



Financial Results Briefing Material for Q3 FY2024

August 7, 2024

Securities Code : 9438

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- Maternal health record book app + Childcare DX services
- School DX business

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Please visit our website for appendix material.

<https://ir.mti.co.jp/eng/library/presentation/>

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- Consolidated P/L
- Consolidated SG&A
- Business of segment
- Earnings forecast for FY2024
- The list of main healthcare services
- Overview of healthcare services
- Cloud drug record service
- Maternal health record book app + Childcare DX services
- School DX business

Financial Results Overview for Q3 FY2024

Financial highlight

1 Q3 Results Flat net sales, substantial increase in profits.

		YoY	Percentage change
Net sales :	¥20,536 million	+398 million	+2.0%
Operating income :	¥1,752 million	+1,770 million	-%
Profit attributable to owners of parent :	¥2,243 million	+1,748 million	+353.0%

2 Revision of Full-year earning forecast upward

		Change from the latest forecast
Net sales :	¥27,500 million	+500 million
Operating income :	¥2,200 million	+400 million
Profit attributable to owners of parent :	¥2,400 million	+650 million

3 Approach and performance for Q3

- Healthcare business : Cloud drug record service is performing well (the number of introducing stores reached a record high.)
- School DX business : The number of schools introduced in April 2024 led to not only an increase in sales but also a shift to profitability.

Net sales: Flat

Operating income, ordinary income, profit : Substantial increased

(Unit : Mil yen)	FY2023	FY2024	YoY		
	Q3	Q3	Amount	Percentage	
Net sales	20,138	20,536	+398	+2.0%	The same period of previous year: 739million Yen: Posting of spot sales of the video-streaming service
Cost of sales	6,495	5,443	(1,051)	(16.2)%	<ul style="list-style-type: none"> Loss-making projects in the DX support business for companies have wound down The same period of previous year: 649million Yen :Posting of spot cost of sales of the video-streaming service
ratio	32.3%	26.5%			
Gross profit	13,643	15,093	+1,449	+10.6%	
ratio	67.7%	73.5%			
SG&A	13,661	13,340	(320)	(2.3)%	Decrease in personnel and development costs
ratio	67.8%	65.0%			
Operating income	(17)	1,752	+1,770	-%	
ratio	(0.1)%	8.5%			
Ordinary income	151	2,363	+2,211	-%	Increase in equity method investment income (+537million yen)
ratio	0.8%	11.5%			
Profit attributable to owners of parent	495	2,243	+1,748	+353.0%	
ratio	2.5%	10.9%			

Consolidated SG&A

Advertising expenses: Increased

Personnel expenses: Exclusion of subsidiary from consolidation

Development costs: Improved development costs for the school DX business

(Unit : Mil yen)	FY2023	FY2024	YoY		
	Q3	Q3	Amount	Percentage	
SG&A	13,661	13,340	(320)	(2.3)%	
Advertising expenses	1,569	2,012	+442	+28.2%	Increase in sales promotion costs for AdGuard
Personnel expenses	5,904	5,409	(495)	(8.4)%	Exclusion of subsidiaries from consolidation
Commission fee	2,223	2,135	(87)	(3.9)%	
Subcontract expenses	1,513	1,319	(194)	(12.8)%	Improve development costs (School DX business)
Depreciation	924	998	+89	+9.9%	
Other	1,526	1,466	(60)	(4.0)%	

Revision of earning forecast of FY2024

All profits for forecast have been revised upwards.

(Unit : Mil yen)	FY2024 Full-Year (latest forecast)	FY2024 Full-Year (actual)	Difference	
			(million yen)	(%)
Net sales	27,000	27,500	+500	+1.9%
Operating income	1,800	2,200	+400	+22.2%
Ordinary income	2,250	2,750	+500	+22.2%
Profit attributable to owners of parent	1,750	2,400	+650	+37.1%

Performance by segment

Content Business

- Content service
 - Entertainment & Life
 - Security-related
- Original comics service



Healthcare Business

- Healthcare service for women
- Childcare DX service
- Cloud drug record service
- Online consultation service, etc.

LunaLuna 母子手帳アプリ



CARADA 電子薬歴
Solamichi

School DX Business

- School DX service

BLEND

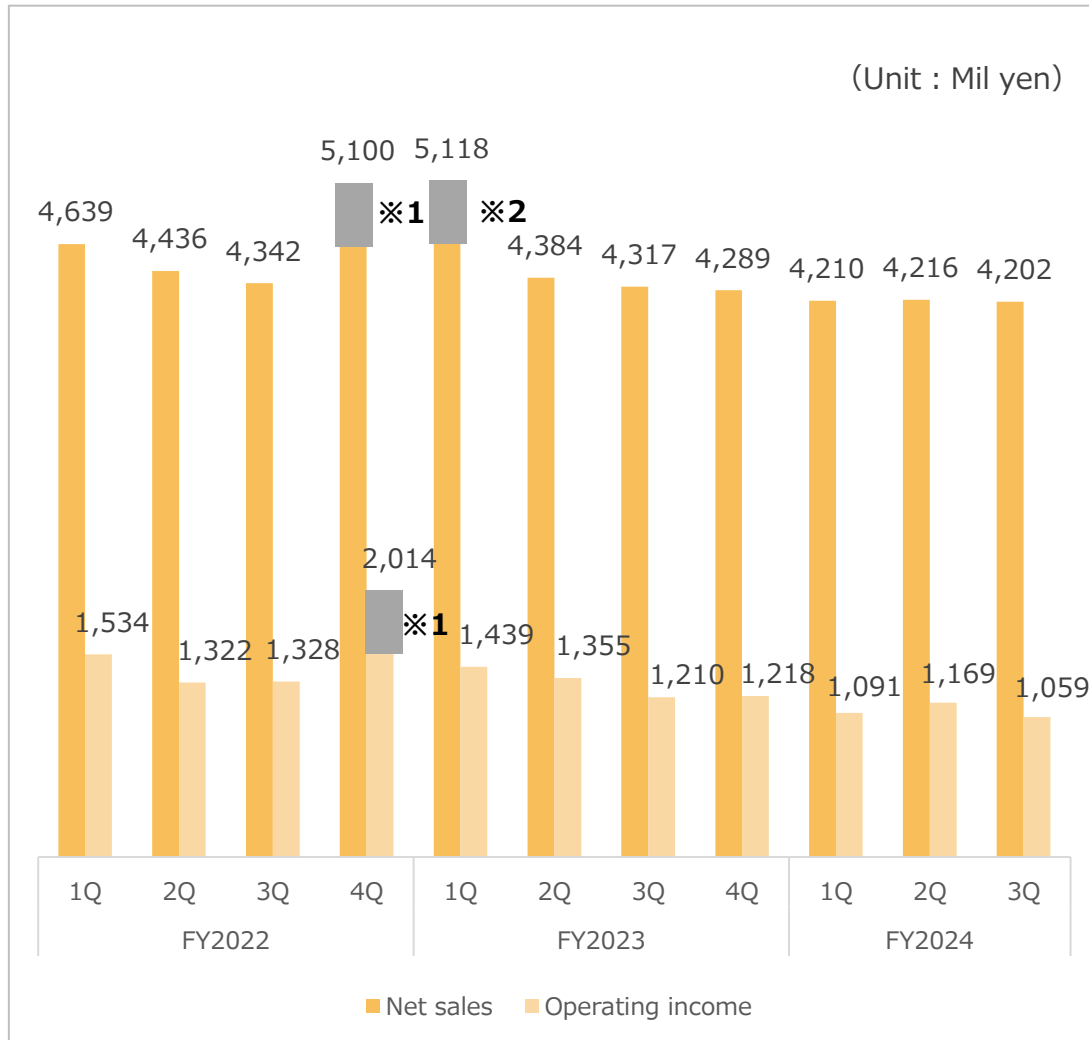


Other Business

- AI business
- DX support business for companies
- Solution service for corporate



Content business : Net sales and operating income



QoQ

Net sales: Flat

The number of paying subscribers remained almost unchanged.

QoQ

Operating income: Flat

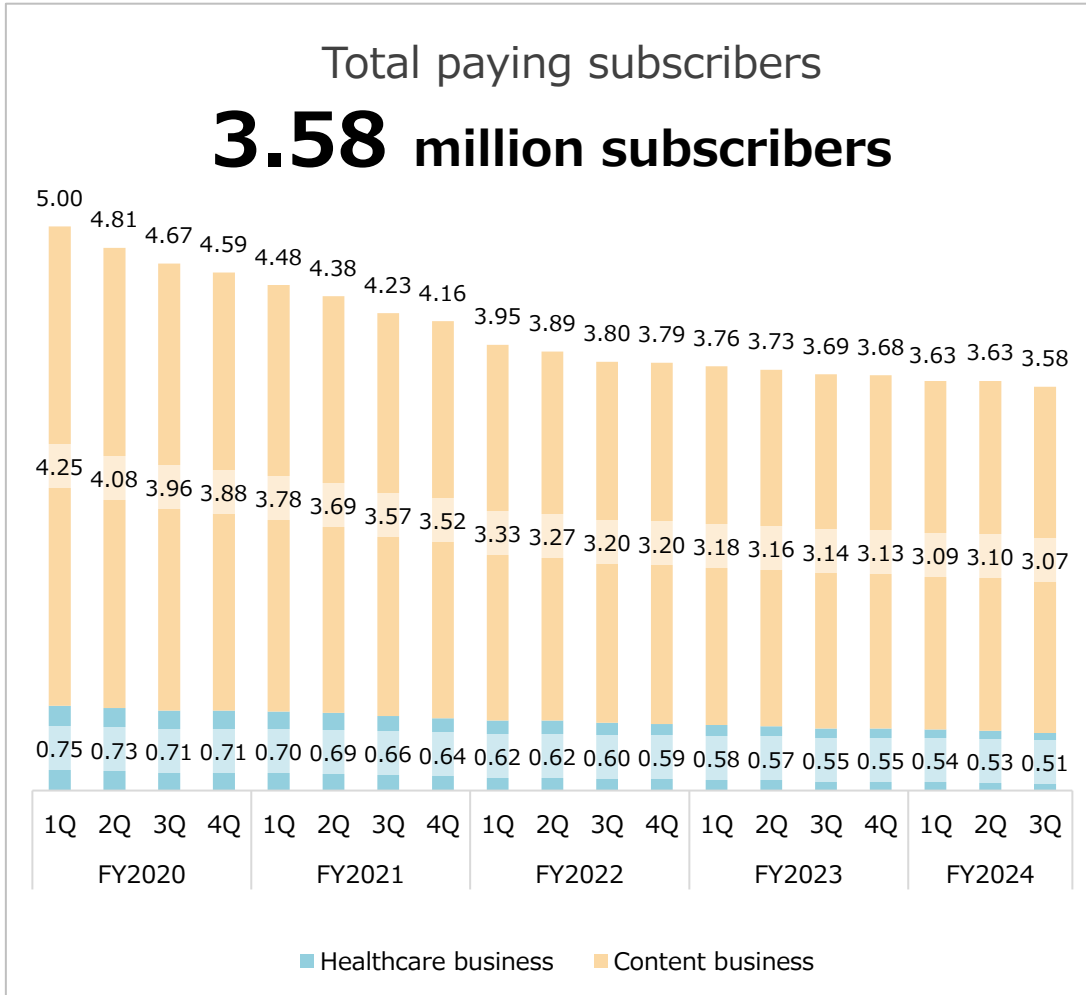
Increased in advertising expenses

Special factors

*1 : Net sales & Operating income 717 million yen:
Change in treatment of consumption tax in monthly content services that award points.

*2 : Net sales 739 million yen:
Posting of spot sales of the video-streaming service.

Content business : The number of paying subscribers

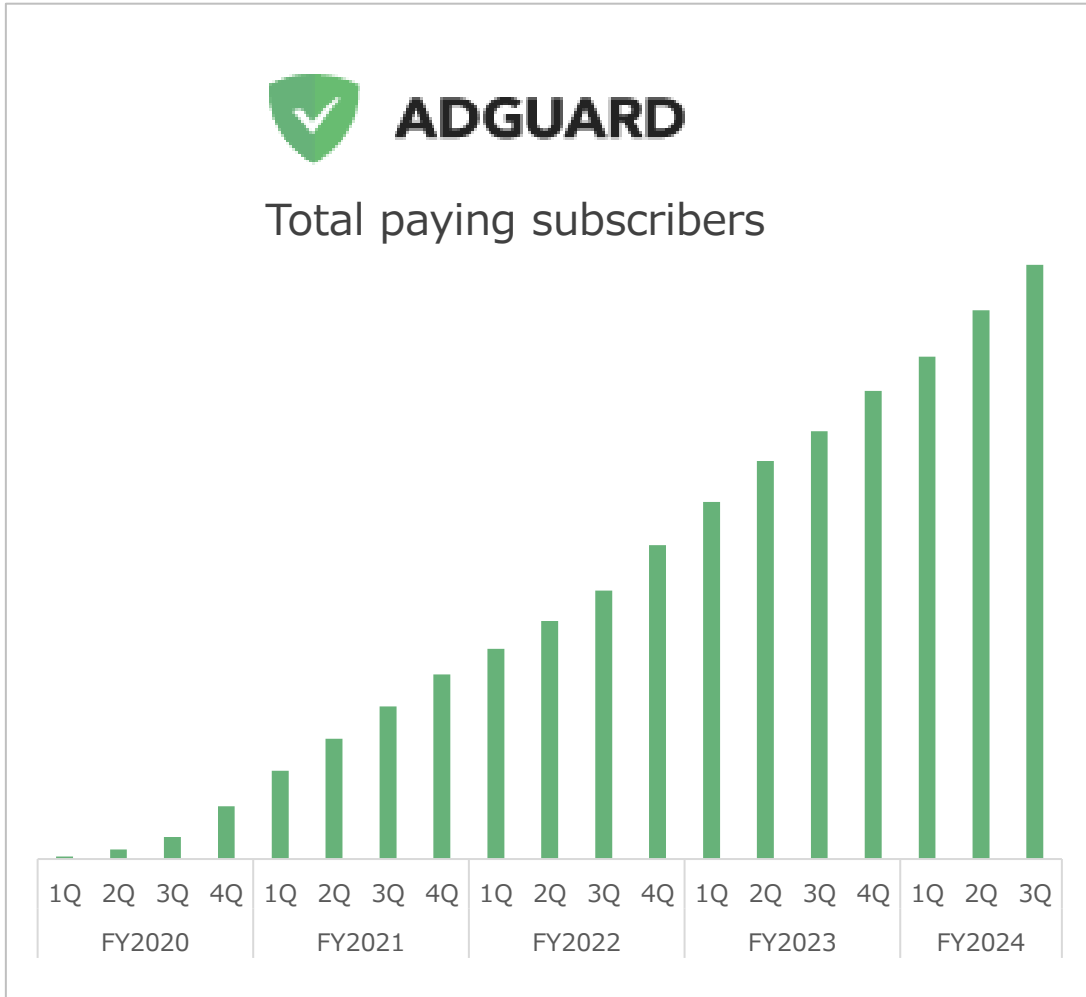


Total paying subscribers

Flat

Brisk Security-related app




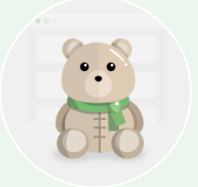
Content business: Security-related app



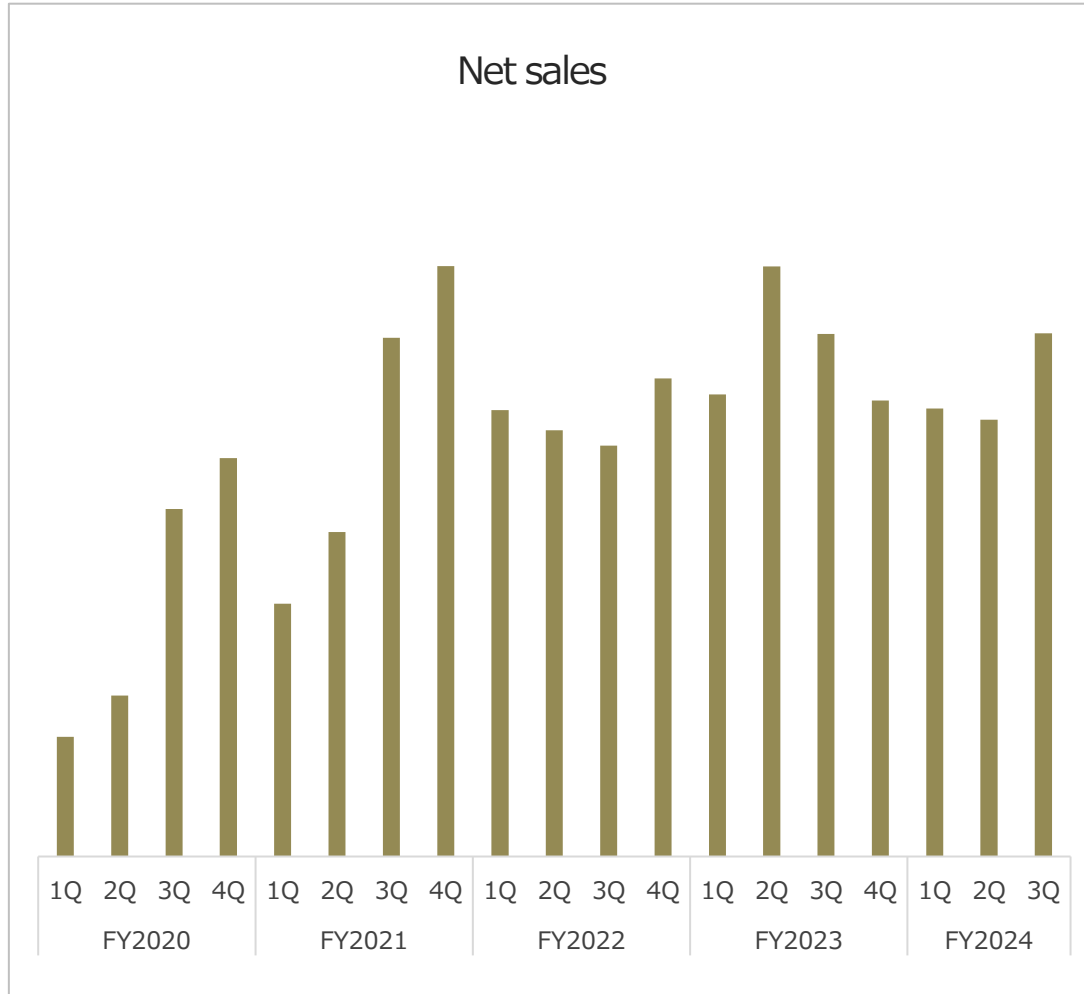
The security-related app continues to perform well

Total paying subscribers
850 thousand subscribers

Four functions

-  Ad blocking
-  Trace blocking
-  Threat blocking
-  Parent function (Child protection function)

Content business: Original comics content business

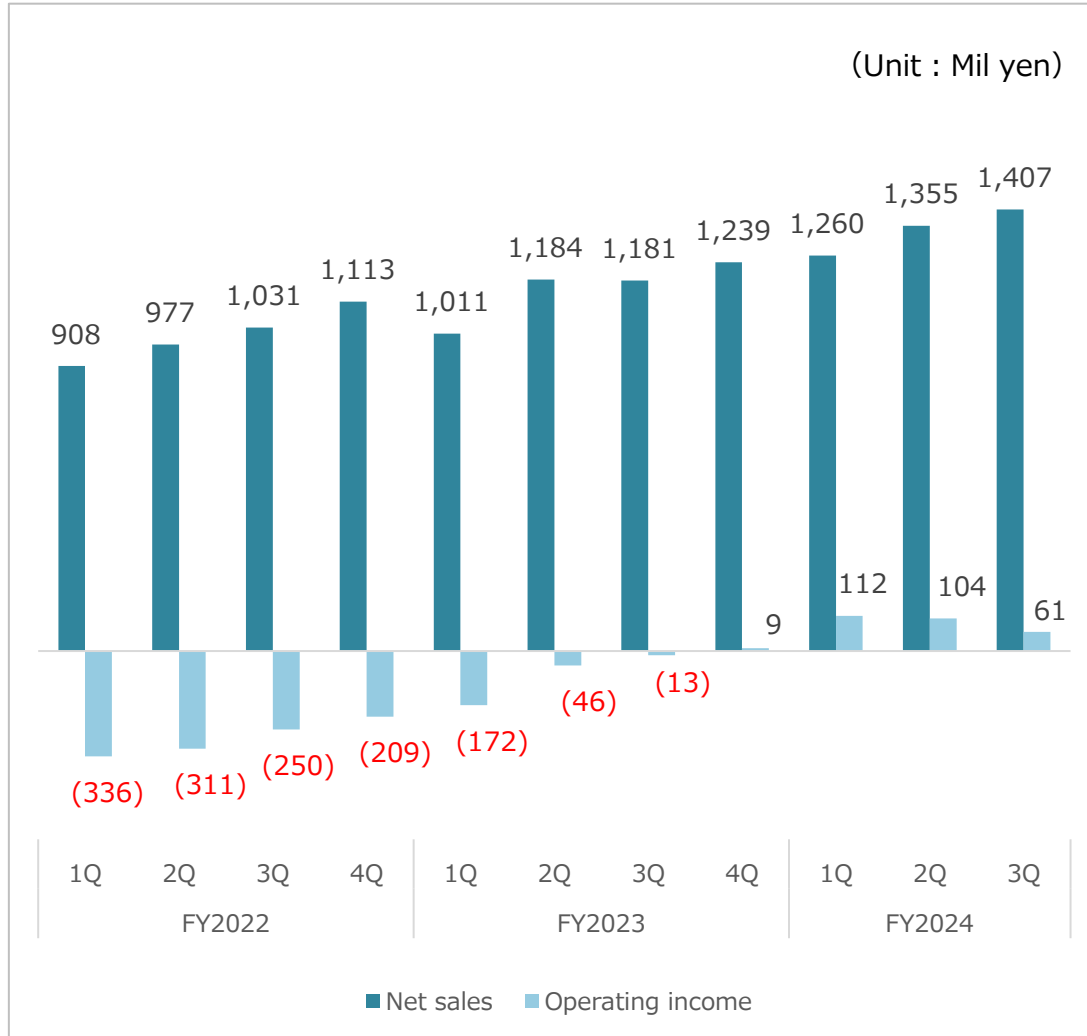


Original comics content business

Stable trend

- Keep in comic titles introduced
- Reactionary decline after TV dramatization

Healthcare business: Net sales and operating income



QoQ

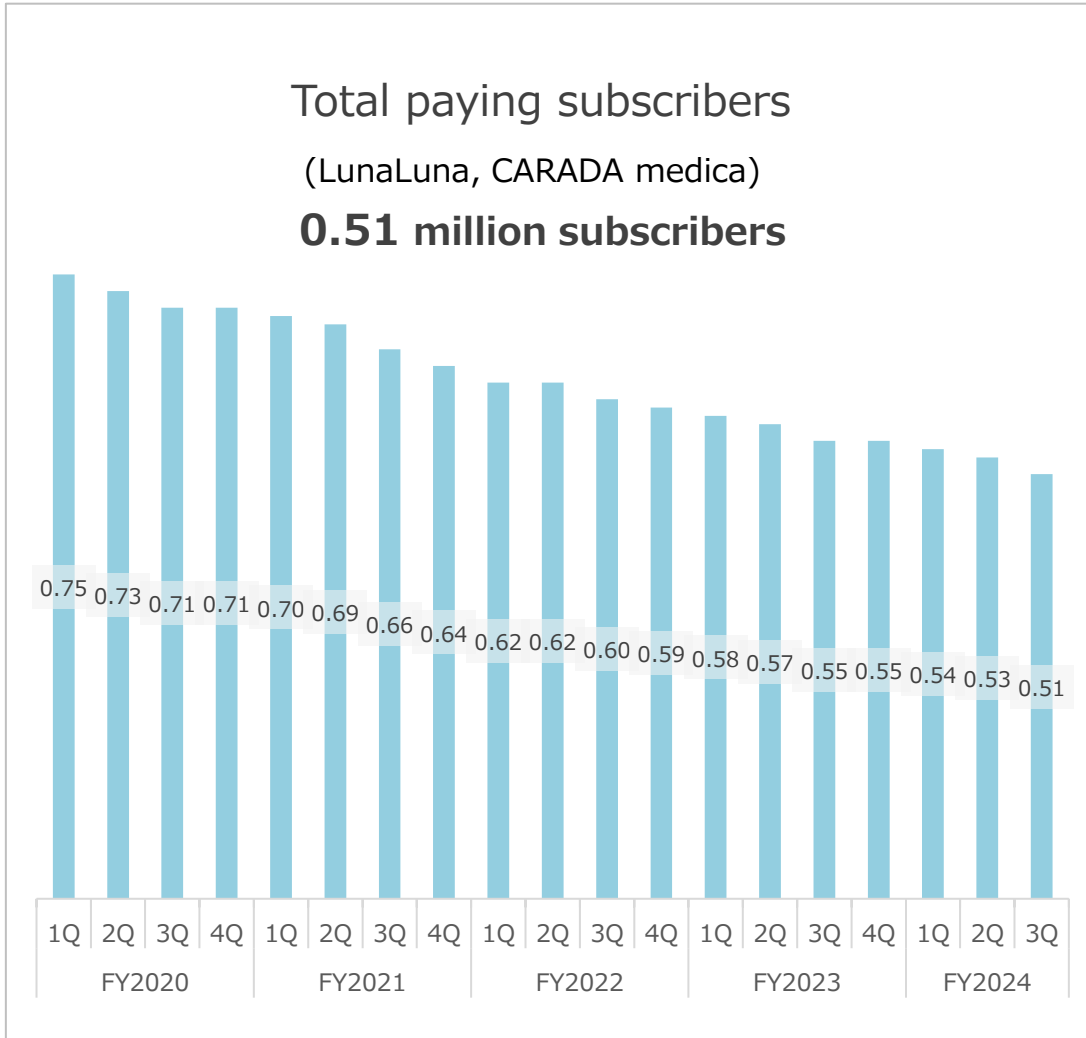
Net sales: growth

QoQ

Operating income: On a positive trend

- Brisk Cloud drug record service

Healthcare business: Monthly content service

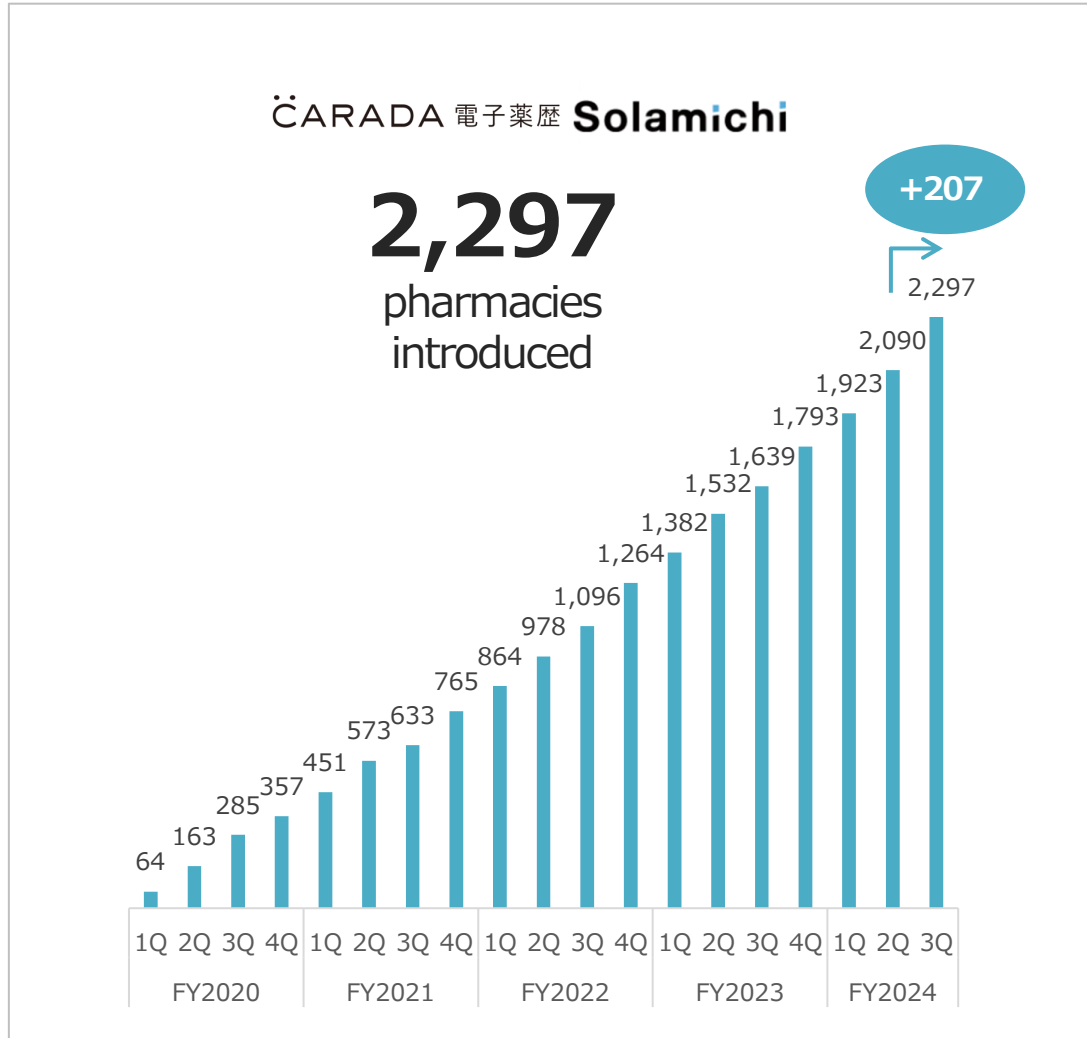


Monthly subscription content service

Total paying subscribers

Levelled off

Healthcare business: Cloud drug record service



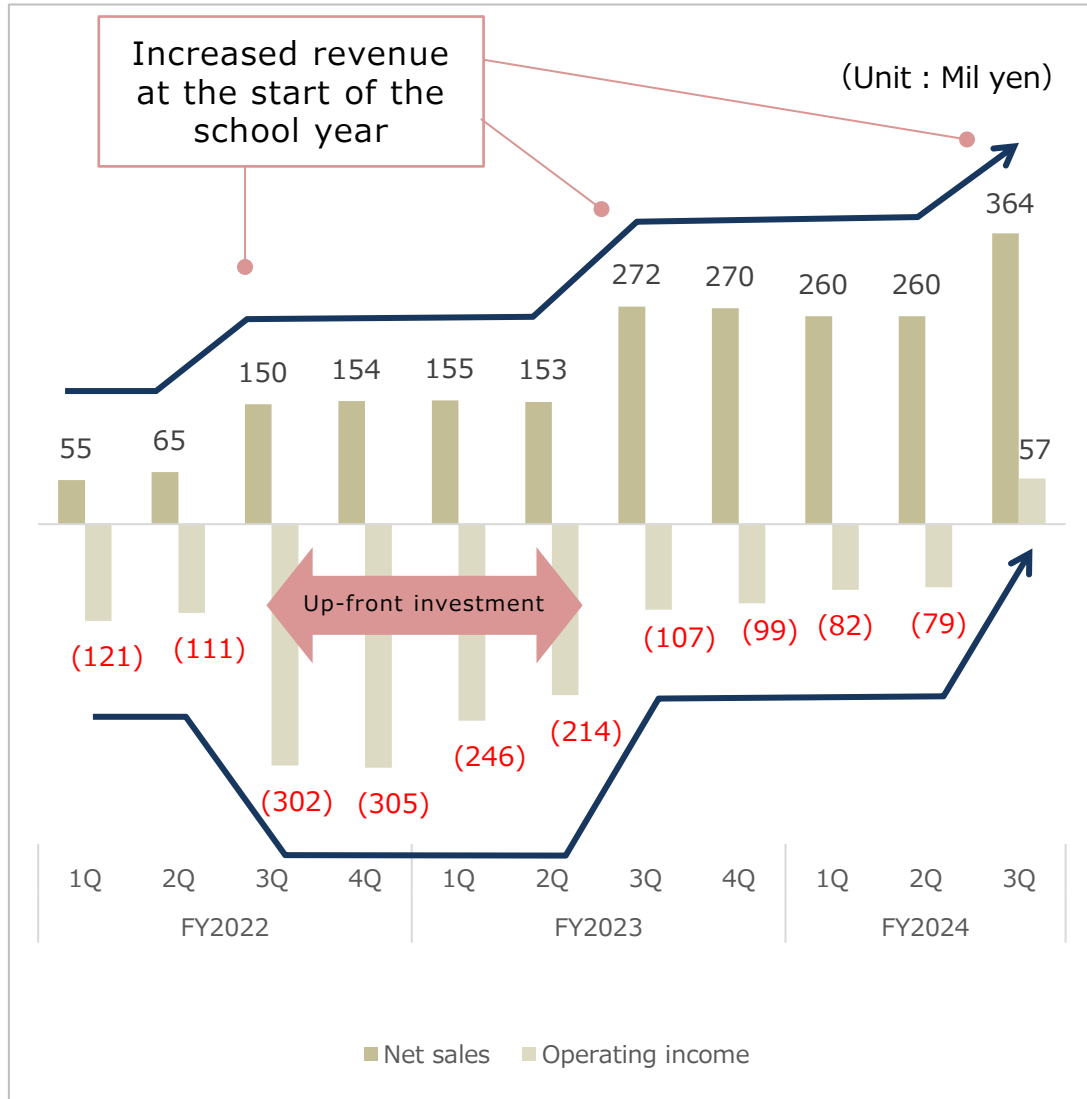
Cloud drug record service

Total introduced pharmacies

Steady expansion

Record high on a quarterly basis

School DX business: Net sales and operating income



QoQ

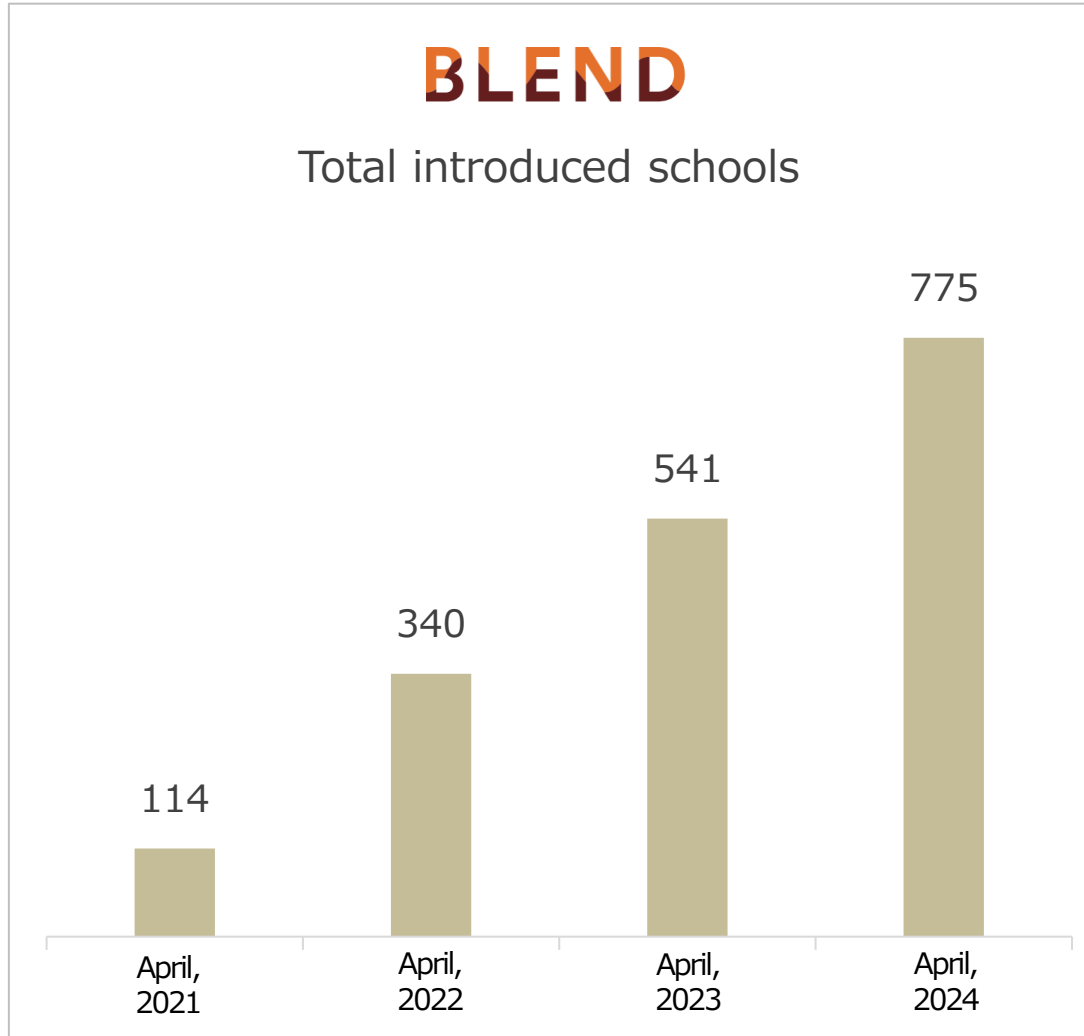
Net sales: Expansion

QoQ

Operating income: Returning to profit

Significant reduction in losses compared to the same period last year

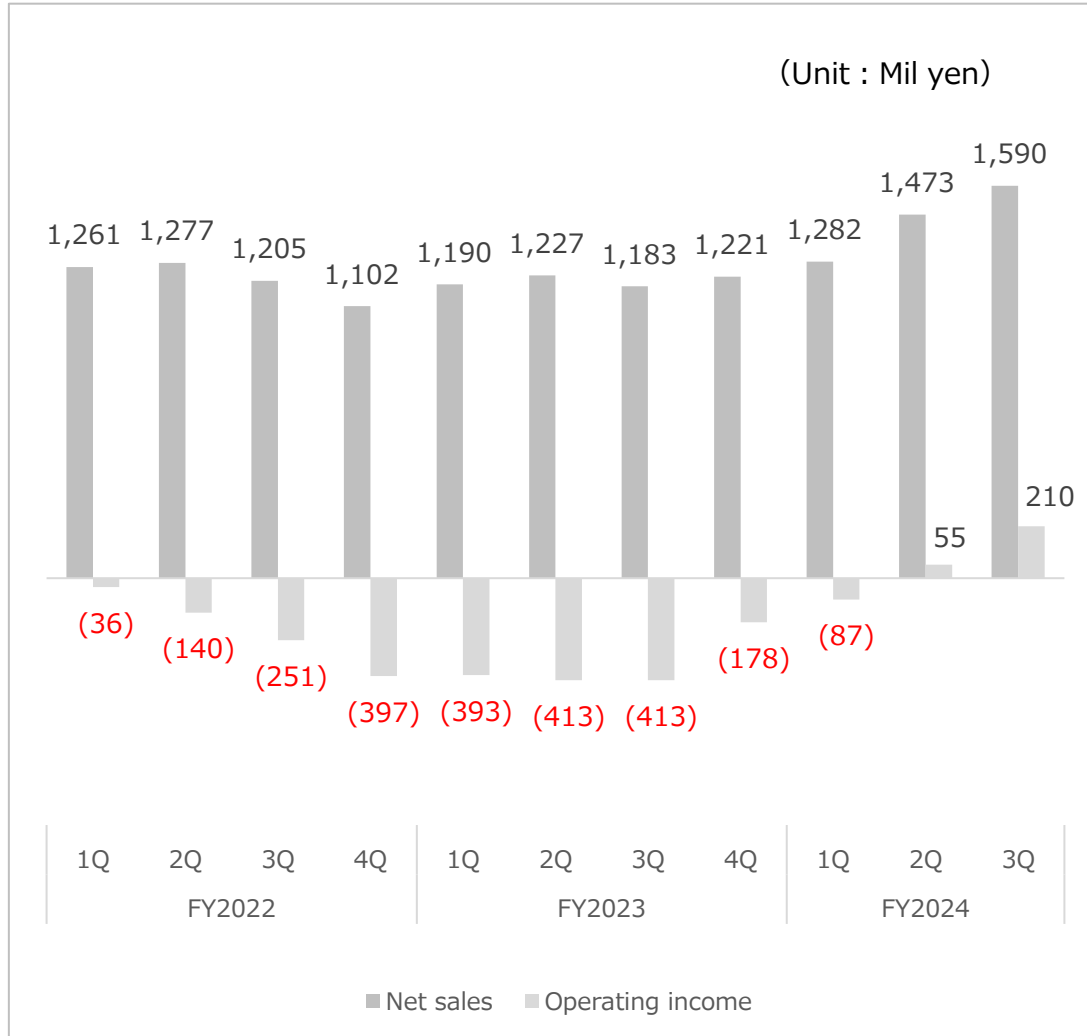
School DX business: Cloud-based school affairs support system



The number of schools introducing our services is progressing well

Private high school share expanded to 35%

Other business (Includes DX support business for companies, AI): Net sales and operating income



QoQ

Net sales: Growth

Orders in the corporate DX support business increased

QoQ

Operating income: On a positive trend

Orders in the corporate DX support business increased

Future Approach

Basic policies and priority issues for FY2024

1. Healthcare business

Further sales growth

- Further expansion of the Cloud drug record service
- Promotion of the platform strategy of the childcare DX, "Boshimo"

2. School DX business

Further sales growth

- Expansion of the number of introduced schools

3. Content business

Securing profit

- Original comics content business growth
- Security-related app growth

Healthcare business: Measures to be adopted

Connecting pharmacies and patients

Cloud drug record service

CARADA 電子薬歴 **Solamichi**



B2B service for pharmacy

Connecting parenting households and municipalities & hospital

Maternal and child health handbook app



Childcare DX services



B2BtoC service for municipalities

Healthcare business: Cloud drug record service

New functional services

Well-received in the auto-summarization feature

Further improvements to operational efficiency

Medication guidance navigation



AI automatic summarization feature

Other functions

- Connecting the drug histories possessed by different pharmacies
- Additive Logic
- Home care and nursing functions
- Planning to add electronic prescriptions and other functions as needed

● Continuing to strengthen cooperation in sales ●

Collaboration with a major prescription pharmaceutical wholesaler



Automatically extracts necessary items for the medical record



* "corte" is a joint development between our subsidiary SolaMichi System Co., Ltd. and Corte Inc.
 * "Corte" is a trademark registered by Corte Inc.

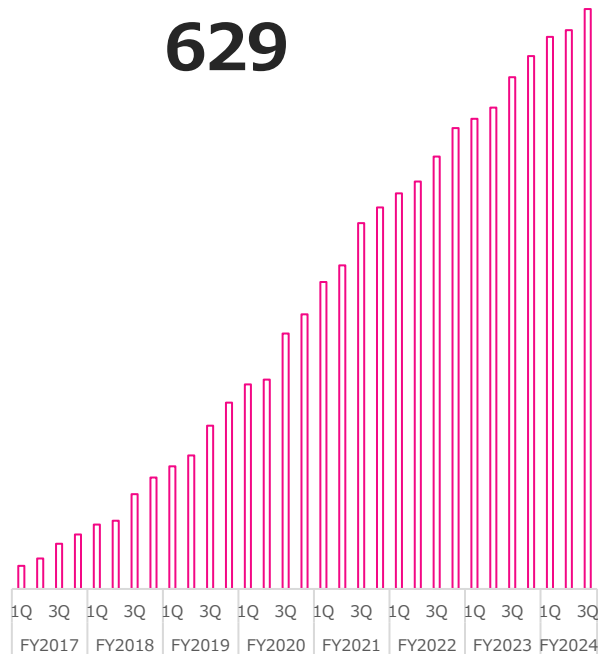
Healthcare business:
Maternal and child health handbook app + Childcare DX services



Introduction smoothly: the childcare DX services at municipalities using “Boshimo”

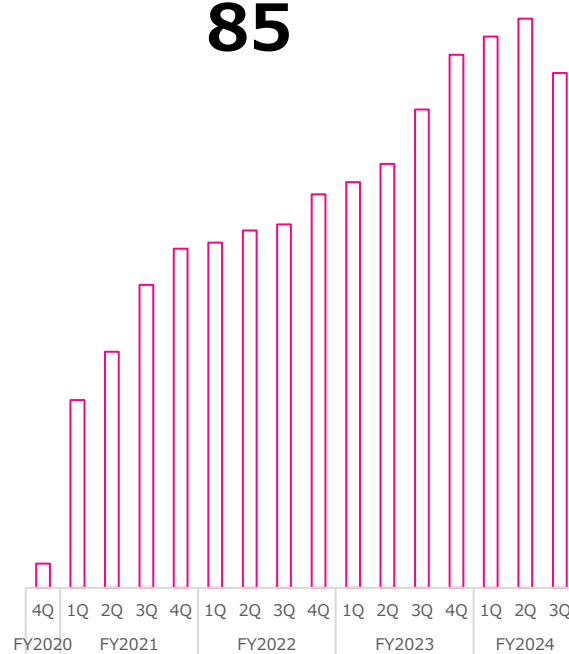
Phase1

Maternal and child
health handbook app
629



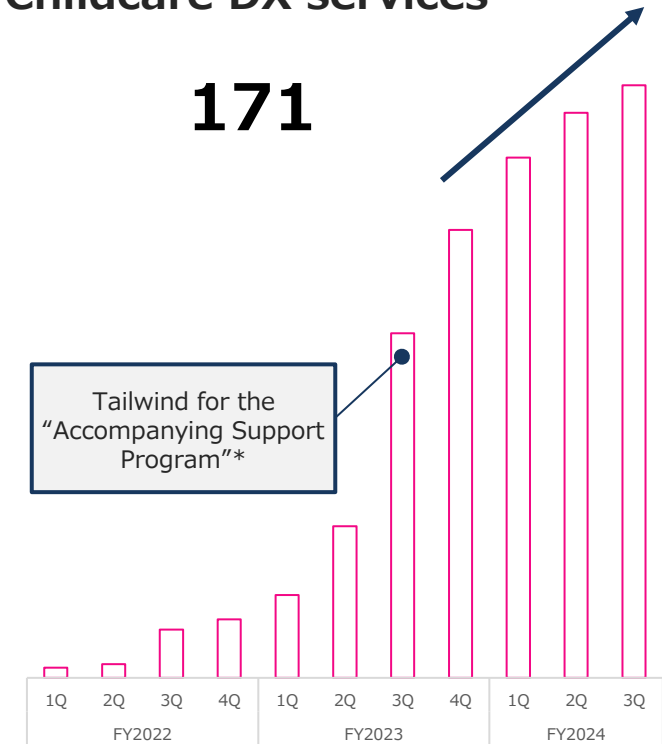
Phase2

Online consultation
85



Phase3

Childcare DX services
171



* Transferred to “Children and Families Agency” from April 1,2023 .

Healthcare business: Maternal and child health handbook app + Childcare DX services

Childcare DX services

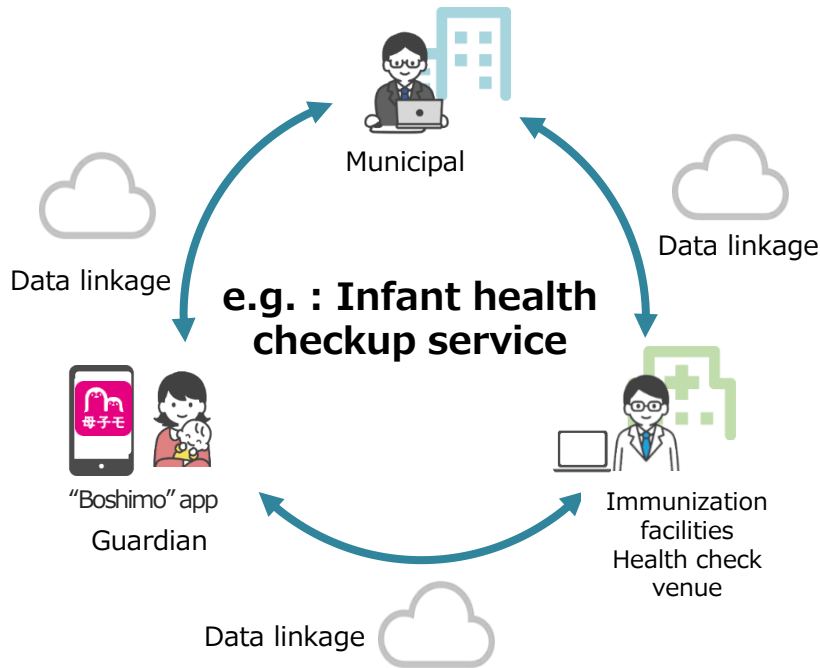
Functions

- Questionnaire and reservation form functionality
- Childhood immunizations (Digital preliminary examination slip , etc.)
- Infant health checkup
- Visits to all households with infants
- Pregnancy checkups and pregnancy notification

Digitalization and cooperation of municipal services with medical institutions in the childcare field

Effects

Reducing the burden on parents, municipalities, and medical institutions through data linkage



Values

Promoting municipal childcare DX and improving the local childcare environment

Connecting students and teachers

Full-cloud school affairs support system

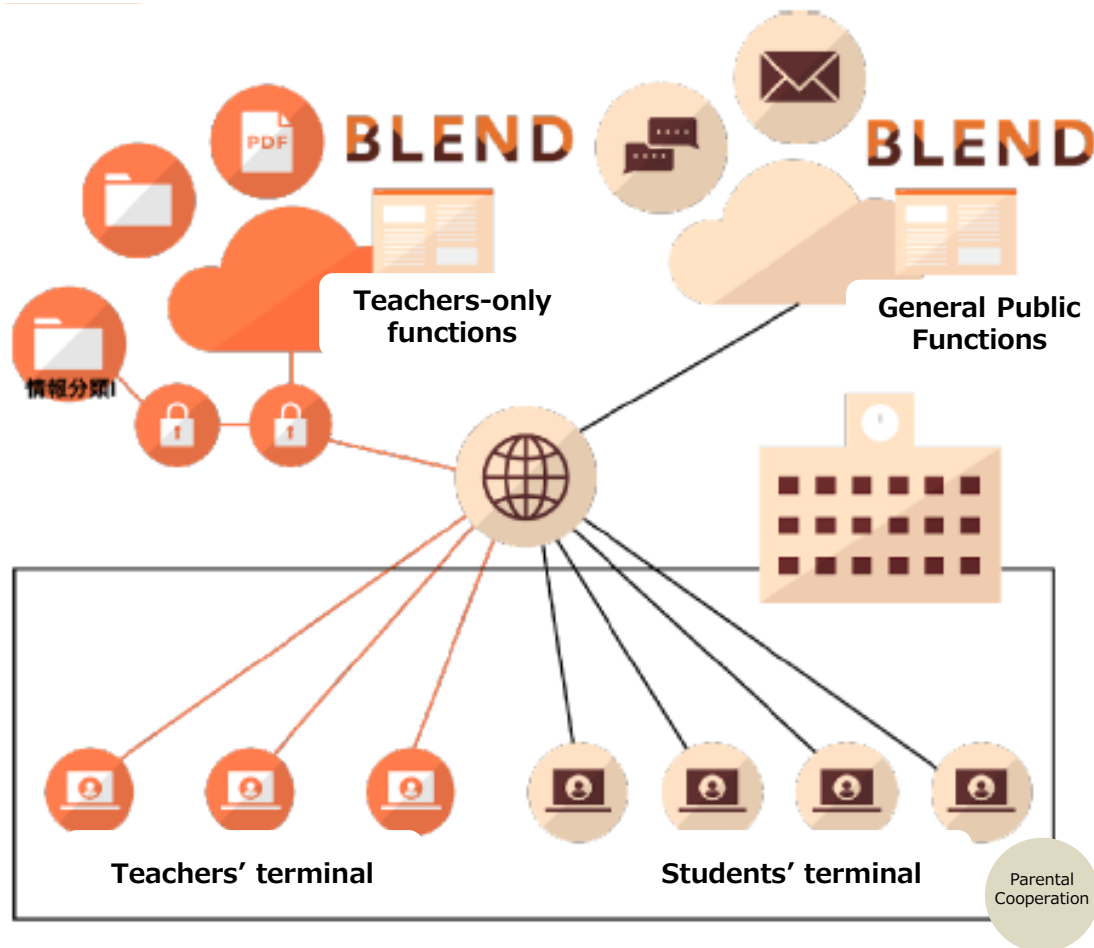
BLEND



School DX business : Full-cloud school affairs support system

A world with **BLEND**

Eliminating all negatives



Functions

- Fully cloud-based centralized management of data
- Data linkage without returning to the staff room
- Data linkage with parents and guardians

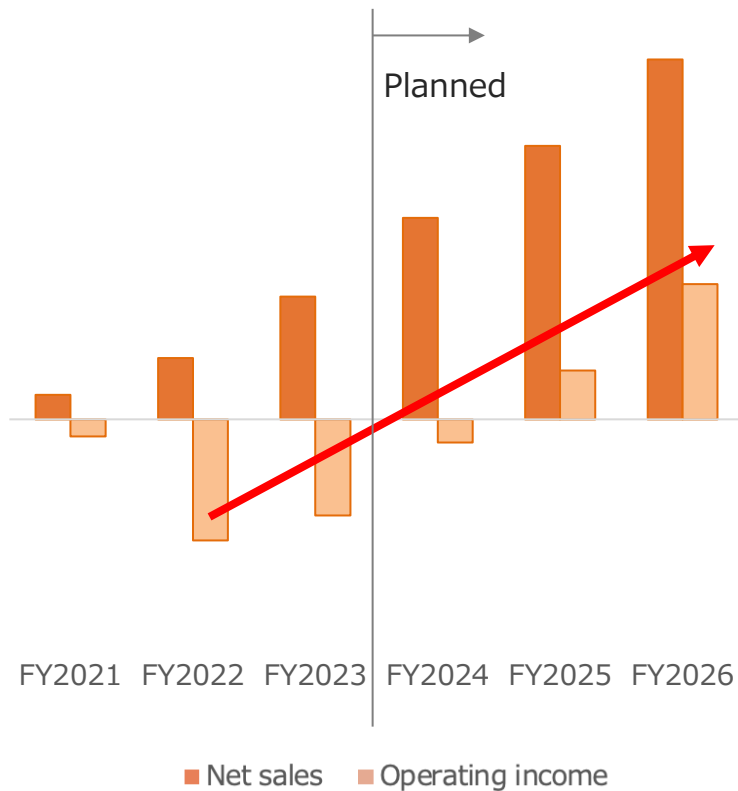
Effects

- Reducing workload for school affairs
- Reducing system management costs

Values

Create an environment that enables concentration on essential education through the provision of school DX services

Image of medium-term profit



Continuing increase in the number of schools introducing our service

Growth opportunities

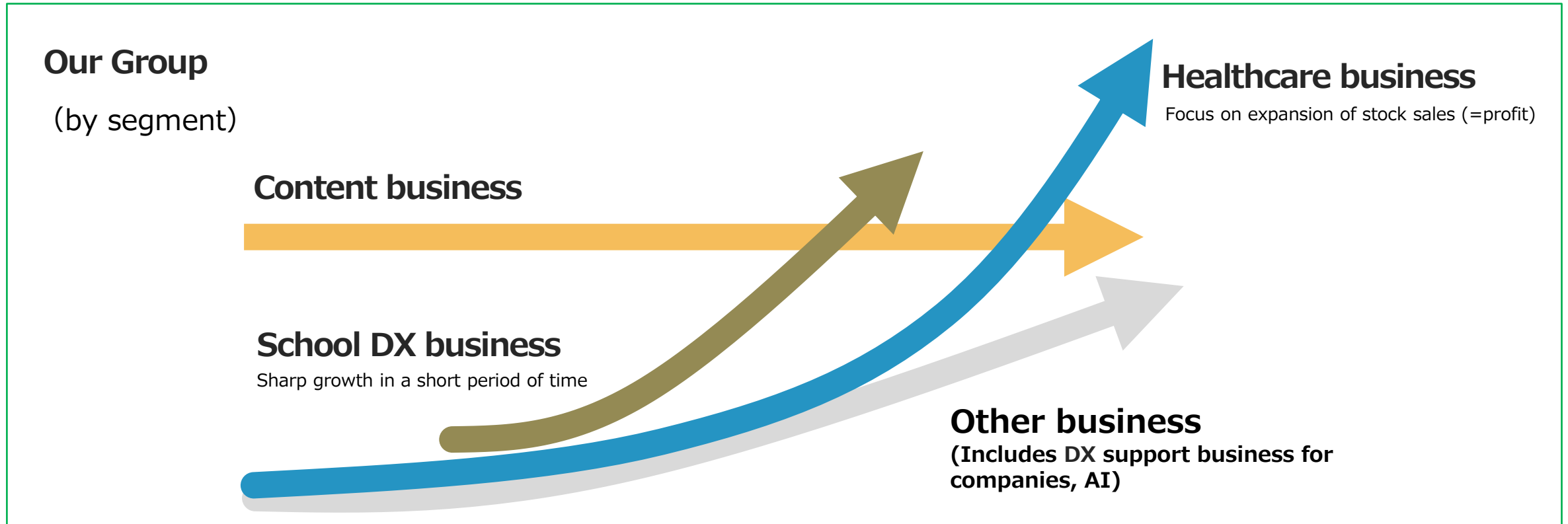
- Accumulation of projects expected to be new introducing in April 2025
- Government driving DX for school affair unit by prefectural area

Differentiation

Cloud-based batch services

Image of medium-term profit

Image of medium-term profit



Factors affecting profit

Healthcare business

Government promotion of digitalization / DX in mother and child health information
(Improving the childcare environment is a pressing issue)

⇒ Accelerated introduction of digital maternal and child health handbook and childcare DX

School DX business

Government driving DX for school affair in prefectural areas
(Improving efficiency in school administration is a pressing issue)

⇒ Accelerated introduction of full-cloud school affairs support systems



〈Contact us〉

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