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Stock Exchange Code: 9438
December 2, 2016

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 21ST 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 21st 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 Thursday, December 22, 2016, Japan time.

- 1. Date and Time:** December 23, 2016 (Friday, holiday) 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 21st Fiscal Year (October 1, 2015 – September 30, 2016), 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 21st Fiscal Year
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of surplus
 - Proposal 2:** Election of eight (8) directors
 - Proposal 3:** 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 (<http://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 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 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 (<http://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, since, despite record highs being reported for the consolidated performance at all levels of income and profit for the full year of the current fiscal year, it is forecast to decrease for the full year of next fiscal year, and also in consideration of the fact that the Company purchased treasury shares during the current fiscal year.

As a result, the annual dividend per share for the current fiscal year increased by 2 yen year on year to 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 444,991,776 yen

- (2) The effective date of the dividend of surplus
December 26, 2016

(Note) Due to the 2-for-1 common stock split effective April 1, 2015, the interim dividend (12 yen per share) for the previous fiscal year will be 6 yen per share. The annual dividend per share for the previous fiscal year will correspond to 14 yen per share, added with the year-end dividend of 8 yen for the previous fiscal year.

Proposal 2: Election of eight (8) 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 eight directors is proposed.

The candidates for director are as follows:

No.	Name	
1	<u>Reelected</u>	Toshihiro Maeta
2	<u>Reelected</u>	Hiroshi Izumi
3	<u>Reelected</u>	Yoshihiro Shimizu
4	<u>Reelected</u>	Katsunori Osawa
5	<u>Reelected</u>	Hiroshi Matsumoto
6	<u>Reelected</u>	Masaya Onagi <u>External director</u> <u>Independent director</u>
7	<u>Reelected</u>	Muzhi Zhou <u>External director</u> <u>Independent director</u>
8	<u>Reelected</u>	Hikaru Yamamoto <u>External director</u> <u>Independent director</u>

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 President and Chief Executive Officer. 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 (current position, in charge of Solution Business Department)</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>	261,600

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
3	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reelected</div> Yoshihiro Shimizu (September 26, 1955)	October 1983 Joined RIKEI CORPORATION December 1992 Seconded to Gnosis Pacific Co., Ltd. October 1994 Representative Director of Gnosis Pacific Co., Ltd. October 1997 Deputy General Manager of Sales Division, transcosmos inc. October 1999 Established i2ts, inc. Representative Director of i2ts, inc. December 1999 Director of the Company January 2004 Technical Adviser of nucleus Co., Ltd. September 2005 Director of nucleus Co., Ltd. December 2006 Senior Operating Officer and CTO of the Company December 2007 Director, Managing Operating Officer & CTO, and General Manager of IT Center of the Company December 2009 Director and CTO of the Company November 2011 Director and General Manager of mopita Business Department of the Company January 2013 Senior Managing Director and General Manager of music.jp Business Division of the Company April 2014 Senior Managing Director and General Manager of Digital Contents Division of the Company April 2015 Senior Managing Director and General Manager of Life and Healthcare Business Division of the Company June 2015 Senior Managing Director, General Manager of Lifestyle Business Division, and General Manager of Healthcare Business Division of the Company February 2016 Senior Managing Director and General Manager of Healthcare Business Division of the Company (current position)	39,600
		(Reason for election as a candidate for director) Mr. Shimizu assumed the office of director of the Company in 1999. He has broad expertise in IT service, including planning, development, and system operation, and has experience both in consumer business and customer business. 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 wealth of experience in the IT business.	

No.	Name (Date of birth)	Past experience, significant concurrent positions, positions and responsibilities at the Company	Number of shares of the Company held
4	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reelected</div> 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>	101,655

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>Hiroshi Matsumoto (August 17, 1969)</p>	<p>April 1992 Joined The Fuji Bank (current Mizuho Financial Group, Inc.)</p> <p>May 1999 Joined CAC Corporation</p> <p>October 2002 Joined USJ Co., Ltd.</p> <p>October 2004 Joined the Company</p> <p>February 2008 Operating Officer, General Manager of Corporate Planning Office and General Manager of Public Relations and IR Office of the Company</p> <p>January 2009 Operating Officer and General Manager of Corporate Planning Division of the Company</p> <p>January 2010 Senior Operating Officer and General Manager of Corporate Planning Division of the Company</p> <p>May 2010 Senior Operating Officer and General Manager of Corporate Support Division of the Company</p> <p>December 2010 Director and General Manager of Corporate Support Division of the Company</p> <p>February 2013 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>	71,721
6	<p><u>Reelected</u></p> <p>Masaya Onagi (December 28, 1946)</p> <p><u>External director</u> <u>Independent director</u></p>	<p>April 1970 Joined Japan IBM, Ltd.</p> <p>March 1994 Director and General Manager of Second Sales Administrative Division, Financial System Business Department of Japan IBM, Ltd.</p> <p>April 1998 Managing Director and General Manager of Financial System Business Department of Japan IBM, Ltd.</p> <p>April 2000 Senior Managing Director in charge of Service Business of Japan IBM, Ltd.</p> <p>April 2002 Executive Vice President in charge of Sales Division of Japan IBM, Ltd.</p> <p>October 2004 Advisor of GMO Payment Gateway, Inc.</p> <p>February 2005 Executive Vice President of The Japan Research Institute, Limited</p> <p>July 2006 President and CEO of Japan Research Institute Solutions, Limited (current JSOL Corporation)</p> <p>December 2007 External Director of GMO Payment Gateway, Inc. (current position)</p> <p>December 2008 External Director of the Company (current position)</p> <p>June 2011 Advisor of JSOL Corporation</p> <p>June 2016 Director and Chairman of Aozora Trust Bank, Ltd. (current position)</p> <p>(Significant concurrent position) External Director of GMO Payment Gateway, Inc. Director and Chairman of Aozora Trust Bank, Ltd.</p> <p>(Reason for election as a candidate for external director) The Company reelected Mr. Onagi as a candidate for external director, based on the judgment that he is capable of giving advice from various perspectives by drawing on his wealth of experience and broad insight as a business administrator on the decision-making of the Company's management policies, and is also capable of adequately performing his duties including 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>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>	—
8	<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>	—

(Notes)

- There are no special interests between each candidate and the Company.
- Mr. Masaya Onagi, Mr. Muzhi Zhou and Ms. Hikaru Yamamoto 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 and Ms. Hikaru Yamamoto, 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."
- The candidate Mr. Masaya Onagi will have held the position of external director of the Company for eight (8) years as at the conclusion of this Annual General Meeting of Shareholders. The candidates Mr. Muzhi Zhou and Ms. Hikaru Yamamoto will have held the position of external director for one (1) year 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 the external director candidates as independent directors. If their election is approved as originally proposed, they will continue to serve as independent directors.
- In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Masaya Onagi, 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.

Proposal 3: Election of one (1) statutory auditor

Statutory auditor Mr. Yoshinobu Nakamura will resign at the conclusion of this Annual General Meeting of Shareholders due to the expiration of the 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><u>Reelected</u></p> <p>Yoshinobu Nakamura (October 4, 1960)</p> <p><u>External statutory auditor</u></p> <p><u>Independent statutory auditor</u></p>	<p>April 1988 Registered as attorney-at-law Joined Japan IBM, Ltd.</p> <p>August 2003 Seconded to IBM Corporation, USA</p> <p>June 2005 Returned to Japan IBM, Ltd.</p> <p>June 2007 Partner of Hayabusa Asuka Law Offices</p> <p>December 2008 External Statutory Auditor of the Company (current position)</p> <p>June 2010 President of Yoshinobu Nakamura Law Office (current position)</p> <p>(Significant concurrent positions) President of Yoshinobu Nakamura Law Office</p> <p>(Reason for election as a candidate for external statutory auditor) Mr. Nakamura has a wealth of experience and broad insight regarding corporate legal affairs in general as an attorney-at-law. The Company reelected him as a candidate for external statutory auditor, based on the judgment that he is capable of performing his duties including monitoring and giving advice on management in general from a professional viewpoint.</p>	<p>—</p>

(Notes)

1. There is no special interest between the candidate for statutory auditor and the Company.
2. The candidate for statutory auditor, Mr. Yoshinobu Nakamura, is a candidate for external statutory auditor. Although he has never been involved in corporate management other than as external director or external auditor, the Company believes that he is capable of adequately executing his duties as an external statutory auditor as mentioned in the reason for election as a candidate for external statutory auditor.
3. The candidate for statutory auditor Mr. Yoshinobu Nakamura will have held the position of external statutory auditor of the Company for eight (8) 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 Mr. Nakamura 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. Yoshinobu Nakamura 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.