



**MTI Ltd.**

## **Financial Results Briefing for Q1/2022**

**February 10, 2022**



This report contains forward-looking statements on business performance based on the judgments, assumptions, and beliefs of management using the information available at the time. Actual results may differ materially due to changes in domestic or overseas economic conditions or changes in internal or external business environments or aspects of uncertainty contained in the forecasts, latent risks or various other factors. In addition, risk and uncertainty factors include unpredictable elements that could arise from future events.

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## Financial Results Overview for Q1 FY2022

I would now like to give you an overview of the results for the first quarter of the fiscal year ending September 2022.

## Financial highlight

### 1 Q1 Results

- Net sales ¥6,551 million (Up ¥246million, Up 3.9%, YoY)
- Operating income ¥451 million (Down ¥102million, Down 18.5%, YoY)

### 2 Good progress towards first-half financial forecast

- Net sales: 49.4 ~ 51.4%
- Operating income: 45.1 ~ 50.2%

### 3 Q1 Results

- Healthcare business: Extensive introduction for cloud drug record service
- Content business: Growth of security-related app

Consolidated net sales increased slightly year-on-year to 6.551 billion yen.

Operating income decreased by 18.5% year-on-year, down to 451 million yen.

The achievement rate of the first half financial forecast proceeded according to plan, in terms of both net sales and operating income.

The main achievements and initiatives for the first quarter were as follows.

In the content business, we registered a strong performance for security-related apps, and for the original comics content business.

In the Healthcare business, the extensive introduction of our cloud drug record system service continued to expand at a strong pace.

Additionally, we continued to proactively carry out initiatives related to childcare DX geared toward local municipalities.

I will be discussing each of these initiatives in greater detail, later on.

## Consolidated P/L

**Net sales : Slight increased in earning**  
**Operating income : decreased**

(Unit : Mil yen)

	FY2021 Q1	FY2022 Q1	YoY		
			Amount	Percentage	
Net sales	6,304	<b>6,551</b>	+246	+3.9%	Expansion of AI business
Cost of sales (ratio)	1,593 25.3%	<b>1,895</b> <b>28.9%</b>	+301	+19.0%	
Gross profit (ratio)	4,711 74.7%	<b>4,656</b> <b>71.1%</b>	(55)	(1.2%)	
SG&A (ratio)	4,157 65.9%	<b>4,204</b> <b>64.2%</b>	+47	+1.1%	
Operating income (ratio)	553 8.8%	<b>451</b> <b>6.9%</b>	(102)	(18.5%)	
Ordinary income (ratio)	495 7.9%	<b>395</b> <b>6.0%</b>	(99)	(20.2%)	
Profit attributable to owners of parent (ratio)	220 3.5%	<b>252</b> <b>3.9%</b>	+32	+14.7%	

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I would now like to discuss the consolidated P/L.

Net sales increased, year-on-year, by 3.9%, to 6.551 billion yen.

While the number of monthly paying subscribers in the Content business decreased on a year-on-year basis, the sales expansion of our cloud drug record service in the Healthcare business, and a strong performance in the AI business and DX Support business for large companies, translated into an overall increase in net sales.

A sales increase associated with the segment of Other - which has a high cost of sales ratio - translated into a gross profit mostly unchanged from the previous fiscal year, at 4.656 billion yen.

The shift to a teleworking system allowed us to reduce rents and other expenses.

On the other hand, we carried out an increase in development personnel done with the objective of enhancing the company's R&D efforts.

As such - primarily on account of an increase in personnel expenses - operating income decreased by 18.5%, year-on-year, down to 451 million yen.

Ordinary income decreased by 20.2%, year-on-year, down to 395 million yen.

A decrease in extraordinary losses and lower income taxes had a positive impact on profit attributable to owners of parent, which increased to 252 million yen.

## Consolidated SG&A :

**Personnel expenses : increased      Other expenses : decreased**

(Unit : Mil yen)

	FY2021 Q1	FY2022 Q1	YoY		
			Amount	Percentage	
SG&A	4,157	<b>4,204</b>	+47	+1.1%	
Advertising expenses	337	<b>360</b>	+23	+6.9%	
Personnel expenses	1,743	<b>1,912</b>	+169	+9.7%	Increase in development personnel
Commission fee	789	<b>753</b>	(36)	(4.6%)	
Subcontract expenses	441	<b>440</b>	(1)	(0.4%)	
Depreciation	272	<b>303</b>	+30	+11.3%	
Other	573	<b>435</b>	(137)	(24.0%)	Decrease in rents due to the shift to a teleworking system

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While the shift to a teleworking system resulted in a decrease in rents and other expenses, personnel expenses went up due to an increase in development personnel, as part of our efforts to enhance R&D.

As a result, SG&A expenses stood at 4.204 billion yen.

# Performance by segment

## Content Business

BtoC/BtoB

Content distribution service



## Healthcare Business

BtoC/BtoB/BtoBtoC

Existing healthcare service  
New healthcare service

LunaLuna

Mh母子毛



株式会社 CARADA CARADA 電子薬歴 Solamichi 株式会社 CARADA オンライン診療

## Other Business

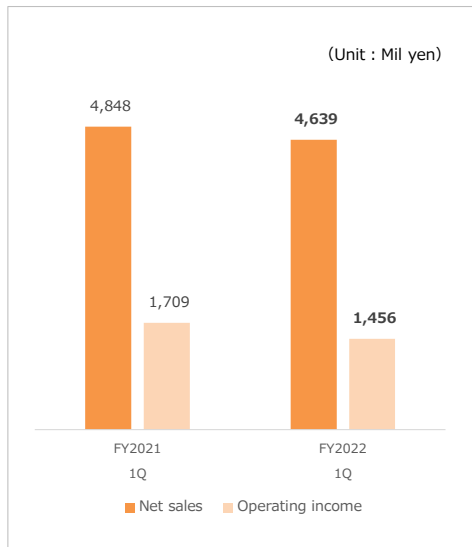
BtoB

AI service , DX service  
For corporate solution service



Next, I would like to discuss performance by segment.

## Content business: Net sales and operating income



### Decreased sales and profit

- + : Original comics are growing
- : The number of paying subscribers decreased

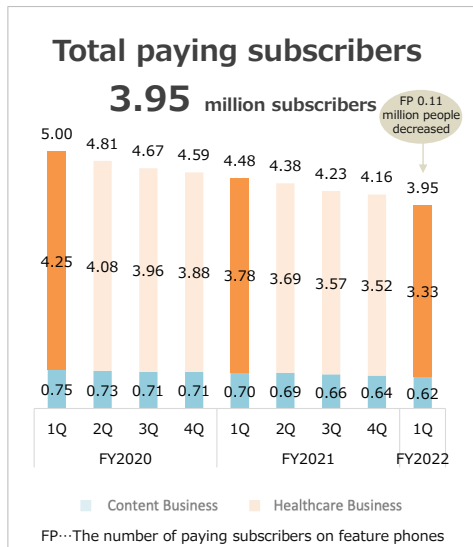
In the Content business, we registered 4.639 billion yen in net sales, and 1.456 billion yen in operating income.

This represents a year-on-year decrease in sales and profit.

While we registered an expansion in the original comics content business, this overall decrease in sales and profit was primarily on account of a decrease in the number of paying subscribers, on a year-on-year basis.



## Content business: The number of paying subscribers



## Degree of decrease is being reduced

- Brisk Security-related apps
- Breaking away from the number of paying subscribers on feature phones

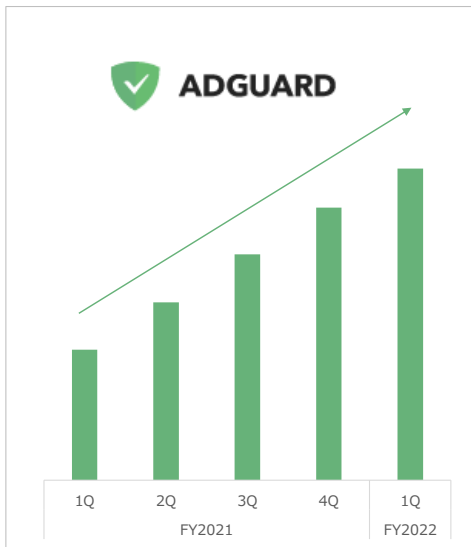
\* The number of paying subscribers are including healthcare business 'Luna-luna and 'Caradamedica' whose business model are monthly paid business above.

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The end of the support period for legacy feature phones temporarily led to a significant decrease in the number of paying subscribers.

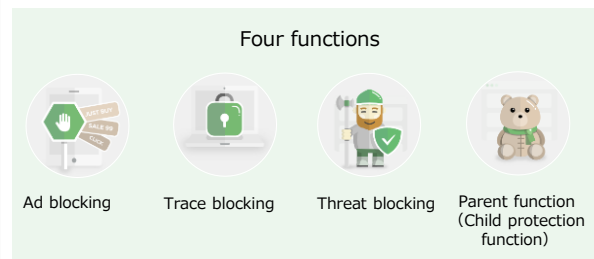
With that being said, the degree of the decrease is on an overall slowdown trend.

## Content business: Security-related app



### Security-related apps are growing

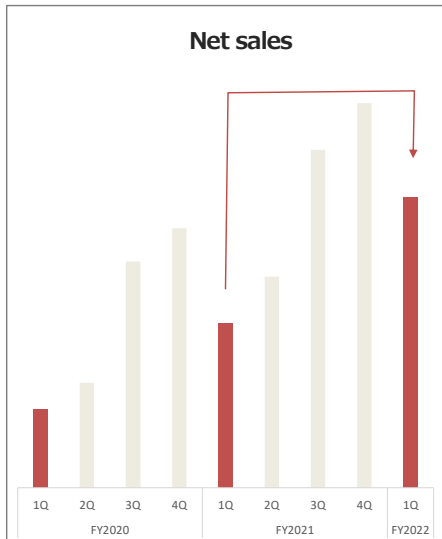
Over 300,000 people



While the overall number of paying subscribers continues trending lower, we registered a strong performance in terms of new subscriber registrations to security-related apps.

As of the end of December 2021, the number of registered users had surpassed 300,000.

## Content business: Original comics content business

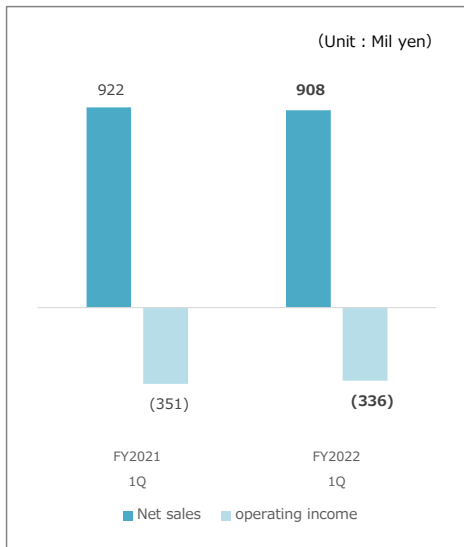


**Up 80% year-on-year**

Increase in comic titles introduced  
The serialization of hit titles contributed

Regarding the original comics content business, we have multiple hit titles in serialization, and success associated with these allowed us to grow sales by 80%, year-on-year.

## Healthcare business: Net sales and operating income



### Net sales levelled off

+ : Expansion of Cloud drug record service

- : The number of paying subscribers decreased

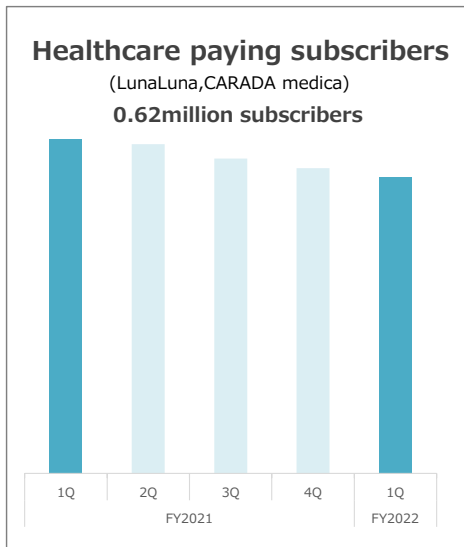
In the Healthcare business, we registered 908 million yen in net sales, and an operating loss of 336 million yen.

While we registered a year-on-year decrease in the number of paying subscribers in the Healthcare business, the sales expansion associated with the initial introduction of our cloud drug record service made a positive contribution.

In light of this, net sales leveled off, year-on-year, in the Healthcare business.

Expenses associated with anticipatory investment continued to weigh down on operating income.

## Healthcare business: The number of paying subscribers



### Leveling off

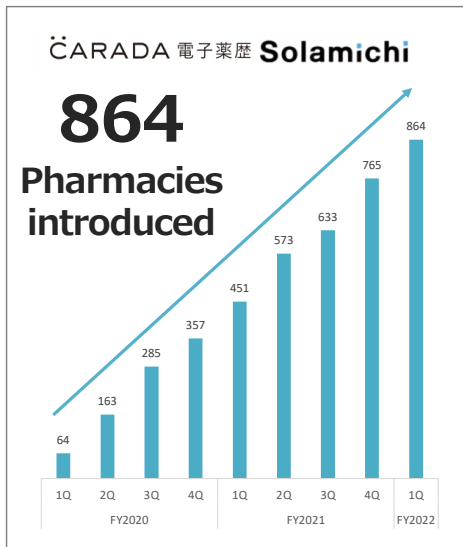
Breaking away from the number of paying subscribers on feature phones  
(Ceasing to fall from now)

The number of paying subscribers in the Healthcare business stood at 620,000.

We registered a decrease in the number of paying subscribers associated with the end of the support period for feature phones.

However, we expect this number to level off going forward, as all current subscribers are smartphone subscribers.

## Healthcare business: Cloud drug record service



## Extensive introduction

- Up 99 from the previous quarter

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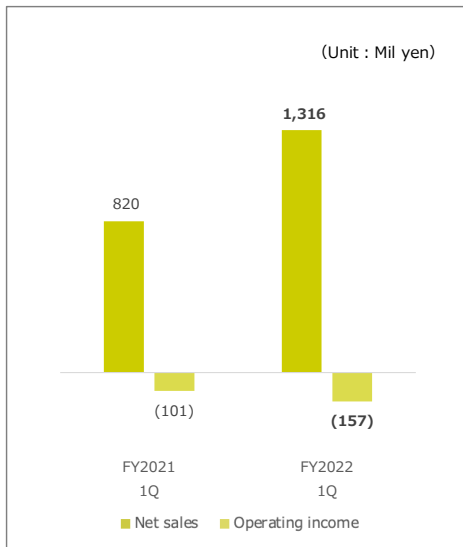
There continues to be increased interest in electronic drug administration record systems, as a result of changes to the medical remuneration system.

Against this backdrop, we were able to grow the number of orders for our cloud drug record service, for use by dispensing pharmacies.

As of the end of December, the cumulative number of pharmacies that have introduced "Solamichi" had grown by 99, quarter-on-quarter.

The cumulative total stood at 864 pharmacies.

## Other business (AI,DX business, etc.): Net sales and operating income



**Expansion of AI businesses**  
**Expansion of DX support business**

In Other business, net sales grew 60.6%, year-on-year, to 1.316 billion yen.

MTI was successful in capturing demand for our AI business and DX Support business for large companies.

This allowed us to significantly increase the number of orders we received.

Personnel expenses went up due to an increase in development personnel, as part of our efforts to enhance R&D.

This, among other factors, translated into an operating loss of 157 million yen.

## Progress for earnings forecast

### Good progress towards sales and profits

(Unit : Mil yen)

	FY2022 Q1 Actual	FY2022 H1 Forecast	Progress ratio
Net sales	6,551	12,750~13,250	<b>49.4~51.4%</b>
Operating income	451	900~1,100	<b>45.1~50.2%</b>
Ordinary income	395	700~900	<b>43.9~56.5%</b>
Profit attributable to owners of parent	252	300~500	<b>50.6~84.3%</b>

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In terms of progress versus the forecast for the first half of the fiscal year, sales and profits are within the forecast range.

The respective progress rates for each item are as shown here.

This concludes my consolidated financial results overview for the first quarter of fiscal year 2022.



## Approach in Q2 and beyond

Next, I would like to discuss the approach in the second quarter of fiscal year 2022 and beyond.

## Basic policies and priority issues for FY2022

**Content business : Securing profit**  
**Healthcare business : Further sales growth**

### 1. Healthcare business

- ① Further expansion of the Cloud drug record service
- ② Promotion of the platform strategy of the childcare DX, "Boshimo"

### 2. Content business

- ① Original comics content business growth
- ② Security-related app

### 3. Other business (AI,DX business, etc.)

- ① AI business expansion
- ② Expansion of DX support business

Allow me to discuss MTI's basic policies and priority issues in fiscal year 2022.

The MTI Group intends to continue to secure profits through the Content business, while at the same time aiming for further sales growth in the Healthcare business - pro-actively carrying out a variety of initiatives.

We also intend to expand sales in the AI business and DX Support business - businesses which receive a large number of inquiries.

On a per-segment basis, we will be tackling the priority issues listed here.

In the Healthcare business, we will work toward further expanding the cloud drug record service business.

Simultaneously, we will also be promoting our platform strategy of the childcare DX, "Boshimo" .

In the Content business, we will continue focusing on growth in the original comics content business and in security-related apps.

In Other business, we will be increasing the number of orders associated with the AI and DX Support businesses.

## Cloud drug record service

Linking medical institutions and patients  
Cloud drug record service

ÄARADA 電子薬歴 **Solamichi**



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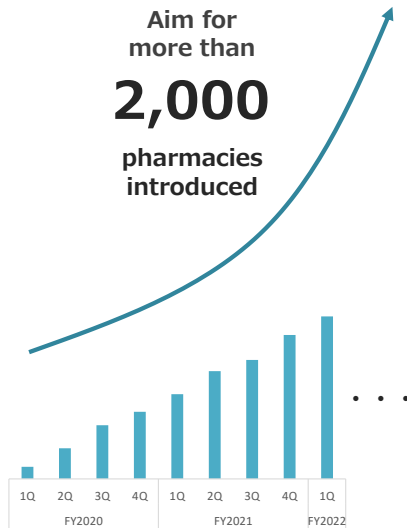
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Next, I would like to give you a progress report regarding the introduction of our cloud drug record service, in the Healthcare business.


## Cloud drug record service

ĀARADA 電子薬歴 Solamichi

Aim for  
more than  
**2,000**  
pharmacies  
introduced



## Further increase in the number of pharmacies introducing the service

- Collaboration with  Medipal Holdings Corporation, a major prescription pharmaceutical wholesaler
- Collaboration with large system companies that provide services to pharmacies
- Commenced partnership with Mitsubishi Electric IT Solutions Corporation
- Commenced partnership with FUJIFILM Healthcare Systems Corporation

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There is ample demand on the part of dispensing pharmacies for the introduction of our cloud drug record service business.

Against this backdrop, we will seek to grow sales by further increasing the number of pharmacies introducing “Solamichi”.

Toward achieving the introduction of “Solamichi” at 2,000 pharmacies, we will be further strengthening our business collaboration with Medipal Holdings and, at the same time, also continue to enhance our sales collaboration with receipt computer manufacturers.

## Maternal health record book app + Childcare DX services

Connect parenting households and local governments

### Maternal health record book app + Childcare DX services



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Next, I would like to give you the progress report for our maternal health record book app “Boshimo” and childcare DX services.

## **Development of the platform business starting with the maternal health record book app "Boshimo"**

**Phase 1 : Introducing Maternal health record  
book app "Boshimo"**  
**Phase 2 : Online consultation**  
**Phase 3 : Childcare DX services**

Brand awareness for our maternal health record book app "Boshimo" is on the rise across the country, on account of an increase in the number of municipalities introducing this service and its high number of users.

Its vaccination schedule function, in particular, is very popular with users.

We will be executing the three phases shown here, toward promoting the transformation of "Boshimo" into a platform.

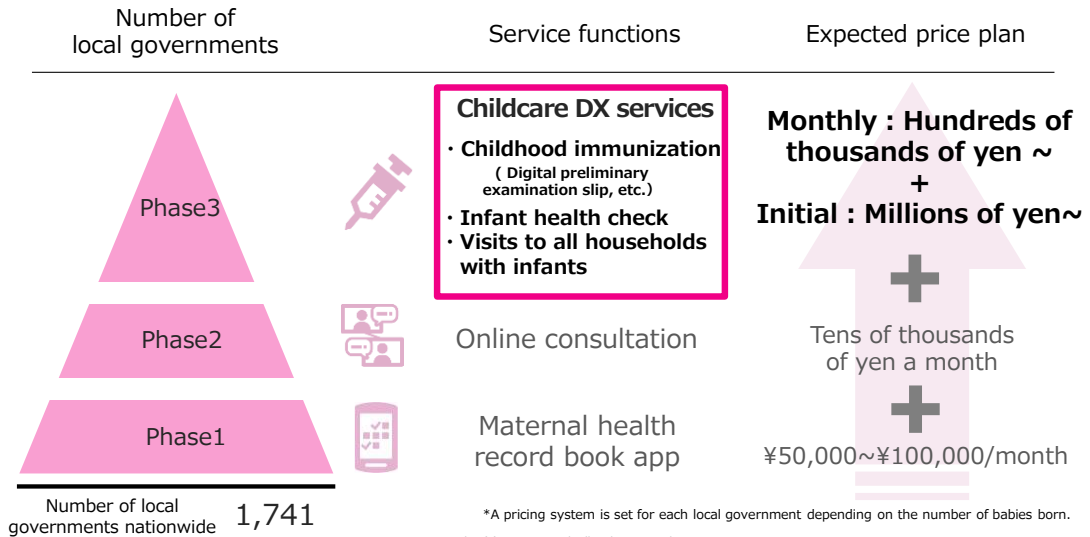
Phase 1 consists of the introduction of the maternal health record book app "Boshimo", with phase 2 consisting of online consultations.

Lastly, phase 3 encompasses childcare DX services, starting with childhood vaccinations.

During the current fiscal year, we will be primarily working in earnest toward widespread awareness and adoption of childcare DX, which is a phase 3 initiative to migrate to the digital sphere the childcare support services offered by municipalities.

## Maternal health record book app + Childcare DX services

### Promotion of the introduction of childcare DX services for the digitalization of municipal government work



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This slide describes “Boshimo”'s business model.

“Boshimo” is a free-to-use service geared toward all residents of local communities.

We then receive a monthly usage fee from the municipalities that offer this service to their local communities.

In Phase 1, our maternal health record book app has a fee structure starting at 50,000 yen.

In Phase 2, online consultations are one of the app's upsell services, and they allow local residents to ask their local governments child rearing questions and ask for advice and guidance.

We offer this service for a monthly fee of several tens of thousands of yen.

In Phase 3, we offer Childcare DX services.

Within this service, we offer to residents of local governments, in digital format, a number of functions pertaining to childcare support, which previously were carried out on paper.

These services fall primarily in the category of childhood vaccinations, infant health checks, and visits to all households with infants.

Within the scope of this Childcare DX service, data is not restricted to local residents and local governments, as we also share it with medical institutions such as neighboring pediatric clinics and health centers.

As such, we employ a fee structure consisting of an initial fee, followed by monthly fees.

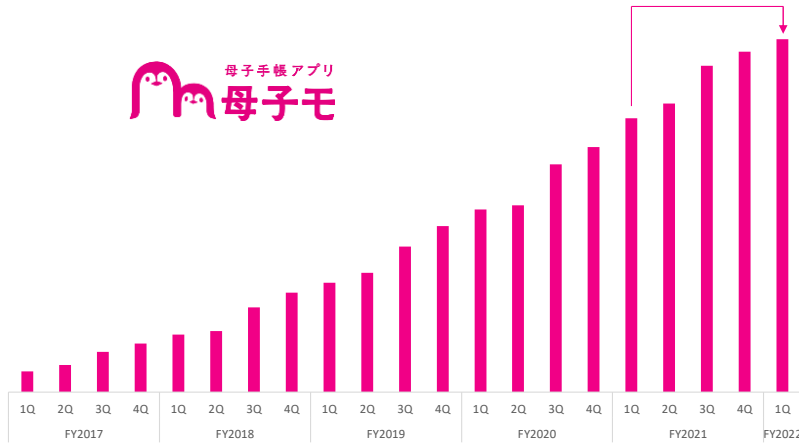
This business model is structured in such a way that, by increasing the number of local governments adopting this service, we are also expanding the overall “Boshimo” business.

## Phase 1 : Maternal health record book app "Boshimo"

Extensive introduction  
at a speed exceeding 100/year

# 429

As of December, 2021



\*The calculation is based on the assumption that there exist 1,741 local governments in Japan, according to the website of the Japan Agency for Local Authority Information Systems.

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Within phase 1, the number of local governments introducing the "Boshimo" maternal health record book app continues growing at a healthy pace.

As of the end of December 2021, this number stood at 429, and is growing at a speed exceeding 100 new municipalities per year.

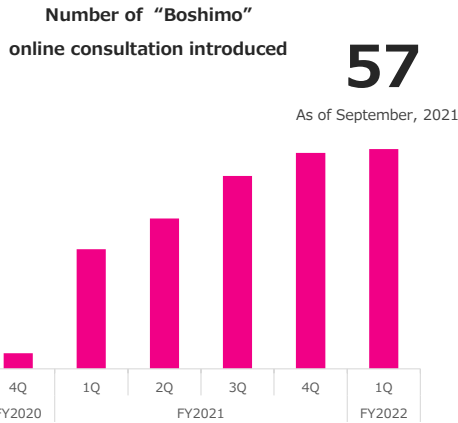




## Phase 2 : Online consultation

**The number of local governments that introduced the service reached 57 contracts.**

**Respond to demand from people raising children in remote locations and during the ongoing COVID-19 pandemic.**



\*The screen is an image.

\* The calculation is based on the assumption that there exist 1,741 local governments in Japan, according to the website of the Japan Agency for Local Authority Information Systems.

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Within phase 2, we offer online consultations.

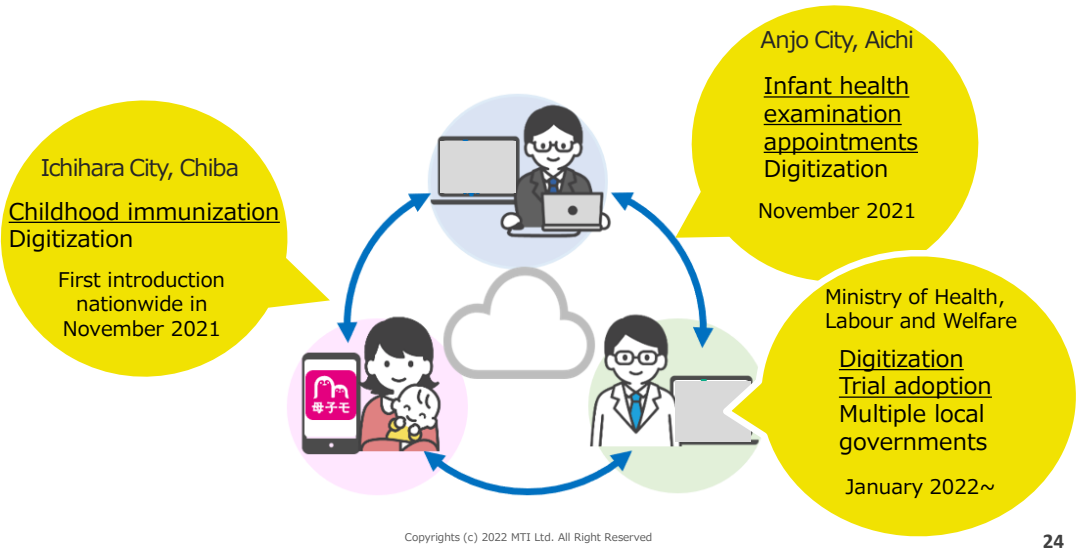
Against the backdrop of people refraining from going outside as a result of the COVID-19 pandemic, there has been growing demand for a digital transformation at the Government administration level, for things like childcare services offered online.

This allowed us to grow the number of local governments that introduced the service, to 57 - as of the end of December 2021.



## Phase 3 : Childcare DX services

**Shifting all procedures for children's immunization from paper to digital.  
Realization of digital linking between municipalities, hospitals, and residents.**



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We are currently making strong progress in executing childcare DX initiatives, which correspond to phase 3.

First, in October 2021, Ichihara City, Chiba Prefecture became the first to introduce this service.

Through this, the paperwork created through the interactions between residents, municipalities, and medical institutions - within the context of childhood vaccinations - has been replaced by a digital solution.

This presents a significant advancement in the digitalization of childcare functions. Three months after this service was introduced, already 80% of preliminary examination forms filled out by residents are digital.

Additionally, by sharing this preliminary examination form data with local municipalities and medical institutions, this obviates the paper-based ledger entry process of basic information, and the process of typing out handwritten forms. It also obviates the process of entering vaccination records and the billing process, as all of these functions are automated, making digital transformation a reality.

Another example is Anjo City in Aichi Prefecture, which introduced our app in April of 2021, and later adopted childcare DX in November.

The usage rate in Anjo City is high, reaching a digitalization rate of 90% for infant health examination appointments.

Furthermore, the Ministry of Health, Labor and Welfare is carrying out a digitization trial adoption - including MTI's childcare DX service - in Kitakyushu City in Fukuoka Prefecture and Obu City in Aichi Prefecture, as well as in other municipalities nationwide.

There has been considerable interest on the part of local municipalities, for childcare DX solutions, and we expect more municipalities to continue introducing our services.

As such, we intend to expand the number of municipalities using our services and also further expand the functionality of childcare DX.

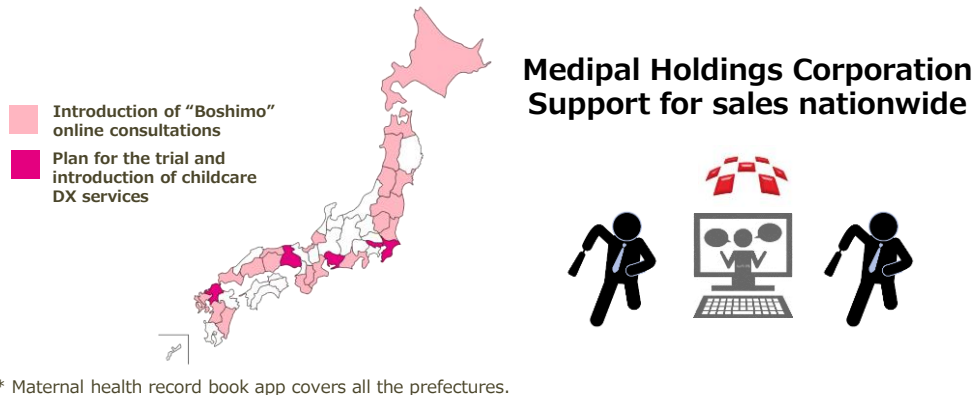
Through this, we seek to proactively grow this business.

(Reference)

## Maternal health record book app + Childcare DX services



**Strengthening sales through collaboration with Medipal Holdings Corporation and inbound effect due to greater resident utilization rate**



Regarding sales activities targeting local municipalities, we will be combining online and face-to-face sales while keeping a close eye on the number of COVID-19 cases, and continue strengthening our collaboration with Medipal Holdings.

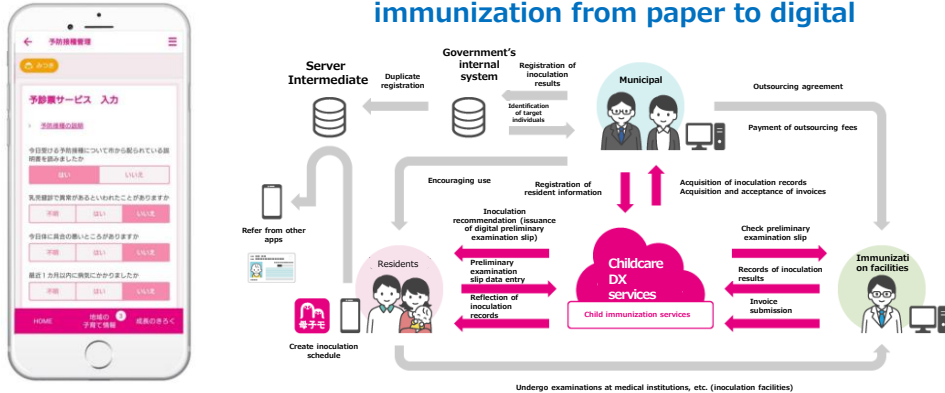
(Reference)

# Explanatory drawing of Childcare DX services



Realization of digital collaboration between administration offices, hospitals and local residents in response to a rise in demand for DX in administrative services amid the COVID-19 pandemic

## Shifting all procedures for children's immunization from paper to digital



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## Earnings forecast for FY2022

(Unit : Mil yen)

	FY2021 (Actual)			FY2022 (Forecast)			YoY	
	Full year	H1	H2	Full year	H1	H2	Amount Full year	Ratio Full year
Net sales	25,743	13,046	12,696	26,000	13,000	13,000	+256	+1.0%
Cost of sales	7,001	3,419	3,581	7,200	3,600	3,600	+198	+2.8%
Gross profit	18,741	9,627	9,114	18,800	9,400	9,400	+58	+0.3%
SG&A	16,811	8,395	8,416	16,800	8,400	8,400	(11)	(0.1%)
Operating income	1,929	1,232	697	2,000	1,000	1,000	+70	+3.6%
(Ratio)	7.5%	9.4%	5.5%	7.7%	7.7%	7.7%		
Ordinary income	1,370	840	530	1,600	800	800	+229	+16.7%
(Ratio)	5.3%	6.4%	4.2%	6.2%	6.2%	6.2%		
Profit attributable to owners of parent	(1,164)	(1,416)	252	800	400	400	+1,964	-
(Ratio)	-	-	2.0%	3.1%	3.1%	3.1%		

※For convenience, the middle points in the range of financial forecasts are shown for the fiscal year ending September 30, 2022.

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The consolidated earnings forecast is as shown here, and remains unchanged from the last financial results briefing.

## Image of medium-term profit (by segment)

### Content business

Degree of decrease in the number of paying subscribers is reduced  
Focus on highly in-demand contents



### Other business (AI,DX business, etc.)

Grow steadily



### Healthcare business

Focus on expansion of stock sales (=profit)



The image of medium-term profit by segment for the MTI Group is as shown here.

As you can see, we view the Healthcare business as a growth driver that will allow us to unlock profit growth.

We will be focusing on growing recurring revenues for each of our businesses, starting with ones already showing signs of sales growth, like our cloud drug record service.

Through this, we will be aiming to achieve sustainable growth.



〈Contact us〉

Investor Relations Office

e-mail: [ir@mti.co.jp](mailto:ir@mti.co.jp)

<https://www.mti.co.jp/eng/>

This report contains forward-looking statements on business performance based on the judgments, assumptions, and beliefs of management using the information available at the time. Actual results may differ materially due to changes in domestic or overseas economic conditions or changes in internal or external business environments or aspects of uncertainty contained in the forecasts, latent risks or various other factors. In addition, risk and uncertainty factors include unpredictable elements that could arise from future events.

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This concludes today's financial results briefing.

Thank you for your time.

# Appendix



# Consolidated B/S

MTI Ltd.

(Unit : Mil yen)

	FY2021	FY2022-Q1	Change		FY2021	FY2022-Q1	Change
Current assets	21,262	18,481	(2,781)	Current liabilities	6,655	6,272	(382)
Cash and deposits	15,540	12,722	(2,817)	Account payable-trade	1,147	1,093	(53)
Notes and accounts receivable-trade	4,501	4,545	+43	Current portion of long-term borrowings	451	452	+0
Other	1,254	1,252	(1)	Account payable-other	1,230	1,405	+175
Allowance for doubtful accounts	(33)	(38)	(5)	Income taxes payable	2,156	24	(2,131)
				Contract liabilities	-	2,214	+2,214
				Provision for point usage	115	-	(115)
				Other	1,554	882	(671)
Non-current assets	10,646	11,130	+484	Non-current liabilities	4,009	3,965	(43)
Property, plant and equipment	203	212	+9	Long-term borrowings	2,429	2,341	(88)
Intangible assets	3,711	4,239	+527	Retirement benefit liability	1,572	1,617	+44
Software	1,791	2,267	+476	Other	6	6	(0)
Goodwill	556	673	+117	Total liabilities	10,665	10,238	(426)
Customer-related assets	1,333	1,228	(105)	Shareholders' equity	17,241	15,321	(1,920)
Investments and other assets	6,731	6,678	(52)	Share capital	5,197	5,197	-
Investment securities	4,511	4,076	(434)	Capital surplus	6,660	6,557	(103)
Leasehold and guarantee deposits	318	313	(4)	Retained earning	8,665	6,847	(1,817)
Deferred tax assets	1,803	2,195	+392	Treasury shares	(3,281)	(3,281)	-
				Accumulated other comprehensive income	184	164	(20)
				Subscription rights to shares	161	165	+3
				Non-controlling interests	3,654	3,723	+68
Total assets	30,547	29,612	(2,296)	Total net assets	21,243	19,373	(1,869)
				Total liabilities and net assets	31,908	29,612	(2,296)

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## Trends in consolidated P/L

(Unit : Mil yen)

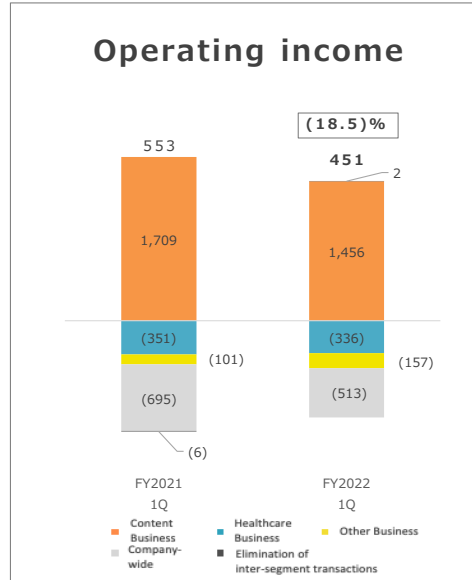
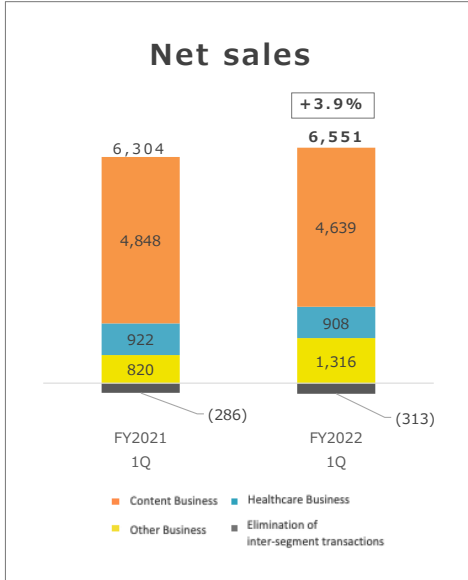
	FY2020				FY2021				FY2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Net sales</b>	<b>6,118</b>	<b>6,855</b>	<b>6,519</b>	<b>6,589</b>	<b>6,304</b>	<b>6,742</b>	<b>6,457</b>	<b>6,238</b>	<b>6,551</b>
Cost of sales	<b>1,627</b>	<b>1,904</b>	<b>1,783</b>	<b>1,814</b>	<b>1,593</b>	<b>1,826</b>	<b>1,728</b>	<b>1,853</b>	<b>1,895</b>
Gross profit	<b>4,490</b>	<b>4,951</b>	<b>4,735</b>	<b>4,774</b>	<b>4,711</b>	<b>4,916</b>	<b>4,728</b>	<b>4,385</b>	<b>4,656</b>
(Ratio)	73.4%	72.2%	72.6%	72.5%	74.7%	72.9%	73.2%	70.3%	<b>71.1%</b>
SG&A	<b>3,904</b>	<b>4,090</b>	<b>4,164</b>	<b>4,284</b>	<b>4,157</b>	<b>4,237</b>	<b>4,164</b>	<b>4,251</b>	<b>4,204</b>
<b>Operating income</b>	<b>586</b>	<b>860</b>	<b>570</b>	<b>489</b>	<b>553</b>	<b>678</b>	<b>563</b>	<b>133</b>	<b>451</b>
(ratio)	9.6%	12.6%	8.8%	7.4%	8.8%	10.1%	8.7%	2.1%	<b>6.9%</b>
Ordinary income	<b>404</b>	<b>905</b>	<b>651</b>	<b>121</b>	<b>495</b>	<b>345</b>	<b>428</b>	<b>101</b>	<b>395</b>
(Ratio)	6.6%	13.2%	10.0%	1.8%	7.9%	5.1%	6.6%	1.6%	<b>6.0%</b>
<b>Profit attributable to owners of parent</b>	<b>231</b>	<b>1,014</b>	<b>534</b>	<b>(1,273)</b>	<b>220</b>	<b>(1,637)</b>	<b>322</b>	<b>(69)</b>	<b>252</b>
(Ratio)	3.8%	14.8%	8.2%	-	3.5%	-	5.0%	-	<b>3.9%</b>

## Trends in consolidated SG&A

(Unit : Mil yen)



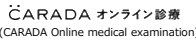
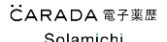
	FY2020				FY2021				FY2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>SG&amp;A</b>	<b>3,904</b>	<b>4,090</b>	<b>4,164</b>	<b>4,284</b>	<b>4,157</b>	<b>4,237</b>	<b>4,164</b>	<b>4,251</b>	<b>4,204</b>
Advertising expense	248	241	362	320	337	373	393	413	<b>360</b>
Personnel expenses	1,537	1,548	1,618	1,691	1,743	1,700	1,808	1,847	<b>1,912</b>
Commission fee	829	844	853	815	789	785	777	806	<b>753</b>
Subcontract expenses	305	372	342	406	441	445	452	464	<b>440</b>
Depreciation	307	450	425	437	272	312	261	286	<b>303</b>
Other	675	632	562	613	573	620	472	434	<b>435</b>

# Performance by segment



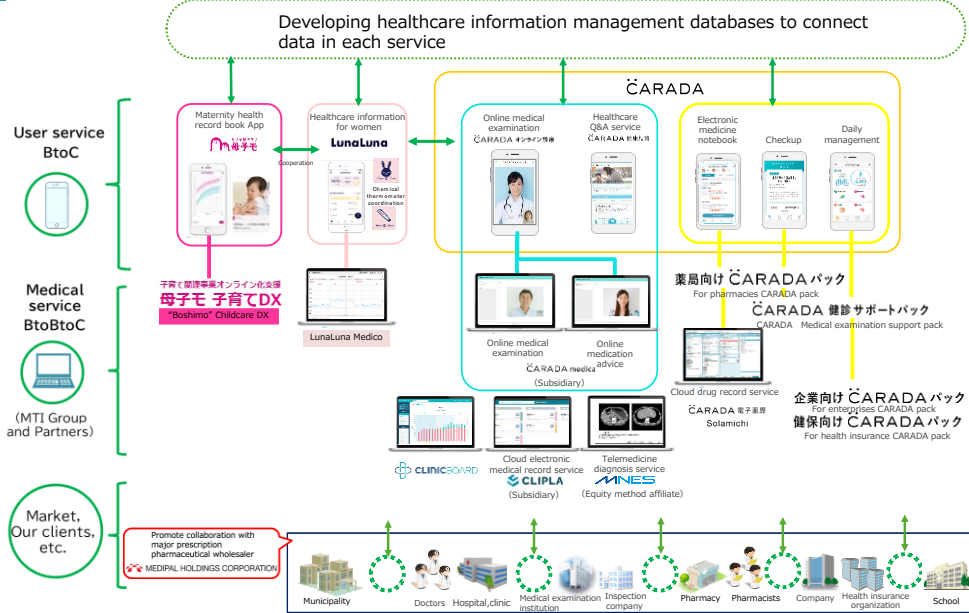
# The list of main healthcare services

Figures are the actual as of end of December 2021.

Name of service	Service of function	Business model
	Maternal and Child Health Handbook service app. Vaccine scheduling function, parenting curve and information provided by local governments.	BtoBtoC. The app is provided at no additional charge for those of childbearing age including mothers. Collects monthly usage fees from contracted local governments nationwide. The service has been adopted by 429 of 1,741 local governments nationwide.
<b>LunaLuna</b>	Healthcare info service for women. Forecasting menstrual day & ovulation day.	BtoC. Over 17 million DL cumulative. Three hundred yen fee or higher for fertility mode and other modes.
'Luna luna medico'	LunaLuna linkage function for gynecologists. Daily health information for female patients is shown on hospital computers. The service is for fertility treatment.	BtoBtoC. The service is currently provided at no additional charge. The service has been adopted by 1,000 gynecologists (April). (Patients are LunaLuna users [free/additional charge])
LunaLuna online medical examination	Complete online service provided in a single system, from making reservations for gynecological examinations to delivery of drugs from pharmacies	BtoBtoC. The service charged from February 2021.
 CARADA 健康相談 (CARADA Health consultation)	Q&A service for doctors and people engaged in medical services. Helps eliminate daily health concerns.	BtoC. ¥400/month
 CARADA オンライン診療 (CARADA Online medical examination)	the system offers full features that are necessary for online medical examination, from reservations to delivery of drugs and prescriptions .	BtoBtoC. Contracts with clinics and pharmacies. The service charged from February 2021.
<b>CARADA</b>	Service for medical examination institutions. Results of health checkups, including previous records, are sent to relevant smartphones as a graphic. The service, which enhances users' convenience, contributes to increasing the rate of checkups at health examination institutions.	BtoBtoC. Collects monthly usage fees from health examination institutions.
 CARADA 電子薬歴 Solamichi (CARADA Cloud drug history service)	Cloud drug administration record service for pharmacies The drug administration record navigation function is highly rated. Links with the CARADA medical history notebook app.	BtoB. Initial cost for introduction + monthly usage fee 864 orders have been received. Full-scale deliveries started in December 2019.

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# Healthcare business: Overview of Healthcare services



\*Some images are under development and may differ from the actual ones.  
 \*The services provided by the Group include some services that provide support for medical sites, but do not perform medical activities.  
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# Cloud drug record service

CARADA 電子薬歴 **Solamichi**



**864** pharmacies introduced September, 2021

Aim for more than **2,000** at an **Early stage**

### Market development with cloud technologies



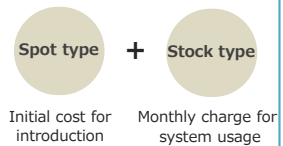
Pharmacy

Target **10,000** pharmacies  
Number of pharmacies across the nation **60,000** pharmacies

### What is 'medication history'?

Patient's drug prescription records  
Pharmacists at pharmacies dispense drugs based on doctor's prescriptions. After the drugs are administered, they monitor the effects and possible adverse effects through direct interaction with patients to prepare a drug administration history for each patient. Increasing interest in Cloud drug record due to the revision of the Medical Fee System.

### revenue scheme



# Maternal health record book app "Boshimo"

"Boshimo" is a parenting support app that provides seamless support from pregnancy, childbirth and childcare.



**Pregnancy health records**

**Weight graph during pregnancy**

**Vaccination management**

**Infant health checkup records**

**Height and weight graphs**

**Growth records**

**Notice**

**Childcare support facility search**

**Local childcare events**

**Questionnaire**

**Schedule management**





〈Contact us〉

Investor Relations Office

e-mail: [ir@mti.co.jp](mailto:ir@mti.co.jp)

<https://www.mti.co.jp/eng/>

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