

June 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

Notice of Conversion of Crowd Cast, Ltd. into an Equity-Method Associated Company

MTI Ltd. (hereinafter the “Company”) announces that Crowd Cast, Ltd. (hereinafter “Crowd Cast”) will become an equity-method associated company of the Company. In addition to its holding of Class B preferred shares of Crowd Cast (shareholding ratio: 15.44%) which were acquired in November 2017, the Company reached an agreement with Crowd Cast to appoint one director of Crowd Cast.

1. Reason for conversion

Crowd Cast has been developing and offering Staple, an expense management application, while the Company has been developing and offering FEEDER, an application that supports expense settlement, in cooperation with Automagi Inc., its subsidiary. To facilitate the introduction of these applications to small and medium businesses, the Company acquired Class B preferred shares of Crowd Cast in November 2017 by subscribing to a third-party allotment of shares conducted by Crowd Cast to increase capital. By dispatching one Director to Crowd Cast, the Company intends to reinforce its relations with Crowd Cast.

2. Outline of Crowd Cast (as of June 27, 2018)

(1) Name	Crowd Cast, Ltd.	
(2) Address	1-6-1 Otemachi, Chiyoda-ku, Tokyo	
(3) Name and title of representative	Takashi Hoshikawa, CEO	
(4) Nature of business	Planning, development, provision, etc. of mobile and cloud services specialized in B2B, FinTech and front-end.	
(5) Capital stock	93,100 thousands of yen	
(6) Founded	January 21, 2011	
(7) Major shareholders and shareholding ratios	Takashi Hoshikawa (CEO) 62.55% MTI Ltd. 15.44% Yayoi Co., Ltd. 9.65%	
(8) Relationship between the listed company and the relevant company	Capital relationship	The Company holds 8,000 shares of Class B preferred stock of the relevant company (shareholding ratio: 15.44%).

	Human relationship	There is no human relationship between the two companies that is required to be disclosed.
	Business relationship	There are business transactions between the Company and the relevant company.

3. Future outlook

This case will have a very minimal impact materially on the Company's consolidated business results for the fiscal year ending September 30, 2018

(Reference)

Consolidated financial results forecast for the current fiscal year (Announced on January 30, 2018) and consolidated results for the previous fiscal year

(Unit: millions of yen)

	Consolidated Net sales	Consolidated Operating income	Consolidated Ordinary income	Profit attributable to owners of parent
Forecasts for consolidated financial results (September 30, 2018)	30,000	2,800	2,800	2,000
Consolidated results for the previous fiscal year (September 30, 2017)	30,933	4,053	3,972	1,434

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.

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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>