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Summary of Consolidated Financial Results for the First Quarter of
Fiscal Year ending September 30, 2014 (Japanese Accounting Standards)

February 5, 2014

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 Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): February 12, 2014
 Scheduled date of dividend payment: –
 Supplementary documents for quarterly results: Yes
 Quarterly results briefing: Yes (for institutional investors)

(Figures less than one million yen are omitted)

1. Consolidated Business Results for the Three Months Ended December 31, 2013
(October 1, 2013 – December 31, 2013)

(1) Consolidated operating results (cumulative total) (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of FY2014	7,498	2.3	909	323.6	870	303.1	425	129.8
First quarter of FY2013	7,331	-2.1	214	-77.9	216	-77.5	185	1.0

(Note) Comprehensive income: Three months ended December 31, 2013: 451 million yen (81.2%)
 Three months ended December 31, 2012: 248 million yen (67.6%)

	Net income per share	Net income per share/diluted
	Yen	Yen
First quarter of FY2014	33.92	33.72
First quarter of FY2013	14.53	–

We conducted a 100-for-1 share split which became effective as of April 1, 2013. Net income per share is calculated on the assumption that this share split was carried out at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Year ending 9/14 (as of December 31, 2013)	15,480	9,020	55.1
Year ended 9/13	15,646	8,869	53.7

(Reference) Shareholders' equity: Year ending 9/14(as of December 31, 2013): 8,535 million yen
 Year ended September 2013: 8,402 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of interim period	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended 9/13	–	0.00	–	25.00	25.00
Year ending 9/14	–	–	–	–	–
Year ending 9/14 (forecast)	–	10.00	–	10.00	–

(Note) Revision of dividend forecast for during this period : Yes

We will conduct a 2-for-1 share split which becomes effective on April 1, 2014, in accordance with “Notice Regarding Share Split, Partial Change of By-laws and Revision to Estimated Dividend” released on February 5, 2014. Therefore dividends per share at the end of 2Q FY2014 (Estimate) is calculated based on the figures before the share split. However, the Year-end dividends per share are calculated based on the figures after the share split. For details, please refer to “*Explanation for Appropriate Use of Forecasts and Other Notes” in the next page.

Accompanying Materials – Contents

1. Qualitative Information on Financial Results for the First Quarter Ended December 31, 2013	2
(1) Explanation on operating results	2
(2) Explanation on consolidated financial position	2
(3) Explanation of future forecast information including consolidated forecast for the fiscal year 2014	3
2. Matters Relating to Summary Information (Notes)	4
(1) Changes in important subsidiaries during the period.....	4
(2) Adoption of specific accounting methods for producing quarterly consolidated financial statement ...	4
(3) Changes in accounting policies, changes in accounting estimates, restatements.....	4
(4) Additional information	4
3. Consolidated Financial Statements	5
(1) Consolidated balance sheet	5
(2) Consolidated statements of income and consolidated statements of comprehensive income.....	7
(3) Notes concerning going concern assumption	9
(4) Notes on significant changes in shareholders' equity	9

1 Qualitative Information on Financial Results or the First Quarter Ended December 31, 2013

(1) Explanation on operating results

The circumstances surrounding our business in the first quarter have seen the release of iPhone by NTT Docomo as well as by all other cellphone carriers, and the continuing growth of smartphone-related markets in both hardware and software sections.

Under such circumstances, we were planning to actively introduce advertising campaigns in December selling season and to continue to enhance the number of paying subscribers for smartphone services. However, the number of paying subscribers for smartphone services as of December 31, 2013 had a little growth of 4.80 million (an increase of approximately 40,000 subscribers compared to September 30, 2013). This was mainly due to the fact that the release of the new iPhone model was the main focus at cellphone shops, thus leading to the temporal reduction in sales promotion of content for smartphone services. Also, the sales in December selling season were not stronger than what was expected.

Meanwhile, the net number of paying subscribers for feature phone services continued to decline, albeit at a slowing pace, amid the migration to smartphones, and stood at 3.05 million as of December 31, 2013 (a decrease of approximately 230,000 subscribers year on year).

The total number of paying subscribers as of December 31, 2013 was 7.85 million (a decrease of approximately 190,000 year on year). However, net sales increased slightly to ¥7.498 billion (an increase of 2.3% year on year) due to the growth in real affiliate bushiness that promotes the sales of the content of other companies at cellphone shops across Japan. Thus gross profit also increased slightly to ¥6.279 billion (an increase of 2.9% year on year).

Operating income increased to ¥909 million (an increase of 323.6% year on year) and ordinary income to ¥870 million (an increase of 303.1% year on year), while net income increased to ¥425 million (an increase of 129.8% year on year). Besides the increase in gross profit, this growth was brought by the fact that selling, general and administrative expenses sharply decreased due to less spending on advertising year on year. Sales promotion of content at cellphone shops was limited during last selling season.

Consolidated Business Results

(October 1, 2013 to December 31, 2013)

(Unit: million yen)

	First quarter of the fiscal year ending September 30, 2014	First quarter of the fiscal year ended September 30, 2013	Change	
			Amount	Percentage change
Net sales	7,498	7,331	+167	+2.3%
Gross profit	6,279	6,099	+179	+2.9%
Operating income	909	214	+694	+323.6%
Ordinary income	870	216	+654	+303.1%
Net income	425	185	+240	+129.8%

(2) Explanation on consolidated financial position

Assets, Liabilities and Net Assets

Total assets as of December 31, 2013 were 15.480 billions of yen, a decrease of 165 millions of yen from September 30, 2013.

In assets section, current assets decreased by 93 millions of yen, mainly due to a decrease in accounts receivable-trade despite an increase in cash and deposits. Noncurrent assets decreased by 72 millions of yen, due to mainly a decrease in software and a decrease in such as goodwill.

In liabilities section, current liabilities decreased by 386 millions of yen, mainly due to a decrease in income taxes payable despite an increase in provision for bonuses. Noncurrent liabilities rose by 69 millions of yen, due to mainly an increase in long-term loans payable and an increase in provision for retirement benefits.

Net assets increased by 151 millions of yen, was payment of cash dividends, but the recording of 425 millions of yen in net income.

	Total assets	Net assets	Equity ratio	Net sales per share
	Million yen	Million yen	%	Yen
First quarter of the fiscal year ending September 30, 2014	15,480	9,020	55.1	679.88
Fiscal year ended September 30, 2013	15,646	8,869	53.7	669.30

(3) Explanation of future forecast information including consolidated forecast for the fiscal year 2014

From the second quarter we will continue to spend on active advertising in conjunction with the release of new smartphone models in order to enhance the number of paying subscribers for smartphone services, and bolster the service functions.

We will also reinforce our advantage in the sales channel (Real affiliate business network), which promotes the sales of content to customers at the cellphone shops, and will continue to expand the real affiliate business of selling other companies' contents, which has become our secure source of income. Meanwhile, we will aim to enhance the number of new subscribers for our own contents, and to further expand the number of paying subscribers for smartphone services.

In order to achieve this, we will establish sales offices across Japan to implement a conscientious sales system in order to expand the number of cellphone shops that handle our content as well as other companies' and to improve the number of content subscribers per number of visitors in the shops.

In addition, through the incorporation of the main category of smartphone service, that is, the download services for music, e-books, and videos, we will continue to improve the quality of our services. By seeking better usability and achieving high customer satisfaction, our customers will continue to remain in our services. Consolidated forecast for the half-year term ended September 30, 2014 was revised as shown in "Notice regarding revision to consolidated forecast for the half-year term ended September 30, 2014" released today. However, the original estimated figures for consolidated Forecast for Full-year term are not changed.

Forecast for consolidated business results for the first half of fiscal year ending September 30, 2014
(October 1, 2013 to March 31, 2014)

Forecast for consolidated business results		
Net sales	15,500 million yen	(Up 4.6% year on year)
Operating income	1,100 million yen	-
Ordinary income	1,060 million yen	-
Net income	520 million yen	-

Forecast for consolidated business results for the fiscal year ending September 30, 2014
(October 1, 2013 to September 30, 2014)

Forecast for consolidated business results		
Net sales	31,500 million yen	(Up 4.4% year on year)
Operating income	1,800 million yen	(Up 56.6% year on year)
Ordinary income	1,750 million yen	(Up 56.3% year on year)
Net income	750 million yen	(Up 45.2% year on year)

2 Matters Relating to Summary Information (Notes)

(1) Important changes of subsidiaries during the term

Not applicable.

(2) Application of special accounting treatment to the preparation of quarterly consolidated financial statements

Not applicable.

(3) Changes in accounting policies and changes or restatement of accounting estimates

Not applicable.

(4) Additional information

Not applicable.

3 Consolidated Financial Statements

(1) Consolidated balance sheets

Fiscal year ended September 30, 2013 and first three quarters of fiscal year ending September 30, 2014

(Thousands of yen)

	As of September 30, 2013	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	3,416,219	4,689,783
Notes and accounts receivable-trade	6,376,865	4,939,567
Deferred tax assets	414,019	295,633
Other	727,834	905,383
Allowance for doubtful accounts	-166,904	-156,067
Total current assets	10,768,035	10,674,300
Noncurrent assets		
Property, plant and equipment	175,991	170,824
Intangible assets		
Software	2,346,612	2,311,120
Goodwill	133,175	113,083
Other	110,351	126,782
Total intangible assets	2,590,140	2,550,986
Investments and other assets		
Investment securities	714,781	706,885
Lease and guarantee deposits	469,740	467,682
Deferred tax assets	854,250	887,153
Other	87,752	37,606
Allowance for doubtful accounts	-14,008	-14,583
Total investment and other assets	2,112,517	2,084,744
Total noncurrent assets	4,878,649	4,806,555
Total assets	15,646,685	15,480,856

(Thousands of yen)

	As of September 30, 2013	As of December 31, 2014
Liabilities		
Current liabilities		
Account payable-trade	942,610	917,957
Current portion of bonds	78,688	81,936
Accounts payable-other	2,334,501	2,353,099
Income taxes payable	637,177	369,641
Provision for bonuses	—	139,465
Allowance for coin usage	382,891	361,988
Other	1,311,735	1,077,293
Total current liabilities	5,687,604	5,301,381
Noncurrent liabilities		
Long-term loans payable	500,000	543,620
Provision for retirement benefits	509,636	547,808
Negative goodwill	58,776	56,497
Other	21,657	11,343
Total noncurrent liabilities	1,090,070	1,159,270
Total liabilities	6,777,675	6,460,652
Net assets		
Shareholders' equity		
Capital stock	2,562,740	2,562,981
Capital surplus	3,078,260	3,078,501
Retained earning	3,393,859	3,505,897
Treasury stock	-695,269	-695,491
Total shareholders' equity	8,339,591	8,451,888
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40,434	54,777
Foreign currency translation adjustment	22,150	28,370
Total accumulated other comprehensive income	62,584	83,148
Subscription rights to shares	227,004	240,625
Minority interests	239,830	244,540
Total net assets	8,869,010	9,020,203
Total liabilities and assets	15,646,685	15,480,856

(2) Consolidated statements of income and consolidated statement of comprehensive income
 Consolidated statements of income

For the first quarter of the fiscal year ended September 30, 2013 and fiscal year ending September 30, 2014

(Thousands of yen)

	First quarter of the fiscal year ended September 30, 2013	First quarter of the fiscal year ending September 30, 2014
Net sales	7,331,201	7,498,892
Cost of sales	1,231,402	1,219,214
Gross profits	6,099,798	6,279,677
Selling, general and administrative expenses	5,885,185	5,370,662
Operating income	214,613	909,015
Non-operating income		
Interest income	13	36
Amortization of negative goodwill	2,279	2,279
Gain on equity investments in affiliates	236	—
Gain on reversal of subscription rights to shares	1,327	891
Compensation income	—	7,416
Other	3,732	5,152
Total non-operating income	7,590	15,775
Non-operating expenses		
Interest expenses	1,922	3,318
Share of loss of entities accounted for using equity method	—	46,555
Other	4,262	4,242
Total non-operating expenses	6,185	54,116
Ordinary income	216,018	870,674
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	44,036	—
Total extraordinary income	44,036	—
Extraordinary loss		
Loss on retirement of noncurrent assets	16,109	15,885
Total extraordinary loss	16,109	15,885
Income before income taxes and minority interests	243,945	854,789
Income taxes-current	46,159	348,162
Income taxes-deferred	-9,923	77,728
Total income taxes	36,236	425,891
Income before minority interests	207,709	428,897
Minority interests in income (loss)	22,343	3,017
Net income	185,365	425,880

Consolidated statement of comprehensive income

For the first quarter of the fiscal year ended September 30, 2013 and fiscal year ending September 30, 2014

(Thousands of yen)

	First quarter of the fiscal year ended September 30, 2013	First quarter of the fiscal year ending September 30, 2014
Income before minority interests	207,709	428,897
Other comprehensive income		
Valuation difference on available-for-sale securities	20,238	14,343
Foreign currency translation adjustment	20,170	7,211
Share of other comprehensive income of entities accounted for using equity method	869	702
Total other comprehensive income	41,277	22,257
Comprehensive income	248,987	451,155
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	222,741	446,445
Comprehensive income attributable to minority interests	26,245	4,710

(3) Notes concerning going concern assumption
Not applicable.

(4) Notes on significant changes in shareholders' equity
Not applicable.