



Financial Results Briefing Material for FY2021

November 10, 2021



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.

■ Contents

■ P.01 Financial Results Overview for FY2021

- 02 Financial highlight
- 03 Consolidated P/L
- 04 Consolidated SG&A
- 05 Financial closing in the content business
- 06 Achievement Ratio for Earnings Forecast
- 07 Performance by segment

■ P.16 Approach in FY2022

- 17 Basic policies and priority issues for FY2022
- 18 Cloud drug record service
- 20 Maternal health record book app + Childcare DX services
- 26 Topics
- 30 Earnings forecast for FY2022

■ P.33 Image of medium-term profit

■ P.35 Capital policy

■ P.38 Appendix

- | | |
|---------------------------|---|
| 39 Consolidated B/S | 44 The list of main healthcare services |
| 40 Consolidated P/L | 45 Overview of healthcare services |
| 41 Consolidated SG&A | 46 Cloud drug record service |
| 42 Performance by segment | 47 Maternal health record book app |
| | 48 Sustainability |

Financial Results Overview for FY2021

I would now like to give you an overview of the results for fiscal year 2021.

Financial highlight

1 FY2021 Results

- Net sales: ¥25,743 million (Down ¥339 million, Down 1.3%, YoY)
(Achievement rate 99.0%)
- Operating income: ¥1,929 million (Down ¥577 million, Down 23.0%, YoY)
(Achievement rate 83.9%)

2 FY2021 Q4 Achievements and initiatives

- Content business:
 - Brisk security-related app
 - Sales of the original comics content business set a new record high
- Healthcare business:
 - Brisk of introduction for cloud drug record service
 - Brisk "Boshimo", Childcare DX services promotion

3 Earnings forecast for FY2022

- Net sales ¥25,500~ ¥26,500 million (-0.9%~+2.9, YoY)
- Operating income ¥1,800~ ¥2,200 million (-6.7~+14.0, YoY)

Net sales leveled off year-on-year, at 25.743 billion yen.

Operating income decreased by 23% year-on-year, down to 1.929 billion yen.

The achievement rate of the full-year earnings forecast proceeded according to plan, and stood at 99% for net sales.

However, the achievement rate stood at 83.9% for operating income, on account of negative adjustment to sales - related to financial closing in the content business.

I will be going over the details later on in today's briefing.

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

In the content business, we registered a strong performance for security-related apps, and for the original comics content business - the latter of which hit a record high in terms of sales, on a quarterly basis.

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

Additionally, our maternal health record book app "Boshimo" registered brisk adoption, as our efforts to promote childcare DX were off to a strong start.

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

The earnings forecast for fiscal year 2022 is as follows.

We are forecasting net sales to level off, year-on-year, at between 25.5 billion yen and 26.5 billion yen.

We also expect operating income to remain more or less flat, year-on-year, at between 1.8 billion yen and 2.2 billion yen.

Regarding the forecasts, too, I will be discussing these in greater detail, later on.

Consolidated P/L

Net sales: levelled off Operating income: decreased

		(Unit : Mil yen)		
	FY2020	FY2021	YoY	
			Amount	Percentage
Net sales	26,082	25,743	(339)	(1.3%)
Cost of sales	7,130	7,001	(129)	(1.8%)
(ratio)	27.3%	27.2%		
Gross profit	18,951	18,741	(209)	(1.1%)
(ratio)	72.7%	72.8%		
SG&A	16,444	16,811	+367	+2.2%
(ratio)	63.0%	65.3%		
Operating income	2,507	1,929	(577)	(23.0%)
(ratio)	9.6%	7.5%		
Ordinary income	2,082	1,370	(712)	(34.2%)
(ratio)	8.0%	5.3%		
Profit attributable to owners of parent	506	(1,164)	(1,671)	-
(ratio)	1.9%	-		

• (Personnel expense) Increase in subsidiaries and development personnel

• Increase in investment losses by equity method

• Postponement of posting of deferred income taxes

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

Net sales leveled off, year-on-year, and stood at 25.743 billion yen.

In the Content business, net sales decreased due to a decrease in the number of paying subscribers.

On the other hand, we registered a net sales expansion in the Original Comics Content business, and in terms of our cloud drug record service in the Healthcare business.

Net sales also grew for MTI's AI business and DX Support business for large companies.

These allowed us to offset the aforementioned decrease in net sales.

Operating income decreased by 23%, year-on-year, on account of an increase in SG&A expenses and due to a negative adjustment to sales, pertaining to financial closing in the content business - which I will be discussing later on today.

Operating income therefore stood at 1.929 billion yen.

Investment losses by the equity method increased year-on-year.

This increase in non-operating expenses translated into a year-on-year decrease of 34.2% in ordinary income, which stood at 1.37 billion yen.

On account of the postponement of posting of deferred income taxes in the second quarter, we registered a loss attributable to owners of parent of 1.164 billion yen.

Consolidated SG&A :

Advertising expenses, personnel expenses, subcontract expenses increased

(Unit : Mil yen)

	FY2020	FY2021	YoY	
			Amount	Percentage
SG&A	16,444	16,811	+367	+2.2%
Advertising expenses	1,174	1,517	+343	+29.3%
Personnel expenses	6,395	7,099	+703	+11.0%
Commission fee	3,343	3,157	(185)	(5.5%)
Subcontract expenses	1,426	1,804	+377	+26.4%
Depreciation	1,620	1,132	(487)	(30.1%)
Other	2,483	2,100	(383)	(15.4%)

Promoted sales of security-related apps

Increase in subsidiaries and development personnel

I would now like to discuss the increase in SG&A expenses.

Overall, SG&A expenses increased by 2.2%, year-on-year, to 16.811 billion yen.

We registered an increase in advertising expenses, as we promoted sales of security-related apps in the Content Business, in order to grow the number of users.

Personnel expenses went up due to an increase in subsidiaries and development personnel.

Financial closing in the content business

Amounts : Negative adjustment amounts of the sales (-322 million yen), including the amount from the past, were posted as a lump sum. (-156 million yen in FY2021 and -130 million yen in FY2020)

Reasons : In part of the content business, there was a system error failing to distinguish between free points and paid points, and because of this error used free points were counted as sold points.

(Unit : Mil yen)

		FY2020	FY2021
Actual	Net sales	26,082	25,743
	Operating income	2,507	1,929
(Bulk adjustment)			(322)
(Adjustment amount by fiscal year)		(130)	(156)
Corrected value	Net sales	25,951	25,909
	Operating income	2,376	2,096

Copyrights (c) 2021 MTI Ltd. All Right Reserved

5

I would now like to discuss the financial closing in the content business, in the fourth quarter.

In part of the content business, there was a system error failing to distinguish between free points and paid points, and because of this error used free points were counted as sold points.

As a result, negative adjustment amounts of the sales - including past amounts - were posted as a lump sum of 322 million yen, for fiscal year 2021.

Consequently, we registered a decrease in profit - matching this amount.

Additionally, the negative adjustment amount corresponding to fiscal year 2021 was 156 million yen.

As a way of reference, we have included corrected net sales and operating income data for fiscal years 2020 and 2021, viewed in isolation.

The corrected values for fiscal year 2021 are 25.909 billion yen for net sales, and 2.096 billion yen for operating income.

Achievement Ratio for Earnings Forecast

(Unit : Mil yen)

	FY2021 Forecast	FY2021 Actual	Achievement rate
Net sales	26,000	25,743	99.0%
Operating income	2,300	1,929	83.9%
Ordinary income	1,800	1,370	76.2%
Profit attributable to owners of parent	(800)	(1,164)	—

I would now like to discuss the achievement ratio versus the full fiscal year earnings forecast.

The achievement ratio for net sales forecast stood at 99.0%, on account of the negative adjustments I just discussed.

Progress ended up significantly below target, in terms of operating income and ordinary income, which stood at 83.9% and 76.2%, respectively.

Furthermore, we registered a loss attributable to owners of parent of 1.161 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母子モ



CHARADA

Solamichi

CHARADA オンライン診療

Other Business

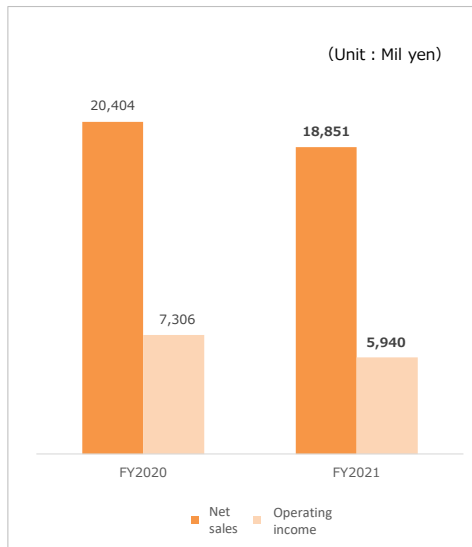
BtoB

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

- Net sales
 - : The number of paying subscribers decreased
 - + : Original comics are growing
- Operating income
 - : The number of paying subscribers decreased
 - Increase in advertising expenses (For security-related apps)
 - Financial closing in the content business (Negative adjustment of sales)

In the Content business, we registered 18.851 billion yen in net sales, and 5.94 billion yen in operating income.

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

While we registered a sales expansion in the original comics content business, as well as for security-related apps, we registered a decrease in net sales, primarily on account of a decrease in the number of paying subscribers, on a year-on-year basis.

Similarly, in addition to lower sales, an increase in advertising expenses associated with the promotion of security-related apps, and the aforementioned factors related to negative adjustment to sales, resulting from financial closing in the content business, translated into a decrease in operating income.

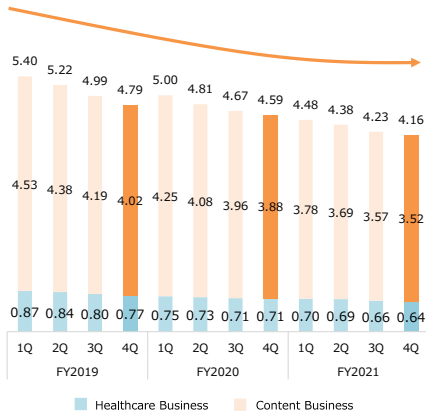
Content business: The number of paying subscribers

Total paying subscribers

4.16 million subscribers

Degree of decrease
is being reduced

- Brisk Security-related apps

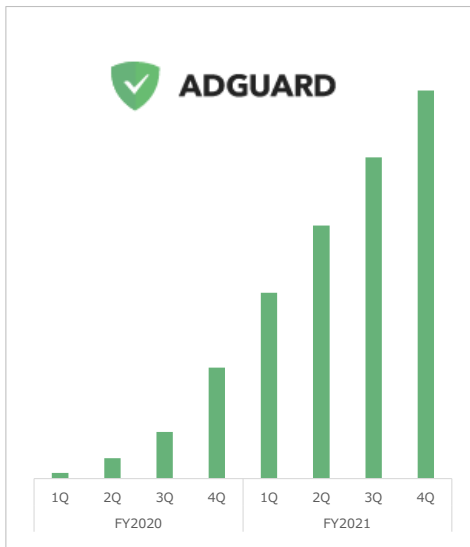


* The number of paying subscribers are including healthcare business 'Luna-luna and 'Caradamedica' whose business model are monthly paid business above.

Copyrights (c) 2021 MTI Ltd. All Right Reserved

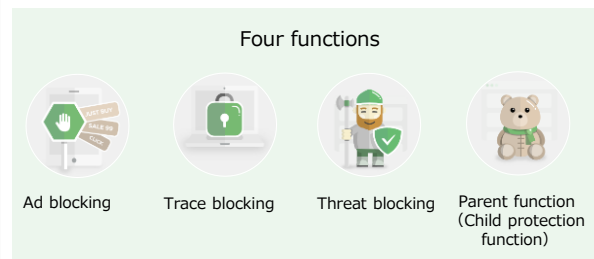
As of the end of September, the number of paying subscribers stood at 4.16 million, as the degree of the decrease continues slowing down.

Content business: Security-related app



Security-related apps are growing

The number of paying subscribers
Expansion trend

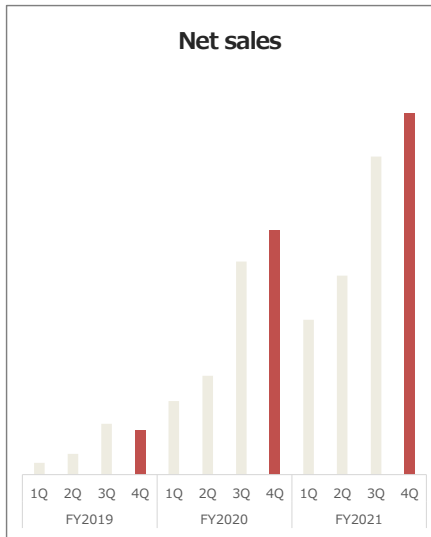


While the overall number of paying subscribers continues trending lower, we registered a strong performance in terms of new subscriber registrations to security-related apps.

In light of this, in the fourth quarter, we continued focusing our efforts on promoting new subscriptions.

Thanks to these efforts, as of the end of September, the number of paying subscribers had grown to 260,000.

Content business: Original comics content business

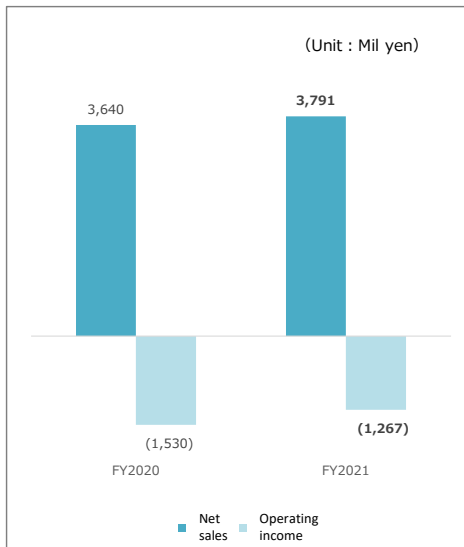


Sales hit a record high

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 once again hit another sales record in the fourth quarter - following a record third quarter.

Healthcare business: Net sales and operating income



Net sales expansion

- Contribution to sales expanded for the initial introduction of cloud drug record service.

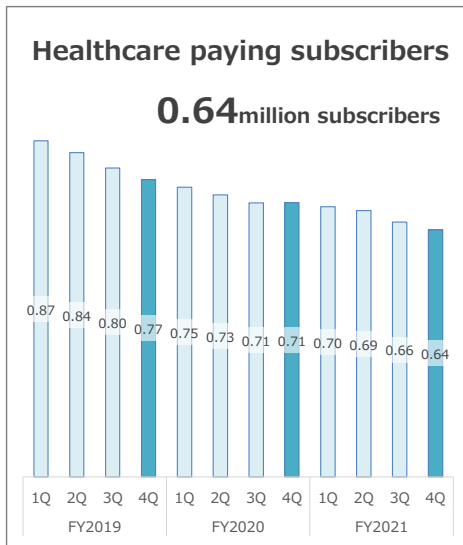
In the Healthcare business, we registered 3.791 billion yen in net sales, a year-on-year increase of 150 million yen.

Operating loss stood at 1.267 billion yen, a year-on-year improvement of 262 million yen.

This increase in net sales in the Healthcare business is primarily attributable to a contribution from the sales expansion associated with the initial introduction of our cloud drug record service.

The improvement in operating loss, in turn, was thanks to cost reductions, as overall R&D expenses have stabilized.

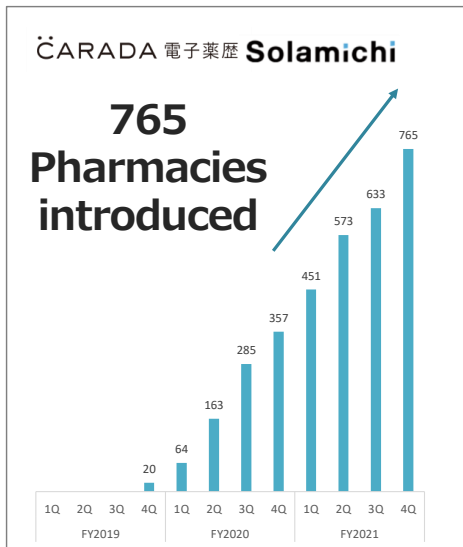
Healthcare business: The number of paying subscribers



Remain unchanged
(LunaLuna, CARADA medica)

As of the end of September, the number of paying subscribers for LunaLuna and CARADA medica stood at 640,000.

Healthcare business: Cloud drug record service



Extensive introduction

- YoY +408
- QoQ +132

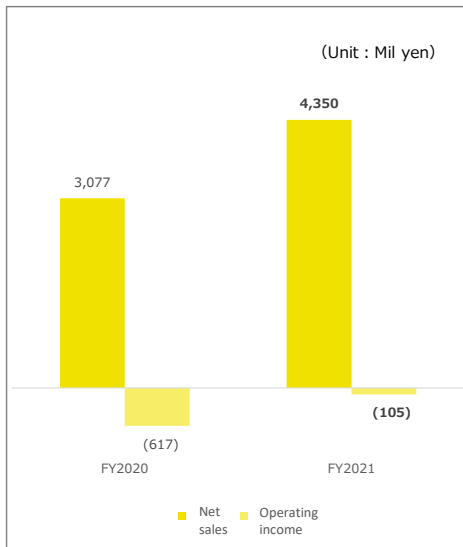
There continues to be increased interest in electronic drug administration record systems, as a result of changes to the medical remuneration system.

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

As a result of this, as of the end of September, the cumulative number of pharmacies that have introduced Solamichi had grown by 408, year-on-year, and by 132, quarter-on-quarter.

The cumulative total stood at 765 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 by 1.273 billion yen, year-on-year, to 4.35 billion yen.

We registered an operating loss of 105 million yen, a year-on-year improvement of 512 million 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.

This concludes my overview of the consolidated financial results for fiscal year 2021.

Approach in FY2022

Next, I would like to discuss the approach in fiscal year 2022.

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 for 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

CARADA 電子薬歴 **Solamichi**

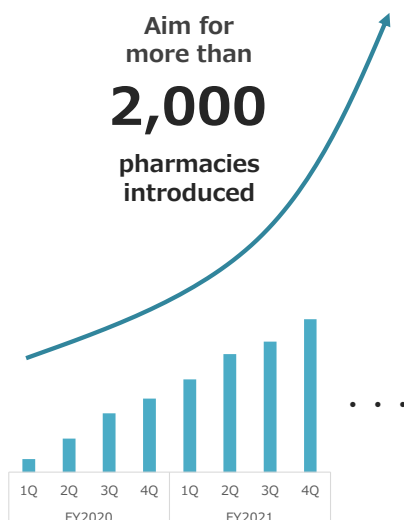


Next, I would like to discuss progress targets regarding the introduction of our cloud drug record service.


Cloud drug record service

CARADA 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, starting in April.
- Commenced partnership with FUJIFILM Healthcare Systems Corporation, starting in July.

Copyrights (c) 2021 MTI Ltd. All Right Reserved

19

We view the cloud drug record service business as a growth driver for sales expansion in the Healthcare business.

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

In fiscal year 2020, we held the long-term target at 1,000 pharmacies introduced.

We expect to achieve this target early into fiscal year 2022, so we have raised the target to 2,000 pharmacies.

We will continue executing our basic policies, and further strengthen collaboration with each of our partners - toward achieving the introduction of Solamichi at 2,000 pharmacies.

Maternal health record book app + Childcare DX services

Connect parenting households and local governments

Maternal health record book app + Childcare DX services



Copyrights (c) 2021 MTI Ltd. All Right Reserved

20

Next, I would like to discuss 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 Boshimo is on the rise in municipalities across the country.

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

We will be executing the three phases shown here, toward building a platform with Boshimo as the first step.

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

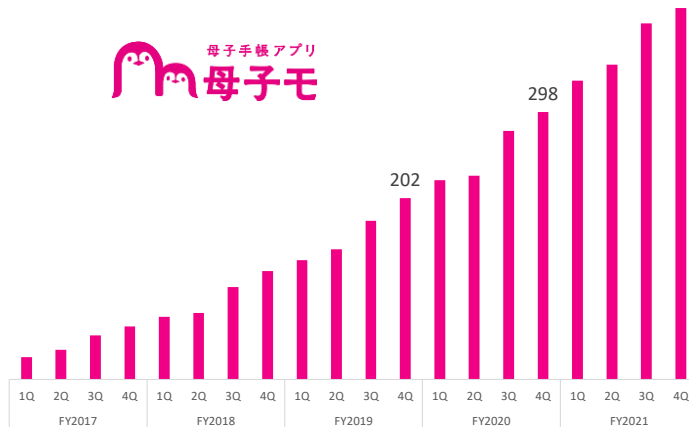
Lastly, phase 3 encompasses childcare DX services, starting with childhood vaccination.

Phase 1 : Maternal health record book app "Boshimo"

**Extensive introduction
at a speed exceeding 100/year**

414

As of September, 2021



**YoY
+116**

* 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.

Copyrights (c) 2021 MTI Ltd. All Right Reserved

22

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

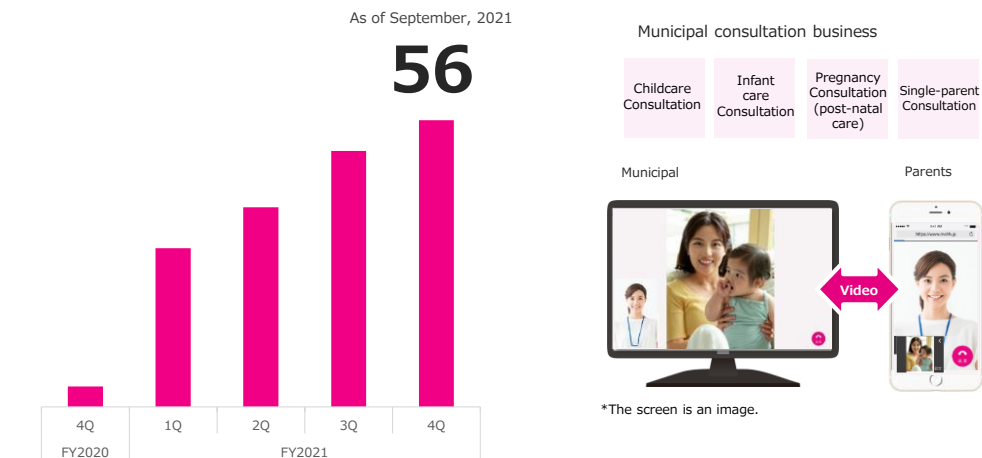
As of the end of September, this number stood at 414, and is growing at a speed of over 100 new municipalities per year.

In light of this, we anticipate strong growth for fiscal year 2022, as well.



Phase 2 : Online consultation

The number of local governments that introduced the service reached 56



* 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.

Copyrights (c) 2021 MTI Ltd. All Right Reserved

23

Within phase 2, in July of 2020, we started offering online consultations as an additional service to municipalities that have already introduced Boshimo.

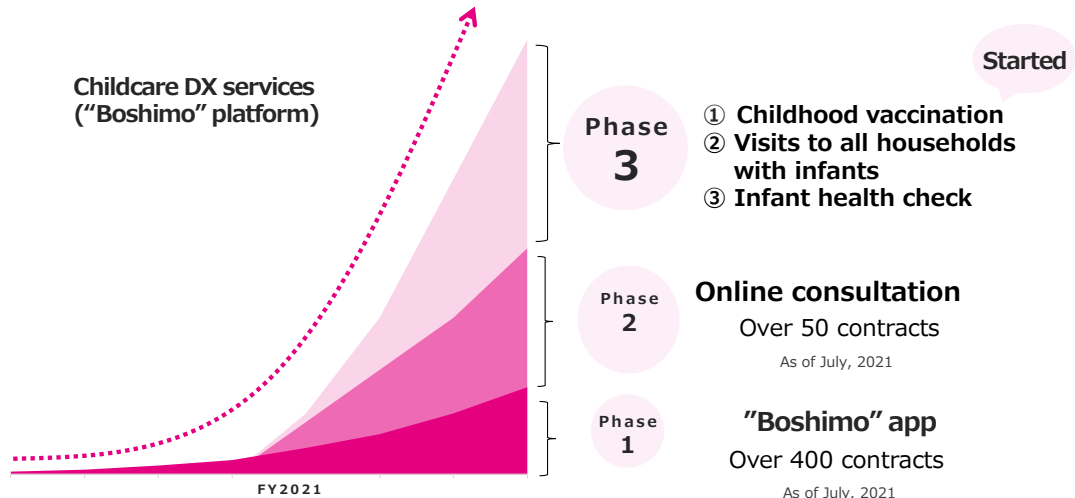
Against the backdrop of people refraining from going outside as a result of the COVID-19 pandemic, there has been growing demand for a digital transformation at the Government administration level, for things like childcare services offered online.

This allowed us to grow the number of local governments that introduced the service, to 56 - as of the end of September.



Phase 3 : Childcare DX services

Provision of childhood vaccination service launched in Ichihara City, Chiba



Copyrights (c) 2021 MTI Ltd. All Right Reserved

24

Phase 3 will bring further evolution to childcare DX, through the adoption of Boshimo - not just by local residents and governments - but also by pediatricians.

In October 2021, we started providing a childhood vaccination service in Ichihara City, Chiba Prefecture.

Boshimo allows local governments and medical institutions to check and manage pre-vaccination screening questionnaires and vaccination records online.

This service is promising in that it helps avoid, for example, errors in the administration of vaccines, and reduces the workload associated with filing the appropriate paperwork.

Furthermore, the necessary procedures can also be done online for local residents to be vaccinated.

Lastly, we also have plans to introduce a variety of additional childcare DX services in phase 3, such as visits to all households with infants and infant health checks.

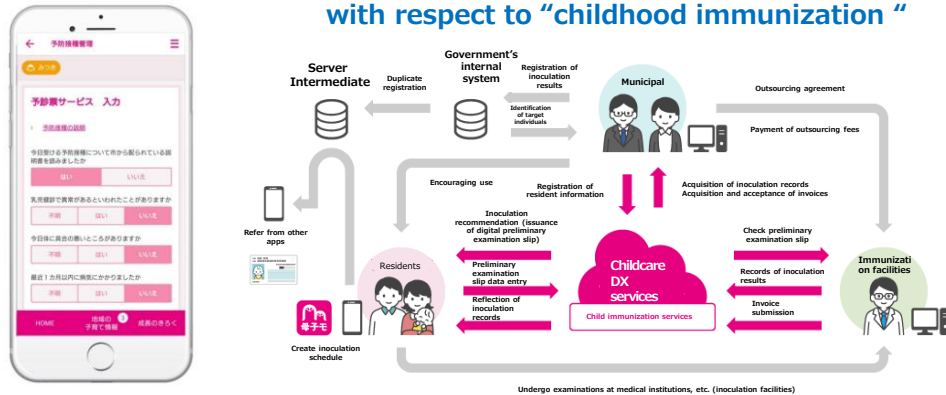
Through this, we will seek to grow sales in the Healthcare business, over the long term.

(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

Support for the popularization of online procedures with respect to “childhood immunization”



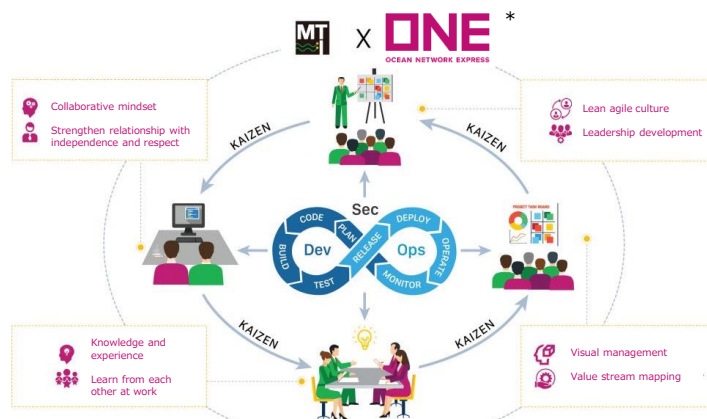
Topics

Next, I would now like to discuss a number of topics.

Topics ① : Other business (AI,DX business, etc.)

DX support business for large companies

Provide Agile structure "DX Lab" and support companies to reform their development structure through digital human resource fostering



*Ocean Network Express Pte. Ltd.

Established on July 7, 2017 by Kawasaki Kisen Kaisha, Ltd., Mitsui O.S.K. Lines, Ltd. and Nippon Yusen Kabushiki Kaisha through integration of the scheduled container shipping businesses of the three companies. While the operating company is headquartered in Singapore, its regional management bases are located in Hong Kong, Singapore, the United Kingdom, the United States and Brazil. The ships entered service in April 2018 and the fleet scale is 1,590,000 TEU, the 6th largest around the world (as of January 2020). The company operates a fleet of 224 ships including super large container ships with a carrying capacity of 20,000TEU, among the largest container ships in the world. It has built an extensive network covering over 120 countries worldwide.

Copyrights (c) 2021 MTI Ltd. All Right Reserved

27

Allow me to discuss our DX Support services business for large companies.

We will be improving our corporate clients' development structure by offering the mechanisms of MTI's own agile development structure as DX Lab.

MTI will also be promoting the transformation of development structures through the training of digital human resources.

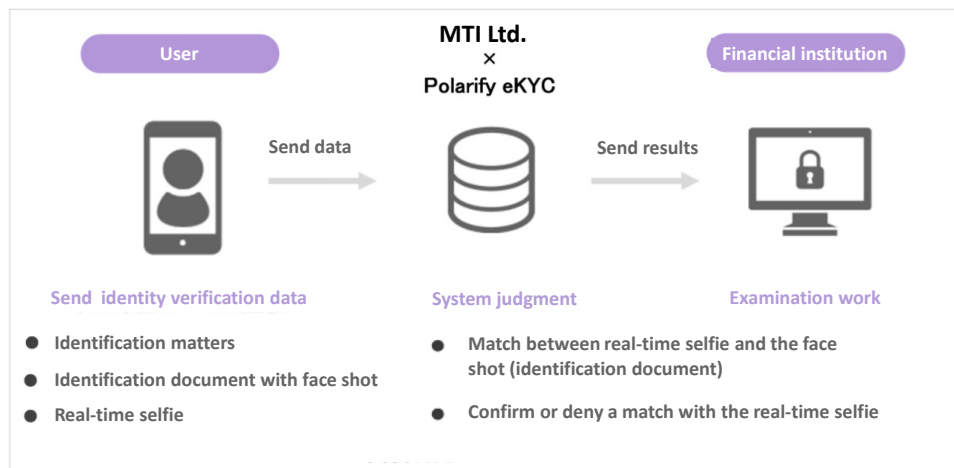
Starting in the summer of 2020, we started offering support services to Ocean Network Express - which resulted from the business integration of container shipping by Kawasaki Kisen, Mitsui O.S.K. Lines, and Nippon Yusen.

We have been receiving strong interest from other large companies, as well, so we will be carrying out efforts toward expanding orders.

Topics ② : Other business (AI,DX business, etc.)

Introduce eKYC to the financial institutions of our customers

Start introduction to Sompo Credit Inc. on a trial basis



Our eKYC service: Specializing in financial institutions taking advantage of the identity verification technology by using the biometric authentication, whose precision is among the best in the world, by us and Polarify, Inc.

Copyrights (c) 2021 MTI Ltd. All Right Reserved

28

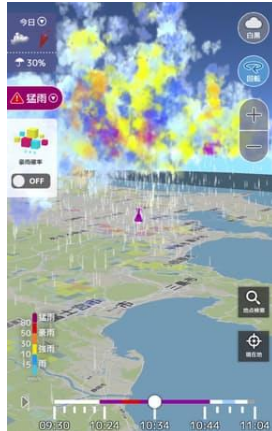
I would now like to discuss MTI's services geared toward financial institutions.

MTI started the introduction - on a trial basis - to Sompo Credit Inc., of an online KYC system developed by Polarify and which utilizes biometric technology.

We have a long track record of providing solution services to financial institutions so, going forward, we will be offering companies in this industry services leveraging secure system technologies, starting with eKYC.

Topics ③ : Other business (AI,DX business, etc.)

Demonstration experiment on prediction of torrential rain using Fugaku



Joint development with RIKEN

Able to predict torrential rain for 30 minutes in advance, instead of 10 minutes in advance

MTI additionally has “3D Rain Cloud Watch” and ARVI - our aviation weather application business - businesses that evolved out of weather apps.

MTI carried out joint research with the RIKEN Center for Computational Science to leverage the Fugaku supercomputer in a realtime proof-of-concept experiment.

Up until now, it was only possible to predict torrential rain ten minutes in advance, but making use of Fugaku now makes it possible to extend this to thirty minutes.

Going forward, we would like to continue carrying out proof-of-concept experiments of this kind in order to develop services capable of tackling the issue of climate change.

Earnings forecast for FY2022

I would now like to go over the consolidated earnings forecast for fiscal year 2022.

Earnings forecast for FY2022

Focus on expanding sales in the healthcare business

Net sales	YoY leveled off ¥25,500~ ¥26,500 million
Operating income	Slight YoY decrease ~ increased profit ¥1,800~ ¥2,200 million
Profit attributable to owners of parent	YoY increased profit ¥600~ ¥1,000 million

Change factors in financial forecast range

- Speed of extensive introduction for Cloud drug record service
- Providing Original comics, hit comics
- Speed of increase in the number of paying subscribers to security-related app

The degree of the decrease in the number of paying subscribers in the Content business is on a slowdown trend, and sales expansion in the Healthcare business and in the AI and DX Support services businesses is expected to offer support in terms of sales.

As such, we expect net sales to more or less level off, year-on-year.

Furthermore, we expect operating and ordinary income to either level off or show an increase, year-on-year.

While we ultimately recorded a loss attributable to owners of parent for fiscal year 2021, we expect to record a profit in fiscal year 2022.

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.

Image of medium-term profit

Next, I would like to discuss the image of medium-term profit.

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



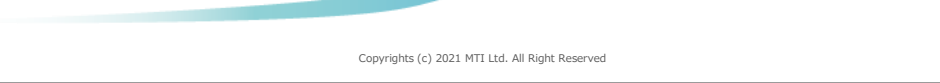
Other business (AI,DX business, etc.)

Grow steadily



Healthcare business

Focus on expansion of stock sales (=profit)



Copyrights (c) 2021 MTI Ltd. All Right Reserved

34

For fiscal year 2022, we are forecasting a range of outcomes - from flat year-on-year, to an increase in profit.

With that being said, over the medium term, 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.

Capital Policy

Lastly, I will be going over MTI's capital policy.

Capital Policy

We aim for continuous growth in sales and profit, and for harmonizing them with returns to shareholders.

	Interim dividend	Year-end dividend	Annual dividend
FY2021	¥8	¥8 (Scheduled)	¥16 (Scheduled)
FY2022 (Forecast)	¥8	¥8	¥16

※ A Dividend at the end of FY2021 are to be referred to the 26th general shareholders' meeting on December 18, 2021.

The basic policy for MTI's capital policy is aiming for continuous growth in sales and profit, and for harmonizing them with returns to shareholders.

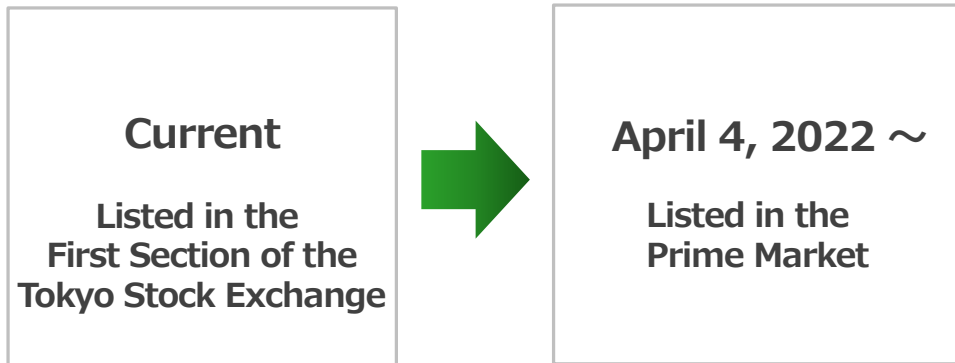
In the interest of offering stable dividends to shareholders, we have set the year-end dividend for fiscal year 2021 at 8 yen per share.

The topic of dividends will be referred to the 26th general shareholders' meeting, to be held on December 18, 2021.

Furthermore, we expect the dividend payout for fiscal year 2022 to remain unchanged, year-on-year.

Shift to the Prime Market

**To be listed in the Prime Market
under New Market Segments of TSE**



For details, please refer to the Notice on Board Resolution regarding Selection of Prime Market under New Market Segments, which was issued on September 24, 2021.

Lastly, MTI will be listed in the Prime market, following the shift of the Tokyo Stock Exchange to its new market segment structure, starting on April 4, 2022.



〈Contact us〉

Investor Relations Office

e-mail: 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.

Copyrights (c) 2021 MTI Ltd. All Right Reserved

This concludes today's briefing.

Thank you for your time.

Appendix

Consolidated B/S

MTI Ltd.

(Unit : Mil yen)

	FY2020	FY2021	Change		FY2020	FY2021	Change
Current assets	19,743	21,262	+1,519	Current liabilities	4,766	6,655	+1,889
Cash and deposit	13,354	15,540	+2,186	Accounts payable-trade	1,101	1,147	+45
Notes and accounts receivable-trade	4,840	4,501	(339)	Current portion of long-term borrowings	451	451	-
Other	1,585	1,254	(330)	Account payable-other	1,333	1,230	(103)
Allowance for doubtful accounts	(36)	(33)	+3	Income taxes payable	701	2,156	+1,455
Non-current assets	10,803	10,646	(157)	Allowance for coin usage	110	115	+4
Property, plant and equipment	193	203	+9	Other	1,067	1,554	+487
Intangible fixed assets	3,764	3,711	(52)	Non-current liabilities	4,270	4,009	(260)
Software	1,281	1,791	+509	Long-term borrowings	2,881	2,429	(451)
Goodwill	692	556	(135)	Retirement benefit liability	1,381	1,572	+191
Customer-related assets	1,755	1,333	(421)	Other	6	6	0
Investments and other assets	6,845	6,731	(114)	Total liabilities	9,036	10,665	+1,628
Investment securities	4,536	4,511	(24)	Shareholders' equity	19,112	17,241	(1,870)
Leasehold and guarantee deposits	493	318	(175)	Capital stock	5,138	5,197	+59
Deferred tax assets	1,766	1,803	+36	Capital surplus	6,551	6,660	+109
				Retained earning	10,707	8,665	(2,042)
				Treasury shares	(3,283)	(3,281)	+1
				Accumulated other comprehensive income	54	184	+130
				Subscription rights to shares	345	161	(183)
				Non-controlling interests	1,998	3,654	+1,656
				Total net assets	21,510	21,243	(267)
Total assets	30,547	31,908	+1,361	Total liabilities and net assets	30,547	31,908	+1,361

Trends in consolidated P/L

(Unit : Mil yen)

	FY2019				FY2020				FY2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	6,862	7,070	6,495	6,684	6,118	6,855	6,519	6,589	6,304	6,742	6,457	6,238
Cost of sales	1,632	1,883	1,652	1,989	1,627	1,904	1,783	1,814	1,593	1,826	1,728	1,853
Gross profit	5,229	5,186	4,843	4,695	4,490	4,951	4,735	4,774	4,711	4,916	4,728	4,385
(Ratio)	76.2%	73.4%	74.6%	70.2%	73.4%	72.2%	72.6%	72.5%	74.7%	72.9%	73.2%	70.3%
SG&A	4,400	4,380	4,213	4,001	3,904	4,090	4,164	4,284	4,157	4,237	4,164	4,251
Operating income	829	806	629	694	586	860	570	489	553	678	563	133
(ratio)	12.1%	11.4%	9.7%	10.4%	9.6%	12.6%	8.8%	7.4%	8.8%	10.1%	8.7%	2.1%
Ordinary income	868	709	1,373	183	404	905	651	121	495	345	428	101
(Ratio)	12.7%	10.0%	21.1%	2.7%	6.6%	13.2%	10.0%	1.8%	7.9%	5.1%	6.6%	1.6%
Profit attributable to owners of parent	543	317	1,285	(638)	231	1,014	534	(1,273)	220	(1,637)	322	(69)
(Ratio)	7.9%	4.5%	19.8%	—	3.8%	14.8%	8.2%	—	3.5%	—	5.0%	—

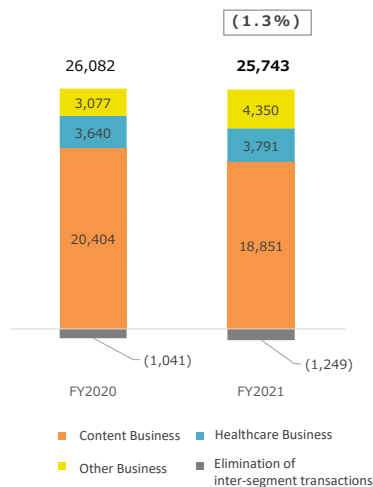
Trends in consolidated SG&A

(Unit : Mil yen)

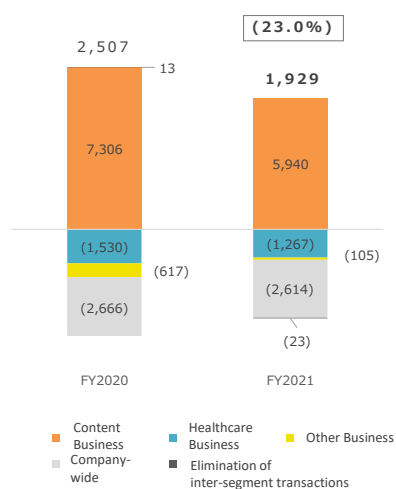
	FY2019				FY2020				FY2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SG&A	4,400	4,380	4,213	4,001	3,904	4,090	4,164	4,284	4,157	4,237	4,164	4,251
Advertising expense	722	763	504	414	248	241	362	320	337	373	393	413
Personnel expenses	1,550	1,516	1,584	1,496	1,537	1,548	1,618	1,691	1,743	1,700	1,808	1,847
Commission fee	880	844	869	805	829	844	853	815	789	785	777	806
Subcontract expenses	216	248	274	328	305	372	342	406	441	445	452	464
Depreciation	343	332	326	323	307	450	425	437	272	312	261	286
Other	687	673	654	632	675	632	562	613	573	620	472	434

Performance by segment

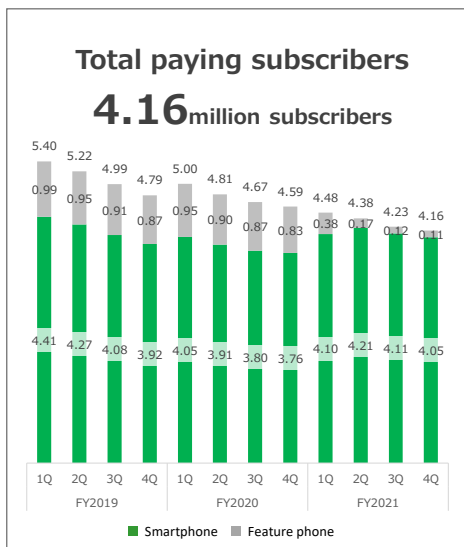
Net sales



Operating income



The number of paying subscribers



ARPU of paying subscribers of smartphones contents

YoY-¥16.7





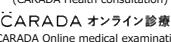

1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
FY2019				FY2020				FY2021			

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

The list of main healthcare services

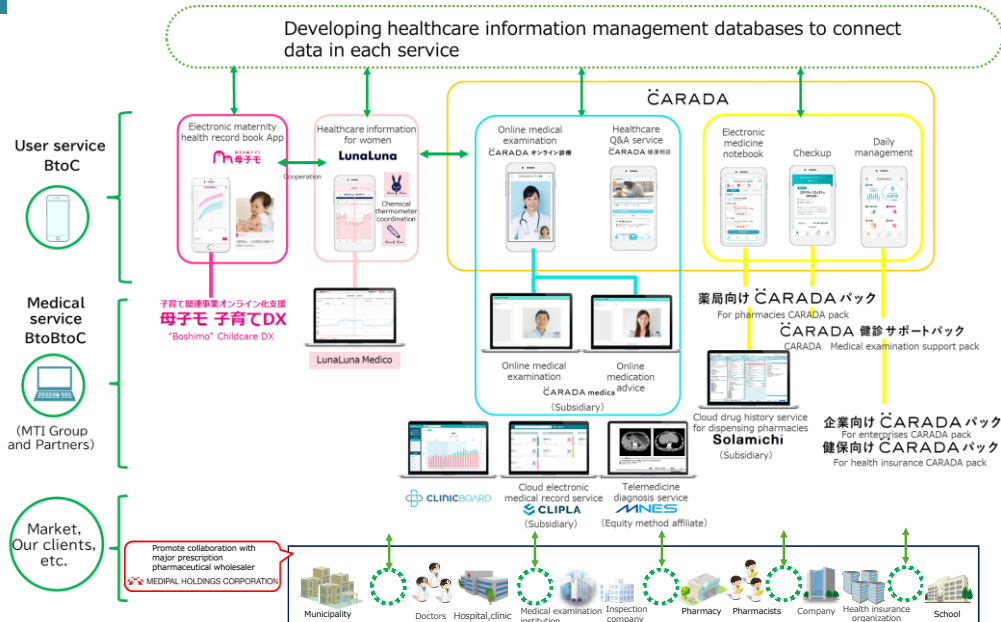
MTI Ltd.

Figures are the actual as of end of September 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 414 of 1,741 local governments nationwide.
LunaLuna	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.
 <small>(CARADA Health consultation)</small>  <small>(CARADA Online medical examination)</small>	Q&A service for doctors and people engaged in medical services. Helps eliminate daily health concerns.	BtoC. ¥400/month
CARADA	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.
CARADA	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.
 <small>(CARADA Cloud drug history service)</small> Solamichi	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 765 orders have been received. Full-scale deliveries started in December 2019.

Copyrights (c) 2021 MTI Ltd. All Right Reserved

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.

Copyrights (c) 2021 MTI Ltd. All Right Reserved

Cloud drug record service

CARADA 電子薬歴 Solamichi



765 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

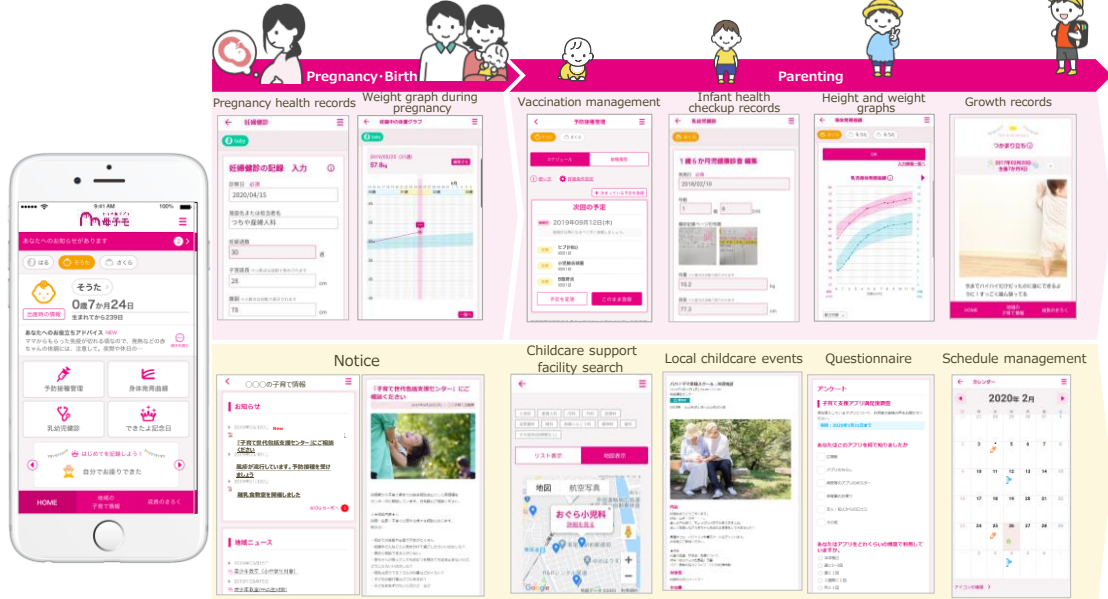


Initial cost for introduction

Monthly charge for system usage

Maternal health record book app "Boshimo"

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



Copyrights (c) 2021 MTI Ltd. All Right Reserved

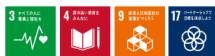
Sustainability of MTI

We will address the issue under the following three priority themes:



① Contribute to a rich and healthy society through the healthcare service

- Promote health in local communities
- Promote understanding of women's health
- Collaborate with medical/research institutions
- Provide services to companies/groups



② Promote organization building with a high regard for diversity, job satisfaction, equality and fairness

- Workplace creation with a high regard for diversity
- Promote work style reform



③ Solve regional challenges using technologies

- Promote regional digitization
- Disaster control measures





〈Contact us〉

Investor Relations Office

e-mail: 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.

Copyrights (c) 2021 MTI Ltd. All Right Reserved