

MTI Ltd.



For the First Half of
Fiscal year ending September 30, 2015
Financial Results Presentation

May 7, 2015 Securities Code:9438



CONTENTS

1

Consolidated Financial Results Overview for Q2 FY2015

- 2 Financial Highlights
- 3 Consolidated P/L
- 4 Consolidated SG&A
- 5 Progress for Earnings Forecast for the Full-year Term
- 6 Business Overview
- 13 Consolidated B/S

14

New Actions from Q3 FY2015

- 15 Basic Policy in the FY2015
- 16 Enhancement in the Non-virtual Affiliate Network
- 17 Enlargement of Contents Services
- 18 Expansion of the Healthcare-related Service Business Domain
- 22 Consolidated Earnings Forecast for the FY2015
- 23 Image of Growth Operating Income

27

Appendix

Consolidated Financial Results Overview for Q2 FY2015





1

Net sales and operating income in the first half reached record highs!
The number of paying subscribers on smartphones expanded to 5.9 million!

Net sales	¥16,620M	(Up 1,340 millions of yen, Up 8.8%, YoY)
Operating income	¥2,108M	(Up 803 millions of yen, Up 61.6%, YoY)
Net income	¥1,088M	(Up 298 millions of yen, Up 37.7%, YoY)

2

Dividends in commemoration
of the change of the market to the TSE First Section will be paid.

Interim dividends	¥6
Include common dividends;	¥5
Include commemorative dividends;	¥1
*After share split	

3

Net sales, operating income, and the dividend per share
will likely reach record highs!

Net sales	¥34,000M
Operating income	¥4,200M
Annual dividends	¥12 *After share split

Strong performance of SugoToku content (NTT docomo)
Improvement in average revenue per user (ARPU)

Sales and income
Increased YoY

(Millions of yen)	Six months ending September 30, 2015	Six months ended September 30, 2014	Change	
			Amount	Percentage
Net sales	16,620	15,279	+1,340	+8.8%
Cost of sales	2,666	2,476	+190	+7.7%
Gross profit (Ratio)	13,953 84.0%	12,803 83.8%	+1,150	+9.0%
SG&A (Ratio)	11,845 71.3%	11,498 75.3%	+347	+3.0%
Operating income (Ratio)	2,108 12.7%	1,304 8.5%	+803	+61.6%
Ordinary income (Ratio)	2,034 12.2%	1,310 8.6%	+724	+55.3%
Net income (Ratio)	1,088 6.6%	790 5.2%	+298	+37.7%

Consolidated SG&A



MTI Ltd

Focused on investing in advertising to attract new subscribers. (Up 623 millions of yen)
 Appropriately controlled selling, general and administrative expense through meaningful use.
 (Up 347 millions of yen)

(Millions of yen)	Six months ending September 30, 2015	Six months ended September 30, 2014	Change	
			Amount	Percentage
SG&A	11,845	11,498	+347	+3.0%
Advertising expenses	4,702	4,078	+623	+15.3%
Personnel expenses	2,756	2,826	-69	-2.5%
Commission fee	1,835	1,641	+194	+11.8%
Subcontract expenses	682	898	-215	-24.0%
Depreciation	694	886	-192	-21.7%
Other	1,174	1,167	+6	+0.6%



Progress for Earnings Forecast for the Full-year Term

Net sales and operating income reached roughly **50%** of the annual forecast.
Performance was good.

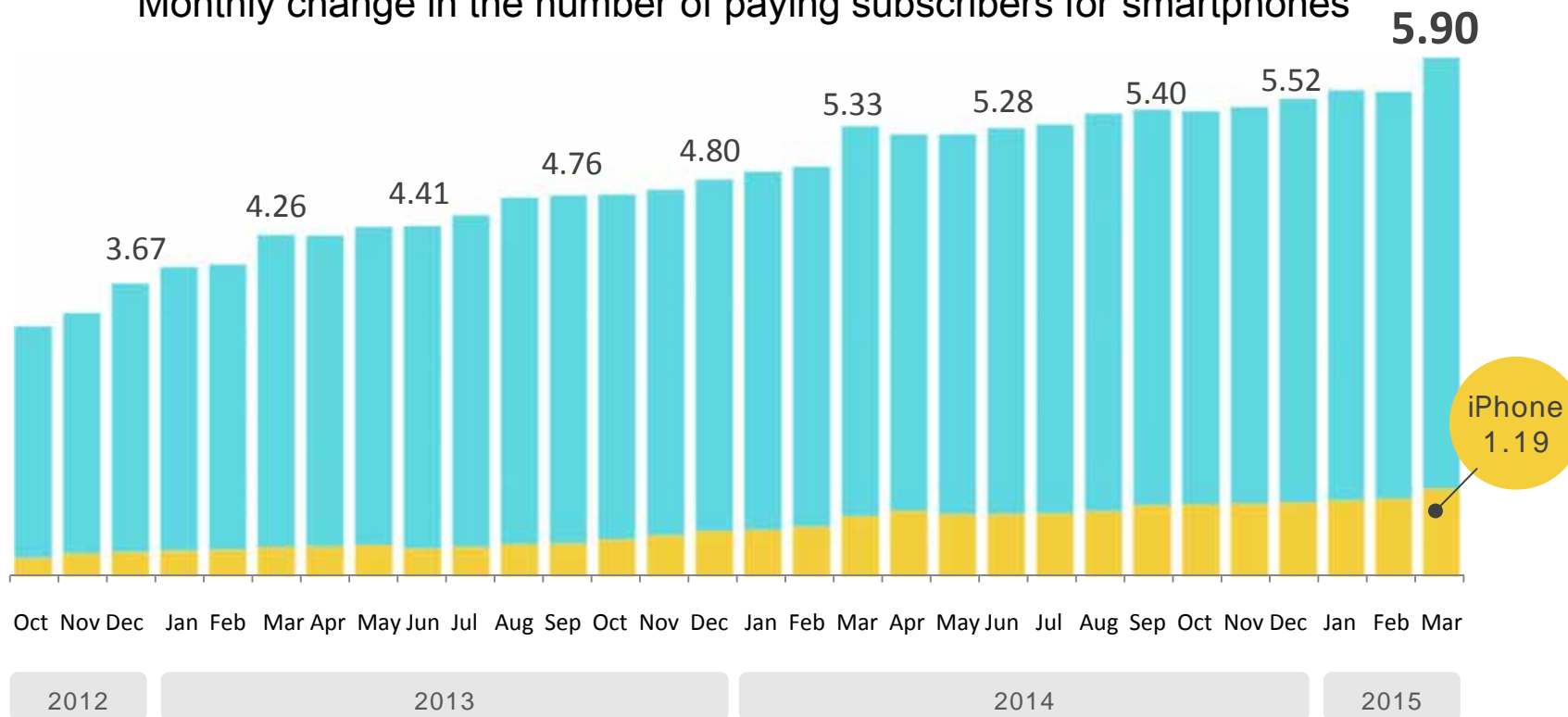
(Millions of yen)	FY2015		Progress ratio
	1 st half actual	Full-year forecast	
Net sales	16,620	34,000	48.9%
Operating income	2,108	4,200	50.2%
(Ratio)	12.7%	12.4%	
Ordinary income	2,034	4,120	49.4%
(Ratio)	12.2%	12.1%	
Net income	1,088	2,270	48.0%
(Ratio)	6.6%	6.7%	



5.90M paying subscribers

Up 0.38M, compared to December 31, 2014

Monthly change in the number of paying subscribers for smartphones



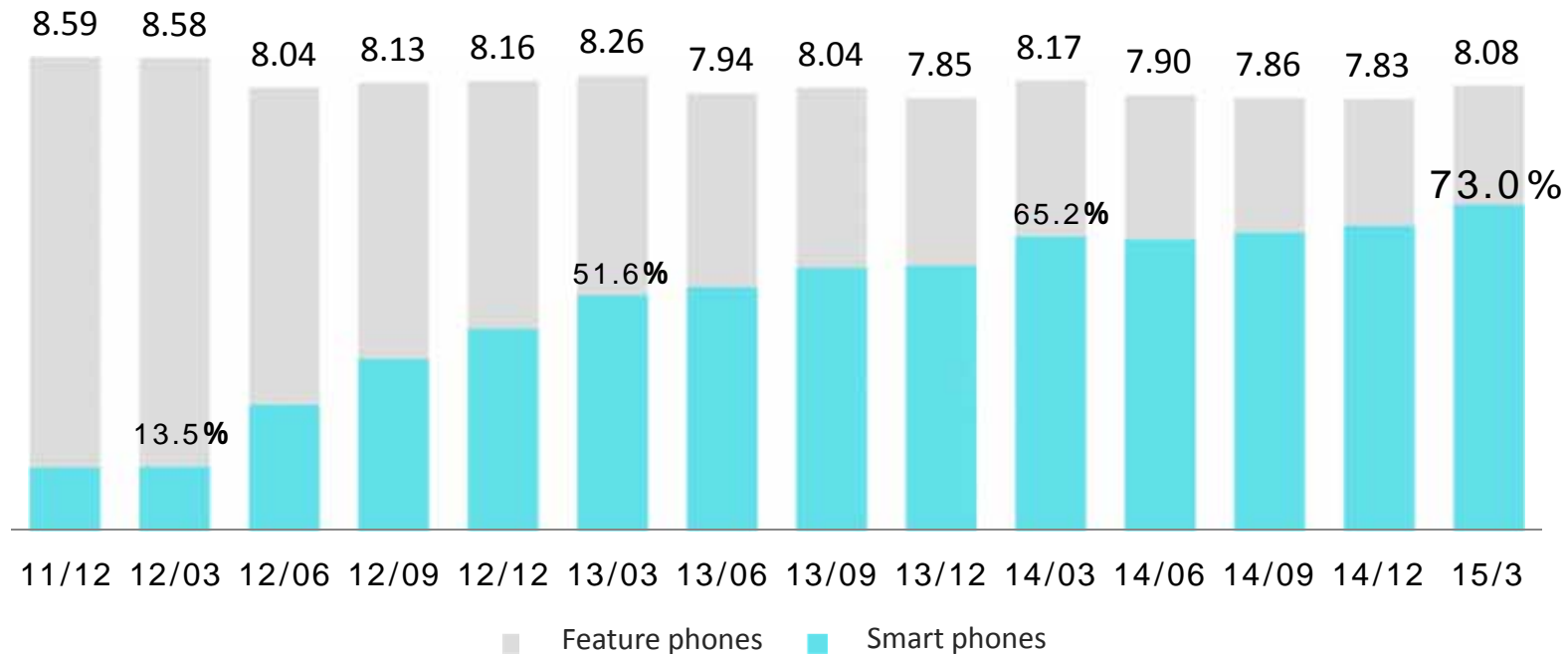


8.08M paying subscribers

Up 0.25M, compared to December 31, 2014

Smartphone ratio
exceeds 73%

Quarterly change in the number of paying subscribers





8 contents!

m. music.jp
Music



m. music.jp
E-book



PhotoBook
Photo book



ゲッティ イメージズ

ルナルナ
Healthcare
-related



ファミリー
pregnancy, childbirth,
childcare



旺文社辞典
Multi-dictionary



インテリアのアイデア
Decoration e-mail
Unlimited distribution



今日の運勢
Western
Fortune-telling



ライブレンジャー
Weather info



ビューティー
Diet & beauty



スマート占いDX
Eastern
Fortune-telling



パズル
Puzzle game



m. music.jp
Comic



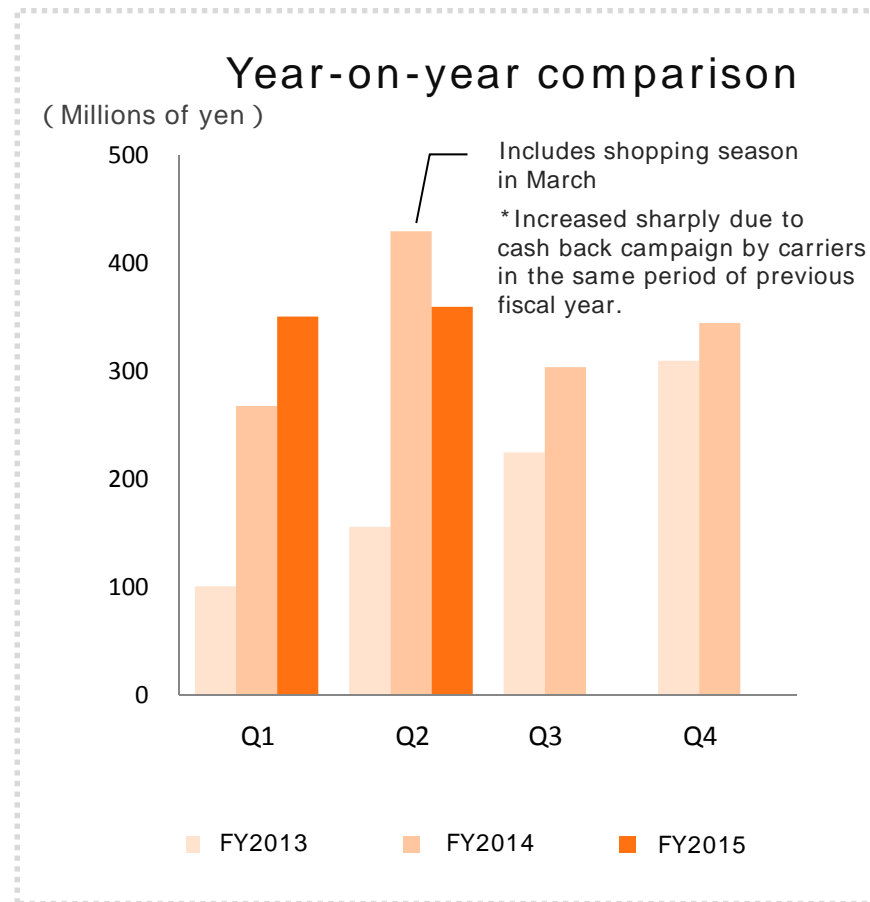
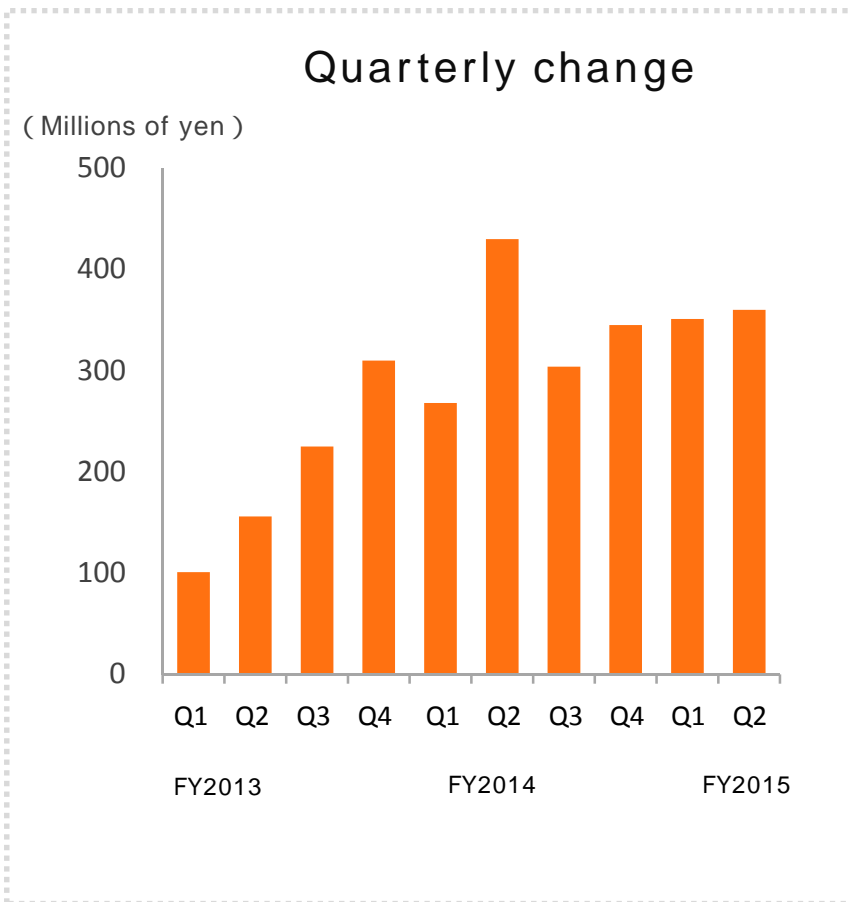
世界の指さしフレーズ
Point at phrases



* Source: Ranking data from "d-menu", a portal site for smartphone services, by NTT docomo Co., Ltd. as of April 20, 2015

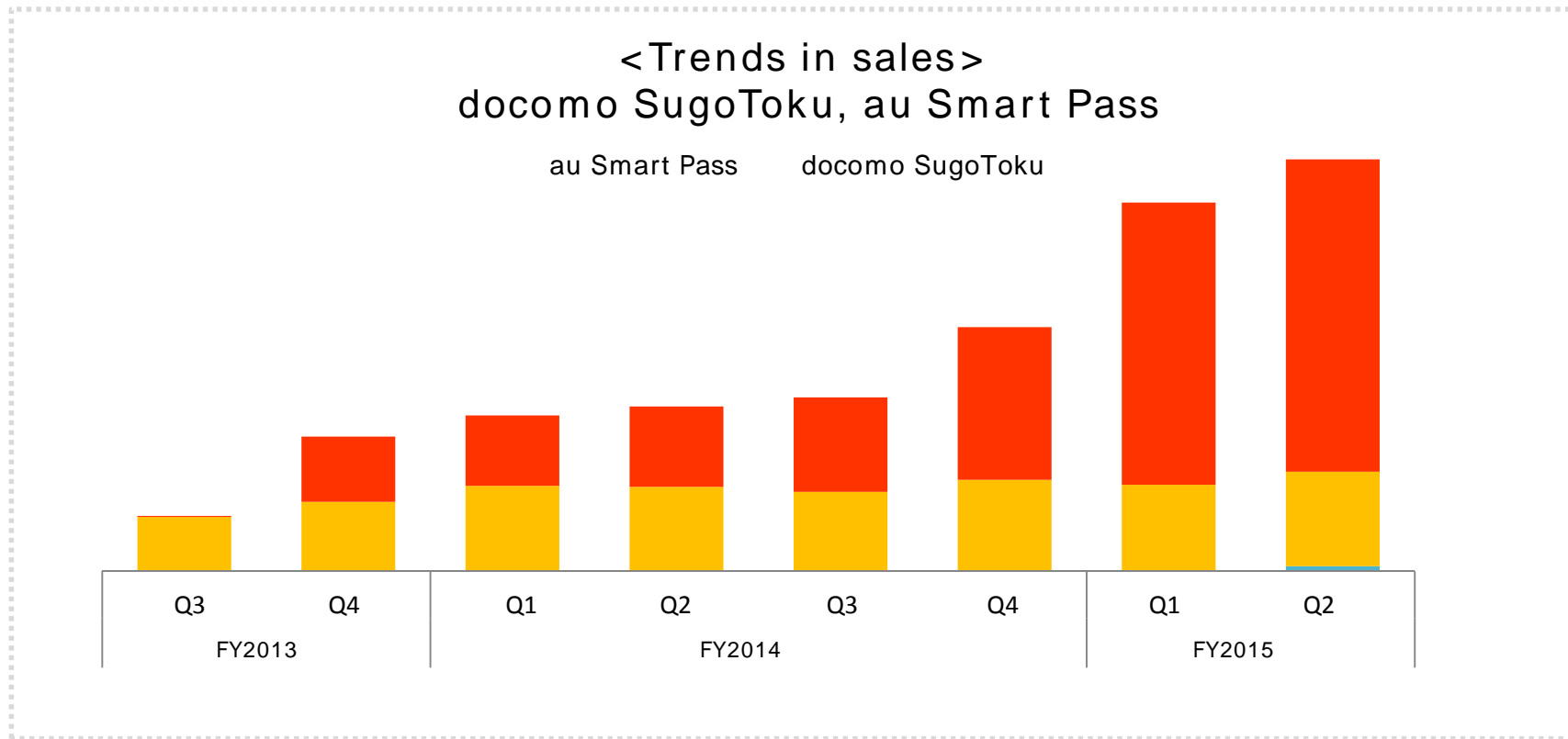


Sales remained steady



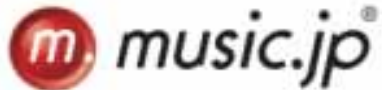


SugoToku content increasing even higher!!





Following books and comics, videos began to be distributed in March!



¥400

per month (excluding tax)

The price remains the same.

General

Music

E-book



Equity method affiliated company


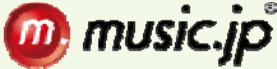



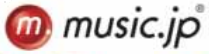








+



sales per customer (ARPU) UP!

Responding to the needs of smartphone users

Service Price level \ Categories	Weather information	Music·Books & Comics ·Video & DVD	Healthcare-related information
High added value	 <p>Premier Course ¥300 per month (excluding tax)</p> <p>Started community-based weather information</p>	 <p>¥400 * per month (excluding tax)</p> <p>Integrated popular categories in carrier shops</p> <p>Videos!</p>	 <p>¥300 per month (excluding tax)</p> <p>Shifted from management date of menstruation to be focused on pregnancy, child-rearing</p>
Basic value	 <p>¥100 per month (excluding tax)</p>	    <p>¥300 respectively per month (excluding tax)</p>	 <p>¥180 per month (excluding tax)</p>
Free of charge		<p>Free trial campaign</p> 	 

* There are some of price plans including ¥300/month (excluding tax) and fixed charge course and optional coins.

For more details, please visit our service site (Japanese only).

* comic.jp was integrated into music.jp.

Cash and deposits stood at **10.1** billions of yen, reflecting a capital increase through a market procurement etc. (4.78 billions of yen as of September 30, 2014)

(Millions of yen)	As of March 31, 2015	As of September 30, 2014	Change	(Millions of yen)	As of March 31, 2015	As of September 30, 2014	Change
Current assets	18,263	12,183	6,080	Current Liabilities	6,246	5,727	519
Cash and deposit	10,116	4,782	5,333	Accounts payable-trade	1,041	976	64
Notes and accounts receivable-trade	6,952	6,294	657	Account payable-other	3,210	2,317	892
Other	1,282	1,214	68	Income taxes payable	712	674	37
Allowance for doubtful accounts	-88	-108	20	Allowance for coin usage	234	277	-42
				Other	1,047	1,480	-433
Noncurrent assets	4,469	4,585	-116	Noncurrent liabilities	1,313	1,318	-4
Property, plant and equipment	137	143	-5	Long-term loans payable	500	500	-
Intangible fixed assets	2,029	2,177	-148	Net defined benefit liability	768	768	0
Include software	2,003	2,150	-147	Other	45	49	-4
Investments and other assets	2,302	2,264	38	Total liabilities	7,560	7,045	514
Include investment securities	940	813	127	Capital stock	4,846	2,596	2,249
				Capital surplus	5,361	3,111	2,249
				Retained earning	5,132	4,305	826
				Treasury stock	-695	-695	-
				Other comprehensive income	46	-27	73
				Subscription rights to shares	177	206	-29
				Minority interest	304	224	79
				Net assets	15,172	9,722	5,449
Total Assets	22,732	16,768	5,964	Total liabilities and net assets	22,732	16,768	5,964

New Actions from Q3 FY2015



Further expansion in the number of paying subscribers for smartphone services

- Enhancement in the Non-virtual Affiliate Network

Improvement in average revenue per user (ARPU) • expanding SugoToku content

- Enlargement of Contents Services

Mid-to-long-term approach

- Expansion of the Healthcare-related Service Business Domain

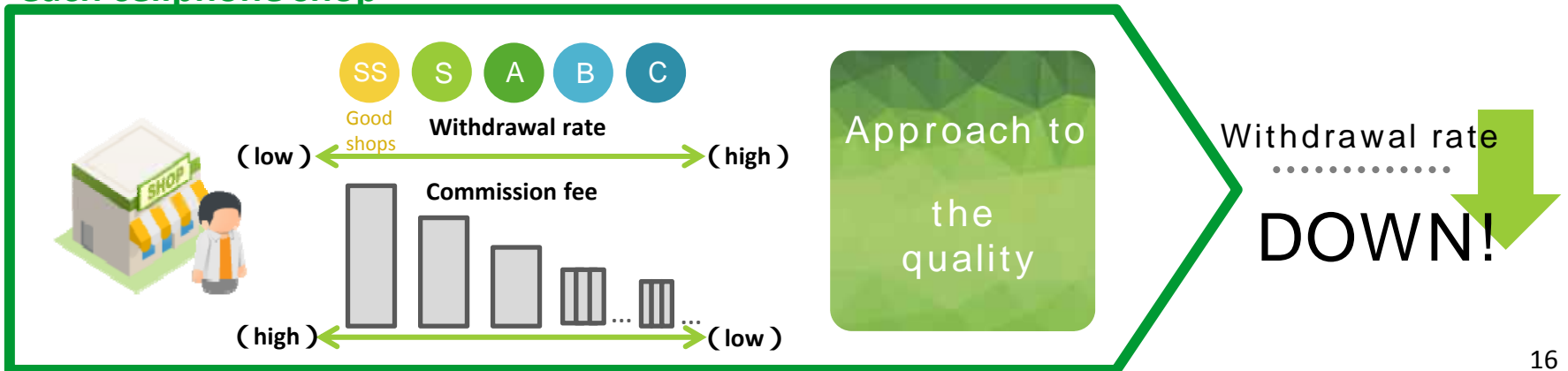
Since 2nd half FY2014

Establishment of sales offices to construct a detailed sales system



Since FY2015

Introduction of a compensation system based on the withdrawal rate of each cellphone shop





Initiatives to improve

Steps are being taken steadily
for each type of content

) Lifestyle information services
are to be integrated.

) Providing higher value-added
healthcare-related services.



The answers over the phones made
by healthcare providers, not doctors.



Four main Healthcare-related Services

1 Women healthcare-related information service

LunaLunaLite
The total number of the downloading as of the end of last April 7.2 million in total!



2 Medical information service cooperated with doctors etc.



A health check service will start!

The answers over the phones made by healthcare providers, not doctors.

3 Gene analytics service

New Kit Launched in April!



4 Machine-to-machine service





MTI Ltd.

Expansion of the Healthcare-related Service Business Domain)

Renovating the gene analytics service in response to the advent of personal genome service!

Gene analytics service (Subsidiary, EverGene Ltd.)



DearGene



TakaRa



DearGene
Launched
Starter kit!

From April, a limited number of units (2,000 units) are being sold for ¥4,980 (excluding tax).

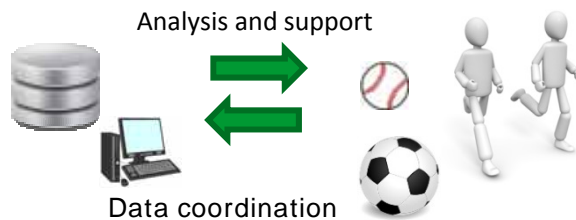


Subsidiaries have been added in the healthcare-related business!



Sports IT Solution Company

Healthcare management
for athlete
CLIMB Factory



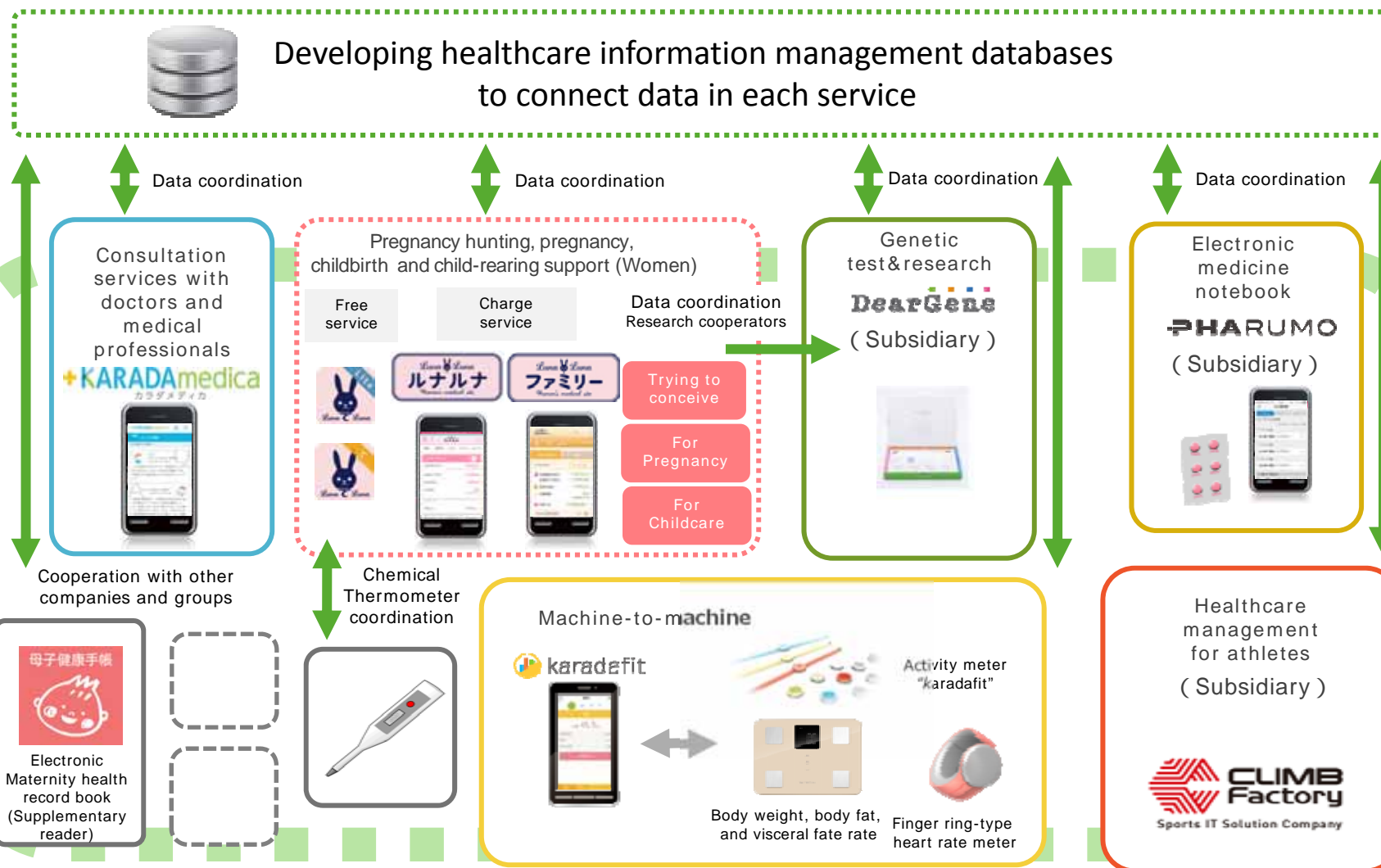
[Customers]
Japan Football Association, Japan Rugby
Football Union, Tokyo Yakult Swallows,
Saitama Seibu Lions others

PHARUMO

Electronic medicine
notebook service
PHARUMO



Aiming for CUSTOM-MADE Healthcare-related Services



Consolidated Earnings Forecast for the FY2015

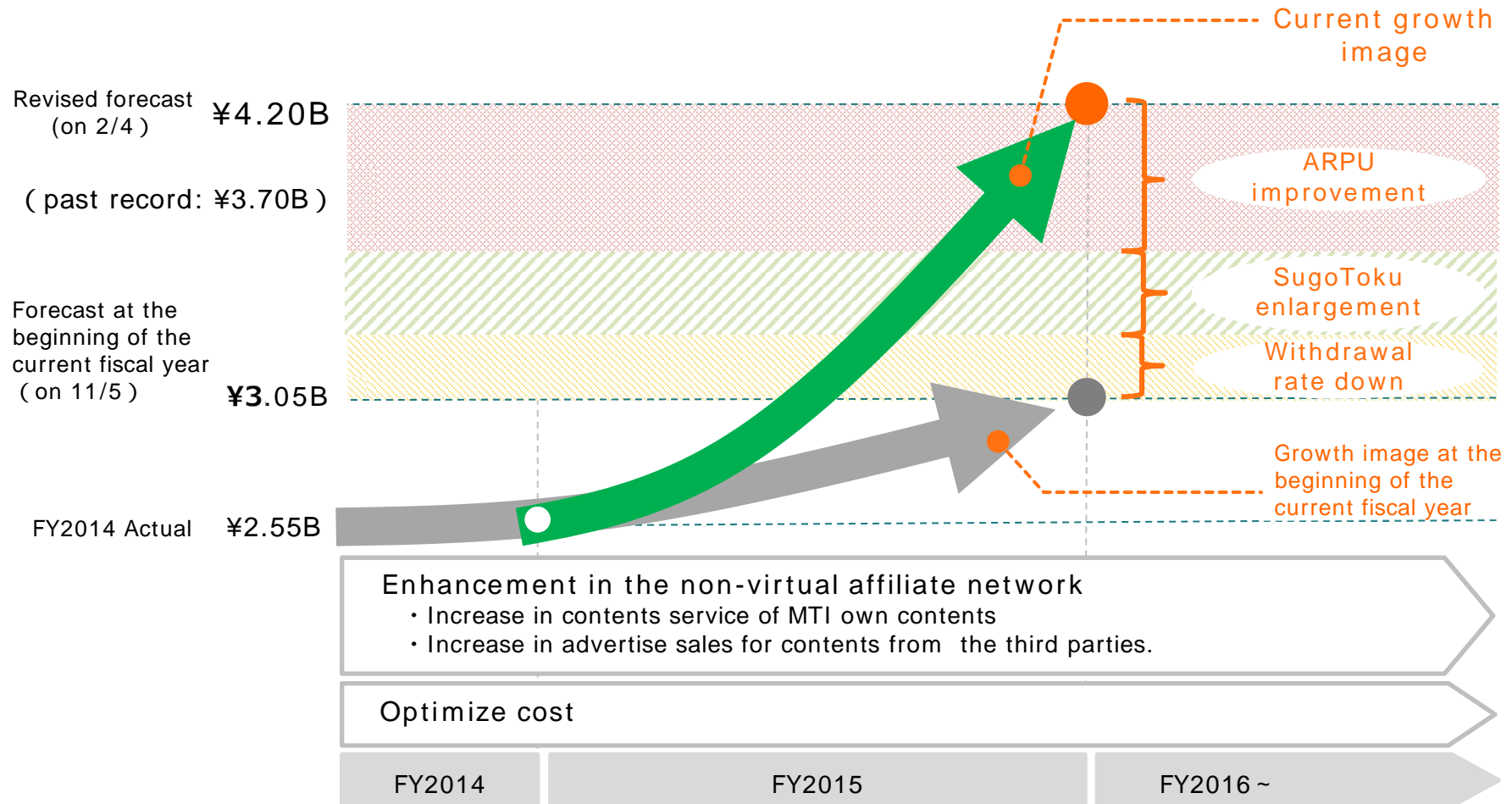


MTI Ltd

(Millions of yen)	FY2015			FY2014 (Actual)			Change	
	Full-year	1 st half	2 nd half	Full-year	1 st half	2 nd half	Amount (Full-year)	Percentage (Full-year)
Net sales	34,000	16,620	17,379	30,985	15,279	15,705	+3,014	+9.7%
Cost of sales	5,500	2,666	2,833	4,988	2,476	2,512	+511	+10.3%
SG&A	24,300	11,845	12,454	23,439	11,498	11,940	+860	+3.7%
Operating income	4,200	2,108	2,091	2,557	1,304	1,252	+1,642	+64.2%
(Ratio)	12.4%	12.7%	12.0%	8.3%	8.5%	8.0%		
Ordinary income	4,120	2,034	2,085	2,519	1,310	1,209	+1,600	+63.5%
(Ratio)	12.1%	12.2%	12.0%	8.1%	8.6%	7.7%		
Net income	2,270	1,088	1,181	1,337	790	547	+932	+69.7%
(Ratio)	6.7%	6.6%	6.8%	4.3%	5.2%	3.5%		



Achieving record operating income and further expansion





MTI Ltd.

〈Contact us〉

Public Relations & Investor Relations Department

TEL: +81-3-5333-6323 FAX: +81-3-3320-0189

MAIL: ir@mti.co.jp

www.mti.co.jp

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.