



# Financial Results Briefing Material for Q3 FY2024

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# Consolidated B/S

MTI Ltd.

(Unit : Mil yen)

	FY2023	FY2024 Q3	Change		FY2023	FY2024 Q3	Change
Current assets	18,940	20,049	+1,109	Current liabilities	7,330	7,528	+197
Cash and deposits	13,720	14,617	+896	Account payable-trade	1,023	1,058	+35
Notes and accounts receivable - trade, and contract assets	4,197	4,183	(13)	Current portion of long-term borrowings	747	737	(9)
Allowance for doubtful accounts	(33)	(34)	(0)	Account payable-other	1,279	1,726	+446
Other	1,056	1,283	+227	Income taxes payable	637	70	(567)
				Contract liabilities	2,567	3,117	+549
Non-current assets	10,215	10,237	+22	Provision for bonuses		207	+207
Property, plant and equipment	213	222	+8	Other	1,074	609	(464)
Intangible assets	2,856	2,557	(298)	Non-current liabilities	4,240	3,825	(415)
Software	1,894	2,041	+147	Long-term borrowings	2,431	1,878	(553)
Goodwill	240	66	(173)	Retirement benefit liability	1,786	1,886	+100
Customer-related assets	491	175	(315)	Other	23	61	+38
Investments and other assets	7,145	7,457	+312	Total liabilities	11,571	11,353	(217)
Investment securities	4,081	4,636	+554	Shareholders' equity	13,631	14,889	+1,258
Leasehold and guarantee deposits	305	295	(9)	Share capital	5,232	5,261	+29
Deferred tax assets	2,658	2,476	△182	Capital surplus	6,485	6,328	(157)
				Retained earning	5,143	6,505	+1,362
				Treasury shares	(3,230)	(3,207)	+23
				Accumulated other comprehensive income	322	331	+9
				Subscription rights to shares	59	53	(5)
				Non-controlling interests	3,570	3,659	+88
				Total net assets	17,583	18,933	+1,349
Total assets	29,155	30,287	+1,131	Total liabilities and net assets	29,155	30,287	+1,131

## Trends in consolidated P/L

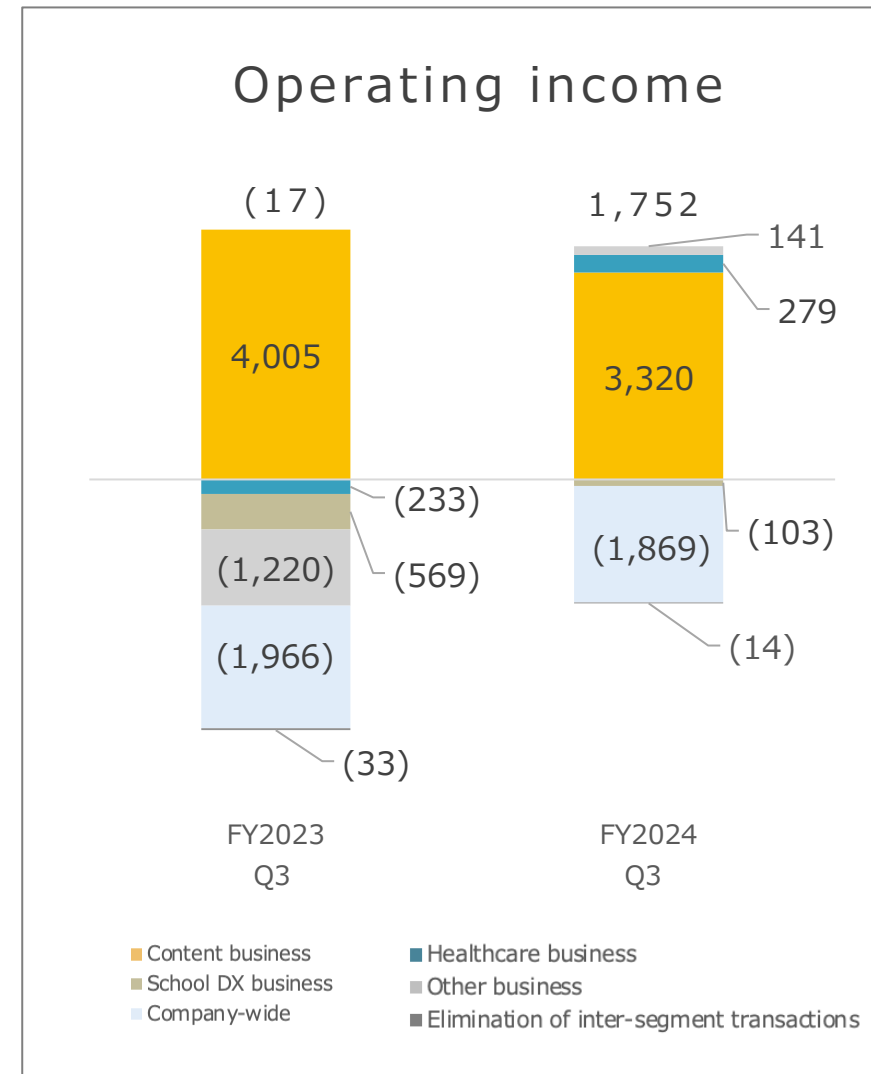
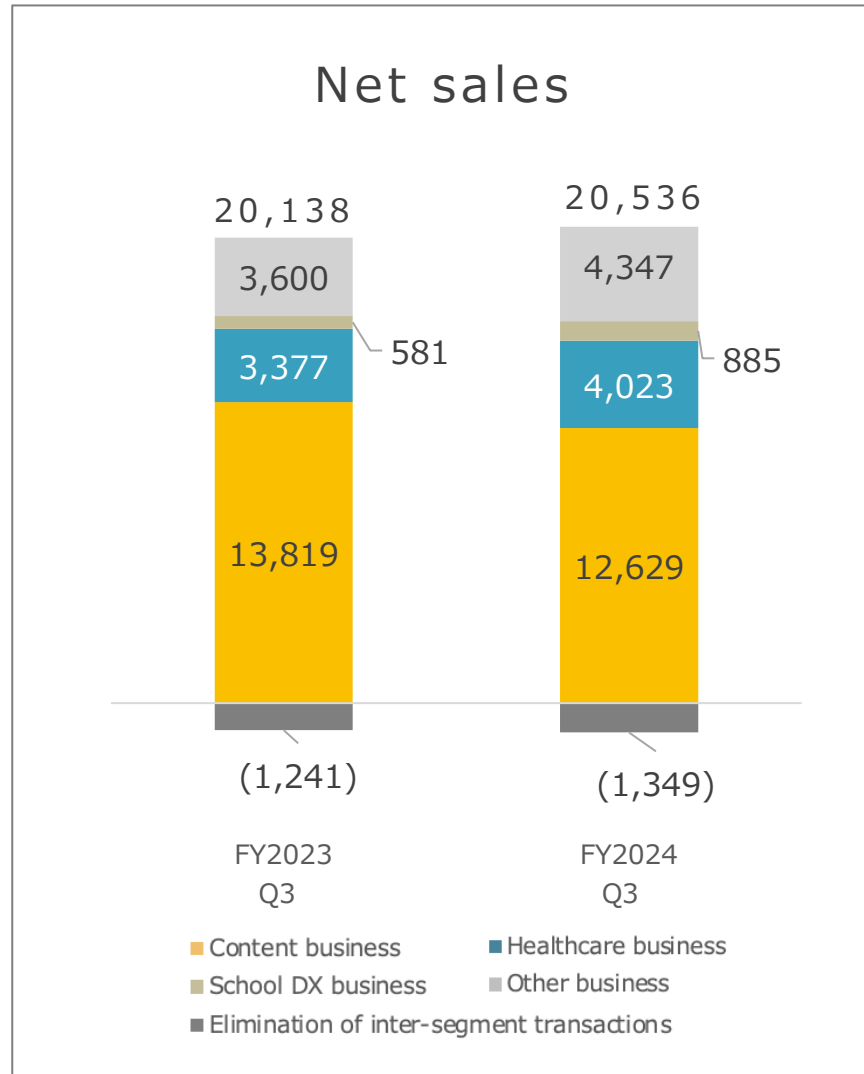
(Unit : Mil yen)	FY2022				FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	6,551	6,424	6,378	7,125	7,091	6,540	6,507	6,660	6,625	6,892	7,018
Cost of sales	1,895	1,919	1,941	2,031	2,538	1,942	2,014	1,930	1,788	1,824	1,830
Gross profit	4,656	4,504	4,437	5,093	4,552	4,597	4,493	4,729	4,836	5,068	5,187
(Ratio)	71.1%	70.1%	69.6%	71.5%	64.2%	70.3%	69.0%	71.0%	73.0%	73.5%	73.9%
SG&A	4,204	4,356	4,613	4,645	4,613	4,554	4,492	4,413	4,401	4,451	4,488
Operating income	451	147	(176)	447	(61)	42	0	316	435	616	699
(Ratio)	6.9%	2.3%	(2.8)%	6.3%	(0.9)%	0.7%	+0.0%	4.7%	6.6%	9.0%	10.0%
Ordinary income	395	(102)	(204)	397	(88)	275	(35)	306	792	725	844
(Ratio)	6.0%	(1.6)%	(3.2)%	5.6%	(1.3)%	4.2%	(0.5)%	4.6%	12.0%	10.5%	12.0%
Profit attributable to owners of parent	252	(129)	(211)	(841)	(590)	264	821	257	630	928	684
(Ratio)	3.9%	(2.0)%	(3.3)%	(11.8)%	(8.3)%	4.0%	12.6%	3.9%	9.5%	13.5%	9.8%

## Trends in consolidated SG&A

(Unit : Mil yen)

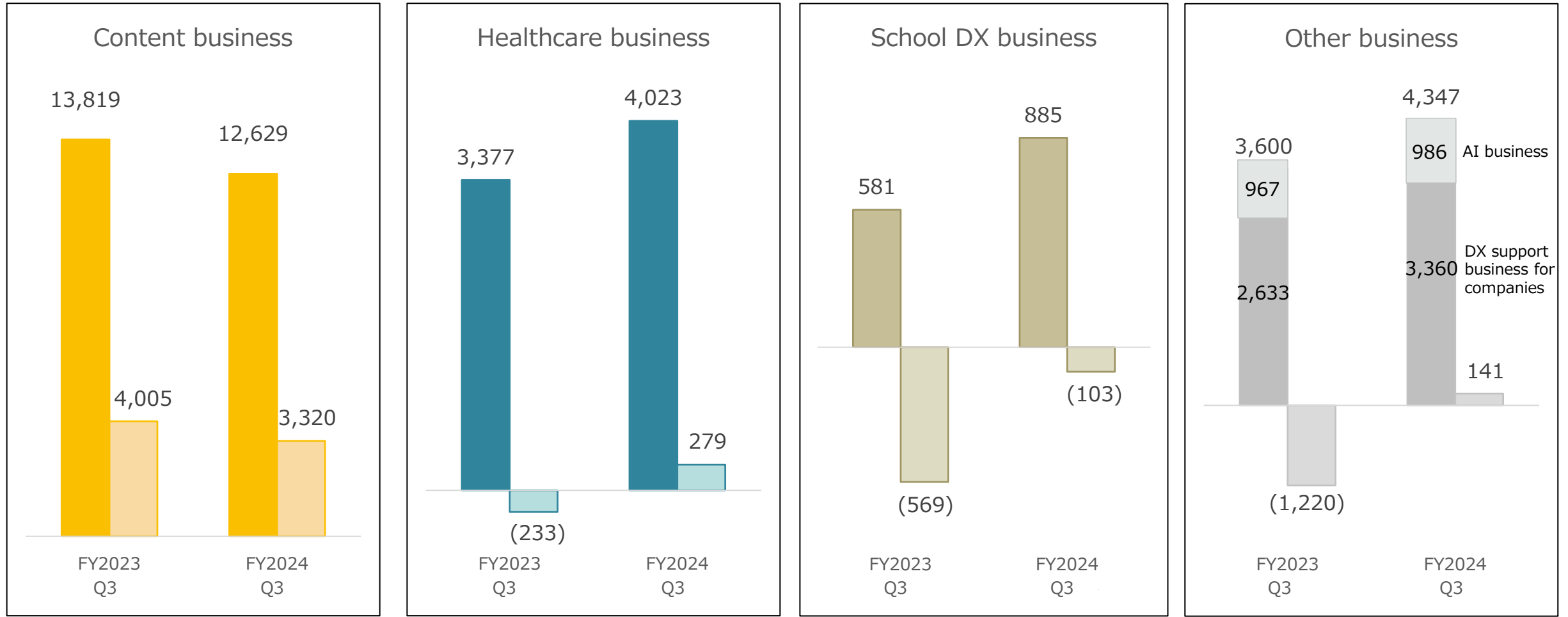
	FY2022				FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
SG&A	4,204	4,356	4,613	4,645	4,613	4,554	4,492	4,413	4,401	4,451	4,488
Advertising expense	360	397	379	442	479	537	553	566	626	674	711
Personnel expenses	1,912	1,923	1,950	1,932	1,989	1,958	1,956	1,810	1,818	1,774	1,816
Commission fee	753	785	777	778	746	745	731	731	709	706	719
Subcontract expenses	440	445	657	593	560	498	454	451	441	467	410
Depreciation	303	330	358	360	289	301	332	341	318	334	345
Other	435	473	490	537	549	513	464	511	486	494	485

# Performance by segment (Cumulative for Q3①)



# Performance by segment (Cumulative for Q3②)

(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	Q3
Consolidated	6,551	6,424	6,378	7,125	7,091	6,540	6,507	6,660	6,625	6,892	7,018
Content business	4,639	4,436	4,342	5,100	5,118	4,384	4,317	4,289	4,210	4,216	4,202
Healthcare business	908	977	1,031	1,113	1,011	1,184	1,181	1,239	1,260	1,355	1,407
School DX business	55	65	150	154	155	153	272	270	260	260	364
Other business	1,261	1,277	1,205	1,102	1,190	1,227	1,183	1,221	1,282	1,473	1,590
Company-wide expenses	-	-	-	-	-	-	-	-	-	-	-
Elimination of inter-segment transactions	(313)	(332)	(350)	(345)	(384)	(408)	(447)	(360)	(389)	(413)	(546)

# Performance by segment (Quarterly trend)

## Operating income

(Unit : Mil yen)	FY2022				FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Consolidated	451	147	(176)	447	(61)	42	0	316	435	616	699
Content business	1,534	1,322	1,328	2,014	1,439	1,355	1,210	1,218	1,091	1,169	1,059
Healthcare business	(336)	(311)	(250)	(209)	(172)	(46)	(13)	9	112	104	61
School DX business	(121)	(111)	(302)	(305)	(246)	(214)	(107)	(99)	(82)	(79)	57
Other business	(36)	(140)	(251)	(397)	(393)	(413)	(413)	(178)	(87)	55	172
Company-wide expenses	(591)	(591)	(659)	(629)	(678)	(654)	(632)	(651)	(609)	(627)	(633)
Elimination of inter-segment transactions	2	(19)	(40)	(24)	(8)	17	(42)	17	9	(5)	(18)



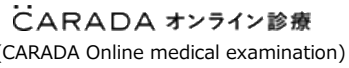



# Earnings forecast for FY2024

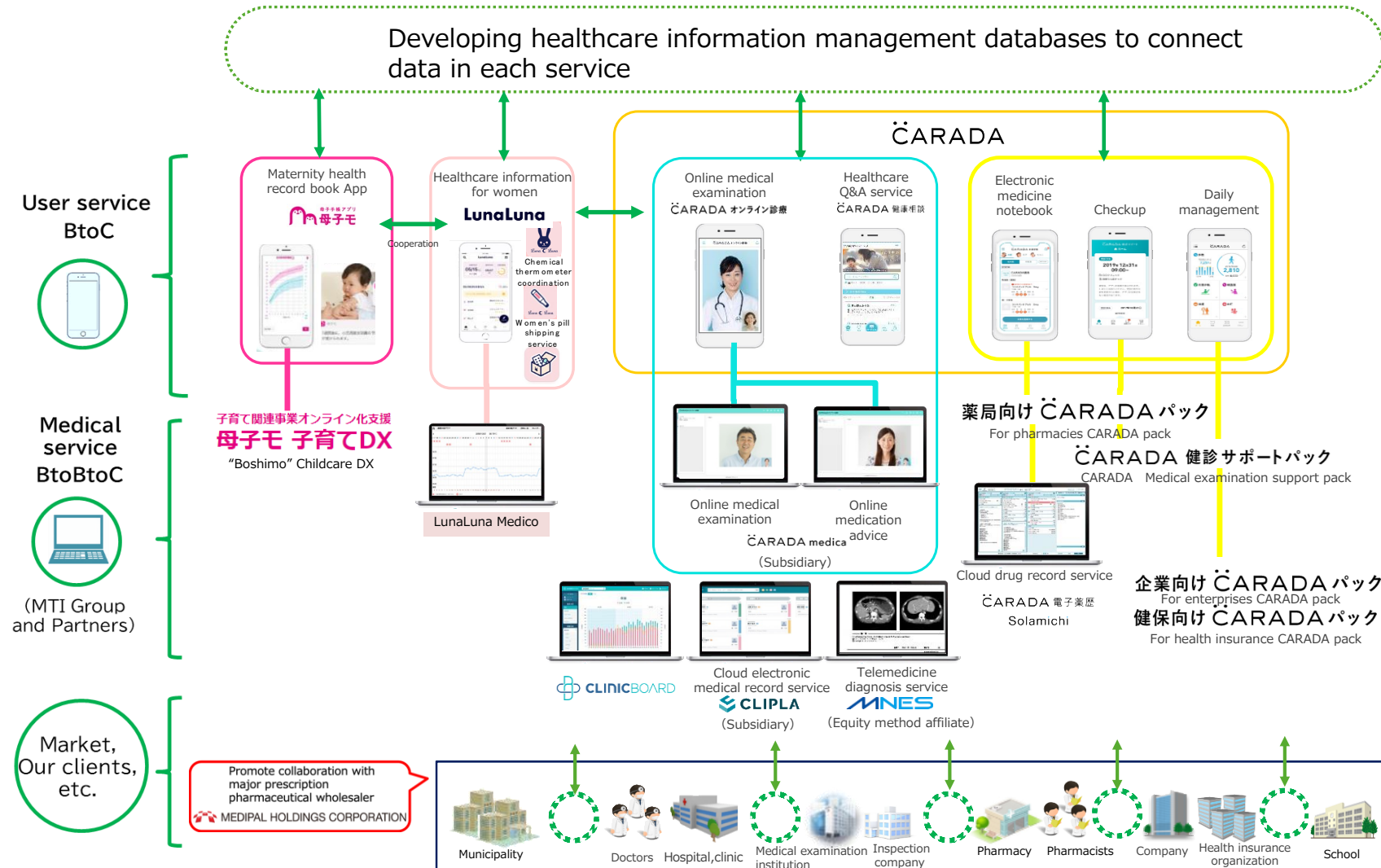
(Unit : Mil yen)	FY2023 (Actual)			FY2024 (Forecast)			YoY	
	Full year	H1	H2	Full year	H1 (Actual)	H2	Amount (full year)	Ratio (full year)
Net sales	26,798	13,631	13,167	27,500	13,517	13,982	+701	+2.6%
Cost of sales	8,425	4,481	3,944	7,300	3,612	3,687	(1,125)	(13.4)%
Gross profit	18,373	9,150	9,222	20,200	9,905	10,294	+1,826	+9.9%
SG&A	18,074	9,168	8,905	18,000	8,852	9,147	(74)	(0.4)%
Operating income	298	(18)	316	2,200	1,052	1,147	+1,901	+637.2%
(Ratio)	1.1%	(0.1)%	2.4%	8.0%	7.8%	8.2%		
Ordinary income	458	187	271	2,750	1,518	1,231	+2,291	+499.8%
(Ratio)	1.7%	1.4%	2.1%	10.0%	11.2%	8.8%		
Profit attributable to owners of parent	753	(326)	1,079	2,400	1,558	841	+1,646	+218.6%
(Ratio)	2.8%	(2.4)%	8.2%	8.7%	11.5%	6.0%		

# The list of main healthcare services

Figures are the actual as of end of June 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.	<p>BtoBtoC. The app is provided at no additional charge for those of childbearing age including mothers.</p> <p>Collects monthly usage fees from contracted municipalities nationwide.</p> <p>The service has been introduced by 629 of 1,741 municipalities nationwide.</p> <p>Childcare DX service has been introduced by 172 municipalities.</p>
<b>LunaLuna</b>	Healthcare info service for women. Forecasting menstrual day & ovulation day.	<p>BtoC. Over 20 million DL cumulative.(Free APP)</p> <p>More than 500 thousand people have registered for "Pill mode".</p> <p>300 yen fee or higher for fertility mode and other modes.</p> <p>Going well in Women's pill shipping service.</p>
'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.	<p>BtoBtoC.</p> <p>(The service is currently provided at no additional charge.)</p>
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.
 (CARADA Health consultation)	Q&A service for doctors and people engaged in medical services. Helps eliminate daily health concerns.	BtoC. ¥400/month
 (CARADA Online medical examination)	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.
<b>CARADA</b>	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.	<p>BtoBtoC.</p> <p>Collects monthly usage fees from health examination institutions.</p>
 (CARADA Cloud drug record service)	Cloud drug administration record service for pharmacies The drug administration record navigation function is highly rated. Links with the CARADA medical history notebook app.	<p>BtoB.</p> <p>Initial cost for introduction + monthly usage fee</p> <p>2,297 orders have been received.</p>

# Healthcare business: Overview of Healthcare services

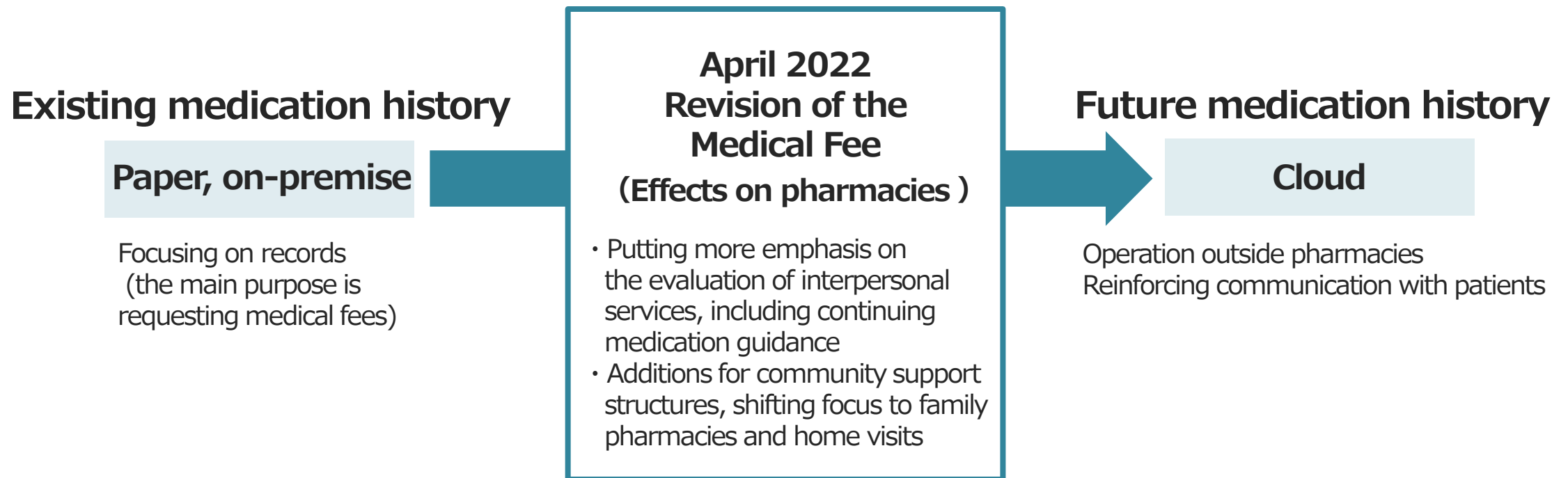


\*Some images are under development and may differ from the actual ones.

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

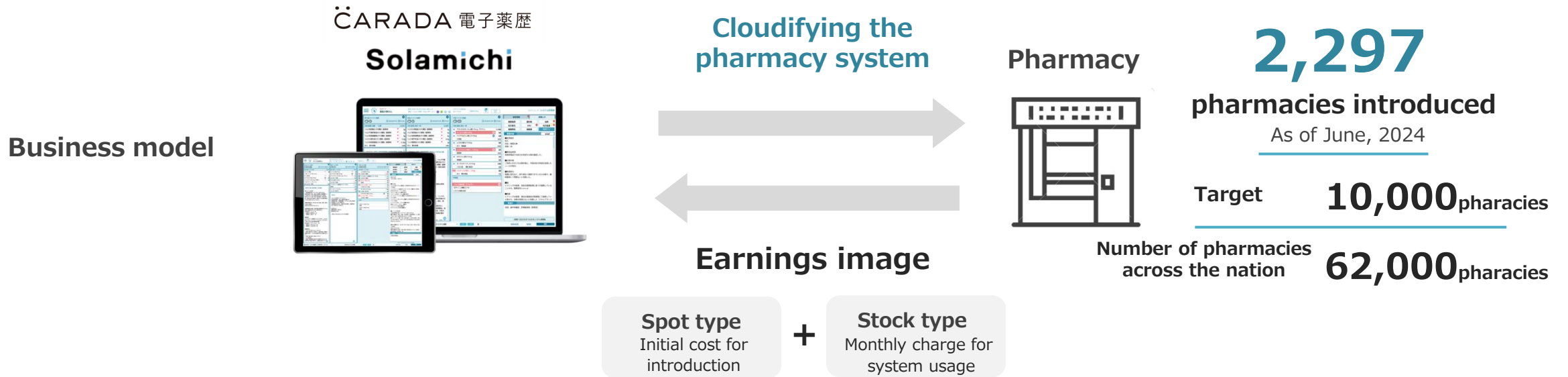
## Healthcare business : Cloud drug record service

**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 technologies**What 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 + Childcare DX services



## "Childcare support" is a social issue

# Delay in digitalization for childcare support

Paper-based procedures  
**Extremely inefficient**



Guardian    Municipal    Immunization facilities

Childcare-related  
procedures  
**Digitalization is  
a pressing issue**

- ✓ Parents forced to visit the office with small children, long waiting times
- ✓ Parents asked to enter the same things every time in questionnaires
- ✓ Much paperwork is written by hand, and specifications vary between municipalities

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

The diagram illustrates the data flow into the 'Mother and Child' app. At the top, a pink arrow labeled 'Pregnancy・Birth' contains icons for a pregnant woman, a family, and a baby. Below this are three boxes: 'Pregnancy health records', 'pregnancy', and 'Vaccination management'. To the right, another pink arrow labeled 'Parenting' contains icons for a child, a child with a height measurement, and a child with a growth chart. Below this are three boxes: 'Infant health', 'Height and weight', and 'Growth records'. On the far left, a smartphone displays the app's interface with icons for 'Pregnancy・Birth', 'Parenting', and 'Notice'. The 'Notice' section includes 'facility search', 'Local childcare events', 'Questionnaire', and 'Schedule management'. The app's main screen shows a 'Pregnancy・Birth' section with 'Pregnancy health records', 'pregnancy', and 'Vaccination management'. The 'Parenting' section shows 'Infant health', 'Height and weight', and 'Growth records'. The 'Notice' section shows 'facility search', 'Local childcare events', 'Questionnaire', and '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"

Phase	1		2	3
Service functionalities	Maternal and child health handbook app		Online consultation	Childcare DX services <ul style="list-style-type: none"> <li>• Questionnaire and reservation form functionality</li> <li>• Childhood immunizations (Digital preliminary examination slip , etc.)</li> <li>• Infant health checkup</li> <li>• Visits to all households with infants</li> </ul>
Fee	¥50,000~ ¥100,000/month		+	Monthly : Tens of thousands of yen + Initial : Millions of yen ~ Monthly : Hundreds of thousands of yen ~
The number of municipalities introduced (Number of municipalities nationwide 1,741)	629		85	172

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

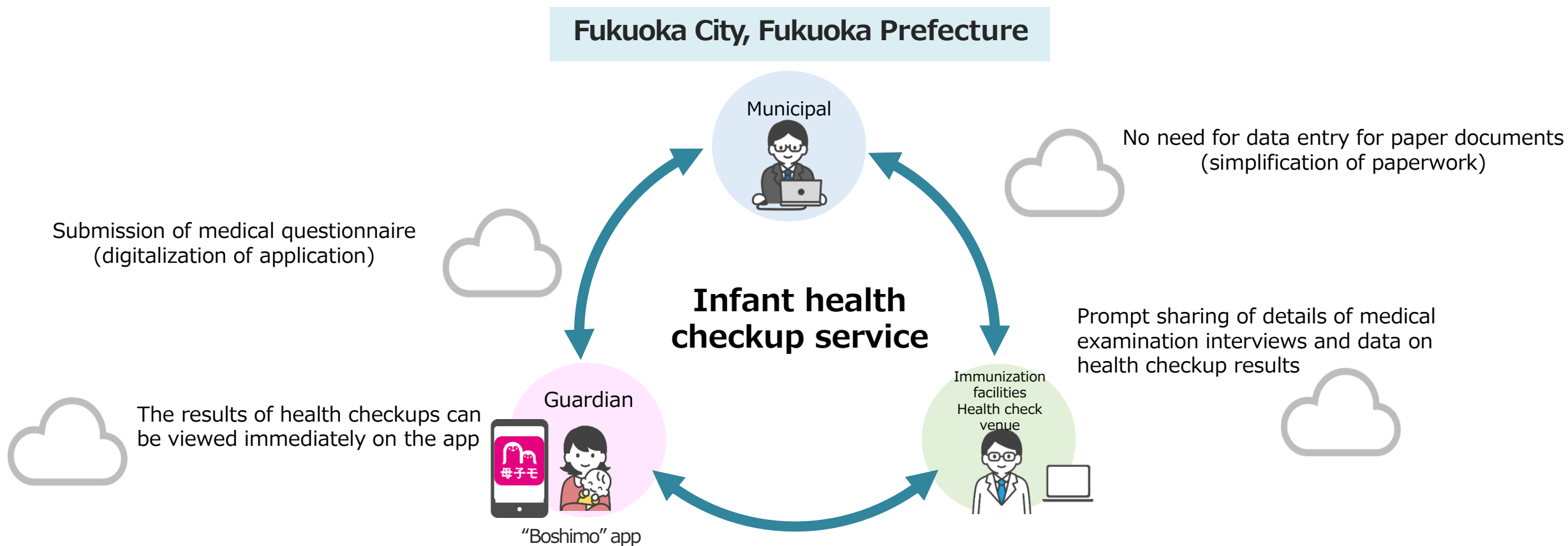




(Reference) Healthcare business :  
Maternal and child health handbook app + Childcare DX services

### 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.



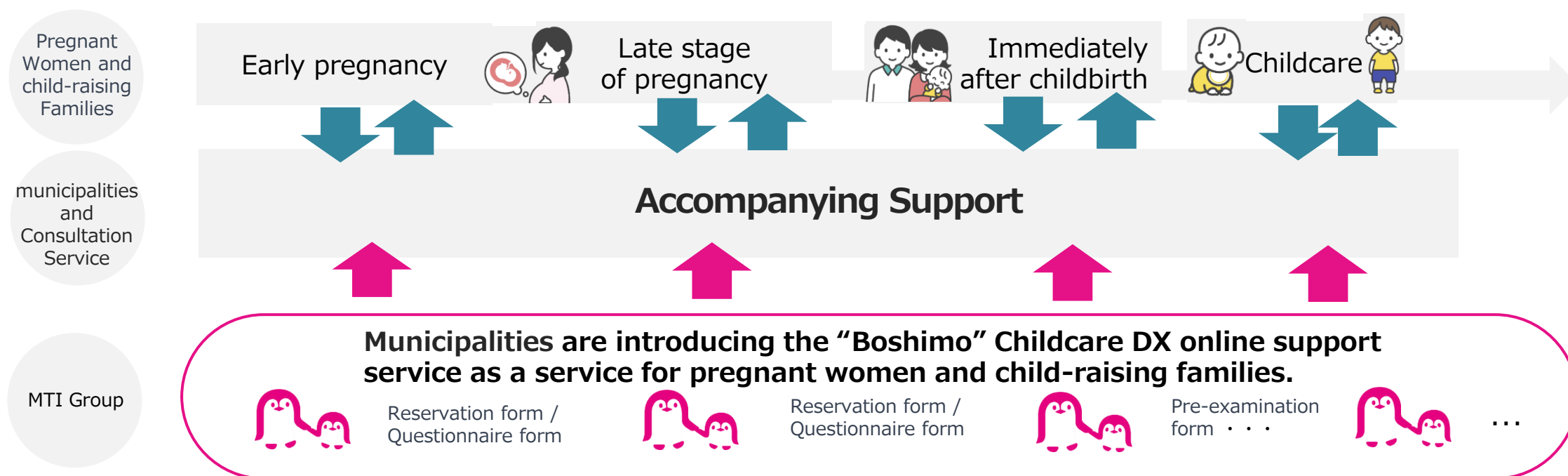


# Healthcare business : Maternal and child health handbook app + Childcare DX services

## Phase 3 : Childcare DX services

### What is 'Accompanying Support Program'?

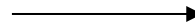
Government pregnancy and childcare support service launched in January 2023. Supports pregnant women and child-raising families with children below the age of 3 to plan for childbirth and raising children. Includes a total of three face-to-face meetings (upon registration of pregnancy and directly before 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.



# Serious problems in schools Excessive teacher overtime and increased resignations

Traditional school affairs

**Excessive workload  
and inefficiency**



**Shifting all school  
affairs to the cloud  
is a pressing issue**

- ✓ Using multiple systems: management cost burden
- ✓ Varying specifications, handwritten and PC-based admin: work-time burden
- ✓ Data linkage is time consuming

## 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

# BLEND



## BLEND



Attendance management



Grade management



Form management



Learning management



Student information



Student memo



Office management



Health care



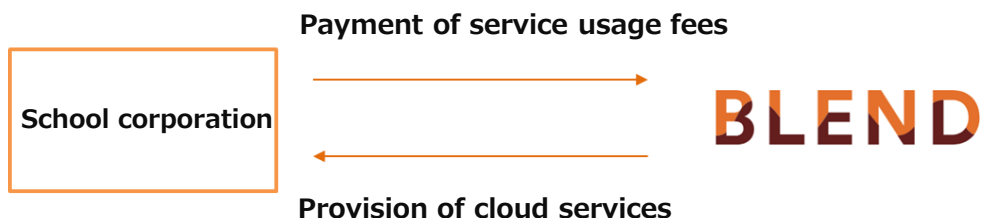
Entrance exam management



External mock test



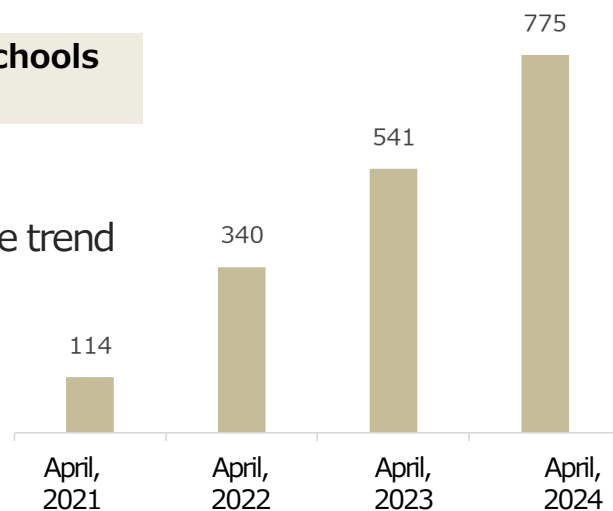
## School DX business : Cloud-based school affairs support system

**BLEND****Business model**

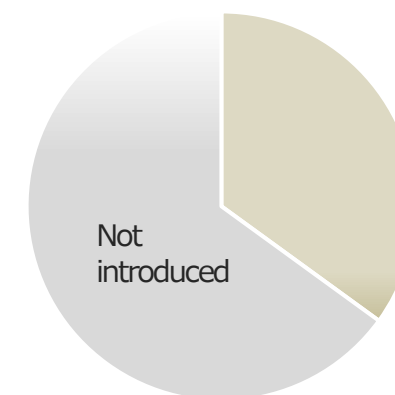
$$\text{Net sales} = \text{Number of students} \times \text{The usage fee per student is 300 yen (Monthly \& List price)} \times \text{Number of schools introduced}$$

**KPI: Number of schools introduced**

Showing a favorable trend

**Market share**

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

**BLEND**

Introduced

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