc



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

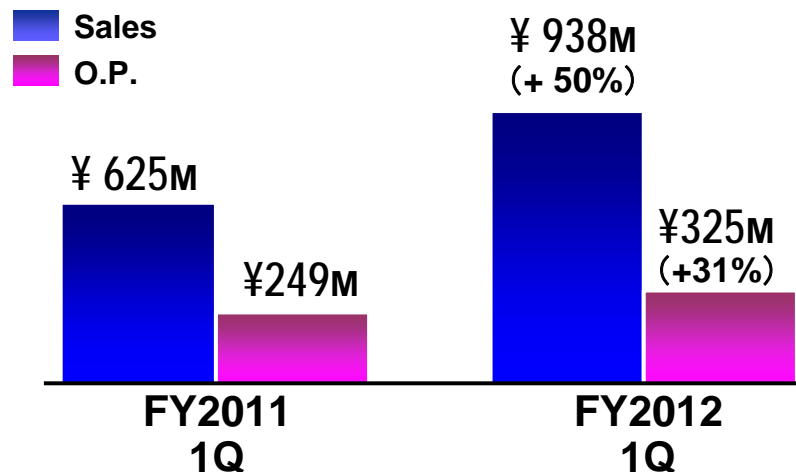


Full-line service and platform for best match between employers and job seekers



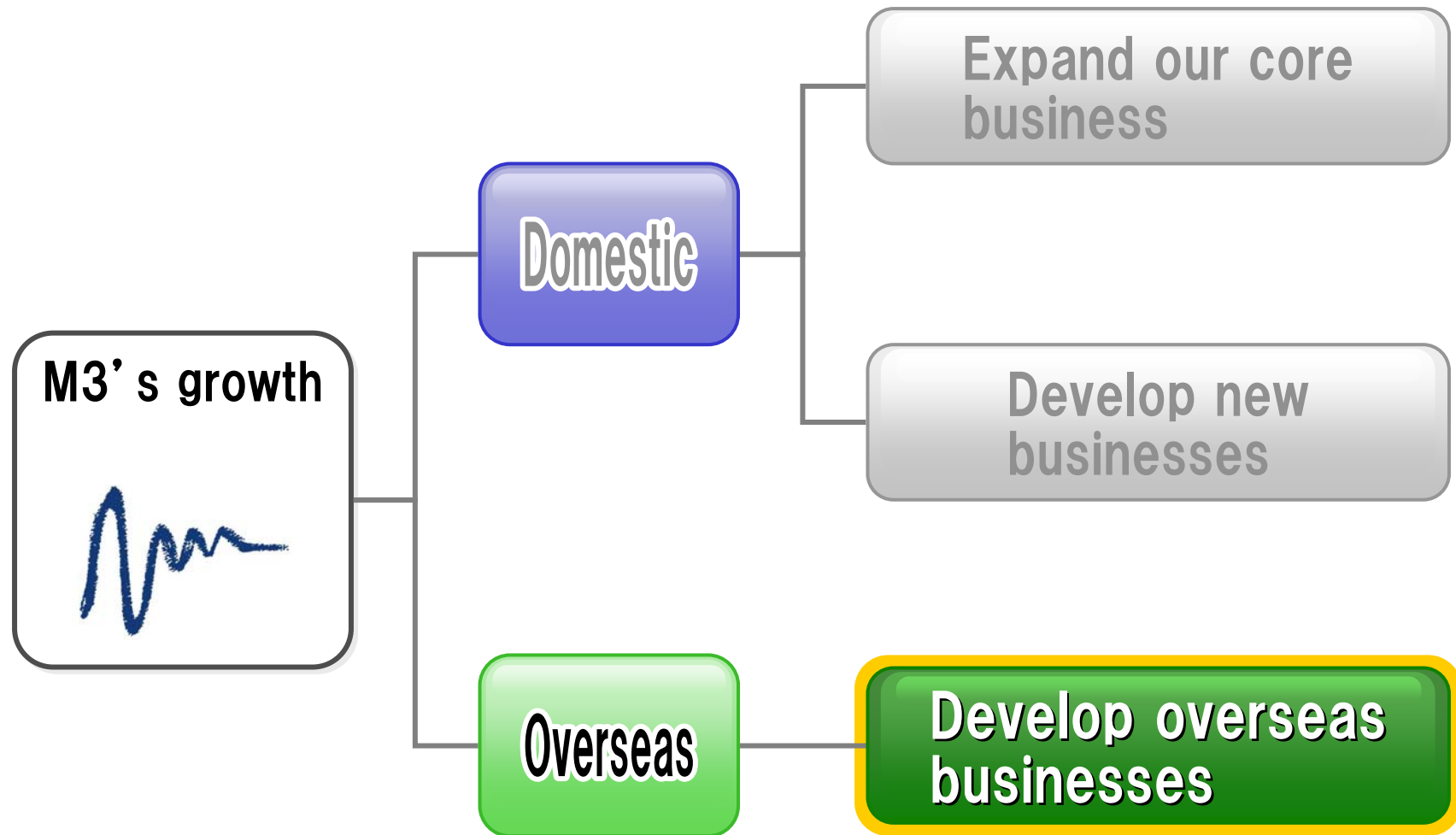
- Direct relationship both with employers (clinics etc) and job seekers (physicians, pharmacists)
- Experience in the employment agent business for nurses and care workers

Sales and O.P. (vs. PY)



- 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.



Development in the US

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e-Details

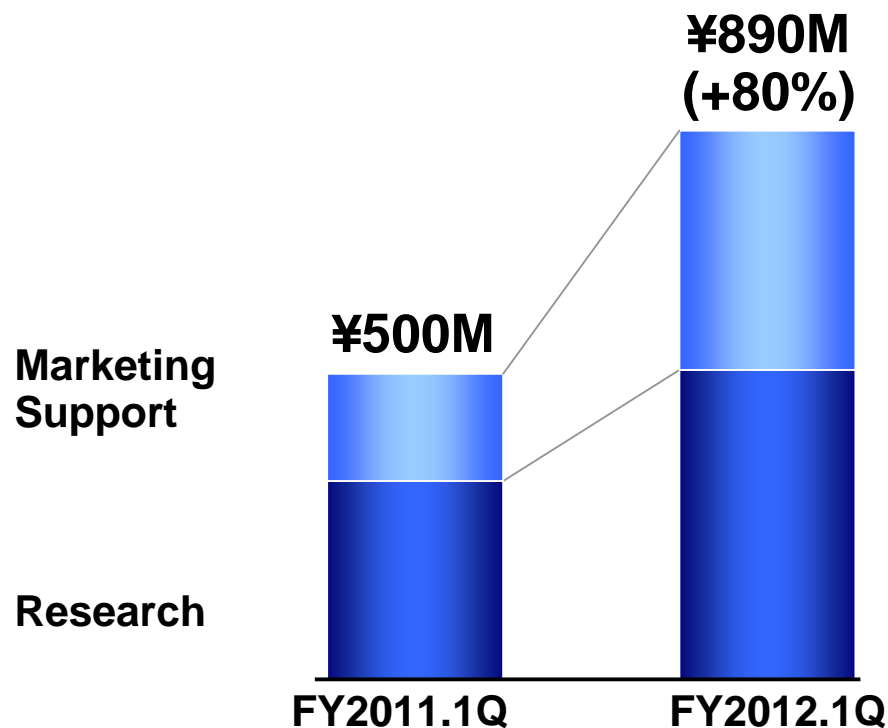
Abstracts

Patient Education

- “M3 Messages” (US version of MR-kun) started on MDLinx (merged with M3 USA in Mar. 2009).
 - Washington D.C.
 - 222K physicians as registered member
- Acquiring physician members rapidly
 - Added 65K in this 1 year.
- Started career service as a trial.

Sales Breakdown of M3 USA (Including EMS Research, Doctors.net.uk)

Sales Breakdown of M3 USA



► Marketing Support

- Both “M3 Messages” and “MDLinx Clicks” are growing.
- Acquired Doctors.net.uk in Aug. 2011. Entered into UK market.

► Research

- Increase of registered physicians in MDLinx drives growth.
- Acquired EMS Research Ltd. in Nov. 2010. Realized 1M+ global research physician panel.



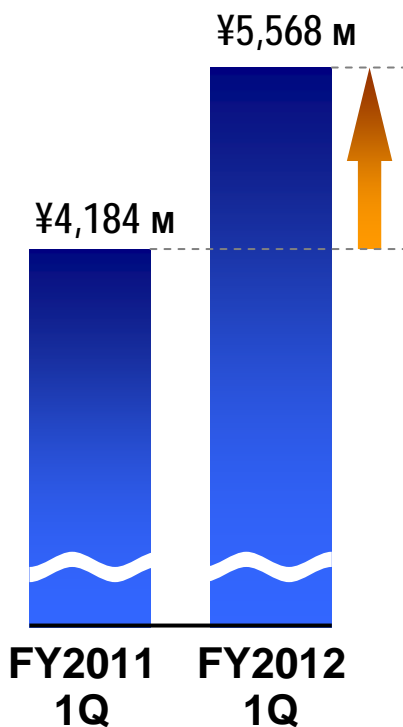
US operation: expanded steadily.

UK operation: revamp the system of Doctors.net.uk.

Consolidated P/L Statement for FY2012 1Q

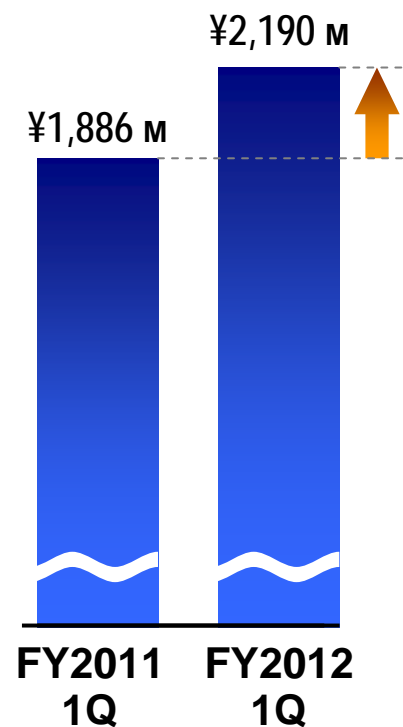
Sales

+33%



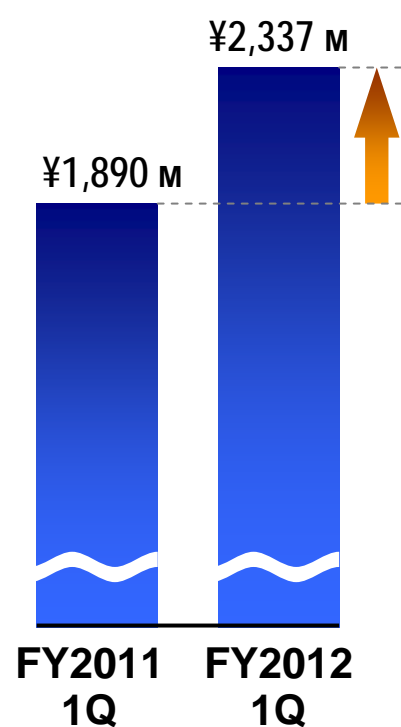
Operating income

+16%



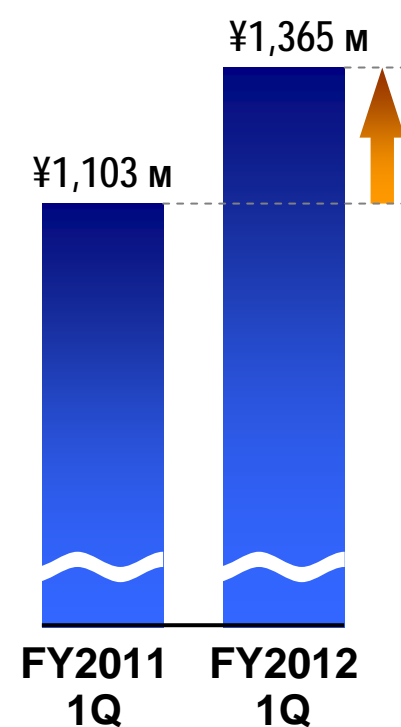
Ordinary profit

+24%



Net profit

+24%



Consolidated P/L Statement for FY2012 1Q

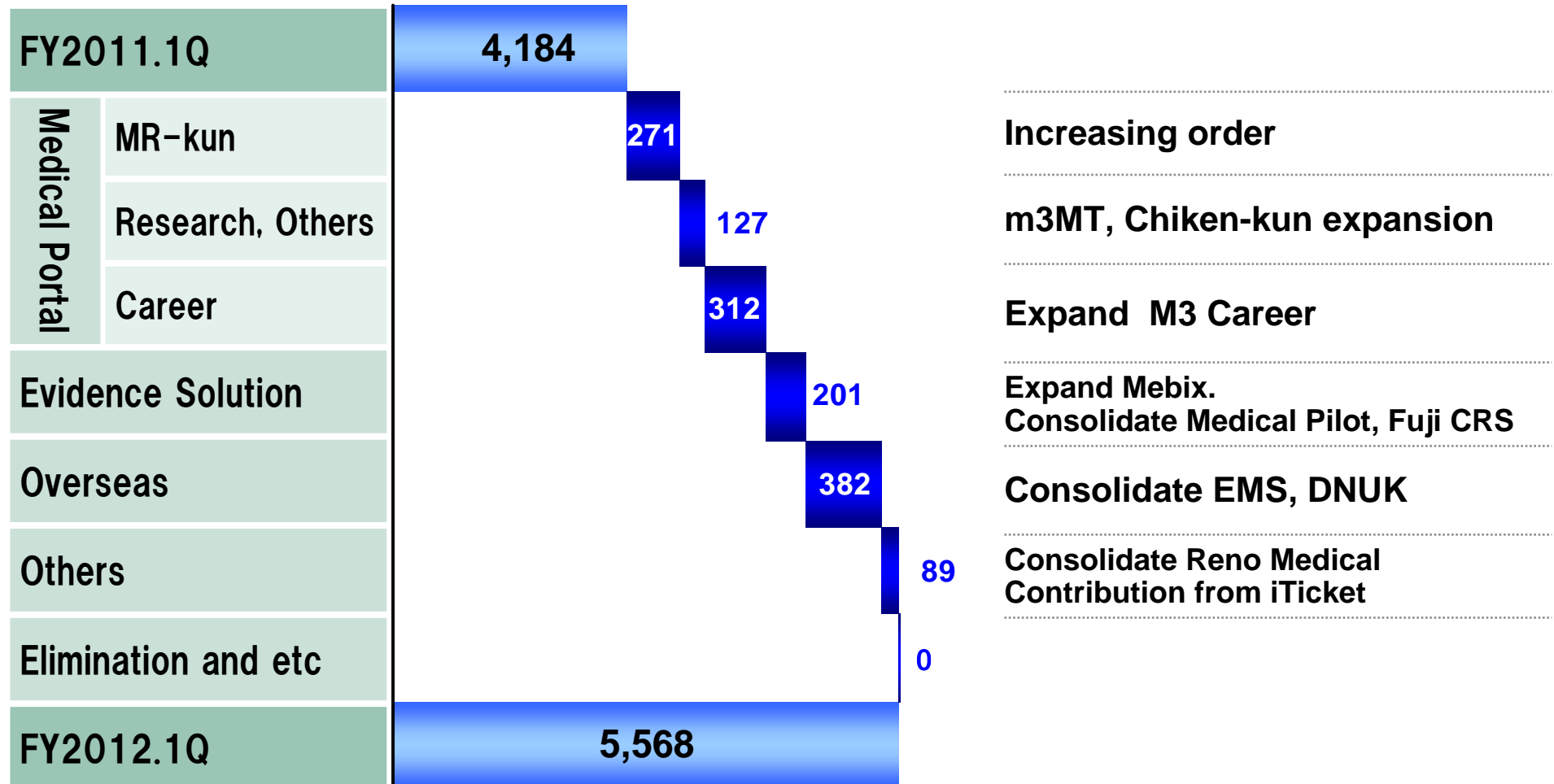
Breakdown by Business Segments

(yen million)

		FY2011.1Q	FY2012.1Q	YoY Growth
Medical Portal	Sales	3,160	3,870	+23%
	Profit	1,886	2,221	+18%
Evidence Solution	Sales	449	652	+45%
	Profit	111	68	▲38%
Overseas	Sales	536	919	+71%
	Profit	8	34	+316%
Others	Sales	102	191	+88%
	Profit	10	29	+187%

Consoli. Sales Analysis (vs P.Y.)

(yen million)



 Steady growth momentum continues.

Stock Split

Objective

- Expanding the shareholder base by;
 - Lowering minimum amount for stock purchase
 - Improving liquidity

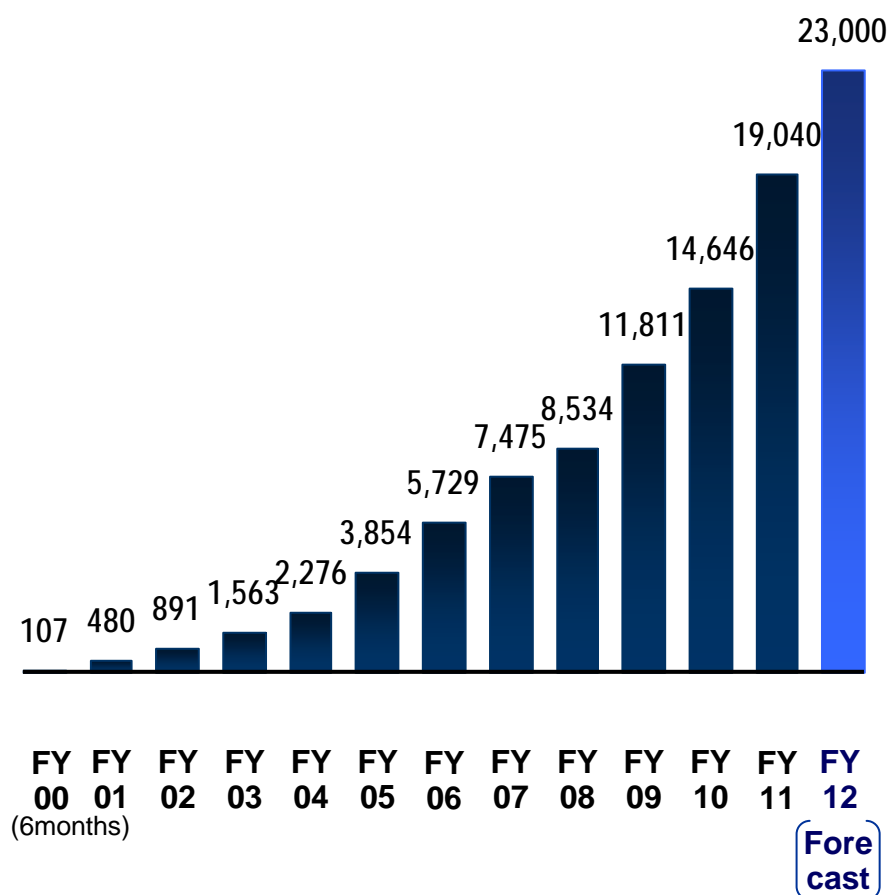
Outline

- Ratio: 3-for-1 Stock Split
- Record Date: Sep. 30th, 2012
- Effective Date: Oct. 1st, 2012

Annual Results & Forecast for FY2012

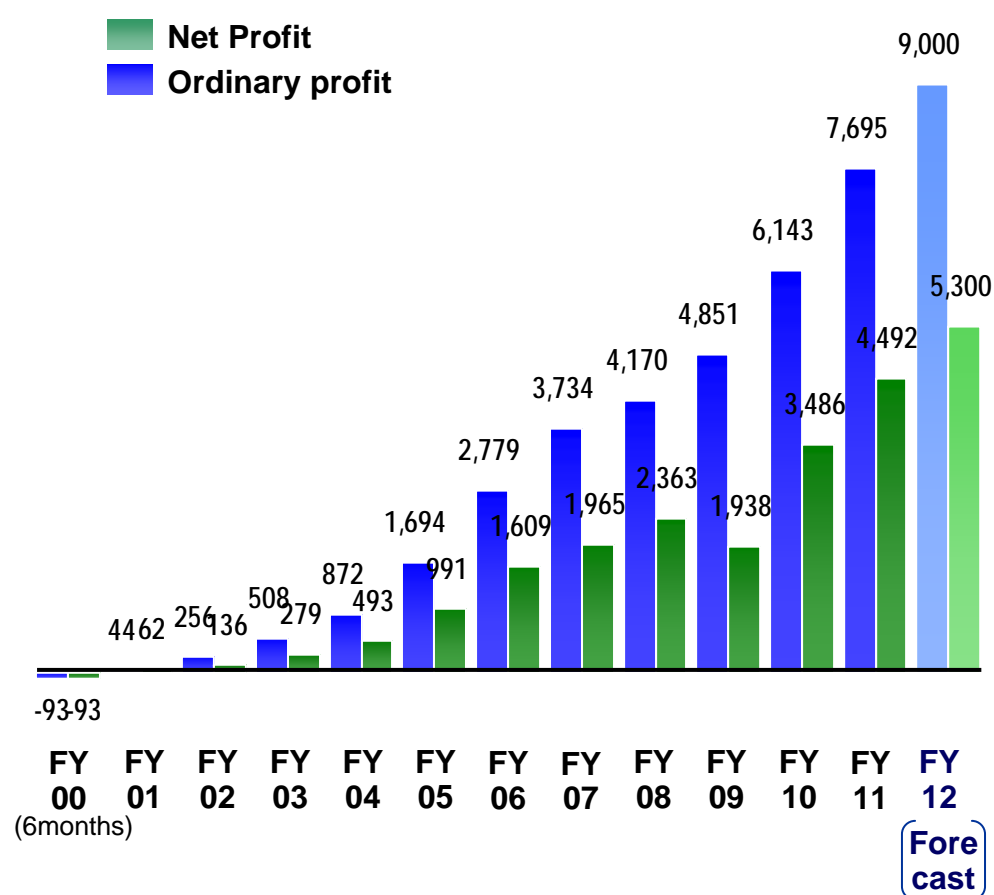
Sales

(¥ mn)

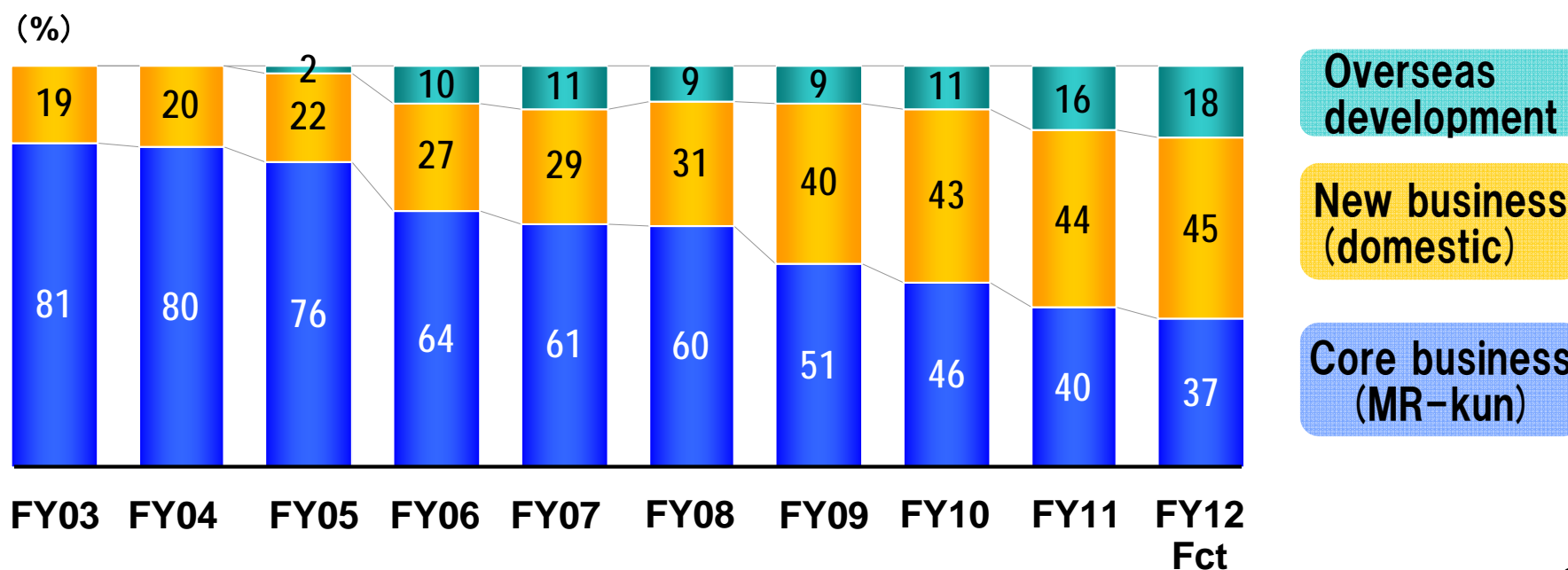
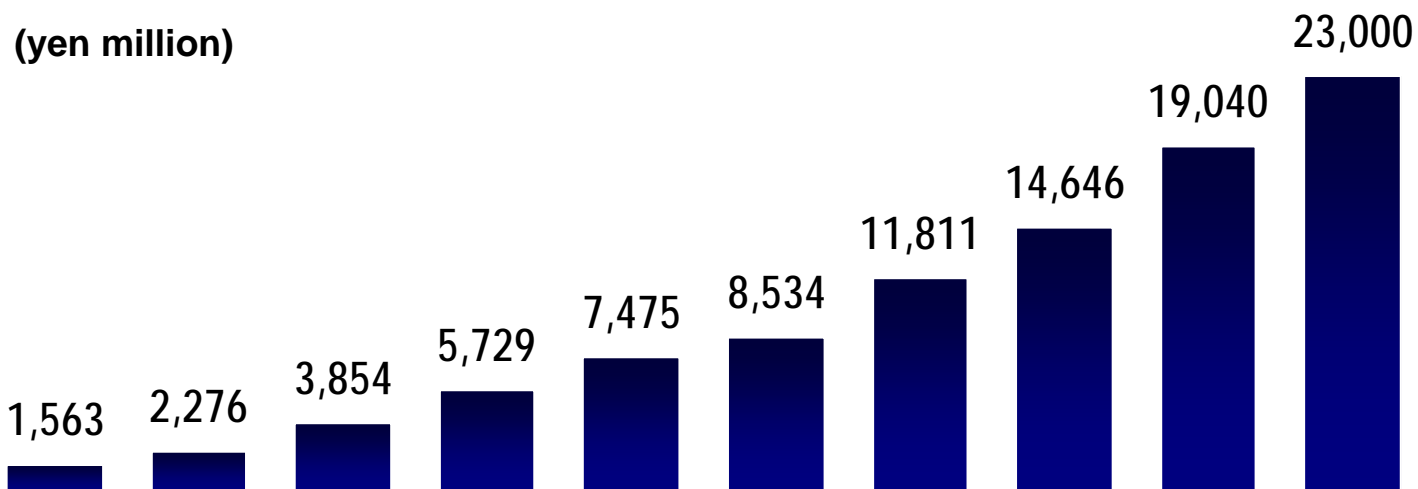


Ordinary Profit & Net Profit

(¥ mn)



Consolidated Sales Trend



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 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, M3