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Stock Exchange Code: 9438
December 1, 2017

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 22ND 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 22nd 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 22, 2017, Japan time.

- 1. Date and Time:** December 23, 2017 (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 22nd Fiscal Year (October 1, 2016 – September 30, 2017), 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 22nd Fiscal Year
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of surplus
 - Proposal 2:** Partial amendment to the articles of incorporation
 - Proposal 3:** Election of eight (8) directors
 - Proposal 4:** Election of two (2) statutory auditors

◎ 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 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 436,170,176 yen
- (2) The effective date of the dividend of surplus
December 25, 2017

Proposal 2: Partial amendment to the articles of incorporation

1. Reasons for the amendment

- (1) In order to prepare for future business development, business objects are to be added and rearranged in Article 2 (Purpose) of the Company's current articles of incorporation.
- (2) In addition to the above, some amendments are to be made to rearrange the wording.

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
(Trade Name) Article 1 The name of the Company shall be KABUSHIKI KAISHA MTI, and it shall be written in English as MTI Ltd.	(Trade Name) Article 1 The name of the Company shall be KABUSHIKI KAISHA MTI, and it shall be written in English as MTI Ltd.
(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: 1. to 31. (Omitted) <u>32. Consulting service related to the preceding items and management consulting service</u> (Transferred from the current Article 2, Item 37) <u>33. Control and manage through the ownership of shares the business activities of companies engaged in the businesses of the preceding items</u> (Newly established)	(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: 1. to 31. (Unchanged) (Deleted due to transfer to the proposed Article 2, Item 48) <u>32. Creation and provision of database</u> (Deleted)
34. to 36. (Omitted) <u>37. Creation and provision of database</u> (Newly established)	34. to 36. (Unchanged) (Deleted due to transfer to the proposed Article 2, Item 32) <u>37. Contracting for research related to medical and health care</u>
38. to 40. (Omitted) (Newly established) (Newly established) (Newly established) (Newly established) (Newly established)	38. to 40. (Unchanged) <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> <u>43. Planning, development, production, sales, licensing and maintenance of systems related to FinTech business</u> <u>44. Gathering, analysis and provision of information related to FinTech business</u> <u>45. 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>
<u>41.</u> Other commercial services in general (Transferred from the current Article 2, Item 32)	<u>46. AgriTech business</u> 47. Other commercial services in general
<u>42.</u> Any and all businesses incidental or relating to the preceding items	<u>48. Consulting service related to the preceding items and management consulting service</u> 49. Any and all businesses incidental or relating to the preceding items

Proposal 3: 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 (8) 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 January 2017 Executive Vice President and General Manager of Life and Entertainment Business Division of the Company (current position, in charge of Technology Division, Solution Business Department, and CLIMB Factory 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>	308,800

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)	66,800
		(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>	104,878

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 data-bbox="193 622 293 651">Reelected</p> <p data-bbox="193 689 400 745">Hiroshi Matsumoto (August 17, 1969)</p>	<p data-bbox="430 320 1289 846"> 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 data-bbox="430 853 1465 1048"> (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>	99,321
6	<p data-bbox="193 1395 293 1424">Reelected</p> <p data-bbox="193 1462 400 1518">Masaya Onagi (December 28, 1946)</p> <p data-bbox="193 1552 400 1608">External director Independent director</p>	<p data-bbox="430 1064 1289 1675"> April 1970 Joined Japan IBM, Ltd. March 1994 Director and General Manager of Second Sales Administrative Division, Financial System Business Department of Japan IBM, Ltd. April 1998 Managing Director and General Manager of Financial System Business Department of Japan IBM, Ltd. April 2000 Senior Managing Director in charge of Service Business of Japan IBM, Ltd. April 2002 Executive Vice President in charge of Sales Division of Japan IBM, Ltd. October 2004 Advisor of GMO Payment Gateway, Inc. February 2005 Executive Vice President of The Japan Research Institute, Limited July 2006 President and CEO of Japan Research Institute Solutions, Limited (current JSOL Corporation) December 2007 External Director of GMO Payment Gateway, Inc. (current position) December 2008 External Director of the Company (current position) June 2011 Advisor of JSOL Corporation Advisor of The Japan Research Institute, Limited June 2016 Director and Chairman of Aozora Trust Bank, Ltd. </p> <p data-bbox="430 1709 946 1765"> (Significant concurrent position) External Director of GMO Payment Gateway, Inc. </p> <p data-bbox="430 1776 1465 1942"> (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)

1. There are no special interests between each candidate and the Company.
2. 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."
3. The candidate Mr. Masaya Onagi will have held the position of external director of the Company for nine (9) 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 two (2) 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 the external director candidates as independent directors. If their election is approved as originally proposed, they will continue to serve as independent directors.
4. 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 4: Election of two (2) statutory auditors

Statutory Auditor Mr. Kazuhiko Sakishima will resign at the conclusion of this Annual General Meeting of Shareholders due to the expiration of the term of office. Furthermore, Standing Statutory Auditor Mr. Tsutomu Minoura will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of two (2) statutory auditors is proposed.

This proposal is made to elect Mr. Minoru Takei, a candidate for statutory auditor, as a substitute for Standing Statutory Auditor Mr. Tsutomu Minoura, and the term of office for Mr. Minoru Takei shall be the remaining term of office of Mr. Tsutomu Minoura, as stipulated in the Company's articles of incorporation.

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

The candidates are as follows:

No.	Name (Date of birth)	Past experience, significant concurrent positions and positions at the Company	Number of shares of the Company held
1	<p>Reelected</p> <p>Kazuhiko Sakishima (November 21, 1947)</p> <p>External statutory auditor</p> <p>Independent statutory auditor</p>	<p>April 2001 Deputy General Manager, Kansai Branch of Mitsubishi Corporation</p> <p>March 2004 President of Mitsubishi Corporation Plastics Ltd.</p> <p>April 2009 Executive Director of Mitsubishi Corporation Plastics Ltd.</p> <p>December 2009 External Statutory Auditor of the Company (current position)</p> <p>June 2010 Director of Teach For Japan (Specified Non-profit Organization)</p> <p>(Reason for election as a candidate for external statutory auditor) Mr. Sakishima has a wealth of experience and broad insight as a corporate manager. 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.</p>	—
2	<p>Newly elected</p> <p>Minoru Takei (February 15, 1952)</p> <p>External statutory auditor</p> <p>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>August 2017 Advisor of the Company (current position)</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 each candidate for statutory auditor and the Company.
2. The candidates for statutory auditor, Mr. Kazuhiko Sakishima and Mr. Minoru Takei, are candidates for external statutory auditor. The reasons for election as candidates for external statutory auditor are described in the columns below the past experiences of each candidate for external statutory auditor.
3. Since assuming the office of external statutory auditor of the Company in December 2009, Mr. Kazuhiko Sakishima has been in office for eight (8) years. In addition, the Company has filed a notice to Tokyo Stock Exchange, Inc. for appointing Mr. Sakishima as an independent statutory auditor. If his election is approved as originally proposed, he will continue to serve as an independent statutory auditor. Furthermore, Mr. Minoru Takei will newly serve as an independent statutory auditor, 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 an agreement with Mr. Kazuhiko Sakishima 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. Furthermore, the Company intends to enter into a similar agreement with Mr. Minoru Takei, if his election is approved as originally proposed.