MTI Ltd.

April 27, 2018

For Immediate Release:

MTI Ltd.
Toshihiro Maeta,
President and Chief Executive Officer
Listing: Tokyo Stock Exchange
(First Section) [9438]
Contact: Hiroshi Matsumoto, Managing Director
Tel: +81-3-5333-6323

Differences between Earnings Forecast and Actual Results for the First Half of the Fiscal Year Ending September 30, 2018

MTI Ltd. (hereinafter the "Company") hereby announces that differences have arisen between the earnings forecast for the first half of the consolidated fiscal year ending September 30, 2018, which the Company announced on January 30, 2018, and actual operating performance. Details are as follows.

1. Details of the differences

Differences between earnings forecast for the first half of the consolidated fiscal year ending September 30, 2018 and actual results
(October 1, 2017 – March 31, 2018)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Forecast previously announced (A)	Millions of yen 15,000	Millions of yen 1,000	Millions of yen 960	Millions of yen 870	Yen 15.96*
Forecast revised this time (B)	15,162	1,372	1,325	1,154	21.17
Change (B - A)	+162	+372	+365	+284	
Rate of change (%)	+1.1%	+37.2%	+38.1%	+32.7%	
(Reference) Actual results (Fiscal year ended September 30, 2017)	15,285	2,074	2,032	441	8.06

* Net income per share as in the previously announced forecast remains the same as the one described in Summary of financial Results for Q1 FY 2018 (announced on January 30, 2018), which was recalculated with the number of shares outstanding (excluding treasury shares) as of December 31, 2017.

2. Reasons for the differences

Net sales were in line with the Company's initial forecast, reflecting the rising trend in average revenue per user (ARPU) and additional net sales associated with the consolidation of Video Market Corporation (March 2017), despite a fall in the total number of paying subscribers compared to the same period of the previous fiscal year.

Operating income, ordinary income and profit attributable to owners of parent were better than the Company's plan, because part of the budget for selling, general and administrative (SG&A) expenses was not spent.

The consolidated earnings forecast for the fiscal year ending September 30, 2018 remains unchanged from the previously announced forecast, as net sales are expected to show the same trend as that in the first half of the fiscal year under review, while SG&A expenses will likely exceed the initial forecast, mainly due to the amortization of goodwill associated with the acquisition of shares of Clinical Platform, Inc. at its consolidation in March 2018.

Disclaimer Regarding Forecast and Projections

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, changes in internal or external business environments, or aspects of uncertainty contained in the forecasts, latent risks or a variety of other factors. In addition, factors of risk and uncertainty include unpredictable elements that could arise from future events.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Contact information for inquiries
Futaki, Investor Relations Office
Tel: +81-3-5333-6323 Fax: +81-3-3320-0189
E-mail: ir@mti.co.jp URL： https://www.mti.co.jp/eng