

May 12, 2021

For Immediate Release:

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Listing: Tokyo Stock Exchange
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Notice Concerning Organizational Restructuring through Establishment of an Intermediate Holding Company, Etc. by Share Transfer of a Consolidated Subsidiary

MTI Ltd. (hereinafter the “Company”) announces that the Board of Directors of the Company resolved at its meeting held on May 12, 2021 to establish MTI HEALTHCARE HOLDINGS CORPORATION (hereinafter “MTI-HC-HD”) as an intermediate holding company in the area of the healthcare business to facilitate an organizational restructuring between MTI-HC-HD and the companies under its umbrella (hereinafter “Organizational Restructuring”). Details are as follows.

1. Purpose of Organizational Restructuring through the establishment of the intermediate holding company, etc.

The Company and MEDIPAL HOLDINGS CORPORATION collaborate for the purpose of building a medical and healthcare platform by disseminating and promoting ICT in the medical and healthcare areas. While the collaborative relationship between both companies is wide-ranging, the Company and its consolidated subsidiaries also collaborate in the healthcare business, apart from the joint venture between both companies. To collaborate more closely and in a more flexible manner, the Company has determined that it will be more effective to aggregate the businesses of both companies where there is a high degree of collaboration after establishing an intermediate holding company.

2. Summary of Organizational Restructuring through the establishment of the intermediate holding company, etc.

(1) Schedule

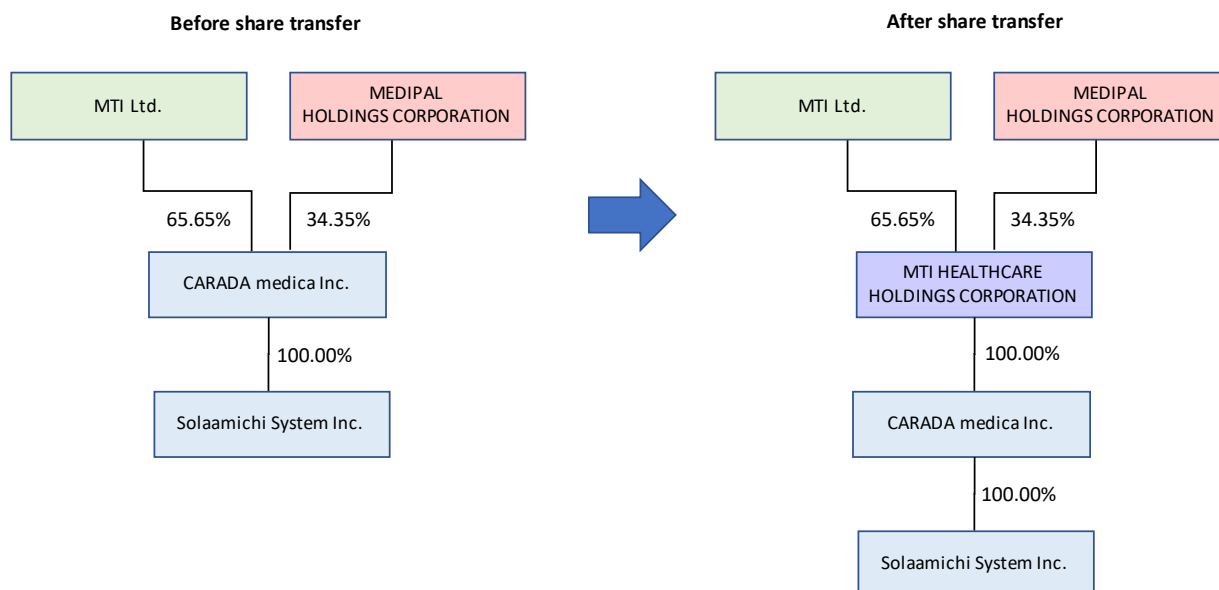
May 12, 2021	MTI Ltd. Resolution of the Board of Directors CARADA medica Inc. Resolution of the Board of Directors and resolution of the shareholders meeting (Share transfer plan document)
July 1, 2021(Scheduled)	MTI-HC-HD Established
July 15, 2021(Scheduled)	CARADA medica Inc. Resolution of the Board of Directors and resolution of the shareholders meeting (Distribution of shares of Solamichi System Inc.)
August 31, 2021(Scheduled)	CARADA medica Inc. will distribute all common shares of Solamichi System Inc. to MTI-HC-HD.

(2) Method and procedures

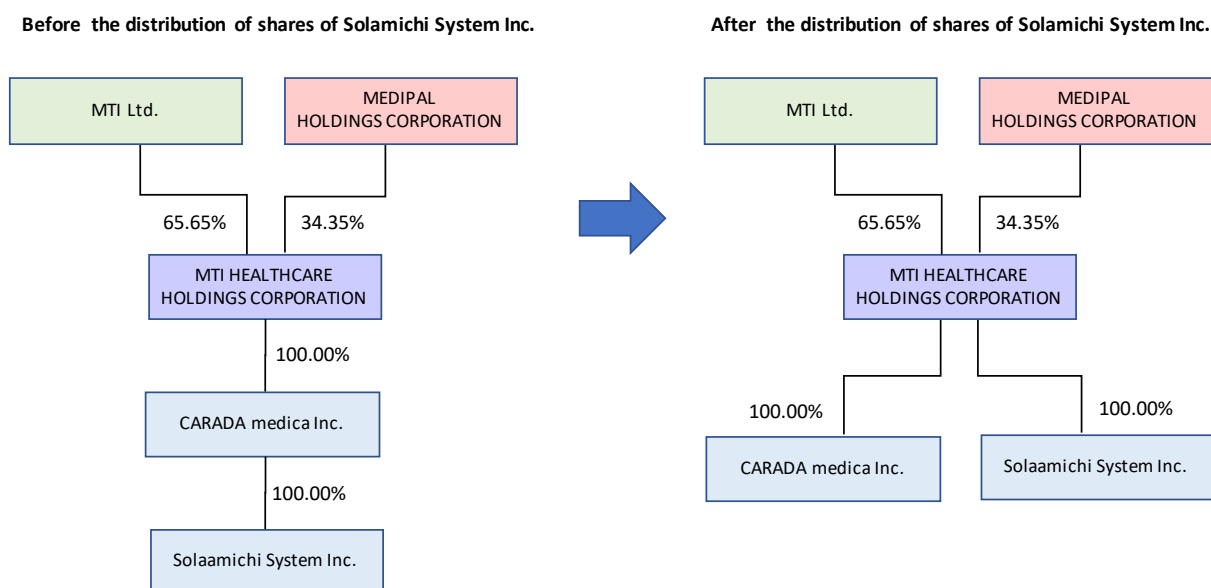
The method and procedures of the Organizational Restructuring are as follows.

- (i) The intermediate holding company will be established with the share transfer of CARADA medica Inc., a consolidated subsidiary of the Company, on its own.
(CARADA medica Inc. will change to a second-tier subsidiary of the Company)
- (ii) All the common shares of Solamichi System Inc. held by CARADA medica Inc. (100% stake) will be distributed to MTI-HC-HD.

•Organizational Restructuring through procedures in (i) above



•Organizational Restructuring through procedures in (ii) above



(3) Share transfer ratio

Company name	MTI HEALTHCARE HOLDINGS CORPORATION (Wholly owning parent company incorporated in a share transfer)	CARADA medica Inc. (Wholly owned subsidiary company resulting from a share transfer)
Share transfer ratio	1	1

(i) Share transfer ratio

One common share of the holding company to be established for one common share of CARADA medica Inc. will be allotted and delivered to shareholders holding the common shares of CARADA medica Inc. who are entered in the last shareholder register immediately before the time when all shares outstanding will be acquired (hereinafter the "Base Time").

(ii) Calculation base of the share transfer ratio

Given that one share of the holding company, which is a wholly owning parent company, will be established by the share transfer of CARADA medica Inc. on its own and that the shareholder composition of CARADA medica Inc. and the holding company will not change at the time of the share transfer, the Company has decided to allot and deliver one common share of the holding company for one common share of CARADA medica Inc. held by its shareholders, giving priority to avoiding the creation of any disadvantage for shareholders.

(iii) Calculation result, calculation method and calculation basis of a third-party organization

For the reason in (ii) above, a calculation of the share transfer ratio by a third-party organization is not made.

(iv) Number of shares to be delivered by the share transfer (Scheduled)

Common stock 39,300 shares (Scheduled)

This is stated based on 39,300 shares, which is the total number of shares outstanding of CARADA medica Inc. (as of March 31, 2021). However, if the the total number of shares outstanding of CARADA medica Inc. changes by the Base Time before the share transfer becomes effective, the number of new shares to be delivered by the holding company above will change.

(v) Matters concerning share acquisition rights and bonds with share acquisition rights associated with the share transfer

With respect to share acquisition rights issued by CARADA medica Inc., an equal number of new share acquisition rights of the holding company will be delivered and allotted to the holders of the share acquisition rights of CARADA medica Inc. in place of the share acquisition rights of CARADA medica Inc. held by them. CARADA medica Inc. does not issue bonds with share acquisition rights.

3. Overview of the intermediate holding company (Scheduled)

(1) Name	MTI HEALTHCARE HOLDINGS CORPORATION
(2) Address	Tokyo Opera City Tower 3-20-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo
(3) Name and title of representative	Yuko Tateishi, CEO

(4) Nature of business	(i) Management of the business of subsidiaries (ii) Other businesses incidental to the above business
(5) Capital stock	100 millions of yen
(6) Fiscal year	September 30
(7) Date of establishment	July 1, 2021
(8) Number of issued shares	39,300 shares
(9) Major shareholder and shareholding ratios	MTI Ltd. 65.6% MEDIPAL HOLDINGS CORPORATION 34.4%

4. Overview of CARADA medica

(1) Name	Caradamedica Inc.	
(2) Address	Tokyo Opera City Tower 3-20-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo	
(3) Name and title of representative	Seitaro Sugawara, CEO	
(4) Nature of business	Provision business of systems for online medical treatment and online drug administration guidance and Provided services and the healthcare content delivery business	
(5) Capital stock	3,228 millions of yen	
(6) Fiscal year	September 30	
(7) Date of establishment	July 1, 2015	
(8) Number of issued shares	39,300 shares	
(9) Major shareholder and shareholding ratios	MTI Ltd. 65.6% MEDIPAL HOLDINGS CORPORATION 34.4%	
(10) Relationships between the Company and CARADA medica	Capital relationship	The Company holds 65.6% of shares outstanding of CARADA medica.
	Personal relationship	One director and two executive officers of the Company currently serve as the directors of CARADA medica, and one director of the Company currently serves as a corporate auditor of CARADA medica.
	Business relationship	The Company is entrusted with the development, sales and management business of software by CARADA medica.

5. Overview of Solamichi

(1) Name	Solamichi System Inc.
(2) Address	Tokyo Opera City Tower 3-20-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo
(3) Name and title of representative	Takahiro Taura, CEO
(4) Nature of business	Planning, development and sale of systems inside dispensing pharmacies
(5) Capital stock	336 millions of yen
(6) Fiscal year	September 30
(7) Date of establishment	August 21, 2018

(8) Number of issued shares	1,603 shares	
(9) Major shareholder and shareholding ratios	MTI Ltd. 100.0%	
(10) Relationships between the Company and Solamichi System	Capital relationship	The Company holds 100.0% of shares outstanding of Solamichi.
	Personal relationship	Three executive officers and one staff of the Company currently serve as the directors of Solamichi, and one executive officer of the Company currently serves as a corporate auditor of Solamichi.
	Business relationship	The Company is entrusted with the development, sales and management business of software by Solamichi.

6. Outlook for the future

The impact on the full-year consolidated financial results of the Company will be minor since this is an organizational restructuring.

(Reference)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income Per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Earnings forecast for FY2021 (For the fiscal year ending September 30, 2021)	25,500 ~26,500	2,100 ~2,500	1,600 ~2,000	(1,000) ~(600)	(18.27) ~(10.96)
FY2020 (Actual) (For the fiscal year ended September 30, 2020)	26,082	2,507	2,082	506	9.28

<Points to consider concerning forecasts

Matters stated in this material concerning results forecasts are based on assessments, assumptions and convictions derived from information available to the Company at the time when this material is published. They may differ significantly from actual results due to a variety of factors, including future economic conditions in Japan and overseas, changes in conditions for business operations in Japan and overseas, or uncertain factors and potential risks inherent in forecasts. Those risks and uncertain factors include unpredictable effects on results that may arise from future events.

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