

April 26, 2019

For Immediate Release:

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**Differences between Earning Forecast and Actual Results
for the First Half of the Fiscal Year Ending September 30, 2019**

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, 2019, which the Company announced on October 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, 2019 and actual results (October 1, 2018 – March 31, 2019)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Forecast previously announced (A)	Millions of yen 14,000	Millions of yen 1,000	Millions of yen 950	Millions of yen 600	Yen 10.97*
Forecast revised this time (B)	13,932	1,635	1,577	860	15.74
Change (B - A)	(67)	+635	+627	+260	
Rate of change (%)	(0.5%)	+63.5%	+66.1%	+43.5%	
(Reference) Actual results (Fiscal year ended September 30, 2018)	15,162	1,372	1,325	1,154	21.17

* 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 2019 (announced on January 30, 2019), which was recalculated with the number of shares outstanding (excluding treasury shares) as of December 31, 2018.

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), 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 outperformed the Company’s plan, because part of the budget for selling, general and administrative (SG&A) expenses was not spent as a result of curbed advertising expenses, with priority attached to the efficiency of the acquisition of paying subscribers on smartphones at cellphone shops, although the cost of sales exceeded the initial forecast.

With respect to the consolidated earnings forecast for the fiscal year ending September 30, 2019, the forecast for net sales in the latter half of the fiscal year under review remains unchanged from the

previously announced forecast because the Company expects to see the same trend in the latter half as in the first half and the forecast for profits are also the same as the previous forecast, considering that the cost of sales and SG&A expenses will likely exceed the initial forecast in the second half.

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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