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Stock Exchange Code: 9438
December 3, 2018

To Shareholders with Voting Rights:

Toshihiro Maeta
President and Chief Executive Officer
MTI Ltd.
3-20-2 Nishi-Shinjuku, Shinjuku-ku,
Tokyo, Japan

**NOTICE OF
THE 23RD ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 23rd Annual General Meeting of Shareholders of MTI Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Friday, December 21, 2018, Japan time.

- 1. Date and Time:** December 22, 2018 (Saturday) at 10:00 a.m. Japan time
- 2. Place:** Hall of Bellesalle Nishi-Shinjuku on the first floor of Sumitomo Fudosan Nishi-Shinjuku Building No. 3, located at 15-3, Nishi-Shinjuku 4-chome, Shinjuku-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:** The Business Report, Consolidated Financial Statements for the Company's 23rd Fiscal Year (October 1, 2017 – September 30, 2018), results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 23rd Fiscal Year
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of surplus
 - Proposal 2:** Partial amendment to the articles of incorporation
 - Proposal 3:** Election of seven (7) directors
 - Proposal 4:** Election of one (1) statutory auditor

© Notes

(1) Exercise of voting rights by proxy

If you are unable to attend the meeting, you can delegate another shareholder as a proxy, who also owns voting rights of the Company, to attend the General Meeting of Shareholders. In such a case, please have your proxy submit a written power of attorney, as well as the Voting Rights Exercise Form at the reception desk.

(2) Documents provided on the Internet

Based on the provisions stipulated in relevant laws and regulations and Article 15 of the Company's articles of incorporation, the following materials are posted on the Company's website (<https://www.mti.co.jp/eng>) and are therefore not included in the Appendix to this convocation notice.

- 1) "Consolidated statement of changes in equity" and "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
- 2) "Statement of changes in equity" and "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

The Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor and the Board of Statutory Auditors are each item on the Appendix to this Convocation Notice of the General Meeting of Shareholders, Consolidated statement of changes in equity, Notes to the Consolidated Financial Statements, Statement of changes in equity, and Notes to the Non-consolidated Financial Statements in the above 1) and 2).

(3) Method to announce the revisions in the Reference Documents for the General Meeting of Shareholders and Business Report, as well as in Non-consolidated Financial Statements and Consolidated Financial Statements

Should the Reference Documents for the General Meeting of Shareholders and Business Report, as well as Non-consolidated Financial Statements and Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.mti.co.jp/eng>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of surplus

The Company positions the increase of its market capitalization through the creation and enhancement of corporate value and continuous distribution of profits to shareholders as priority management issues.

Dividends are proposed as follows from the standpoint of maintaining stable dividend payment.

As a result, the annual dividend per share for the current fiscal year is 16 yen.

Matters concerning the year-end dividend:

- (1) Matters concerning the allotment of dividend property to shareholders and total amount thereof:
8 yen per share of the Company's common stock, in a total amount of 437,466,176 yen
- (2) The effective date of the dividend of surplus
December 25, 2018

Proposal 2: Partial amendment to the articles of incorporation

1. Reasons for the amendment

The following amendments are to be made to Article 2 (Purpose) of the Company’s current articles of incorporation, in order to clarify the business scope of the Company and its subsidiaries in light of their current business activities, as well as preparing for future development and diversification of their business.

2. Content of the amendment

Content of the amendment is as follows:

(Only the provisions to be amended are shown below. Amended parts are underlined.)

Current	Proposed amendment
<p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: 1. to 8. (Omitted) <u>9. Life insurance solicitation and agency services</u> <u>10. Non-life insurance agency services</u> (Newly established) 11. to 17. (Omitted) <u>18. Planning and operations of various events</u> 19. to 21. (Omitted) 22. Training and management of entertainers, musicians, film directors, scriptwriters, stage directors, athletes, etc. 23. to 24. (Omitted) 25. Travel business 26. to 27. (Omitted) 28. <u>Sales, purchase, exchange, leasing and brokerage, as well as owning, management and use of real estate</u> 29. to 37. (Omitted) (Newly established) <u>38. Provision of genetic testing and analysis services</u> <u>39. Sales of genetic testing and analysis instruments and equipment</u> <u>40. Analytical services for genetic testing results</u> <u>41. Fund transfer service, electronic settlement agency service and bank agency service</u> <u>42. Issuance of electronic money, virtual currency and other electronic value information, and prepaid payment instruments</u> (Newly established) (Newly established) (Newly established) (Newly established) <u>43. Planning, development, production, sales, licensing and maintenance of systems related to FinTech business</u></p>	<p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: 1. to 8. (Unchanged) <u>9. IT-based insurance business (including insurance intermediary and agency business as well as insurance services; hereinafter, the same applies) and insurance business</u> (Deleted) <u>10. Temporary staffing business and fee-based job placement business</u> 11. to 17. (Unchanged) <u>18. IT-based event-related business and event-related business</u> 19. to 21. (Unchanged) 22. Training and management of <u>nutritionists, childcare workers, care workers, nurses</u>, entertainers, musicians, film directors, scriptwriters, stage directors, athletes, etc. 23. to 24. (Unchanged) 25. <u>IT-based travel business and</u> travel business 26. to 27. (Unchanged) 28. <u>IT-based real estate business and real estate business</u> 29. to 37. (Unchanged) <u>38. IT-based medical and healthcare business</u> <u>39. Provision of genetic testing and analysis services</u> <u>40. Sales of genetic testing and analysis instruments and equipment</u> <u>41. Analytic service for genetic testing results</u> <u>42. Fund transfer service, electronic settlement agency service and bank agency service</u> <u>43. Issuance of electronic money and other electronic value information, and prepaid payment instruments</u> <u>44. Virtual currency exchange services</u> <u>45. Planning, development, issuance, trading, brokerage, intermediation and management of virtual currency</u> <u>46. Planning, operation and management of virtual currency exchange/clearing house</u> <u>47. Planning, development, production, sales, licensing and maintenance of systems related to virtual currency and blockchain</u> <u>48. Planning, development, production, sales, licensing and maintenance of systems related to FinTech business</u></p>

Current	Proposed amendment
<u>44.</u> Gathering, analysis and provision of information related to FinTech business	<u>49.</u> Gathering, analysis and provision of information related to FinTech business
<u>45.</u> Meteorological observation, data gathering, analysis and forecasting, and provision thereof, as well as planning, production, sales, licensing and maintenance of contents on countermeasures utilizing these data	<u>50.</u> Meteorological observation, data gathering, analysis and forecasting, and provision thereof, as well as planning, production, sales, licensing and maintenance of contents on countermeasures utilizing these data
<u>46.</u> AgriTech business	<u>51.</u> <u>AgriTech business and agricultural services business</u>
(Newly established)	<u>52.</u> <u>IT-based forestry business and forestry business</u>
(Newly established)	<u>53.</u> <u>IT-based fishery business and fishery business</u>
(Newly established)	<u>54.</u> <u>IT-based mining business and mining business</u>
(Newly established)	<u>55.</u> <u>IT-based construction business and construction business</u>
(Newly established)	<u>56.</u> <u>IT-based manufacturing business and manufacturing business</u>
(Newly established)	<u>57.</u> <u>IT-based transportation business and transportation business</u>
(Newly established)	<u>58.</u> <u>IT-based wholesale and retail business and wholesale and retail business</u>
(Newly established)	<u>59.</u> <u>IT-based biotechnology/life science-related business and biotechnology/life science-related business</u>
(Newly established)	<u>60.</u> <u>IT-based legal services business</u>
(Newly established)	<u>61.</u> <u>IT-based marketing business and marketing business</u>
(Newly established)	<u>62.</u> <u>IT-based accommodation business and accommodation business</u>
(Newly established)	<u>63.</u> <u>IT-based restaurant business and restaurant business</u>
(Newly established)	<u>64.</u> <u>Manufacturing and sales of alcoholic beverages</u>
(Newly established)	<u>65.</u> <u>IT-based beauty salon business and beauty salon business</u>
(Newly established)	<u>66.</u> <u>IT-based fashion-related business and fashion-related business</u>
(Newly established)	<u>67.</u> <u>IT-based entertainment business and entertainment business</u>
(Newly established)	<u>68.</u> <u>IT-based sports-related business and sports-related business</u>
(Newly established)	<u>69.</u> <u>IT-based education business and education business</u>
(Newly established)	<u>70.</u> <u>IT-based childrearing/childcare-related business and childrearing/childcare-related business</u>
(Newly established)	<u>71.</u> <u>IT-based nursing care business and nursing care business</u>
(Newly established)	<u>72.</u> <u>IT-based environment-related business and environment-related business</u>
<u>47.</u> Other commercial services in general	<u>73.</u> Other commercial services in general
<u>48.</u> Consulting service related to the preceding items and management consulting service	<u>74.</u> Consulting service related to the preceding items and management consulting service
<u>49.</u> Any and all businesses incidental or relating to the preceding items	<u>75.</u> Any and all businesses incidental or relating to the preceding items

Proposal 3: Election of seven (7) directors

All eight (8) directors will resign at the conclusion of this Annual General Meeting of Shareholders due to the expiration of their terms of office. Accordingly, the election of seven (7) directors is proposed.

The candidates for director are as follows:

No.	Name	
1	Reelected	Toshihiro Maeta
2	Reelected	Hiroshi Izumi
3	Reelected	Katsunori Osawa
4	Reelected	Hiroshi Matsumoto
5	Reelected	Muzhi Zhou External director Independent director
6	Reelected	Hikaru Yamamoto External director Independent director
7	Newly elected	Ryosuke Tsuchiya External director Independent director

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
1	<u>Reelected</u> Toshihiro Maeta (January 19, 1965)	<p>April 1987 Joined Japan IBM, Ltd. December 1988 Joined HIKARI TSUSHIN, INC. August 1989 Director of HIKARI TSUSHIN, INC. July 1994 Managing Director of HIKARI TSUSHIN, INC. August 1996 Established the Company President and Chief Executive Officer (current position)</p> <p>(Reason for election as a candidate for director) Since founding the Company in 1996, Mr. Maeta has played a leading role in expanding its business as Representative Director. The Company reelected him as a candidate for director, based on the judgment that he is capable of making decisions on the important management matters of the Company, and his leadership over all the officers and employees, drawing on his knowledge and experience in overall management he has gained to date.</p>	11,856,400
2	<u>Reelected</u> Hiroshi Izumi (February 26, 1965)	<p>April 1987 Joined Japan IBM, Ltd. June 1997 Joined Microsoft Japan Co., Ltd. February 1999 Joined the Company November 1999 Operating Officer and General Manager of IT Business Department of the Company November 2002 Operating Officer and General Manager of Mobile Service Division of the Company December 2002 Director and General Manager of Mobile Service Division of the Company December 2004 Director, Senior Managing Operating Officer and General Manager of Mobile Service Division of the Company January 2007 Director, Operating Vice President and General Manager of Mobile Service Division of the Company December 2009 Executive Vice President and General Manager of Mobile Service Division of the Company February 2010 Executive Vice President of the Company June 2012 Executive Vice President and General Manager of Healthcare Business Division of the Company February 2014 Executive Vice President, General Manager of Mobile Service Division, and General Manager of Healthcare Business Division of the Company July 2014 Executive Vice President and General Manager of Life and Healthcare Business Division of the Company April 2015 Executive Vice President and General Manager of Digital Content Division of the Company February 2016 Executive Vice President, General Manager of Lifestyle Business Division, and General Manager of Digital Content Division of the Company January 2017 Executive Vice President and General Manager of Life and Entertainment Business Division of the Company April 2018 Executive Vice President and General Manager of Life, Entertainment and Sports Business Division of the Company (current position, in charge of Technology Division, Solution Business Department, and Compliance Promotion Office)</p> <p>(Reason for election as a candidate for director) Mr. Izumi assumed the office of director of the Company in 2002 and of Executive Vice President from 2009. Drawing on his business experience at a major IT vendor, he has held key positions in IT development of the Company, in addition to service planning. The Company reelected him as a candidate for director, based on the judgment that he is capable of making decisions on the important management matters of the Company, due to his broad expertise in overall IT service from planning to development.</p>	326,400

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
3	<u>Reelected</u> Katsunori Osawa (September 7, 1961)	<p>April 1985 Joined Japan Schlumberger Co., Ltd. August 1989 Joined ADVANCE Corporation May 1992 Joined Plansee Japan Co., Ltd. January 1994 Joined HIKARI TSUSHIN, INC. November 1998 Joined MIS Co., Ltd. July 2000 Joined Telecom System International Co., Ltd. (the current Company) December 2000 Director and General Manager of Administration Division of the Company November 2002 Director and General Manager of Administration Office, Mobile Service Business Division of the Company December 2002 Operating Officer and Deputy General Manager of Mobile Service Business Division of the Company December 2006 Director and Senior Operating Officer, and General Manager of Mobile Service Center of the Company December 2007 Director and Managing Operating Officer, and General Manager of Mobile Service Center of the Company December 2009 Managing Director and General Manager of Mobile Service Center of the Company April 2012 Managing Director of the Company February 2013 Managing Director and General Manager of Corporate Support Division of the Company (current position)</p> <p>(Reason for election as a candidate for director) Mr. Osawa assumed the office of director of the Company in 2000. He has served as General Manager of Administration Division and General Manager of Mobile Service Center, and engaged in the development of in-house infrastructure and streamlining of operation. The Company reelected him as a candidate for director, based on the judgment that he is capable of making decisions on the important management matters of the Company by drawing on his broad expertise in management, as well as administrative and operational works at an IT service company.</p>	105,778
4	<u>Reelected</u> Hiroshi Matsumoto (August 17, 1969)	<p>April 1992 Joined The Fuji Bank (current Mizuho Financial Group, Inc.) May 1999 Joined CAC Corporation October 2002 Joined USJ Co., Ltd. October 2004 Joined the Company February 2008 Operating Officer, General Manager of Corporate Planning Office and General Manager of Public Relations and IR Office of the Company January 2009 Operating Officer and General Manager of Corporate Planning Division of the Company January 2010 Senior Operating Officer and General Manager of Corporate Planning Division of the Company May 2010 Senior Operating Officer and General Manager of Corporate Support Division of the Company December 2010 Director and General Manager of Corporate Support Division of the Company February 2013 Director of the Company December 2016 Managing Director of the Company (current position, in charge of IR Office and business alliance)</p> <p>(Reason for election as a candidate for director) Mr. Matsumoto assumed the office of director of the Company in 2010. After joining the Company, he has served as General Manager of Corporate Planning Office and General Manager of Corporate Support Division by drawing on his business experience at a bank. The Company reelected him as a candidate for director, based on the judgment that he is capable of making decisions on the important management matters of the Company by drawing on his expertise in the fields of finance and investor relations, in addition to his experience in overall administrative work.</p>	106,921

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
5	<p><u>Reelected</u></p> <p>Muzhi Zhou (July 2, 1963)</p> <p><u>External director</u> <u>Independent director</u></p>	<p>July 1985 Ministry of Machinery, People's Republic of China</p> <p>June 1995 Principal Researcher of International Development Center of Japan</p> <p>April 2002 Associate Professor, Faculty of Economics, Tokyo Keizai University</p> <p>January 2005 Guest Researcher of Policy Research Institute, Ministry of Finance</p> <p>April 2007 Professor, Faculty of Economics, Tokyo Keizai University (current position)</p> <p>April 2007 Visiting Professor of Massachusetts Institute of Technology</p> <p>May 2008 Guest Researcher of Harvard University</p> <p>April 2010 Visiting Professor of University of International Business and Economics (current position)</p> <p>April 2012 Specially-appointed Professor of The Chinese Academy of Sciences</p> <p>December 2015 External Director of the Company (current position)</p> <p>(Significant concurrent positions) Professor, Faculty of Economics, Tokyo Keizai University Visiting Professor of University of International Business and Economics</p> <p>(Reason for election as a candidate for external director) Mr. Zhou is engaged in the research on economies of East Asia and market economy at universities. The Company reelected him as a candidate for external director, based on the judgment that he is capable of giving advice on the Company's management policies based on his insight, and is also capable of supervising the execution of operation from an independent standpoint.</p>	—
6	<p><u>Reelected</u></p> <p>Hikaru Yamamoto (October 2, 1973)</p> <p><u>External director</u> <u>Independent director</u></p>	<p>April 2004 Assistant at Graduate School of Economics, Faculty of Economics, The University of Tokyo</p> <p>April 2005 Lecturer, Faculty of Economics, Seikei University</p> <p>April 2008 Associate Professor, Faculty of Economics, Seikei University</p> <p>April 2014 Associate Professor, Graduate School of Business Administration, Keio University (current position)</p> <p>December 2015 External Director of the Company (current position)</p> <p>(Significant concurrent position) Associate Professor, Graduate School of Business Administration, Keio University</p> <p>(Reason for election as a candidate for external director) Ms. Yamamoto is engaged in the research on marketing and consumer behavior at universities. The Company reelected her as a candidate for external director, based on the judgment that she is capable of giving advice on the Company's management policies based on her insight, and is also capable of supervising the execution of operation from an independent standpoint.</p>	—

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
7	<p><u>Newly elected</u></p> <p>Ryosuke Tsuchiya (January 16, 1946)</p> <p><u>External director</u></p> <p><u>Independent director</u></p>	<p>April 2006 Head of the Central Hospital of the National Cancer Center (current National Cancer Center Hospital)</p> <p>February 2011 Director of the Japan Research Promotion Society for Cardiovascular Diseases (current position)</p> <p>April 2011 Director of the Japanese Foundation for Cancer Research (current position)</p> <p>April 2014 Chief Director of Kanagawa Prefectural Hospital Organization</p> <p>June 2014 Director of the Japan Health Sciences Foundation (current position)</p> <p>(Significant concurrent positions)</p> <p>Director of the Japanese Foundation for Cancer Research</p> <p>Director of the Japan Research Promotion Society for Cardiovascular Diseases</p> <p>Director of the Japan Health Sciences Foundation</p> <p>(Reason for election as a candidate for external director)</p> <p>Mr. Tsuchiya is engaged in medical research at various institutions, and also has experience in organizational management. The Company elected him as a candidate for external director, based on the judgment that he is capable of giving advice on the Company's management policies based on his insight, and is also capable of supervising the execution of operation from an independent standpoint.</p>	—

(Notes)

1. There are no special interests between each candidate and the Company.
2. Mr. Muzhi Zhou, Ms. Hikaru Yamamoto and Mr. Ryosuke Tsuchiya are candidates for external director. The reasons for election as candidates for external director are described in the columns below the past experiences of each candidate for external director. In addition, concerning Mr. Muzhi Zhou, Ms. Hikaru Yamamoto and Mr. Ryosuke Tsuchiya, although they have never been involved in corporate management other than as external director or external auditor, the Company believes that they are capable of adequately executing their duties as external director as mentioned in the "Reason for election as a candidate for external director."
3. The candidates Mr. Muzhi Zhou and Ms. Hikaru Yamamoto will have held the position of external director of the Company for three (3) years as at the conclusion of this Annual General Meeting of Shareholders. In addition, the Company has filed a notice to the Tokyo Stock Exchange for appointing both candidates as independent directors. If their election is approved as originally proposed, they will continue to serve as independent directors. Furthermore, Mr. Ryosuke Tsuchiya will newly serve as an independent director, if his election is approved as originally proposed.
4. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Muzhi Zhou and Ms. Hikaru Yamamoto to limit their liabilities for compensation of damages due to the failure to perform their duties, to the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the said Act. If their election is approved as originally proposed, the Company intends to continue the agreements with them. Furthermore, the Company intends to enter into a similar agreement with Mr. Ryosuke Tsuchiya, if his election is approved as originally proposed.

Proposal 4: Election of one (1) statutory auditor

Statutory Auditor Mr. Minoru Takei will resign at the conclusion of this Annual General Meeting of Shareholders due to the expiration of his term of office. Accordingly, the election of one (1) statutory auditor is proposed.

The Board of Statutory Auditors has previously given its approval to this proposal.

The candidate is as follows:

Name (Date of birth)	Past experience, significant concurrent positions and positions at the Company	Number of shares of the Company held
<p>Reelected</p> <p>Minoru Takei (February 15, 1952)</p> <p>External statutory auditor Independent statutory auditor</p>	<p>April 1974 Joined Mitsubishi Corporation</p> <p>April 2000 General Manager, Finance Dept. of Mitsubishi Corporation</p> <p>April 2002 General Manager, Accounting Dept., Kansai Branch of Mitsubishi Corporation</p> <p>April 2004 President of Mitsubishi Corporation Financial & Management Services (Japan) Ltd.</p> <p>April 2006 Senior Vice President of Mitsubishi Corporation</p> <p>March 2010 Executive Vice President of KANRO CO., LTD.</p> <p>December 2017 Standing Statutory Auditor of the Company (current position)</p>	<p>—</p>
<p>(Reason for election as a candidate for external statutory auditor) Mr. Takei has insight in finance and accounting and a wealth of experience as a corporate manager. The Company elected him as a candidate for external statutory auditor, based on the judgment that he is capable of adequately executing his duties in the audit of the Company.</p>		

(Notes)

1. There are no special interests between the candidate for statutory auditor and the Company.
2. The candidate for statutory auditor, Mr. Minoru Takei, is a candidate for external statutory auditor. The reason for election as a candidate for external statutory auditor is described in the column below the past experience of the candidate for external statutory auditor.
3. The candidate for statutory auditor, Mr. Minoru Takei, will have held the position of external statutory auditor of the Company for one (1) year as at the conclusion of this Annual General Meeting of Shareholders. In addition, the Company has filed a notice to Tokyo Stock Exchange, Inc. for appointing him as an independent statutory auditor. If his election is approved as originally proposed, he will continue to serve as an independent statutory auditor.
4. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Minoru Takei to limit his liabilities for compensation of damages due to the failure to perform his duties, to the sum of the amounts stipulated in each item of Article 425, Paragraph 1 of the said Act. If his election is approved as originally proposed, the Company intends to continue the agreement with him.