

November 7, 2024

For Immediate Release:

MTI Ltd.
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**Notice Concerning Succession of Business through Company Split
(Simplified absorption-type company split)**

MTI Ltd. (hereinafter the “company”, “we”, or “our”) announces that a meeting of the Board of Directors of the Company held on November 7, 2024, the Company resolved to transfer the gynecology and obstetrics support business (hereinafter the “LunaLuna Medico Business”) operated by our wholly owned subsidiary, LunaLuna Medico Co., Ltd. (hereinafter the “LunaLuna Medico”), through a company split (simplified absorption-type company split), effective January 1, 2025 (hereinafter the “Company Split”).

Since the Company Split qualifies as a simplified absorption-type company split under Article 796, Paragraph 2 of the Companies Act, and therefore, some disclosure items and details have been omitted.

1. Purpose of the company split

The Lunaluna Medico business has been operated by Lunaluna Medico since July 2021. However, from a cost management perspective, we have determined that integrated operations within our company would be more efficient, and thus decided to transfer this business to our company.

2. Summary of the company split

(1) Schedule of the Company Split

November 7, 2024	Resolution of the Board of Directors
November 7, 2024	Date of the conclusion of the Company Split agreement
January 1, 2025	Effective date of the Company Split (planned)

(Note) The Company Split will be carried out without a resolution of approval at a general meeting of the Company's shareholders because it is a simplified absorption-type company split defined in the paragraph 2 of Article 796 in the Companies Act.

(2) Method of the company split

This is an absorption-type split (simple absorption-type split), with Lunaluna Medico as the split company and our Company as the succeeding company.

(3) Allocation of shares associated with the Company Split

As consideration for this Company Split, our Company, as the successor company, plans to pay 5,141 thousand yen in cash to the split company, Lunaluna Medico. This amount has been determined based on the valuation results conducted by a third-party organization and through mutual agreement between both parties.

(4) Handling of share acquisition rights and bonds with share acquisition rights associated with the Company Split

There are no applicable items.

(5) Increase or decrease in capital stock due to the Company Split

No increase or decrease in capital stock will occur due to the Company Split.

(6) Rights and obligations succeeded by the succeeding company

As the successor company, our company will inherit the assets, liabilities, contractual positions, and other rights and obligations related to the Lunaluna Medico business as of the effective date of the Company Split, as specified in the absorption-type split agreement.

(7) Outlook on the fulfillment of obligations

We have assessed that there are no issues regarding the fulfilling of obligations to be borne by both Lunaluna Medico and our company, the succeeding company, in this Company Split.

3. Summary of companies involved in the Company Split

(As of September 30, 2024)

	Split company	Successor company
(1) Name	LunaLuna Medico Co., Ltd.	MTI Ltd.
(2) Address	Tokyo Opera City Tower 3-20-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Tokyo Opera City Tower 3-20-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo
(3) Name and title of representative	Risa Nasu, CEO	Toshihiro Maeta, CEO
(4) Nature of business	Planning, development, and operation of medical support services for gynecology and obstetrics	Content Business, Health Care Business, School DX Business, etc.
(5) Capital stock	10 millions of yen	5,310 millions of yen
(6) Date of establishment	August 30, 2019	August 19, 1996
(7) Number of issued shares	2,200 shares	61,429,600 shares
(8) Fiscal year	September 30	September 30
(9) Major shareholder and shareholding ratios (As of September 30, 2024)	MTI Ltd. 100.00%	Toshihiro Maeta 19.34% KMC, Inc. 16.44% UH Partners2, Inc 8.72% SIL, Inc. 7.09% UH Partners3, Inc 6.72% Hikari Tsushin K.K 6.61%
(10) Financial conditions and operating results for the preceding fiscal year		
Fiscal year	Fiscal year ended September 30, 2024	Fiscal year ended September 30, 2024 (Consolidated)
Net assets	44 millions of yen	19,144 millions of yen
Total assets	47 millions of yen	29,686 millions of yen
Net assets per share	20,168.35 yen	280.50 yen

Net sales	21 millions of yen	27,669 millions of yen
Operating income	(3) millions of yen	2,394 millions of yen
Ordinary income	(3) millions of yen	2,827 millions of yen
Profit attributable to owners of parent	(3) millions of yen	2,363 millions of yen
Net income per share	(1,716.85) yen	43.05 yen

4. Status after the Company Split

(1) Business content of the business to be split

Planning, development, and operation of medical support services for gynecology and obstetrics

(2) Operating results of the business to be demerged (Fiscal year ended September 2024: actual)

Business of the division to be split	Net sales of the divided business (a)	Non-consolidated net sales of the Company (b)	Ratio (a/b)
Planning, development, and operation of medical support services for gynecology and obstetrics	21 millions of yen	22,028 millions of yen	0.10%

(Note) The results for the fiscal year ending September 2023 (Actual) are provided.

(3) Items and amounts of the assets and liabilities to be split (Planned)

The assets and liabilities of the divided business have been agreed upon by both parties.

Assets (total) 5 millions of yen	Liabilities (total) - millions of yen
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5. Status after the Company Split

There will be no changes to our company's name, headquarters location, representative, business activities, capital, or fiscal year following the Company Split.

6. Outlook for the future

The impact of this Company Split on our performance for the fiscal year ending September 2025 is expected to be minimal.

(Reference)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income Per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Earnings forecast for FY2025 (For the fiscal year ending September 30, 2025)	28,500	2,800 ~3,200	2,900 ~3,300	1,460 ~1,740	26.51 ~31.60
FY2024 (Actual) (For the fiscal year ended September 30, 2024)	27,669	2,394	2,827	2,363	43.05

<Points to consider concerning forecasts>

Matters stated in this material concerning results forecasts are based on assessments, assumptions and convictions derived from information available to the Company at the time when this material is published. They may differ significantly from actual results due to a variety of factors, including future economic conditions in Japan and overseas, changes in conditions for business operations in Japan and overseas, or uncertain factors and potential risks inherent in forecasts. Those risks and uncertain factors include unpredictable effects on results that may arise from future events.

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