

# Overwhelming No.1!

## Our Strength: Real Affiliate Network

The Company's strength lies in possessing indisputably the largest Real Affiliate (RAF) network, which it uses to promote the sales of its own content and that of other companies to customers who visit cellphone shops across Japan.

The RAF network provides effective means to enjoy the following benefits:

- 1: An increase in the number of paying subscribers for our content services
- 2: An increase in sales commissions from other companies' content
- 3: An increase in sales of the unmetered plan with flat-rate monthly charges for cellphone carriers.

### What's Real Affiliate?

The term *Affiliate* is a frequently used term in internet advertising. It is a system whereby if the introduction of a product or service on a website, such as a blog, is successful (e.g. a user purchases the product), the operator of the website receives a reward.

*Real Affiliate* is an internet advertising system as applied to cellphone shops as non-virtual locations. And we named sales network of cellphone shops in the nation as *RAF network*.

Under this system, cellphone shop encourages a customer visiting it to subscribe to particular content, and if the customer actually subscribes to the content, the cellphone shop receives a reward.

```
graph TD
    MTI[MTI]
    Advertiser[Advertiser<br/>(content provider)]
    Shop[Cellphone shop]
    Customer[Customer]
    Advertiser -- "4 Advertising expenses" --> MTI
    MTI -- "5 Reward for success" --> Shop
    Shop -- "1 Introduces content/service provided by an advertiser" --> Customer
    Shop -- "2 Encourages customer to subscribe to the content" --> Customer
    Customer -- "3 Subscription" --> Achievement[Achievement]
    Achievement -- "4" --> MTI
```



### ●Performance expansion through the RAF network

With the RAF network, MTI has been able to steadily increase the number of new paying subscribers for smartphones. As a result, the number of paying subscribers for smartphones has risen to 5.9 million (as of the end of March 2015). (Graph ❶)

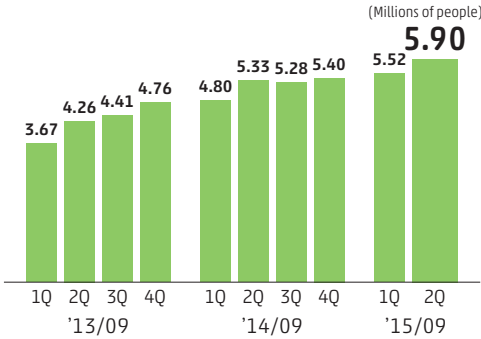
MTI has also applied the RAF network system to other companies' content, and started to handle this content in the fiscal year ended September 2013. This has become a stable and profitable business, with the commission fees received from other companies (content providers) making a significant contribution to the consolidated operating income. (Graph ❷)

Among the unmetered plans with flat-rate monthly charges for cellphone carriers, sales for the Sugotoku content of NTT DOCOMO, INC. are increasing and supporting the growth in consolidated operating income. This is the result of taking advantage of the RAF network. (Graph ❸)

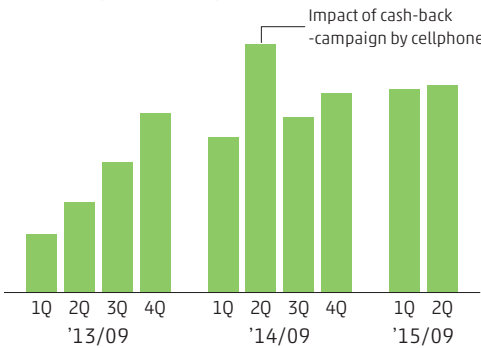
The RAF network is one of a few effective systems leading the smartphone business to success. It plays an important role in supporting the income growth of MTI.

Building a good relationship with cellphone shops across Japan creates a trust relationship, and helps us identify the needs specific to each region. For example, our good relationship with cellphone shops is what made it possible for us to provide the community-based weather information introduced on the page thirteen.

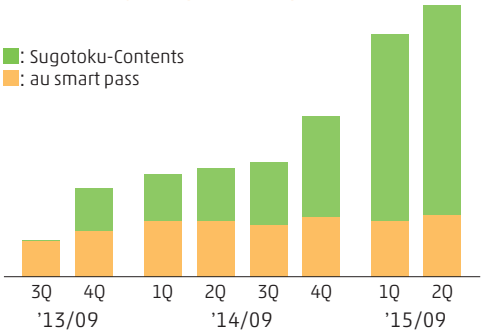
❶ The number of paying subscribers for smartphones (Our own contents)



❷ Sales from commission fees (3rd parties companies' contents)



❸ Sales of the unmetered plan with flat-rate monthly charges for cellphone carriers



\* The Sugotoku-Contents package is a monthly subscription app downloading service provided by NTT docomo. The service offers unlimited services in a wide range of contents for a ¥380 per month (tax not incl.).

\* The au Smart Pass is a monthly subscription based app downloading service provided by KDDI. The service offers various a variety of contents, coupons and entertainment for a monthly fee of ¥372 per month (tax not incl.).