

CORPORATE PROFILE

Making the world *a step forward*

MTI Ltd.

Building a Brighter Future for the World

Ever since our foundation, anticipating the change of the era, MTI has been creating and offering services attuned to contemporary needs via websites and apps. The scope of our services has greatly expanded and the wide-ranging content we offer includes healthcare, fintech, music, video, e-books, lifestyle-related information, and entertainment.

Our mission is to bring greater convenience and fulfillment to our customers' everyday lives as their partner. To continue to be a source of attractive services, we have integrated capabilities covering marketing, production, and development. Our focus is on creating high-quality services that meet customers' expectations.

Identifying customers' needs and aspirations to meet their rising expectations, MTI offers a great choice of innovative services, with much to delight every generation.



What does MTI do?





Top Message

The progress of IoT and AI is flattening the hierarchical structure of companies and other organizations. Borders are disappearing and industries are being transformation. In the present era, which is so conducive to the entry of new contenders offering disruptive technology, competition is intensifying. In these circumstances, we intend to seize opportunities by staying at the cutting edge of change.

Society and individuals are always changing. We imagine what society will be like 10 or 15 years ahead and envisage the services people will desire.

We emphasize the essence of what will be required, always going back to the fundamentals of services without being constrained by conventional wisdom.



Toshihiro Maeta
President and Chief Executive Officer

Going beyond creating something new by using new technology and new approaches, we seek to transcend the conventional framework, changing the combinations and relationships of business structures and industrial fields to create innovative services and systems unique to MTI that are attuned to the needs of our rapidly evolving society.

Each MTI employee's aspirations are keys to the future. Linking those aspirations with the ability to take decisive action geared to future needs, we will create services woven into the fabric of everyday life that will hasten the emergence of a seamless and smart future society, taking the world a step forward.

Mission: MTI will help build a brighter future for people by harnessing the rapidly evolving capabilities of mobile devices.

Vision: Making the world *a step forward*

History of Content

We have been the source of a stream of services covering various genres, such as music, healthcare, lifestyle-related information, and entertainment, since 1997.



What various services they have made!

Established on Aug. 12	Services for feature phones started!	<ul style="list-style-type: none"> •Obunsha Study Guides •Maple Guide •Used car information 	<ul style="list-style-type: none"> •Luna (current Luna Luna) women's health information site 	<ul style="list-style-type: none"> •Mobile dictionary •Professional baseball flash news 		
	<ul style="list-style-type: none"> •Voice information content •Weather forecast 		<ul style="list-style-type: none"> •Ringtone •Traffic information 	<ul style="list-style-type: none"> •Fortune-telling 		
1996	1997	1998	1999	2000	2001	2002

MTI's first TV commercial (ringtone) started!	TV commercial on music.jp started!	旺文社辞典 30冊	ルナルナ	ログとも logtomo.jp
•Congestion Diversion Mapple	music.jp®		まもも 30分	
•Obunsha Comprehensive Dictionaries			comic.jp	
			まもとも	
2003	2004	2005	2006	2007

Services for smartphones started!

TV commercials for Luna Luna started!	music.jp 雑流フル	music.jp STREAM	ListenRadiO	kcal	
music.jp ビデオ グリップ	ルナルナ	umoo!	エイジング	世界の指さしフレーズ point at phrases	
まもとも	+KARADAMEDICA	パッと見! 路線情報	eサラダ		
	ソラダス	パス	entag!	•karadafit activity meter with communication functions	
2008	2009	2010	2011	2012	2013

DearGene	music.jp	Atleta	Luna Luna	Luna Luna app Over 12 million downloads
ライフレンジャー	Website for integrated distribution of music, video, and ebooks	MOVIE DRIP	Luna Luna	3D雨雲ウォッチ
Sakenomy	母子手帳アプリ		Luna Luna Medico Service for physicians	&Pay
	CHARADA		FEEDER	
2014	2015	2016	2017	2018

* Content services that have already been terminated are also listed here.

Content Distribution Services

MTI offers a wide range of lifestyle-related services via its mobile websites and apps.

Healthcare:

Taking everyone's health a step forward

We offer *Luna Luna*, a healthcare information service for women, as well as various services supporting the health of people in every generation. Through services utilizing ICT, we will continuously support the affluent and healthy lives of more and more people.

① Healthcare information service supporting women's physical and mental wellness throughout their lives according to life stages and concerns
Luna Luna is a healthcare information service that forecasts the next menstrual and ovulation dates and the most and the least fertile dates based on the record of previous menstrual dates. As well as offering tips on skin and other physical conditions and on beauty care, *Luna Luna* responds to physical and mental concerns unique to women and concerns of women who are pregnant and/or are nursing children. *Luna Luna* meets the needs of women as

they experience the different phases of life.

In particular, *Luna Luna's* patented proprietary logic for forecasting ovulation dates and the most fertile dates analyzes big data gathered by *Luna Luna* and forecasts those dates for each user according to the user's menstrual cycle. It notifies the user of the date with the highest probability of pregnancy. Thanks to high-precision forecasting, *Luna Luna* is highly rated by users as a valuable aid for women who wish to conceive a child.

We also offer *Luna Luna Medico*, an easy-to-use function that enables a woman to show the data on her menstrual dates and basal body temperature recorded and managed by *Luna Luna* to her doctor. This function is designed to decrease the burden on both patients and doctors through data sharing while enhancing the quality of healthcare services.





② Electronic mother-and-child health handbook service connects local governments with the childcare generation

Boshimo is a mother-and-child health handbook app. This app supports the parents from pregnancy through to childcare, including recording and management of health data of the expectant and nursing mother and the child, immunization schedule management, and provision of helpful information on delivery and childcare. The sharing function allows the user to share the data with the child's grandparents and other family members so that they can experience the joy of the child's development. The data stored in *Boshimo* can serve as a backup in the event of a disaster. The local government can provide information on childcare and local events via the app in real time. Increasing opportunities to communicate with the childcare generation will contribute to vitalization of local communities.

* *Boshimo* can be used in combination with the conventional mother-and-child health handbook.



③ Connecting companies, pharmacies and institutions offering physical examinations with consumers

CARADA, a physical data management app, can record and manage physical data, such as the number of steps taken, weight, meals and blood pressure, and the results of physical examinations, encouraging users to adopt healthier lifestyles.

We also offer a service for companies, pharmacies, health examination institutions and health insurance associations that utilizes the functions of *CARADA* and its accumulated data to support the health of individuals. *CARADA* is our new approach for extending healthy life expectancy and reducing healthcare expenses.

CARADA

* *CARADA* is a trademark or a registered trademark of MTI Ltd. or that MTI Ltd. has the right to use.

4 Condition management service for athletes

Atleta is a service encouraging athletes to cultivate the habit of managing their daily condition by recording their physical condition, sleep, meals, and exercise details so that they can enhance their self-management skills for effective development and better performance.

With its visual presentation capabilities, *Atleta* enables coaches to utilize data on athletes' daily conditions, amount of exercise, and other data. *Atleta* facilitates communication between coaches and athletes, helps prevent injuries, and supports personalized coaching and exercise menus optimized for the individual athlete.



Fintech: Everyone's payment, a step forward

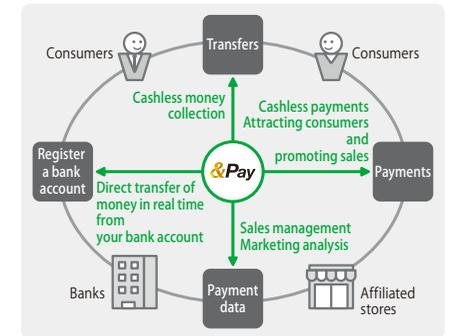
Direct debit smartphone payment linked with banks' read and write APIs

&Pay is a smartphone payment service. Linking MTI's proprietary settlement system with banks' read and write APIs, *&Pay* enables a user who has an account with a partner bank to transfer money between the user's account and accounts of third parties (affiliated stores and other users) without an intermediary, such as a credit card company. This service is both convenient in that the transfer of money is reflected in real time on the app and highly secure.

Consumers are freed from the chore of filing applications for online transactions and the risk of excessive spending is minimized. Affiliated stores have less workload than in the case of handling cash and can utilize the sales data to create new customer contact points. Banks can expect to minimize the costs associated with handling cash payments. The new experience that we offer simplifies payment to increase convenience while facilitating realization of a cashless society.

Based on our track record of offering solutions to regional banks that contribute to the important task of vitalizing regional economies, we will also contribute to regional vitalization by connecting consumers, businesses, banks, and all other members of the community through *&Pay*.

* Application Programming Interfaces (APIs) for accessing banks' account information are classified into read-only APIs and read and write APIs.
Read-only APIs : APIs for referring to the account balance and deposit/withdrawal history from an external service
Read and write APIs : APIs for remittance etc. from an external service



Life Entertainment:

Taking people's lives a step forward

● Music / Video / Books & Comics

music.jp Integrated Online Store

music.jp is one of Japan's largest one-stop stores offering music, video, books and comics. From a profusion of diverse content, you can purchase the items you like straightaway. From the latest J-POP and Western popular music to golden oldies; the latest Japanese and international TV drama series, movies, anime, and variety shows; and the latest popular comics and novels, including those that have been turned into movies or televised, how-to books, online magazines, and more! Content is distributed with high audiovisual quality. Premium subscribers enjoy the advantages of bonus points and other benefits.

Subscribers to the "TV course" can view three channels dedicated to music, content for kids, and sports 24x7. You can enjoy TV programs wherever you are whenever you want in real time.

*Video programs provided by VideoMarket



● Lifestyle Information

As well as nationwide weather information, local disaster warnings, and in-depth local information, we provide travel guides, information on places of interest, and traffic information, including on congestion. A sophisticated car navigation app featuring the latest maps is also available.

3D Amagumo Watch, a torrential rain forecasting app using state-of-the-art weather radar, detects the likelihood of torrential rain by monitoring cloud formation etc.—which had previously been difficult to do, and issues an alert instantaneously, encouraging people to evacuate, as necessary. It is a useful disaster countermeasure.

3D雨雲ウォッチ

● Entertainment

Our range of exciting entertainment services will make your life sparkle. It includes an app for one of Japan's largest sake information search services, easy-to-play casual games, news sites for diverse categories of news, etc. We also operate many fortune-telling sites featuring popular fortune tellers in various genres.





Non-virtual Affiliate Business

We promote sales of third-party smartphone content to customers who visit mobile phone retail outlets.

Taking smartphones a step forward

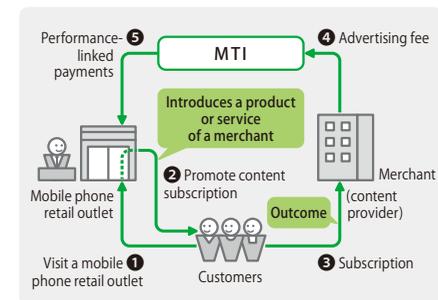
An affiliate marketing business is a performance-linked, marketing business using advertising. An affiliate introduces a merchant's products and services on the Internet and if there is a positive outcome (for example, a customer purchases the merchant's product), the affiliate receives compensation from the merchant.

By applying this framework to its nationwide network of mobile phone retail outlets, MTI operates a non-virtual affiliate marketing business. Staff of mobile phone retail outlets encourage their customers to subscribe to content and if customers do so, the outlets receive performance-linked payments from MTI.

MTI has contracts with mobile phone retail outlets throughout Japan and has one of the largest non-virtual affiliate marketing networks in Japan. The initial purpose of establishing the network of mobile phone retail outlets was to attract paying subscribers to our content. Taking the success of

this approach a step forward, we operate the non-virtual affiliate business to earn commission by promoting sales of third-party content.

We provide meticulous support to mobile phone retail outlets, including POPs, which clearly and simply introduce a wide range of content, and sales manuals to help store personnel recommend the genres that suit customers' preferences, as well as support for other aspects of store operation. All this support also contributes to high levels of satisfaction among consumers.





www.mti.co.jp/eng



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Corporate Profile

Company Name

MTI Ltd.

(Stock code: 9438)

(Listeng : First Section of the Tokyo Stock Exchange)

Head Office

35th Floor, Tokyo Opera City Tower
3-20-2 Nishi-Shinjuku, Shinjuku-ku,
Tokyo 163-1435, Japan
Phone +81-3-5333-6789

Sales Offices

Hokkaido Office (Sapporo)
Tohoku Office (Sendai)
Tokai Office (Nagoya)
Hokuriku Office (Kanazawa)
Kansai Office (Osaka)
Chugoku Office (Hiroshima)
Shikoku Office (Takamatsu)
Kyushu Office (Fukuoka)
Okinawa Office (Naha)

Founded

August 12, 1996

Capital

5,135 million yen

(Consolidated basis, Sept 30, 2019)

Number of Employees

1,136 (Consolidated basis, Sept 30, 2019)

Main Business

Content distribution for mobile phones

MTI Group

● Consolidated subsidiaries

MTI TECHNOLOGY Co., Ltd.

Solamichi System Inc.

Mediano Ltd.

Video Market Corporation

CARADA medica Inc.

Automagi Inc.

PHARUMO, Inc.

CLIPLA Inc.

● Equity method affiliates

SHANGHAI HYRON MTI CO., LTD.

StaGen Co., Ltd.

Shobunsha Publications, Inc.

Crowd Cast, Ltd.

Athlete, Inc.

MNES Inc.

Pocket Queries, Inc.

Board of Directors & Corporate Auditors

President and Chief Executive Officer
Toshihiro Maeta

Executive Vice President
Hiroshi Izumi

Executive Vice President
Minoru Takei

Senior Managing Director
Hiroshi Matsumoto

Director
Muzhi Zhou

Director
Hikaru Yamamoto

Director
Ryosuke Tsuchiya

Statutory Auditor (Standing Auditor)
Yasuhiko Niwa

Statutory Auditor
Yoshinobu Nakamura

Statutory Auditor
Kazuhiko Sakishima

Statutory Auditor
Kazuko Ohya



MTI Ltd.

January 14, 2020

Financial Information

Consolidated statements of income

Millions of yen

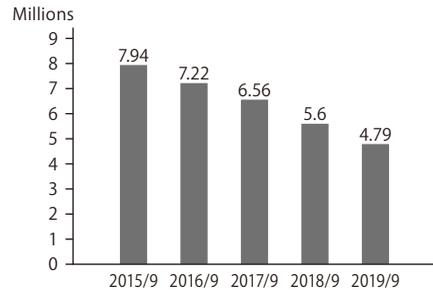
	2015/9	2016/9	2017/9	2018/9	2019/9
Net sales	33,461	32,844	30,933	29,075	27,112
Operating income	4,245	5,355	4,053	3,218	2,959
Operating income ratio(%)	12.7	16.3	13.1	11.1	10.9
Ordinary income	4,144	5,310	3,972	3,116	3,134
Ordinary income ratio(%)	12.4	16.2	12.8	10.7	11.6
Profit attributable to owners of parent	2,607	3,317	1,434	1,629	1,508
Profit attributable to owners of parent ratio(%)	7.8	10.1	4.6	5.6	5.6

Consolidated financial statements

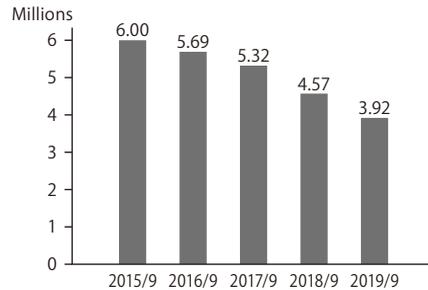
Millions of yen

	2015/9	2016/9	2017/9	2018/9	2019/9
Total assets	24,738	25,154	23,897	23,896	27,479
Net assets	16,591	17,852	17,937	18,808	21,794

Number of paying subscribers

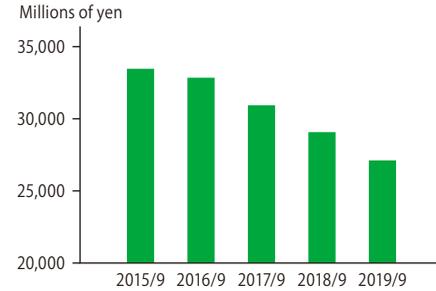


Number of paying subscribers to smartphone services

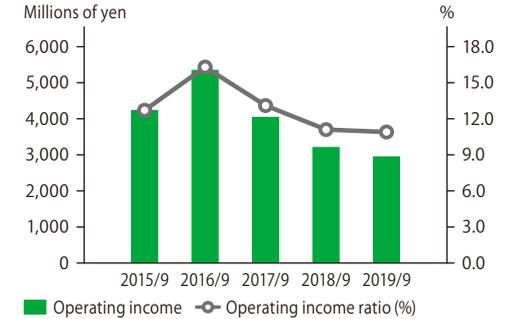


FINANCIAL INFORMATION

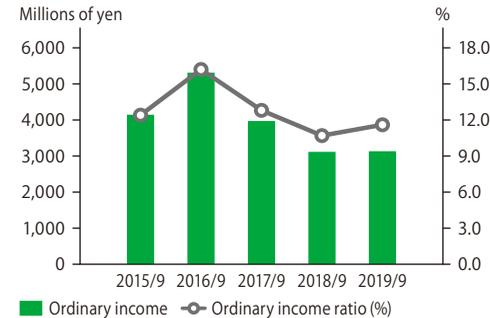
Net sales



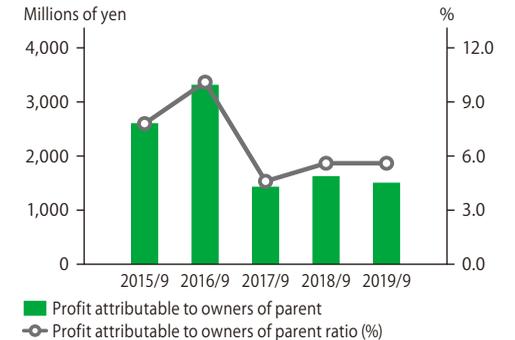
Operating income



Ordinary income



Profit attributable to owners of parent



FINANCIAL INFORMATION

Corporate History

Aug. 1996	MTI Ltd. is established.	Nov. 2015	MTI reorganizes StaGen Co., Ltd. into an equity-method affiliate.
Oct. 1997	MTI launches services for feature phones.	Sept. 2016	MTI establishes MYTRAX VIETNAM Co., LTD., now known as MTI TECHNOLOGY Co., Ltd.
Oct. 1999	MTI has its stock listed for trading on the over-the-counter securities market.	Dec.	MTI reorganizes Authlete Japan, Inc., now known as Authlete, Inc., into an equity-method affiliate.
Nov. 2000	MTI launches <i>Luna Luna</i> , a women's healthcare-related information website.	Mar. 2017	MTI reorganizes Video Market Corporation into a consolidated subsidiary.
Mar. 2004	MTI launches <i>music.jp</i> services.	May 2018	MTI reorganizes CLIPLA Inc. into a consolidated subsidiary.
Jun. 2010	MTI establishes SHANGHAI HYRON MTI CO., LTD.	Jul.	MTI reorganizes Crowd Cast, Ltd. into an equity-method affiliate.
Jul.	MTI launches a service for smartphones.	Aug.	MTI establishes Solamichi System Inc.
Nov.	MTI reorganizes Jibe Mobile K.K., now known as Automagi Inc., into a consolidated subsidiary.	Nov.	MEDIPAL HOLDINGS CORPORATION acquires a 34.4% stake in CARADA medica Inc.
Jun. 2012	MTI launches the Healthcare Division.	Jun. 2019	MTI reorganizes Shobunsha Publications, Inc. into an equity-method affiliate.
May 2013	MTI reorganizes Video Market Corporation into an equity-method affiliate.	Sept.	MTI reorganizes MNES Inc. into an equity-method affiliate.
Mar. 2015	MTI is listed on the First Section of the Tokyo Stock Exchange.	Oct.	MTI reorganizes Pocket Queries, Inc. into an equity-method affiliate.
Apr.	MTI reorganizes PHARUMO, Inc. into a consolidated subsidiary.		
Jul.	MTI establishes CARADA medica Inc.		