

CORPORATE PROFILE

MOBILE DREAM FACTORY



MTI Ltd.

Putting Delight in Customers' Hands

MTI is a mobile content provider known for fun and convenient services, such as *music.jp* and *Luna Luna*, via websites and apps. With popular content ranging from music to healthcare information, e-books, lifestyle tips and entertainment, MTI is a leader in Japan on a paying subscriber basis. Our mission is to create diverse mobile content that makes people's dreams come true. In order 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, delivering high levels of customer satisfaction. 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?





Ever since the launch of MTI in August 1996, our “Everything to Delight You!” motto has inspired us to offer a rich array of content.

Amid ongoing expansion of the smartphone market, we have to swiftly roll out services that customers want and need—services that bring more fulfillment and greater convenience to daily life. To captivate customers with high-quality services unique to MTI, we will further leverage our expertise and tackle new fields. We welcome change and the opportunity to transform ourselves so that we can keep on growing as an enterprise while earning the enduring respect and affection of society. In all our endeavors, I will be grateful for your continued support.







Toshihiro Maeta
President and Chief Executive Officer

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


Vision: By always being at the customers’ side and helping people realize their aspirations through innovative, high-quality services, we aim to become a Mobile Dream Factory.

History of Content

We have been the source of a stream of services covering various genres since 1997.







Music	•Ringtone				
Healthcare	Services for feature phones started!		•Luna (current Luna Luna) women's health information site		
Lifestyle-related	•Voice information content •Weather forecast	•Obunsha Study Guides •Mapple Guide	•Traffic information		
Entertainment	•Used car information				
Established on Aug. 12, 1996	1997	1998	1999	2000	2001
Dramatic expansion of the cellular communications market			i-mode®, Ezweb®, and J-SKY® services launched	Cellular phones with built-in camera released	
<div>music.jp®</div> <div>music.jp® 取り放題</div>					
	MTI's first TV commercial (ringtone) started!		TV commercial on music.jp started!		
•Mobile dictionary	•Congestion Diversion Mapple •Obunsha Comprehensive Dictionaries				
•Professional baseball flash news •Fortune-telling				comic.jp	
2002	2003	2004	2005	2006	
Chaku-Uta® service launched	Cellular phones with TV tuner released	Cellular phones capable of decorative email released	Mobile number portability introduced		

* i-mode is a registered trademark of NTT DoCoMo, Inc. * Ezweb is a registered trademark or a trademark of KDDI Corporation. * J-Sky was a trademark or a registered trademark of Softbank Corp. * Chaku-Uta® is a registered trademark or a trademark of Sony Music Entertainment Inc. * Decorative e-mail is a trademark or a registered trademark of Sony Music Entertainment Inc.








What a number of various services they have made!

Services for smartphones started!

music.jp® ビデオ クリップ		music.jp® 韓流フル m music.jp® STREAM		
TV commercials for Luna Luna started!			umoo!	
				
				
2007	2008	2009	2010	2011
	iPhone® 3G released		Xperia® released	

More than 5 million paying subscribers to smartphone services

	m music.jp®			Music
	•karadafit activity meter	DearGene	Website for integrated distribution of music, video, and ebooks	
	世界の指さしフレーズ point at phrases	ライフレンジャー 天 気		
				
2012	2013	2014	2015	▶▶▶
		More smartphone subscribers than feature phone subscribers.	Apple Watch® released	

trademark of NTT DoCoMo, Inc. * iPhone and Apple Watch are trademarks of Apple Inc. The trademark iPhone is used under the license of Aiphone Co. Ltd. * Xperia is a trademark or a registered trademark of Sony Mobile Communications AB. * Content services that have already been terminated are also listed here.

Content Distribution Services

Content distribution for mobile terminals is MTI's mainstay business.

We offer a wide range of lifestyle-related services via our mobile websites and apps.

Music / Video / Books & Comics

music.jp Integrated Online Store

music.jp is a one-stop store offering music, video, books and comics. From a profusion of diverse content, you can purchase the items you like straightaway. Get the original novel, the movie based on it, and the soundtrack all in one go! Premium subscribers enjoy the advantages of bonus points and other benefits.

● Music

From the latest J-POP and Western popular music to golden oldies, a vast number of tracks in various genres are available for distribution with high audio quality.

● Movies, TV Drama Series, and Anime

We distribute a huge amount of popular video content, including the latest Japanese and international TV drama series, movies, anime, and variety shows, as well as much-loved favorites

from the past. Viewing the content is far easier than trekking to the video rental store.

* Service offered by VideoMarket

● Books & Comics

We offer a wonderful choice of e-books ranging from the latest popular comics and novels, including those that have been turned into movies or televised, to award-winning books, enduring masterpieces, how-to books, online magazines, and more!





Healthcare

Luna Luna is a women's healthcare-related information website. We offer various apps and devices that support people's health, contributing to the well-being and happiness of people of all generations.

① Healthcare information service supporting women's physical and mental wellness

Luna Luna helps you manage menstrual and ovulation days. Based on the record of previous menstrual dates, it forecasts the next menstrual dates and the most and the least fertile days. Offering tips on skin and physical conditions and on beauty care and supporting efforts to reduce weight, *Luna Luna* responds to physical and mental concerns unique to women.

With *Luna Luna* as the anchor website, we offer diverse services to meet the needs of women as they experience the different phases of life.

In particular, *Luna Luna's* proprietary logic for forecasting ovulation days and the most fertile days (patent pending) utilizes the big data of *Luna Luna* in combination with the user's data and notifies the user of the date with the highest probability of pregnancy. Thanks to high-precision forecasting, *Luna Luna* is highly rated by the users as a valuable aid for women who wish to conceive a child.

Services following conception include provision of advice corresponding to the number of days of pregnancy in response to the needs of mothers-to-be. Services following the birth of the child include provision of information according to the age of the baby in months and functions for recording the child's growth. Offering services tailored to the each phase of women's lives, we provide comprehensive support to women who wish to conceive a child, during pregnancy, through delivery, and for subsequent baby-care.





② Health Q&A service in cooperation with healthcare professionals

Healthcare professionals including physicians, pharmacists, nurses, and nutritionists respond to your questions about health 24/7/365 by telephone or email.^(*) As well as seeking advice about illness, health management, and nursing care corresponding to an extensive menu of subject, you can view practical healthcare handbooks and past Q&A. You have a wealth of information on health at your fingertips.

*1: Telephone consultation is provided by healthcare professionals other than physicians.

③ Genetic analysis service

This service analyzes your genetic information relating to cancer, lifestyle diseases and other conditions and notifies you of the result via smartphone or personal computer. Genetic analysis helps identify medical conditions to which individuals are genetically predisposed. It will prompt you to review your lifestyle based on the analysis results and raise your awareness about

health management.

④ Healthcare device-smartphone linkage service
We manufacture and sell healthcare devices that measure various vital data and automatically send the data to smartphones.

● World's smallest^(*) physical activity meter with communication functions

You can measure your daily calorie consumption, the number of steps you take, data on sleep, etc.

*2: As of July 2015

● Body composition monitor with communication functions

Seven items of body composition are measured: weight, body fat %, body water %, body muscle %, bone mass, basal metabolic rate (BMR), and body mass index (BMI).

○ Measured data are recorded and managed with ease using a dedicated app. Knowledge of your physical data is useful for nutrition and helps you improve your lifestyle.



Lifestyle Information / Entertainment / Fortune-telling

● Lifestyle Information

A wealth of information is available for your daily convenience, such as weather forecasts, maps, and navigation.

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 throughout Japan. A sophisticated car navigation app is also available, which is a great help for avoiding traffic congestion.

● Entertainment

Our range of exciting entertainment services will make your life sparkle. It includes a variety of social games, camera apps for photo editing, and content curation sites for music, popular entertainment, health, etc. We also operate many fortune-telling sites featuring popular fortune tellers in various genres.

Smartphone Solutions

We offer solutions to corporate customers that support their smartphone-based businesses.

Commercialization of an indoor positioning system with the world's highest-level accuracy

The indoor positioning system developed by MTI uses the microphone built in a smartphone to receive sound waves in a non-audible range indoors or underground, beyond the reach of GPS signals, to pinpoint the user's position to within an error of only about 30 cm (patent pending).

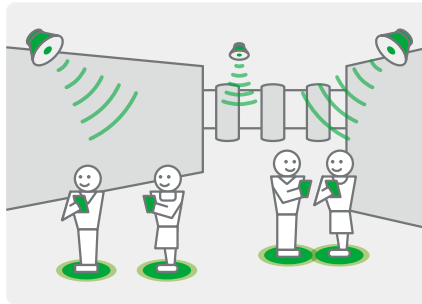
Although use of Wi-Fi has been the mainstream for positioning in places where GPS signals are unavailable, it causes errors of several meters and is unsuitable for use in buildings with atriums where it is difficult to determine on which floor the target is and in facilities where a lot of equipment or merchandise is in a confined space.

By incorporating the MTI-developed indoor positioning system in apps for which position information is useful and mounting speakers on ceilings or walls, indoor position information with the world's highest-level accuracy will become available, leading to new innovative services.

Identification of accurate location regardless of the size of the venue as well as the floor number makes this system ideal for management of location and traffic of staff in factories and warehouses.

This system has been commercialized as an indoor positioning solution and MTI expect it to be applied in diverse fields.

* Wi-Fi is a registered trademark of the Wi-Fi Alliance.





Non-virtual Affiliate Business

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

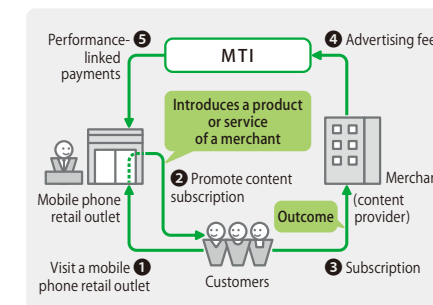
An affiliate marketing business is an Internet-based, performance-linked, marketing business. An affiliate introduces a merchant's products and services on the Internet and if there is a positive outcome (for example, a customer purchases the merchant's product), the affiliate receives compensation from 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 the largest non-virtual affiliate marketing network in Japan. The initial purpose of establishing the network of mobile phone retail outlets was to attract paying subscribers to our content. Taking our cue from the success of this approach, we launched 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



MTI Ltd.

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Corporate Profile

Company Name

MTI Ltd.

(Stock code: 9438)

(Listed: 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

5,069 million yen

(Consolidated basis, Sept 30, 2017)

Number of Employees

993 (Consolidated basis, Sept 30, 2017)

Main Business

Content distribution for mobile phones

MTI Group

EverGene Ltd.

MTI TECHNOLOGY Co., Ltd.

KARADAmédica Inc.

TeraMobile, Inc.

Mediano Ltd.

MShift, Inc.

Automagi Inc.

Video Market Corporation

PHARUMO, Inc.

SHANGHAI HYRON MTI CO., LTD.

StaGen Co., Ltd.

Authlete, Inc.

Board of Directors & Corporate Auditors

President and CEO

Toshihiro Maeta

Executive Vice President

Hiroshi Izumi

Senior Managing Director

Yoshihiro Shimizu

Managing Director

Katsunori Osawa

Managing Director

Hiroshi Matsumoto

Director

Masaya Onagi

Director

Muzhi Zhou

Director

Hikaru Yamamoto

Statutory Auditor (Standing Auditor)

Minoru Takei

Statutory Auditor

Yoshinobu Nakamura

Statutory Auditor

Kazuhiko Sakishima

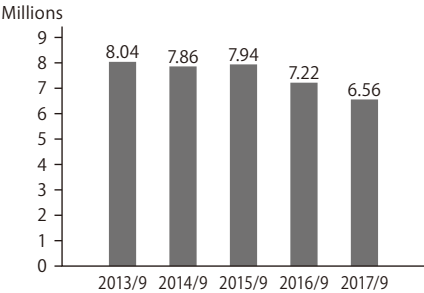
Statutory Auditor

Kazuko Ohya

Financial Information

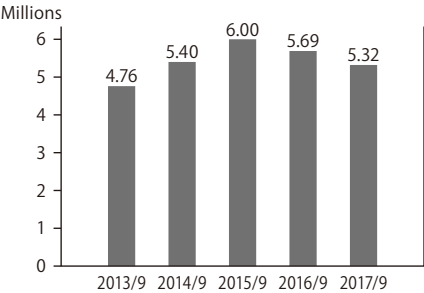
Results of Operations	Millions of Yen				
	2013/9	2014/9	2015/9	2016/9	2017/9
Net Sales	30,160	30,985	33,461	32,844	30,933
Operating Income	1,149	2,557	4,245	5,355	4,053
Operating Income Ratio (%)	3.8	8.3	12.7	16.3	13.1
Ordinary Income	1,119	2,519	4,144	5,310	3,972
Ordinary Income Ratio (%)	3.7	8.1	12.4	16.2	12.8
Profit attributable to owners of parent	516	1,337	2,607	3,317	1,434
Profit attributable to owners of parent Ratio	1.7	4.3	7.8	10.1	4.6

Number of Paying Subscribers

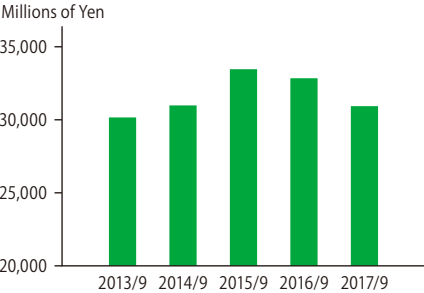


Financial Position	Millions of Yen				
	2013/9	2014/9	2015/9	2016/9	2017/9
Total Assets	15,646	16,768	24,738	25,154	23,897
Net Assets	8,869	9,722	16,591	17,852	17,937

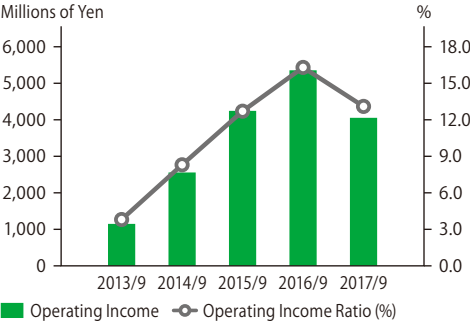
Number of Paying Subscribers to Smartphone Services



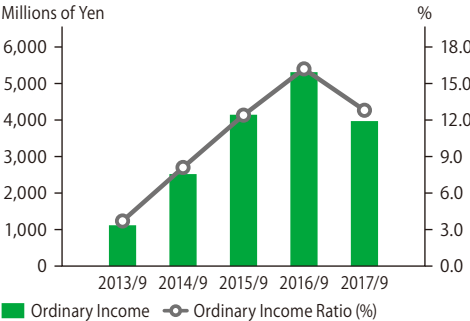
Net Sales



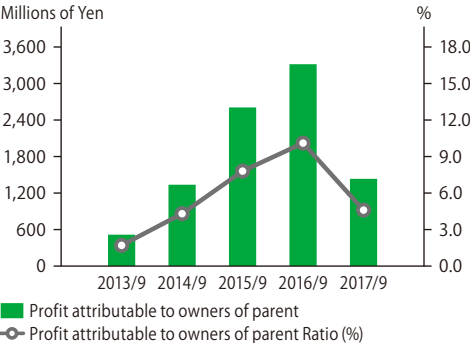
Operating Income



Ordinary Income



Profit attributable to owners of parent



Corporate History

Aug. 1996	MTI Ltd. is established with capital of 90 million yen to sell mobile phones and provide data communications services.	Sept. 2013	MTI establishes EverGene Ltd.
Oct. 1997	Weather information site offering a weather forecast service is launched.	Nov.	MTI establishes Sonicnaut Ltd.
Oct. 1999	MTI stock is registered for over-the-counter trading.	Mar. 2015	<i>music.jp</i> music distribution site launches an integrated service covering music, video and e-books.
Nov. 2000	<i>Luna Luna</i> women's health site is launched.		MTI stock is listed on the First Section of the Tokyo Stock Exchange.
Mar. 2004	<i>music.jp</i> Chaku-Uta® site is launched.	Apr.	PHARUMO, Inc. becomes a consolidated subsidiary.
Jun. 2010	MTI establishes SHANGHAI HYRON MTI CO., LTD.	Jul.	MTI establishes KARADAmédica Inc.
Jul.	MTI starts smartphone services.	Nov.	MTI acquires StaGen Co., Ltd. and makes it an equity-method affiliate.
Nov.	Automagi Inc. (formally Jibe Mobile K.K.) becomes a consolidated subsidiary.	Mar. 2017	Video Market Corporation becomes a consolidated subsidiary.
Dec.	MShift, Inc. becomes a consolidated subsidiary.		
Apr. 2011	<i>yomel.jp</i> e-book distribution site is launched.		
May 2013	MTI acquires Video Market Corporation and makes it an equity-method affiliate.		



株式会社エムティーアイ
MTI Ltd.

December 31, 2017