



Financial Results Briefing Material for FY2024

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Maternal health record book app + Childcare DX services
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Consolidated B/S

MTI Ltd.

	FY2023	FY2024	Change		FY2023	FY2024	Change
(Unit : Mil yen)							
Current assets	18,940	20,152	+1,212	Current liabilities	7,330	6,951	(379)
Cash and deposits	13,720	14,828	+1,107	Account payable-trade	1,023	1,100	+77
Notes and accounts receivable - trade, and contract assets	4,197	4,183	(13)	Current portion of long-term borrowings	747	737	(10)
Allowance for doubtful accounts	(33)	(31)	(2)	Account payable-other	1,279	1,331	+52
Other	1,056	1,171	+114	Income taxes payable	637	94	(543)
Non-current assets	10,215	9,533	(681)	Accrued consumption taxes	316	191	(125)
Property, plant and equipment	213	203	(10)	Contract liabilities	2,567	2,667	+99
Intangible assets	2,856	2,275	(580)	Other	758	829	+70
Software	1,894	1,929	+34	Non-current liabilities	4,240	3,590	(650)
Goodwill	240	27	(212)	Long-term borrowings	2,431	1,693	(737)
Customer-related assets	491	70	(421)	Retirement benefit liability	1,786	1,828	+42
Investments and other assets	7,145	7,054	(90)	Other	23	67	+43
Investment securities	4,081	4,466	+385	Total liabilities	11,571	10,541	(1,029)
Leasehold and guarantee deposits	305	293	(12)	Shareholders' equity	13,631	15,105	1,474
Deferred tax assets	2,658	2,248	(410)	Share capital	5,232	5,310	+77
Total assets	29,155	29,686	+531	Capital surplus	6,485	6,376	(109)
				Retained earning	5,143	6,626	+1,482
				Treasury shares	(3,230)	(3,207)	+23
				Accumulated other comprehensive income	322	340	+18
				Subscription rights to shares	59	22	(36)
				Non-controlling interests	3,570	3,675	+104
				Total net assets	17,583	19,144	+1,560
				Total liabilities and net assets	29,155	29,686	+531

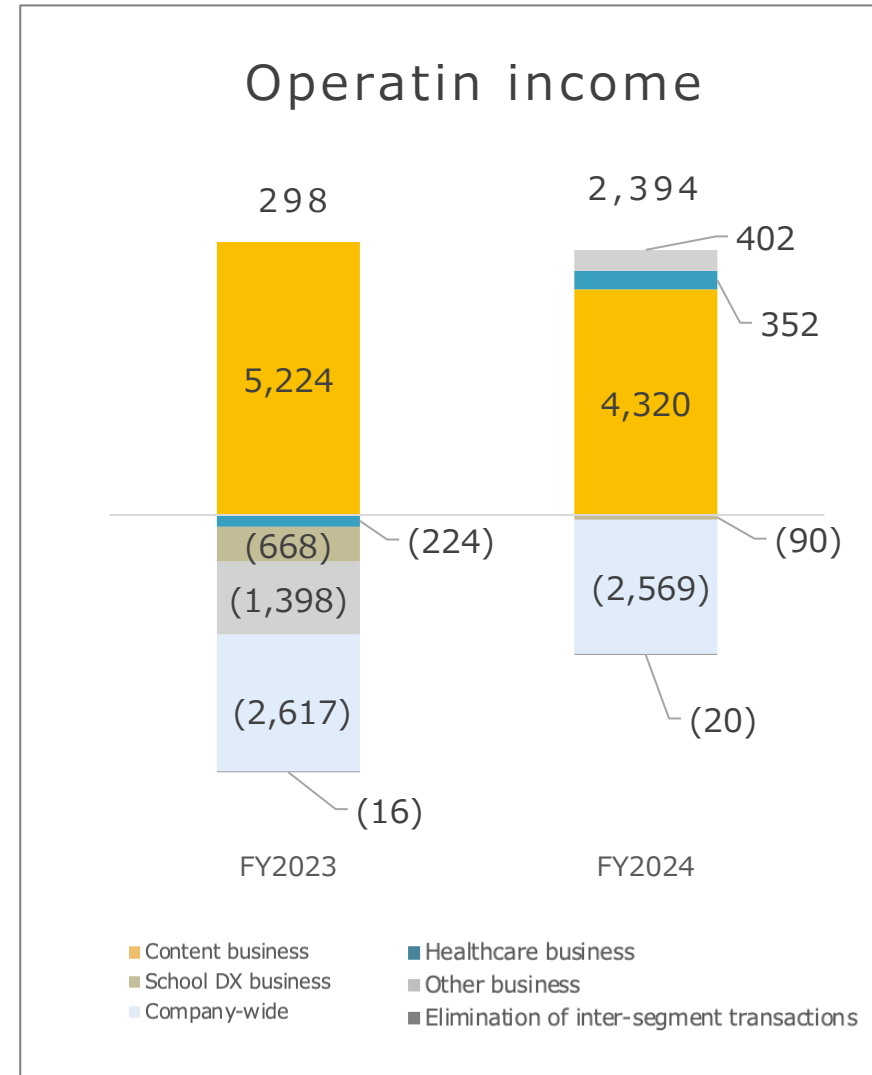
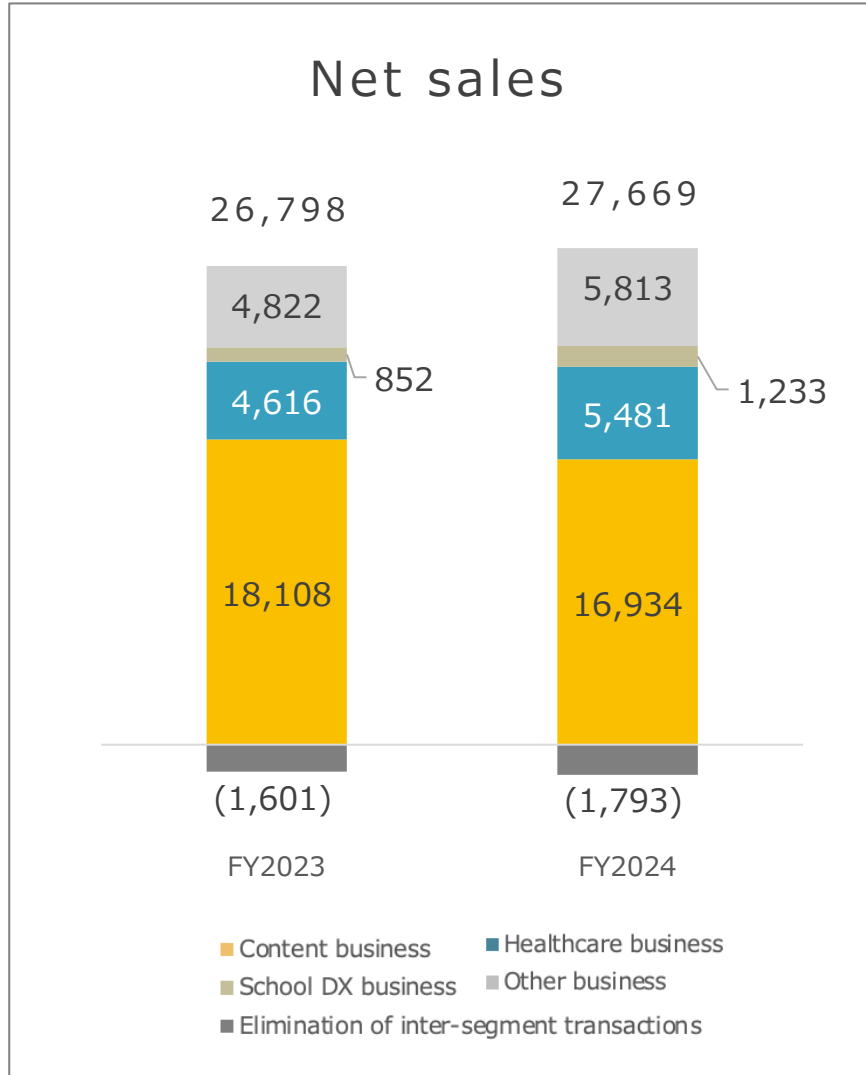
Trends in consolidated P/L

(Unit : Mil yen)	FY2022				FY2023				FY2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	6,551	6,424	6,378	7,125	7,091	6,540	6,507	6,660	6,625	6,892	7,018	7,132
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	1,820
Gross profit	4,656	4,504	4,437	5,093	4,552	4,597	4,493	4,729	4,836	5,068	5,187	5,311
(Ratio)	71.1%	70.1%	69.6%	71.5%	64.2%	70.3%	69.0%	71.0%	73.0%	73.5%	73.9%	74.5%
SG&A	4,204	4,356	4,613	4,645	4,613	4,554	4,492	4,413	4,401	4,451	4,488	4,669
Operating income	451	147	(176)	447	(61)	42	0	316	435	616	699	641
(Ratio)	6.9%	2.3%	(2.8)%	6.3%	(0.9)%	0.7%	+0.0%	4.7%	6.6%	9.0%	10.0%	9.0%
Ordinary income	395	(102)	(204)	397	(88)	275	(35)	306	792	725	844	464
(Ratio)	6.0%	(1.6)%	(3.2)%	5.6%	(1.3)%	4.2%	(0.5)%	4.6%	12.0%	10.5%	12.0%	6.5%
Profit attributable to owners of parent	252	(129)	(211)	(841)	(590)	264	821	257	630	928	684	120
(Ratio)	3.9%	(2.0)%	(3.3)%	(11.8)%	(8.3)%	4.0%	12.6%	3.9%	9.5%	13.5%	9.8%	1.7%

Trends in consolidated SG&A

(Unit : Mil yen)	FY2022				FY2023				FY2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SG&A	4,204	4,356	4,613	4,645	4,613	4,554	4,492	4,413	4,401	4,451	4,488	4,669
Advertising expense	360	397	379	442	479	537	553	566	626	674	711	788
Personnel expenses	1,912	1,923	1,950	1,932	1,989	1,958	1,956	1,810	1,818	1,774	1,816	1,867
Commission fee	753	785	777	778	746	745	731	731	709	706	719	735
Subcontract expenses	440	445	657	593	560	498	454	451	441	467	410	418
Depreciation	303	330	358	360	289	301	332	341	318	334	345	361
Other	435	473	490	537	549	513	464	511	486	494	485	497

Performance by segment (Cumulative for FY2024①)



Performance by segment (Quarterly trend)

Net sales

(Unit : Mil yen)	FY2022				FY2023				FY2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consolidated	6,551	6,424	6,378	7,125	7,091	6,540	6,507	6,660	6,625	6,892	7,018	7,132
Content business	4,639	4,436	4,342	5,100	5,118	4,384	4,317	4,289	4,210	4,216	4,202	4,304
Healthcare business	908	977	1,031	1,113	1,011	1,184	1,181	1,239	1,260	1,355	1,407	1,458
School DX business	55	65	150	154	155	153	272	270	260	260	364	347
Other business	1,261	1,277	1,205	1,102	1,190	1,227	1,183	1,221	1,282	1,473	1,590	1,466
Company-wide expenses	-	-	-	-	-	-	-	-	-	-	-	-
Elimination of inter-segment transactions	(313)	(332)	(350)	(345)	(384)	(408)	(447)	(360)	(389)	(413)	(546)	(444)





Performance by segment (Quarterly trend)

Operating income

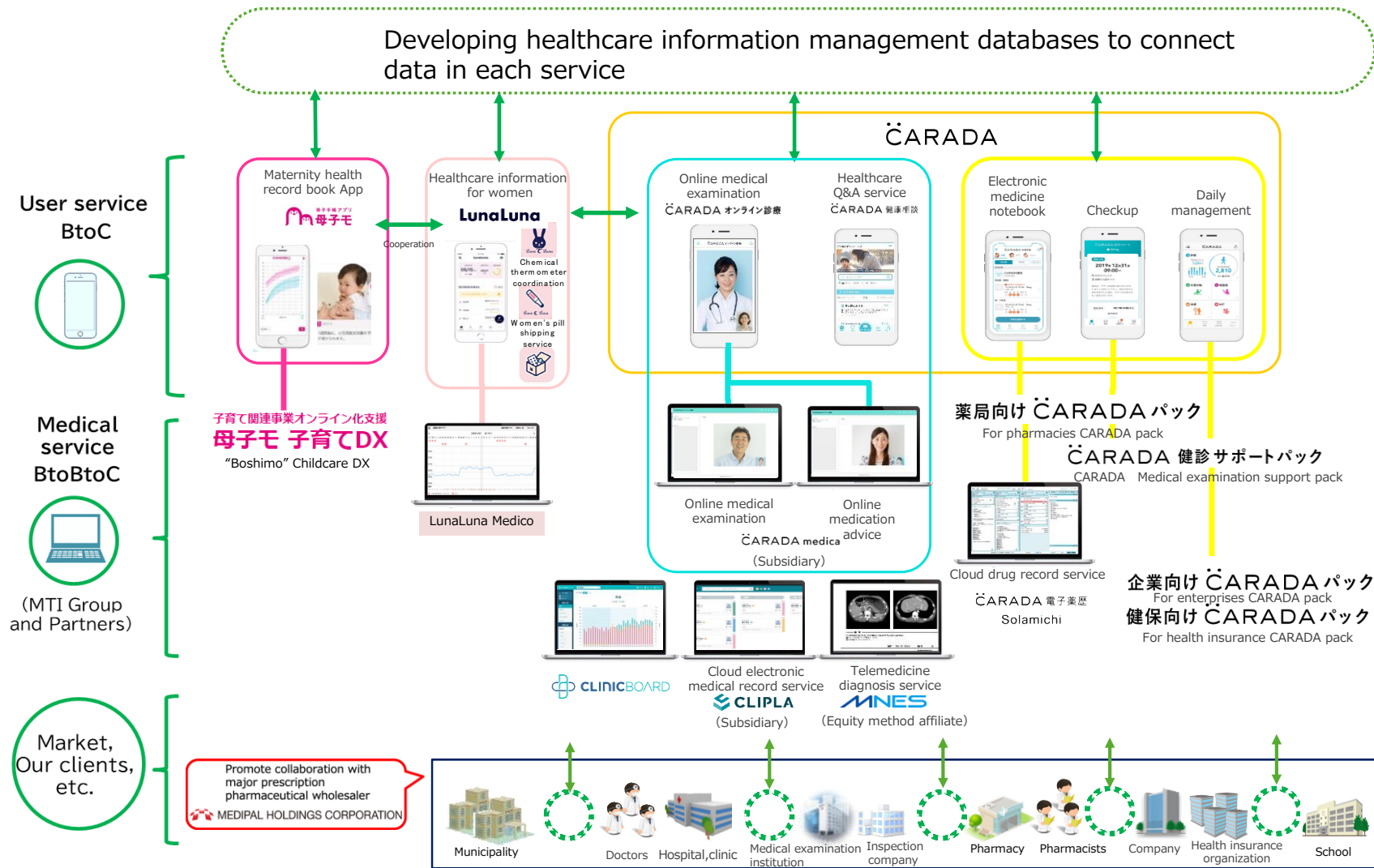
(Unit : Mil yen)	FY2022				FY2023				FY2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consolidated	451	147	(176)	447	(61)	42	0	316	435	616	699	641
Content business	1,534	1,322	1,328	2,014	1,439	1,355	1,210	1,218	1,091	1,169	1,059	999
Healthcare business	(336)	(311)	(250)	(209)	(172)	(46)	(13)	9	112	104	61	72
School DX business	(121)	(111)	(302)	(305)	(246)	(214)	(107)	(99)	(82)	(79)	57	13
Other business	(36)	(140)	(251)	(397)	(393)	(413)	(413)	(178)	(87)	55	210	224
Company-wide expenses	(591)	(591)	(659)	(629)	(678)	(654)	(632)	(651)	(609)	(627)	(633)	(700)
Elimination of inter-segment transactions	2	(19)	(40)	(24)	(8)	17	(42)	17	9	(5)	(56)	31

The list of main healthcare services

Figures are the actual as of end of September 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 640 of 1,741 municipalities nationwide. Childcare DX service has been introduced by 192 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. Going well in Women's pill shipping service.
'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.
 (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.
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.
 Solamichi (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.	BtoB. Initial cost for introduction + monthly usage fee 2,528 orders have been received.

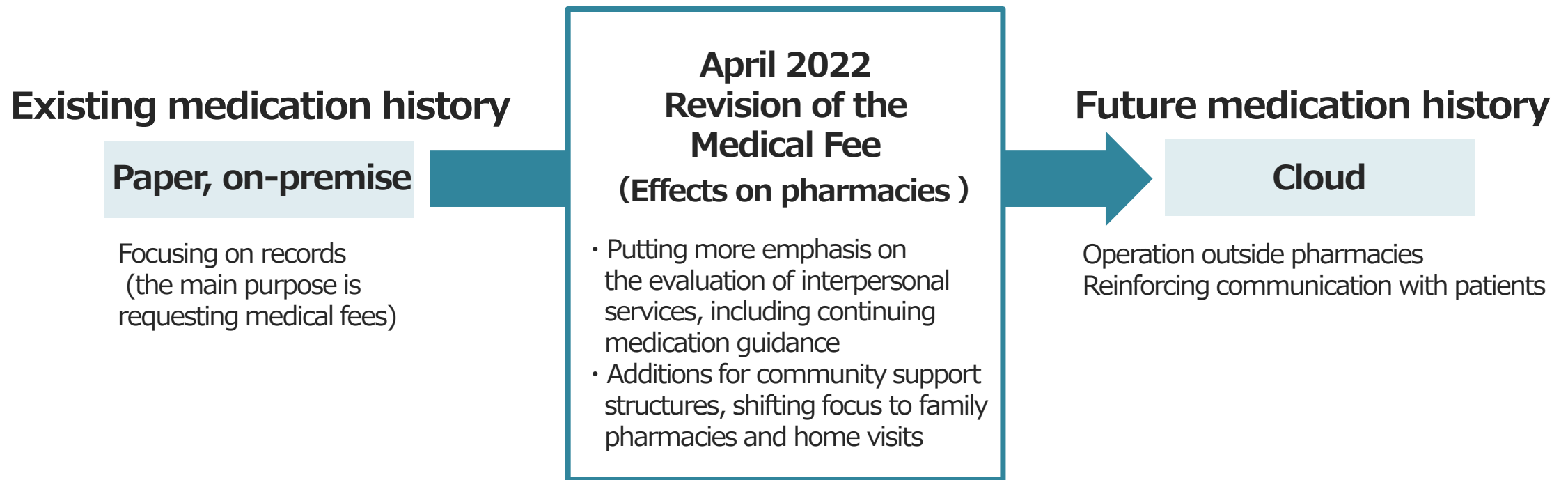
Healthcare business: Overview of Healthcare services



*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-based medication history service

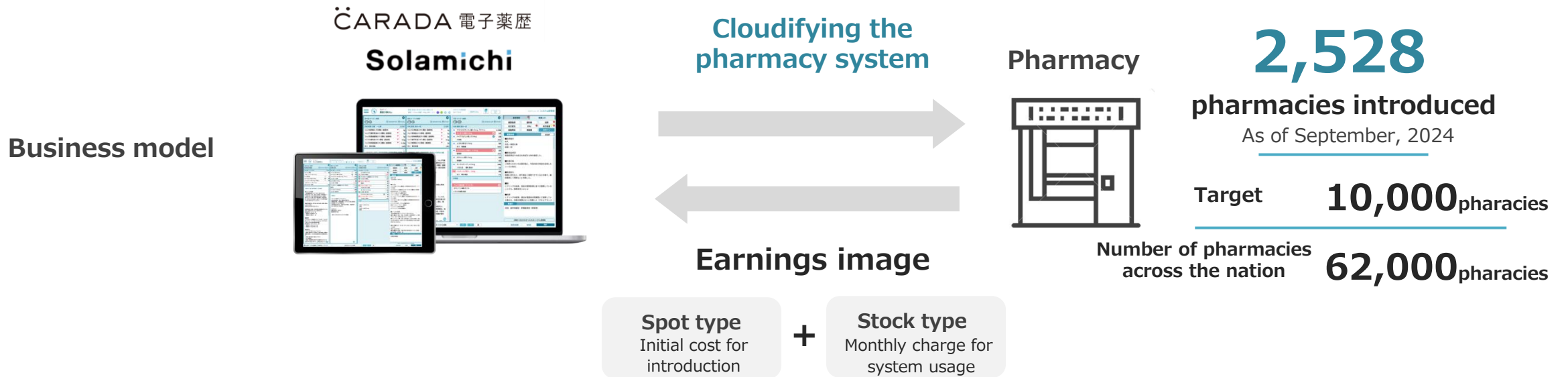
In response to the medical fee revision, the Company will promote a shift “from services handling materials to interpersonal services” at pharmacies and promote ICT at pharmacies as well



Demand for cloud-based medication history that has a wealth of medication advice and medication follow-up functions will increase

Healthcare business: Cloud-based medication history 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.

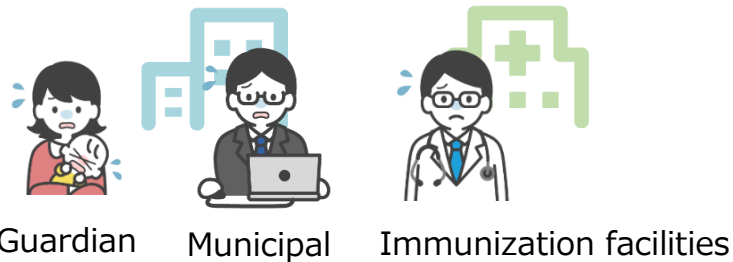
Healthcare business:
Maternal and child health handbook app + Childcare DX services



"Childcare support" is a social issue

Delay in digitalization for childcare support

Paper-based procedures
Extremely inefficient



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



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"

Phasse	1	2	3		
Service functionalities	Maternal and child health handbook app	Online consultation	Childcare DX services <ul style="list-style-type: none"> • Questionnaire and reservation form functionality • Childhood immunizations (Digital preliminary examination slip , etc.) • Infant health checkup • Visits to all households with infants 		
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 <small>(Number of municipalities nationwide 1,741)</small>	640	85	192		

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

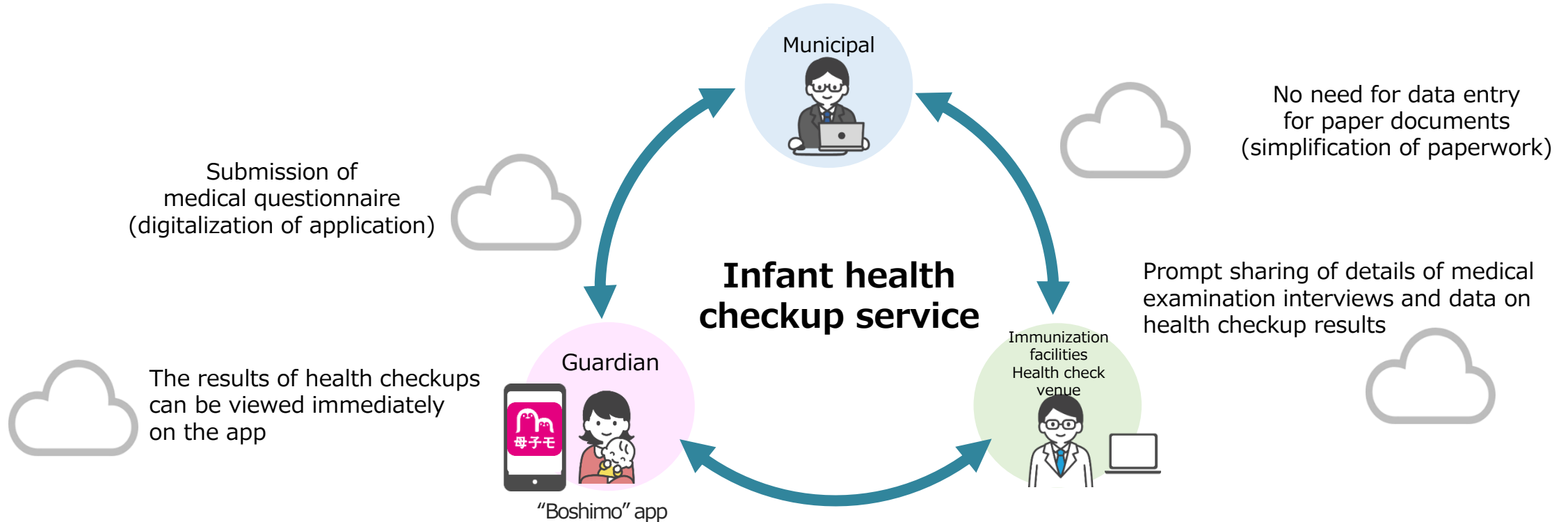


(Reference) Healthcare business :
Maternal and child health handbook app + Childcare DX services

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)**

Fukuoka City, Fukuoka Prefecture





(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.



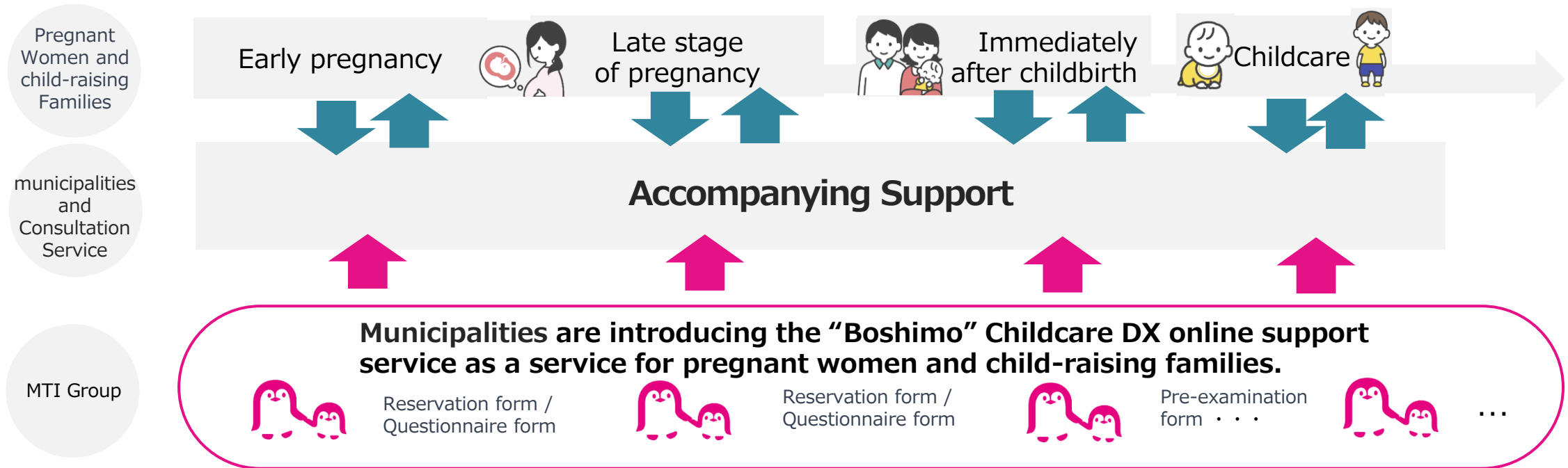


Healthcare business : Maternal and child health handbook app + Childcare DX services

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.



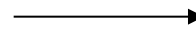
School DX business : Full cloud-based school affairs support system

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**

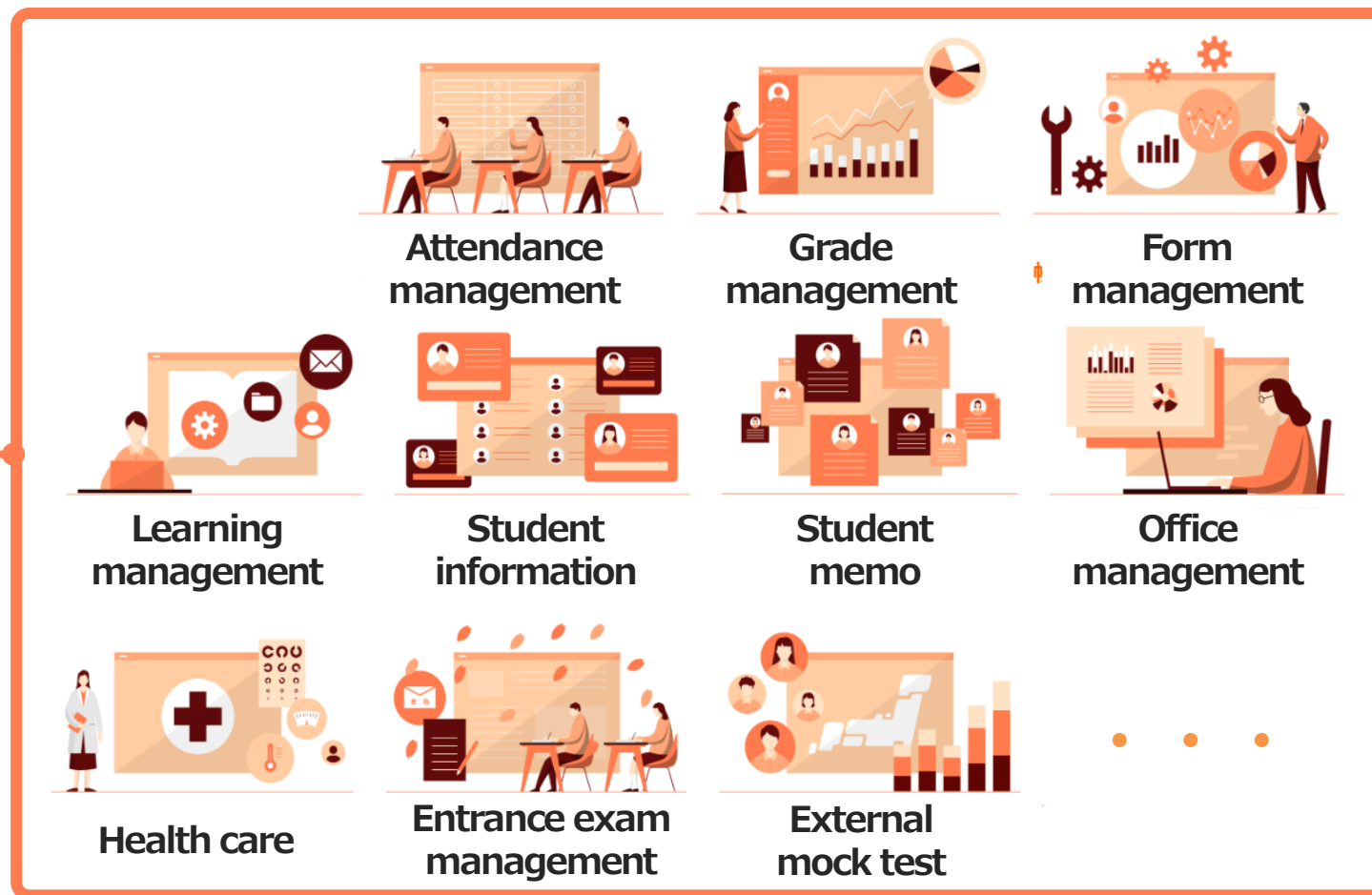
- ✓ Using multiple systems: management cost burden
- ✓ Varying specifications, handwritten and PC-based admin: work-time burden
- ✓ Data linkage is time consuming

School DX business : Full cloud-based school affairs support system

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

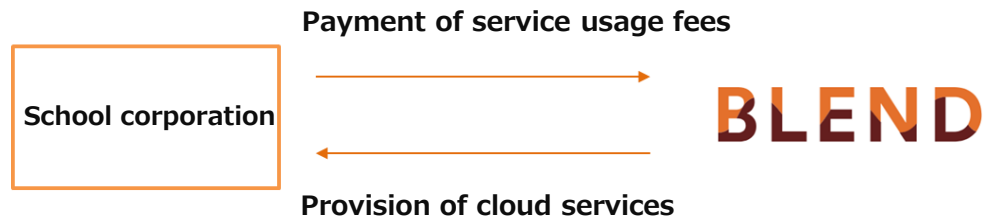
Cloud-based school affairs support system

BLEND



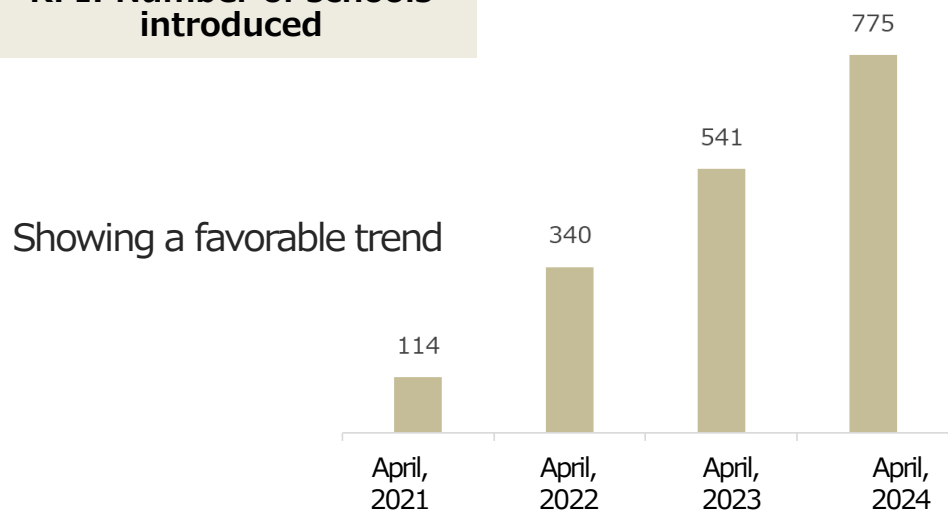
School DX business : Cloud-based school affairs support system

Business model

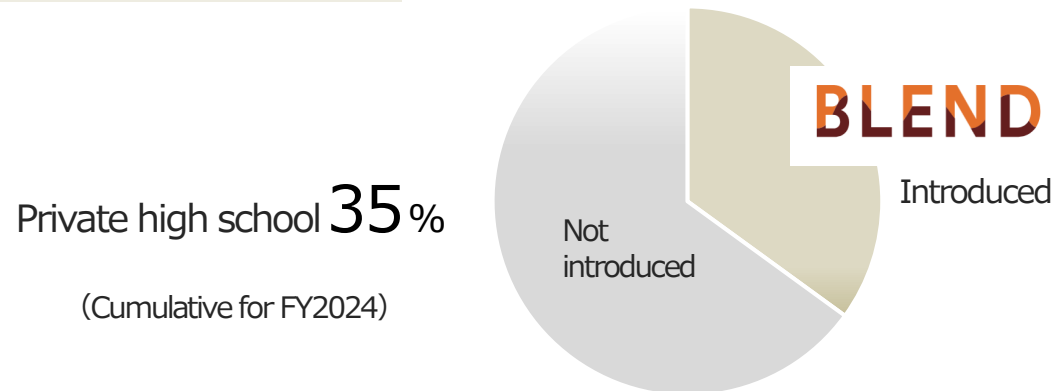


$$\text{Net sales} = \text{Number of students} \times \text{The usage fee per student is 300 yen (Monthly \& List price)} \times \text{Number of schools introduced}$$

KPI: Number of schools introduced



Market share



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