

July 30, 2019

For Immediate Release:

MTI Ltd.
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Listing: Tokyo Stock Exchange
(First Section) [9438]
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Notice of Posting of Non-Operating Income from Negative Goodwill

MTI Ltd. hereby announces that it will post non-operating income (or share of profit of entities accounted for using equity method) associated with negative goodwill in the third quarter (April 1, 2019 – June 30, 2019) of the fiscal year ending September 30, 2019. Details are as follows.

1. Gains/losses on investment in Shobunsha

As in Notice of Acquisition of Shares in Shobunsha Publications, Inc. (hereinafter “Shobunsha,” Securities code: 9475) announced in June 6, 2019, MTI Ltd. has acquired additional shares in Shobunsha. Consequently, Shobunsha has become an equity-method affiliate company of MTI Ltd. MTI Ltd. will post profit of ¥884 million as share of profit of entities accounted for using equity method in non-operating income associated with negative goodwill, pursuant to Revised Accounting Standard for Equity Method of Accounting for Investments.

*Consolidated financial results forecast for the current fiscal year is consistent with the Notice of Revisions in Forecast for the Consolidated Fiscal Year Ending September 30, 2019, announced today.

* Share of profit of entities accounted for using equity method totaled ¥756 million in the third quarter of the current fiscal year and ¥632 million in the cumulative nine month period, reflecting amortization of goodwill as a lump sum related to other equity method affiliates.

Reference

Details of non-operating income (consolidated)

(Unit: Millions of yen)

	FY2019 3Q (April 1, 2019 – June 30, 2019)	FY2019 First nine months Cumulative (October 1, 2018 – June 30, 2019)
Non-operating income	765	721
Share of profit of entities accounted for using equity method	756	632
Amortization of negative goodwill	2	6
Dividends income	0	59

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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