

August 20, 2021

For Immediate Release:

MTI Ltd.
 Representative: Toshihiro Maeta,
 President and Chief Executive Officer
 Listing: Tokyo Stock Exchange
 (First Section) [9438]
 Contact: Hiroshi Matsumoto, Senior managing Director

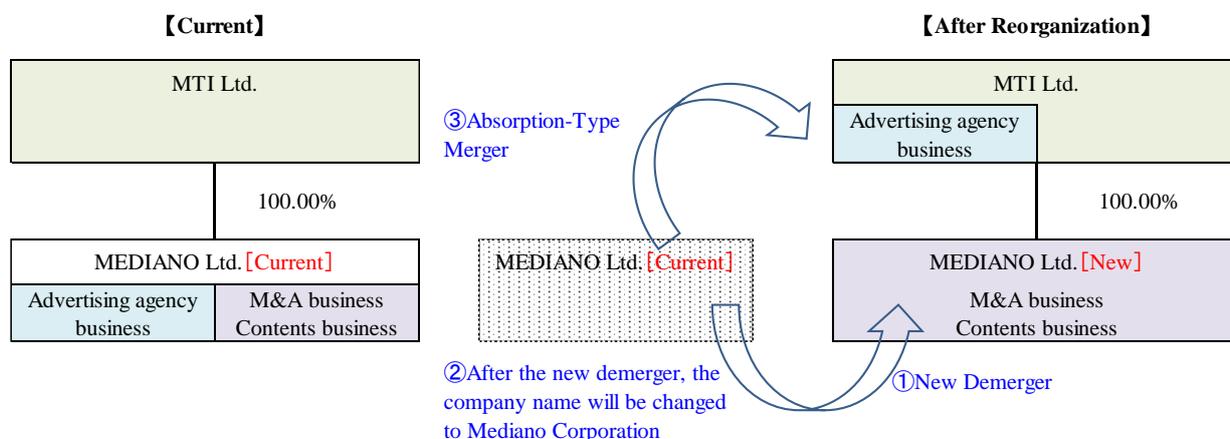
Notice Concerning Reorganization (Company Demerger and Absorption-Type Merger (Simplified/Short-Form Merger)) of Wholly Owned Subsidiary, MEDIANO Ltd.

MTI Ltd. (hereinafter the “Company”) announces that a meeting of its Board of Directors held on August 20, 2021 resolved to transfer the M&A business and the content business of its wholly owned subsidiary, MEDIANO Ltd. (hereinafter the “current MEDIANO”), to the new MEDIANO Ltd. (hereinafter the “new MEDIANO”) through a company demerger effective September 30, 2021, and to absorb the current MEDIANO (scheduled to change its trade name to MEDIANO Corporation as of September 30, 2021), which will operate the advertising agency business after the company demerger.

Since this reorganization is a company demerger of a wholly owned subsidiary and is also a simplified absorption-type merger involving a wholly owned subsidiary, some disclosure items and details have been omitted.

[I] Purpose of the Company Demerger and Absorption-Type Merger

The current MEDIANO is engaged in the M&A business (including the content business acquired through M&A) and the advertising agency business. By transferring the M&A business to the new MEDIANO, we will build a system that enables us to focus on the M&A business. In addition, since the advertising agency business is linked to the Company’s content business and ad placement, the Company will create an efficient business operation system by integrating the two businesses through an absorption-type merger.



[II] Company Demerger

1. Summary of MEDIANO's Company Demerger

(1) Schedule of the Company Demerger

August 20, 2021	Resolution of the Board of Directors (MTI Ltd. and current MEDIANO)
August 20, 2021	Resolution at the General Meeting of Shareholders (current MEDIANO)
September 30, 2021	Effective date of the Company Demerger

(2) Method of the Company Demerger

This is an incorporation-type company demerger in which the current MEDIANO will be the demerging company and the new MEDIANO will be the succeeding company.

(3) Handling of share acquisition rights and bonds with share acquisition rights associated with the Company Demerger

Not applicable.

(4) Increase or decrease in capital stock due to the Company Demerger

There will be no change in capital, etc. as a result of this company demerger.

(5) Rights and obligations succeeded by the new company

The new company will succeed from the demerging company all assets, liabilities, employment contracts, and other rights and obligations necessary for the execution of the businesses (M&A business and content business) to be succeeded through the company demerger.

(6) Outlook on the fulfillment of obligations

For the company demerger, the Company has determined that there is a likelihood of the fulfillment of the obligations to be borne by the splitting company and the new company.

2. Summary of companies involved in the Company Demerger

	Demerger company *Current MEDIANO	New company *New MEDIANO
(1) Name	MEDIANO Ltd. (Scheduled to change the company name to MEDIANO Corporation on September 30, 2021)	MEDIANO Corporation
(2) Address	Tokyo Opera City Tower 3-20-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Tokyo Opera City Tower 3-20-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo
(3) Name and title of representative	Teppei Hamada, CEO	Teppei Hamada, CEO
(4) Nature of business	M&A business, Contents business and Advertising agency business	M&A business and Contents business
(5) Capital stock	10 millions of yen	10 millions of yen
(6) Date of establishment	1 October, 2003	30 September, 2021
(7) Number of issued shares	200 shares	200 shares

(8) Fiscal year	September 30	September 30
(9) Major shareholder and shareholding ratios	MTI Ltd, 100.0%	MTI Ltd, 100.0%
(10) Financial conditions and operating results for the most recent fiscal year		
Fiscal year	September 30, 2020 (Consolidated)	September 30, 2020 (Non-consolidated)
Net assets	387 millions of yen	- millions of yen
Total assets	532 millions of yen	- millions of yen

(Note) The outline of the demerging company is as of March 31, 2021, while that of the new company is as of September 30, 2021 (prospects).

3. Summary of the business to be demerged

(1) Business content of the business to be demerged

M&A business and Contents business

(2) Operating results of the business to be demerged

September 30, 2020 Net sales 360 millions of yen (outlook)

(3) Items and amounts of the assets and liabilities to be demerged

Assets 383 millions of yen , Liabilities 75 millions of yen

(Note) The above amounts of assets and obligations have been compiled based on the balance sheet as of June 30, 2021.

Actual amounts to be assumed will reflect an increase or decrease from the above amounts that may arise until the effective date.

[III] Absorption-Type Merger

1. Summary of the Merger

(1) Schedule of the Merger

August 20, 2021 Resolution of the Board of Directors (MTI Ltd. and current MEDIANO)
August 20, 2021 Merger agreement date
September 30, 2021 Merger effective date

(Note) Since this is a short-form merger pursuant to Article 796, Paragraph 2 of the Companies Act of Japan for the Company and is also a short-form merger pursuant to Article 784, Paragraph 1 of the Companies Act for the current MEDIANO, the merger will be carried out without the approval of the respective general meetings of shareholders.

(2) Method of the Merger

Since this is an absorption-type merger with the Company as the surviving company, MEDIANO will be dissolved.

(3) Allocation of shares associated with the Merger

Since the merger is a merger with a wholly owned subsidiary of the Company, there will be no allotment of shares or money, etc. as a result of the merger.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights of the dissolving company in association with the Merger

Not applicable.

2. Summary of companies involved in the Merger

(As of March 31, 2021)

	Surviving company by absorption	Dissolving company by absorption *Current MEDIANO												
(1) Name	MTI Ltd.	MEDIANO Ltd.												
(2) Address	Tokyo Opera City Tower 3-20-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Tokyo Opera City Tower 3-20-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo												
(3) Name and title of representative	Toshihiro Maeta, CEO	Teppei Hamada, CEO												
(4) Nature of business	Contents business and Healthcare business	M&A business, Contents business and Advertising agency business												
(5) Capital stock	5,180 millions of yen	10 millions of yen												
(6) Date of establishment	12 August, 1996	1 October, 2003												
(7) Number of issued shares	61,209,300 shares	200 shares												
(8) Fiscal year	September 30	September 30												
(9) Major shareholder and shareholding ratios	<table border="0"> <tr> <td>Toshihiro Maeta</td> <td>19.38%</td> </tr> <tr> <td>KMC, Inc.</td> <td>16.49%</td> </tr> <tr> <td>Hikari Tsushin K.K</td> <td>8.75%</td> </tr> <tr> <td>UH Partners2, Inc</td> <td>8.75%</td> </tr> <tr> <td>MEDIPAL HOLDINGS CORPORATION</td> <td>5.15%</td> </tr> <tr> <td>UH Partners3, Inc.</td> <td>3.99%</td> </tr> </table>	Toshihiro Maeta	19.38%	KMC, Inc.	16.49%	Hikari Tsushin K.K	8.75%	UH Partners2, Inc	8.75%	MEDIPAL HOLDINGS CORPORATION	5.15%	UH Partners3, Inc.	3.99%	MTI Ltd, 100.0%
Toshihiro Maeta	19.38%													
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MEDIPAL HOLDINGS CORPORATION	5.15%													
UH Partners3, Inc.	3.99%													
(10) Financial conditions and operating results for the most recent fiscal year														
Fiscal year	September 30, 2020 (Consolidated)	September 30, 2020 (Non-consolidated)												
Net assets	21,510 millions of yen	387 millions of yen												
Total assets	30,547 millions of yen	532 millions of yen												
Net assets per share	350.83 yen	1,935,313.06 yen												
Net sales	26,082 millions of yen	522 millions of yen												
Operating income	2,507 millions of yen	(16) millions of yen												
Ordinary income	2,082 millions of yen	(15) millions of yen												
Profit attributable to owners of parent	506 millions of yen	(52) millions of yen												
Net income per share	9.28 yen	(263,699.28) yen												

(Note) The absorption-type merger will be executed after the company demerger described in [II] above.

3. Status after the Merger

There will be no changes in the name, address, name and title of representative, business description, capital and book closing period of the Company after the merger.

[IV] Outlook for the future

Since the reorganization is a company demerger of a wholly owned subsidiary and a simplified absorption-type merger with the wholly owned subsidiary, the impact on consolidated financial results will be minor.

(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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