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For Immediate Release:

MTI Ltd.
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**Notice of Revision of First Half Earnings Forecasts
 for the Fiscal Year Ending September 2020**

MTI Ltd. hereby announces that it revised the first half earnings forecasts (announced on October 30, 2019) for the fiscal year ending September 30, 2020. Details are as follows.

1. Revision of earnings forecast

**Revision of first half year earnings forecasts for the fiscal year ending September 30, 2020
 (From October 1, 2019 to March 31, 2020)**

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Forecast previously announced (A)	Millions of yen 13,000	Millions of yen 800	Millions of yen 760	Millions of yen 500	Yen 9.15*
Forecast revised this time(B)	13,000	1,200	1,000	700	12.81
Change (B-A)	-	+400	+240	+200	
Rate of change (%)	-	+50.0%	+31.6%	+40.0%	
(Reference) Actual results (First half for the fiscal year ended September 30, 2019)	13,932	1,635	1,577	860	15.74

* 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 2020 (announced in February 3, 2020), which was recalculated with the number of shares outstanding (excluding treasury shares) as of December 31, 2019.

2.Reasons for the revision

Net sales are expected to be in line with the initial forecast, reflecting the effect of accepting the transfer of businesses such as the “musico” music streaming website, although the number of paying subscribers continues to be on a declining trend due to a fall in subscriptions by smartphone-based paying subscribers through mobile phone shops as a result of large mobile phone carriers being obligated to separate communication charges and handset prices.

Operating income, ordinary income and profit attributable to owners of parent are expected to exceed the initial forecasts, taking into consideration the consolidated financial results for the first three months, successfully controlled advertisements against the backdrop of a decline in subscriptions by smartphone-based paying subscribers through mobile phone shops as a result of the separation of communications and terminal devices, and the effect of accepting the transfer of businesses such as the “musico” music streaming website.

Forecasts for full-year consolidated financial results remain unchanged from the initial forecasts due to difficulties in establishing consolidated financial forecasts for the second half. The Company will disclose its consolidated financial results forecasts when such forecasts can be established or if any events that may have a serious impact on consolidated results forecasts are identified.

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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