



Financial Results Briefing Material for Q2 FY2024

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Consolidated B/S

MTI Ltd.

(Unit : Mil yen)	FY2023	FY2024 Q2	Change		FY2023	FY2024 Q2	Change
Current assets	18,940	18,795	(145)	Current liabilities	7,330	6,532	(798)
Cash and deposits	13,720	13,426	(294)	Account payable-trade	1,023	1,018	(4)
Notes and accounts receivable - trade, and contract assets	4,197	4,518	+321	Current portion of long-term borrowings	747	740	(7)
Allowance for doubtful accounts	(33)	(34)	(0)	Account payable-other	1,279	1,406	+126
Other	1,056	883	(172)	Income taxes payable	637	362	(274)
				Contract liabilities	2,567	2,137	(430)
				Other	1,074	867	(207)
Non-current assets	10,215	10,355	+140	Non-current liabilities	4,240	3,937	(303)
Property, plant and equipment	213	203	(9)	Long-term borrowings	2,431	2,062	(368)
Intangible assets	2,856	2,602	(253)	Retirement benefit liability	1,786	1,837	+50
Software	1,894	1,956	+62	Other	23	37	+14
Goodwill	240	105	(134)	Total liabilities	11,571	10,469	(1,101)
Customer-related assets	491	280	(210)	Shareholders' equity	13,631	14,619	+988
Investments and other assets	7,145	7,548	+403	Share capital	5,232	5,249	+16
Investment securities	4,081	4,593	+512	Capital surplus	6,485	6,315	(170)
Leasehold and guarantee deposits	305	297	(7)	Retained earning	5,143	6,261	+1,118
Deferred tax assets	2,658	2,599	(59)	Treasury shares	(3,230)	(3,207)	+23
				Accumulated other comprehensive income	322	353	+31
				Subscription rights to shares	59	57	(1)
				Non-controlling interests	3,570	3,650	+79
				Total net assets	17,583	18,680	+1,096
Total assets	29,155	29,150	(5)	Total liabilities and net assets	29,155	29,150	(5)

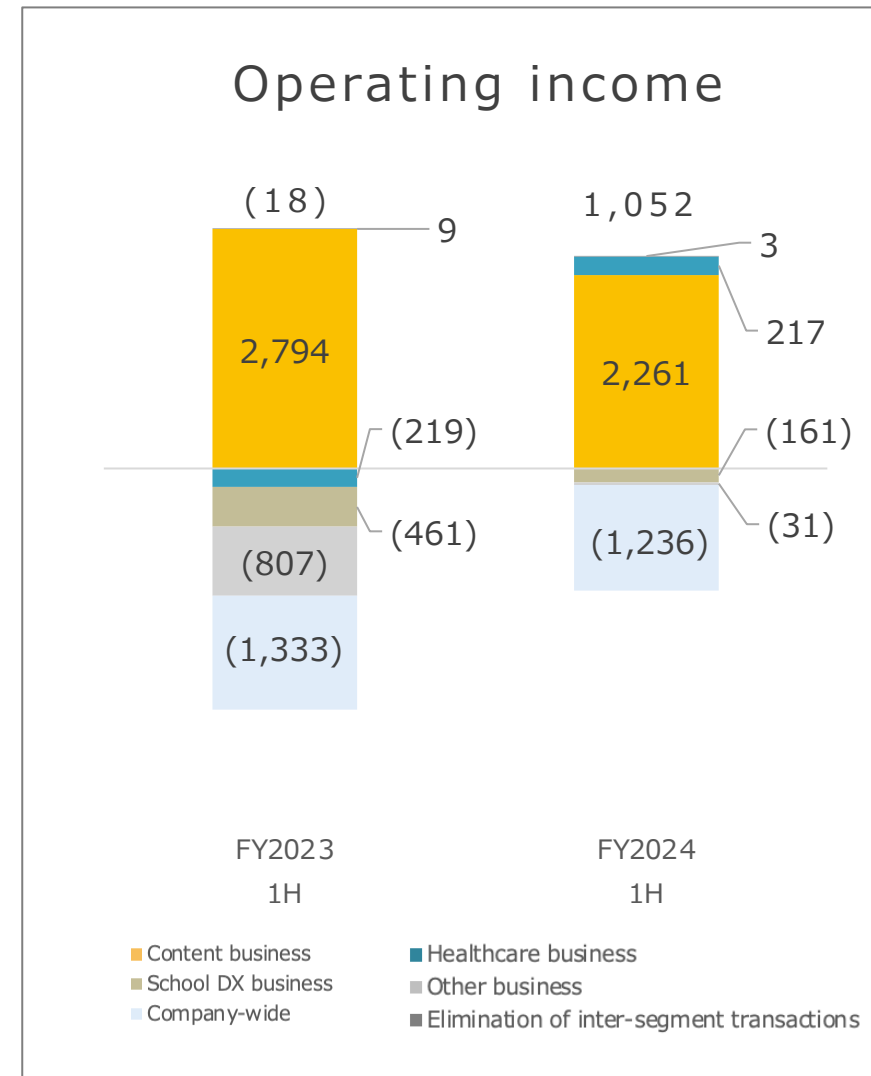
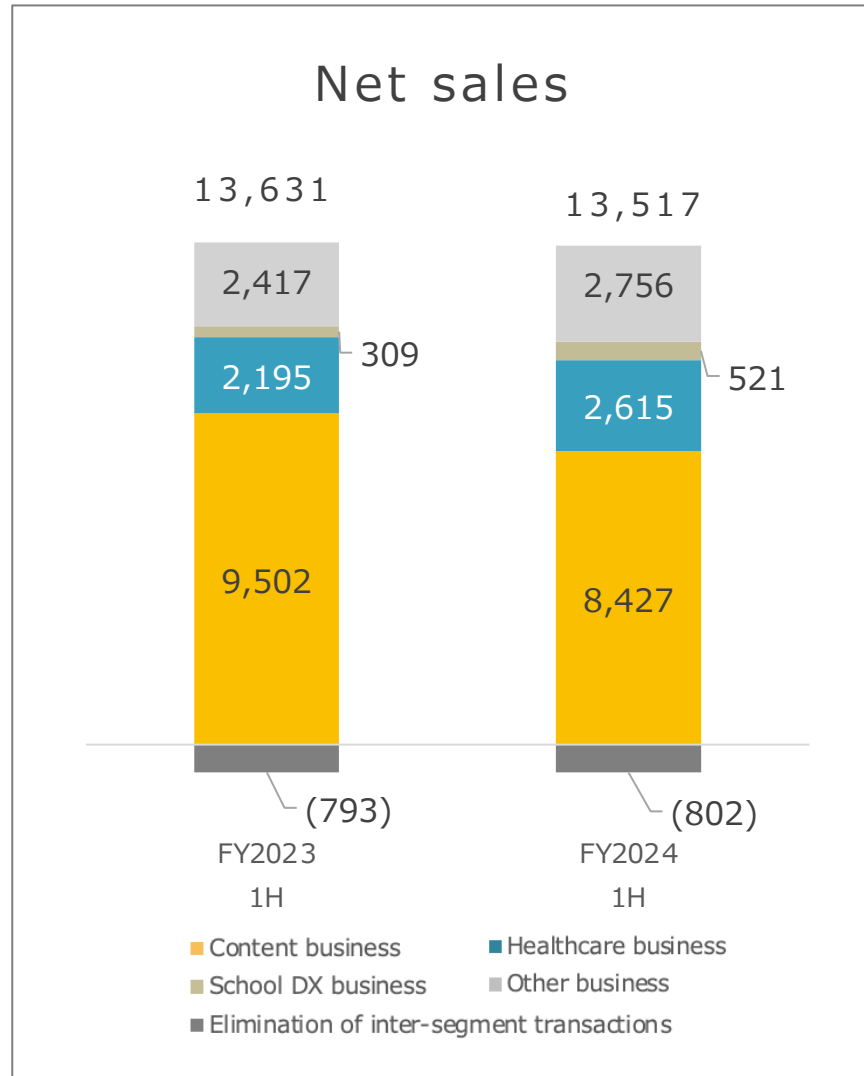
Trends in consolidated P/L

(Unit : Mil yen)	FY2022				FY2023				FY2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net sales	6,551	6,424	6,378	7,125	7,091	6,540	6,507	6,660	6,625	6,892
Cost of sales	1,895	1,919	1,941	2,031	2,538	1,942	2,014	1,930	1,788	1,824
Gross profit	4,656	4,504	4,437	5,093	4,552	4,597	4,493	4,729	4,836	5,068
(Ratio)	71.1%	70.1%	69.6%	71.5%	64.2%	70.3%	69.0%	71.0%	73.0%	73.5%
SG&A	4,204	4,356	4,613	4,645	4,613	4,554	4,492	4,413	4,401	4,451
Operating income	451	147	(176)	447	(61)	42	0	316	435	616
(Ratio)	6.9%	2.3%	(2.8)%	6.3%	(0.9)%	0.7%	+0.0%	4.7%	6.6%	9.0%
Ordinary income	395	(102)	(204)	397	(88)	275	(35)	306	792	725
(Ratio)	6.0%	(1.6)%	(3.2)%	5.6%	(1.3)%	4.2%	(0.5)%	4.6%	12.0%	10.5%
Profit attributable to owners of parent	252	(129)	(211)	(841)	(590)	264	821	257	630	928
(Ratio)	3.9%	(2.0)%	(3.3)%	(11.8)%	(8.3)%	4.0%	12.6%	3.9%	9.5%	13.5%

Trends in consolidated SG&A

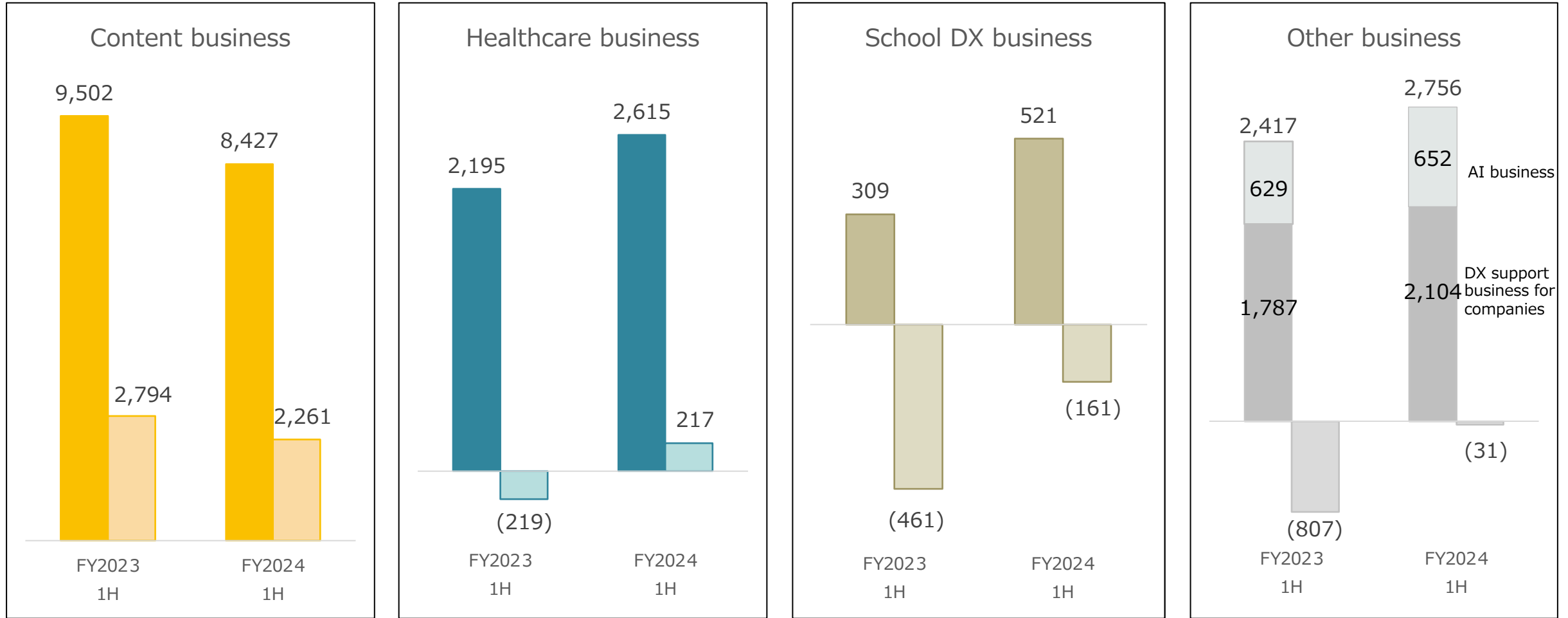
(Unit : Mil yen)	FY2022				FY2023				FY2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
SG&A	4,204	4,356	4,613	4,645	4,613	4,554	4,492	4,413	4,401	4,451
Advertising expense	360	397	379	442	479	537	553	566	626	674
Personnel expenses	1,912	1,923	1,950	1,932	1,989	1,958	1,956	1,810	1,818	1,774
Commission fee	753	785	777	778	746	745	731	731	709	706
Subcontract expenses	440	445	657	593	560	498	454	451	441	467
Depreciation	303	330	358	360	289	301	332	341	318	334
Other	435	473	490	537	549	513	464	511	486	494

Performance by segment (H1①)



Performance by segment (H1②)

(Left axis : Net sales, Right axis : Operating income, Unit : Mil yen)



Performance by segment (Quarterly trend)

Net sales

(Unit : Mil yen)

	FY2022				FY2023				FY2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Consolidated	6,551	6,424	6,378	7,125	7,091	6,540	6,507	6,660	6,625	6,892
Content business	4,639	4,436	4,342	5,100	5,118	4,384	4,317	4,289	4,210	4,216
Healthcare business	908	977	1,031	1,113	1,011	1,184	1,181	1,239	1,260	1,355
School DX business	55	65	150	154	155	153	272	270	260	260
Other business	1,261	1,277	1,205	1,102	1,190	1,227	1,183	1,221	1,282	1,473
Company-wide	-	-	-	-	-	-	-	-	-	-
Elimination of inter-segment transactions	(313)	(332)	(350)	(345)	(384)	(408)	(447)	(360)	(389)	(413)

Performance by segment (Quarterly trend)

Operating income



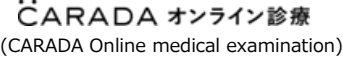

(Unit : Mil yen)	FY2022				FY2023				FY2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Consolidated	451	147	(176)	447	(61)	42	0	316	435	616
Content business	1,534	1,322	1,328	2,014	1,439	1,355	1,210	1,218	1,091	1,169
Healthcare business	(336)	(311)	(250)	(209)	(172)	(46)	(13)	9	112	104
School DX business	(121)	(111)	(302)	(305)	(246)	(214)	(107)	(99)	(82)	(79)
Other business	(36)	(140)	(251)	(397)	(393)	(413)	(413)	(178)	(87)	55
Company-wide	(591)	(591)	(659)	(629)	(678)	(654)	(632)	(651)	(609)	(627)
Elimination of inter-segment transactions	2	(19)	(40)	(24)	(8)	17	(42)	17	9	(5)

Earnings forecast for FY2024

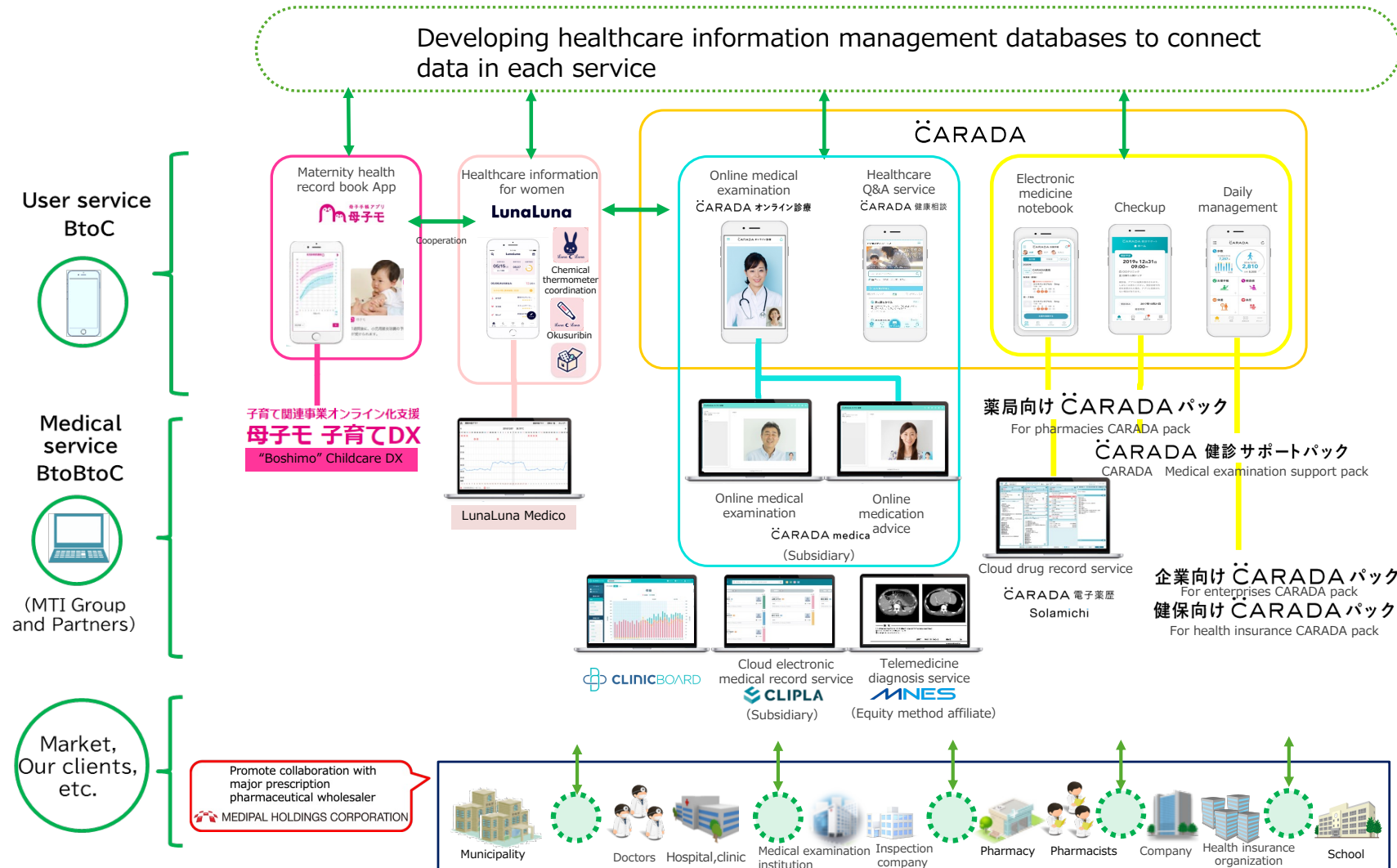
(Unit : Mil yen)	FY2023 (Actual)			FY2024 (Forecast)			YoY	
	Full year	H1	H2	Full year	H1 (Actual)	H2	Amount (full year)	Ratio (full year)
Net sales	26,798	13,631	13,167	27,000	13,517	13,482	+201	+0.8%
Cost of sales	8,425	4,481	3,944	7,200	3,612	3,587	(1,225)	(14.5)%
Gross profit	18,373	9,150	9,222	19,800	9,905	9,894	+1,426	+7.8%
SG&A	18,074	9,168	8,905	18,000	8,852	9,147	(74)	(0.4)%
Operating income	298	(18)	316	1,800	1,052	747	+1,501	+503%
(Ratio)	1.1%	(0.1)%	2.4%	6.7%	7.8%	5.5%		
Ordinary income	458	187	271	2,250	1,518	731	+1,791	+390.8%
(Ratio)	1.7%	1.4%	2.1%	8.3%	11.2%	5.4%		
Profit attributable to owners of parent	753	(326)	1,079	1,750	1,558	191	+996	+132.3%
(Ratio)	2.8%	(2.4)%	8.2%	6.5%	11.5%	0.4%		

The list of main healthcare services

Figures are the actual as of end of March 2024.

Name of service	Service of function	Business model
	Maternal and Child Health Handbook service app. Vaccine scheduling function, parenting curve and information provided by municipalities.	BtoBtoC. The app is provided at no additional charge for those of childbearing age including mothers. Collects monthly usage fees from contracted municipalities nationwide. The service has been introduced by 606 of 1,741 municipalities nationwide. Childcare DX service has been introduced by 163 municipalities.
LunaLuna	Healthcare info service for women. Forecasting menstrual day & ovulation day.	BtoC. Over 20 million DL cumulative.(Free APP) More than 500 thousand people have registered for "Pill mode". 300 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.)
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.
 	Q&A service for doctors and people engaged in medical services. Helps eliminate daily health concerns.	BtoC. ¥400/month
	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.
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.
	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 2,090 orders have been received.

Healthcare business: Overview of Healthcare services

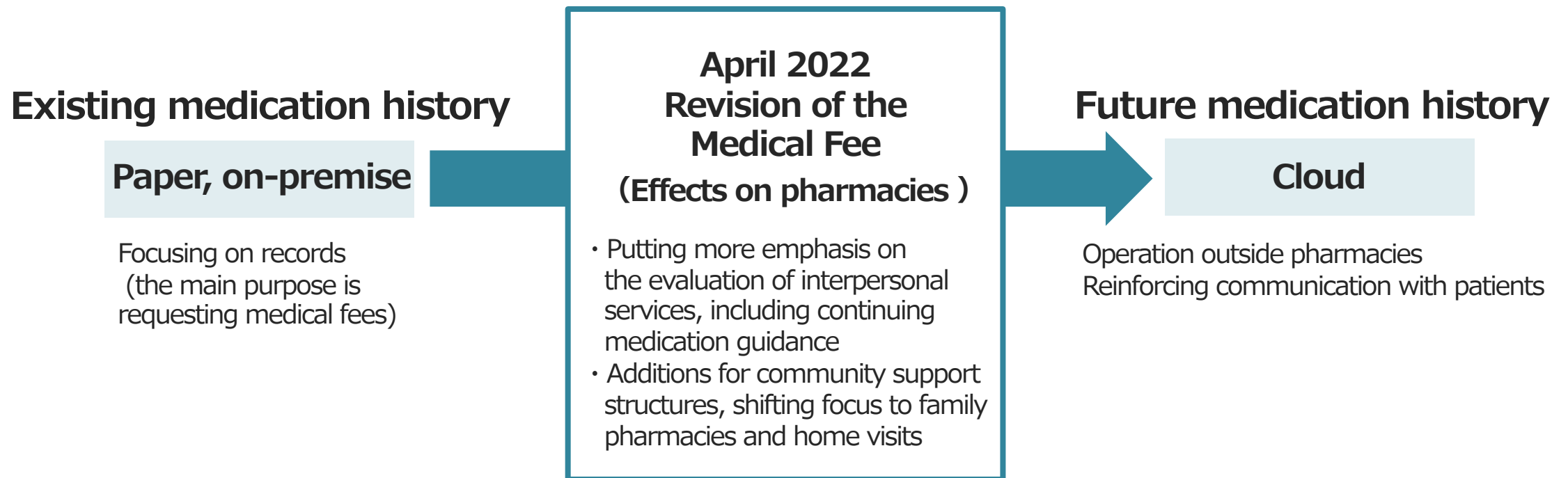


*Some images are under development and may differ from the actual ones.

*The services provided by the Group include some services that provide support for medical sites, but do not perform medical activities.

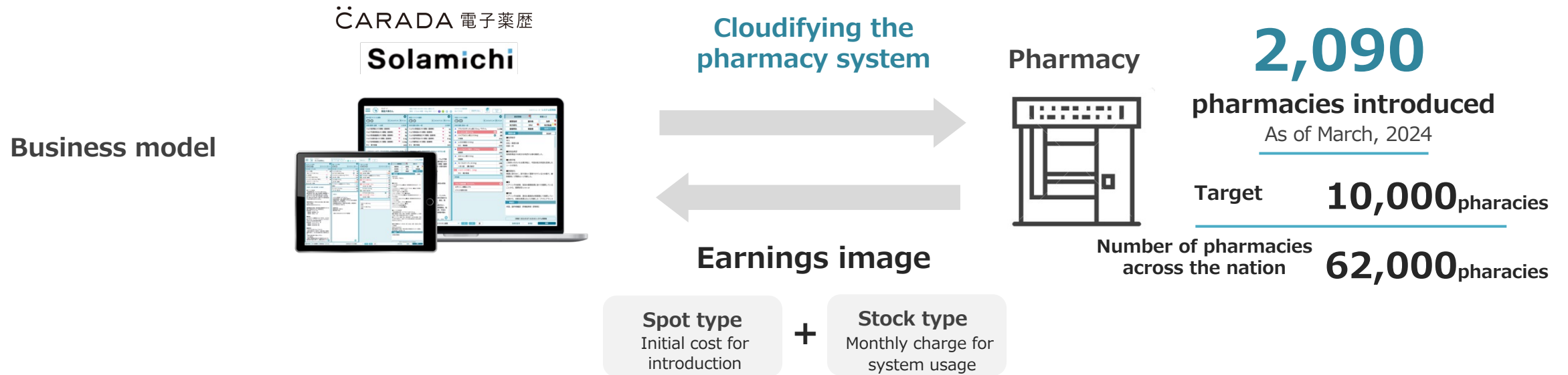
Healthcare business : Cloud drug record service

In response to the medical fee revision, the Company will promote a shift “from services handling materials to interpersonal services” at pharmacies and promote ICT at pharmacies as well.



Demand for cloud drug record that has a wealth of medication advice and medication follow-up functions will increase.

Healthcare business : Cloud drug record service

Market development with cloud technologiesWhat 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. With each revision of the revision of the Medical Fee System, interest in electronic drug histories, especially those featuring "cloud drug record" and "medication administration guidance functions," has increased, shifting from traditional paper or on-premise drug records to cloud-based systems.



Healthcare business : Maternal and child health handbook app

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

Maternal and child health handbook app

母子手帳アプリ 母子モ

Pregnancy・Birth

Pregnancy health records pregnancy Vaccination management Infant health Height and weight Growth records

Notice

facility search

Local childcare events

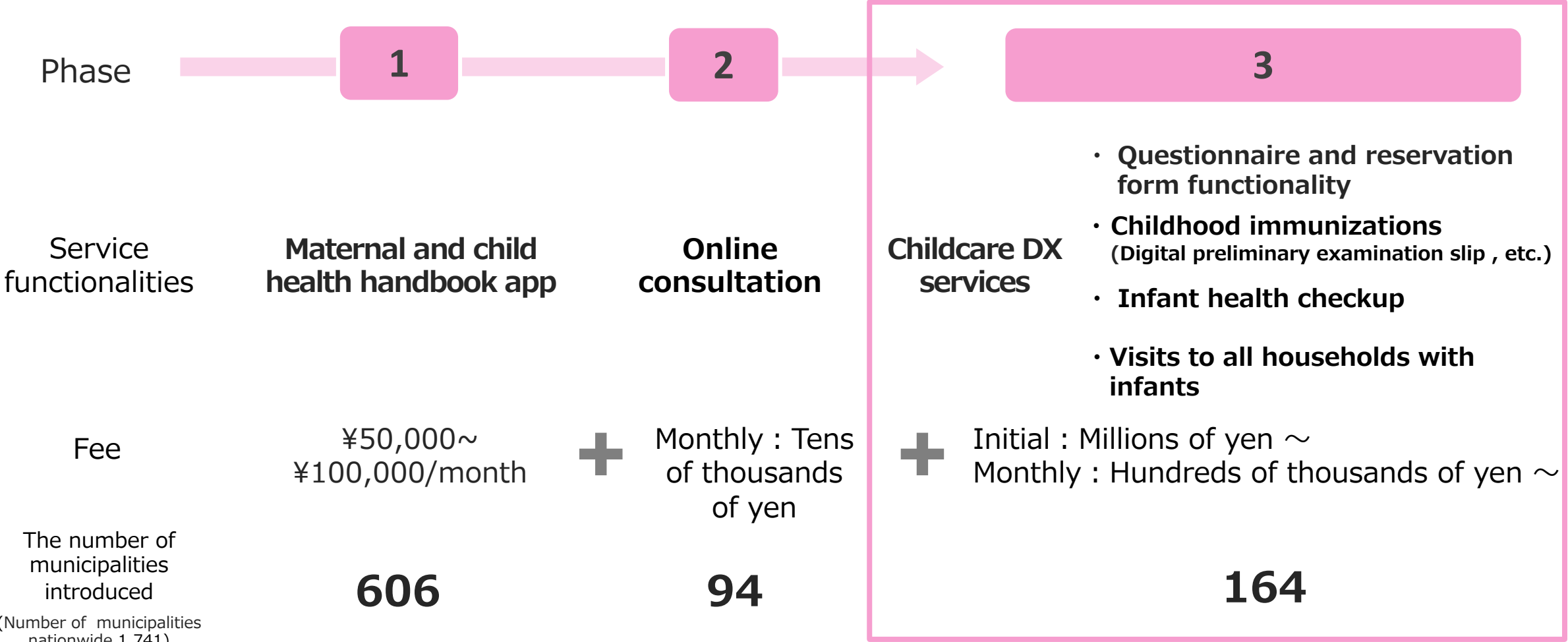
Questionnaire

Schedule management



Healthcare business:
Maternal and child health handbook app + Childcare DX services

Development of the platform business starting with the maternal and child health handbook app "Boshimo"



*The fee structure is set by each municipality according to the number of births.

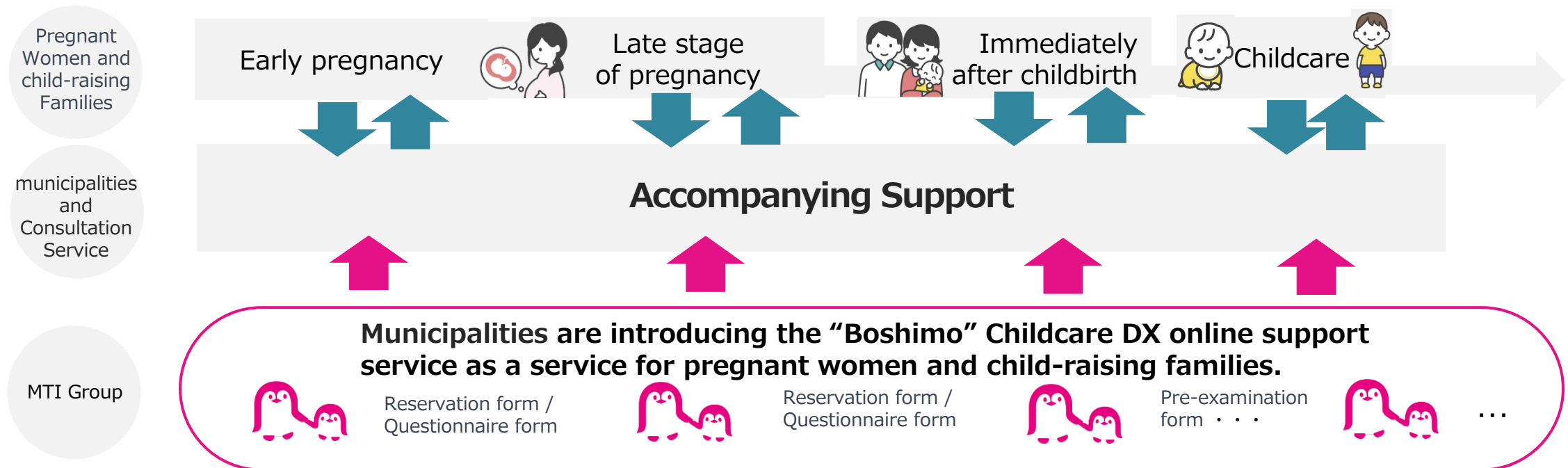


Healthcare business : Maternal and child health handbook app + Childcare DX services

Phase 3 : Childcare DX services

What is 'Accompanying Support Program'?

Government pregnancy and childcare support service launched in January 2023. Supports pregnant women and child-raising families with children below the age of 3 to plan for childbirth and raising children. Includes a total of three face-to-face meetings (upon registration of pregnancy and directly before and after birth) and a gift voucher of 100,000 yen. Parents are also put in contact with a local counselling organizations to give them peace of mind and provide a supportive environment for childbirth and parenting.

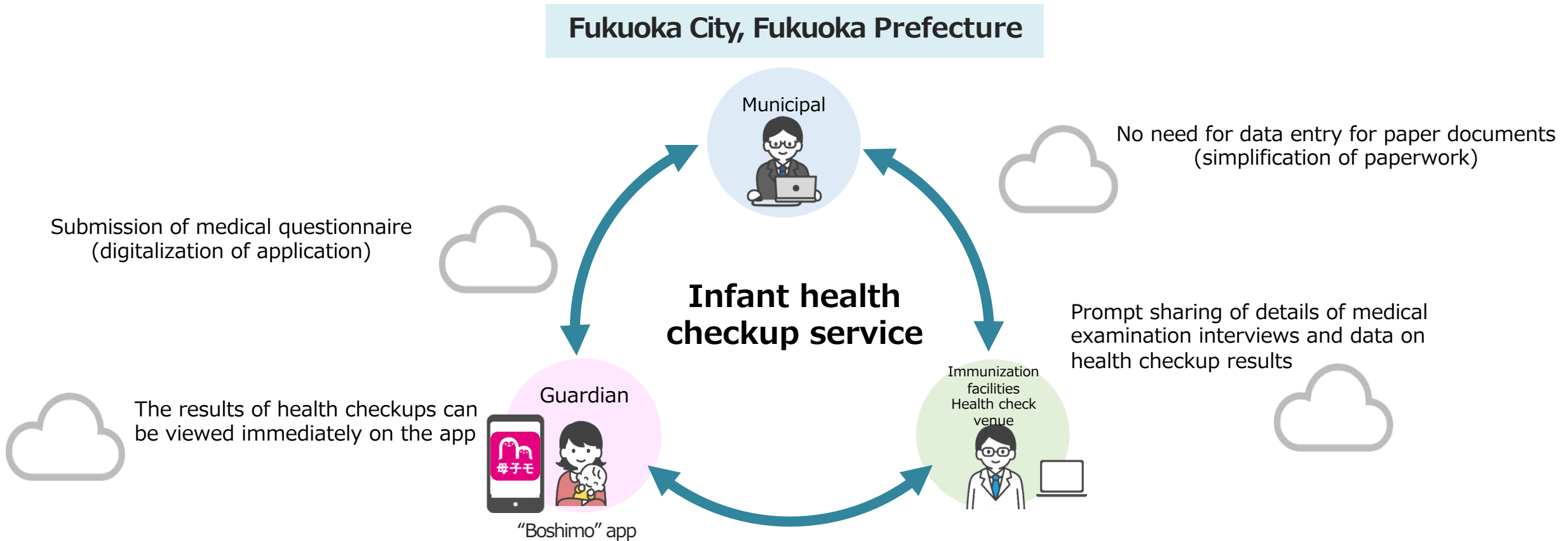




(Reference) Healthcare business :
Maternal and child health handbook app + Childcare DX services

Phase 3 : Childcare DX services

**Municipalities advance childcare DX with the introduction of infant health checkup services.
(Digitization of medical questionnaires and medical checkup results)**





(Reference) Healthcare business : Maternal and child health handbook app + Childcare DX services

Phase 3 : Childcare DX services

Municipalities which were quick off the mark with childcare measures are pushing ahead with DX through the introduction of MTI's services.

Kitakyushu City, Fukuoka Prefecture

Electronic filing of pregnancy notifications(APP)

- Prior applications for issuance of a maternal and child health handbook can be submitted via the app.
- Pregnancies registered via the app account for more than 93% of the total birth rate.



Ichihara City, Chiba Prefecture

Digital pre-vaccination form for childhood immunizations

- Digital pre-vaccination forms are being used at medical institutions that have introduced the service.
- Time taken for verification between vaccinations has been shortened from 3 minutes to several seconds.



School DX business : Cloud-based school affairs support system

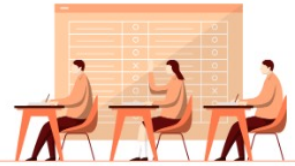
Full cloud-based transformation of all necessary elements for school affairs support system

Cloud-based school affairs support system

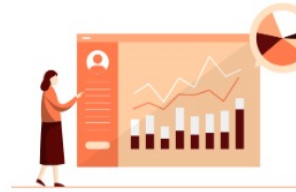
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Attendance management



Grade management



Form management



Learning management



Student information



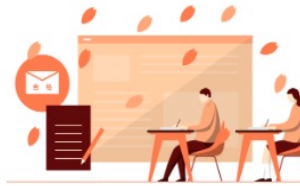
Student memo



Office management



Health care



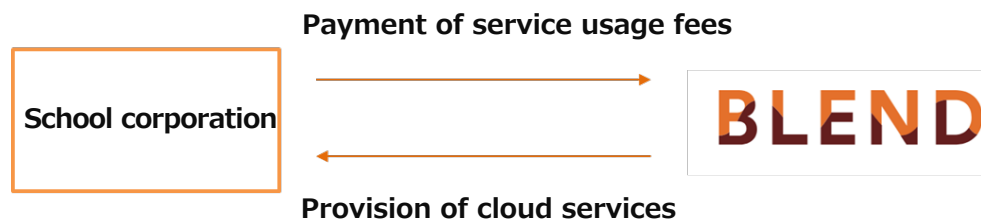
Entrance exam management



External mock test



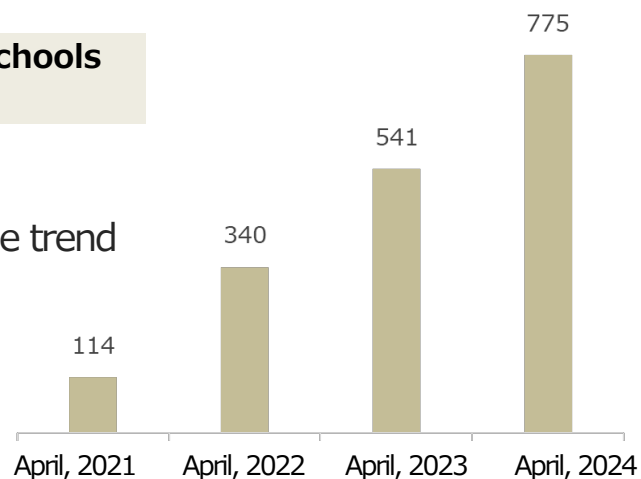
School DX business : Cloud-based school affairs support system

BLEND**Business model**

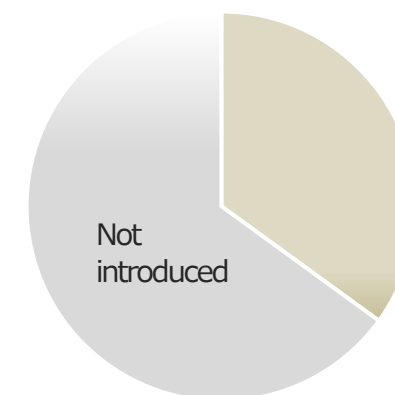
$$\text{Net sales} = \text{Number of students} \times \text{The usage fee per student is 300 yen (Monthly \& List price)} \times \text{Number of schools introduced}$$

KPI: Number of schools introduced

Showing a favorable trend

**Market share**

Private high school **35%**
(Cumulative for FY2024)

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Introduced

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