



BRIDGE REPORT



	MTI Ltd. (9438)
	 エムティーアイ

President and CEO, Toshihiro Maeta

Company Information

Market	TSE Prime Market
Industry	Information and communication
President and CEO	Toshihiro Maeta
HQ Address	35th Floor, Tokyo Opera City Tower 3-20-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Year-end	End of September
Homepage	https://www.mti.co.jp/eng/

Stock Information

Share Price	Shares Outstanding		Total Market Cap	ROE Act.	Trading Unit
859yen	60,290,800 shares		51,789 million yen	16.1%	100 shares
DPS Est.	Dividend Yield Est.	EPS Est.	PER Est.	BPS Act.	PBR Act.
18.00 yen	2.1%	42.10 yen	20.4x	280.50 yen	3.1x

*Share price as of closing on June 9, 2025. The number of outstanding shares, DPS and EPS were taken from financial statements for the second quarter of FY 9/2025. ROE and BPS are the results in the previous fiscal year.

Earnings Trend

Fiscal Year	Sales	Operating Income	Ordinary Income	Net Income	EPS	DPS
September 2021 Act.	25,743	1,929	1,370	-1,164	-21.28	16.00
September 2022 Act.	26,479	870	485	-930	-16.99	16.00
September 2023 Act.	26,798	298	458	753	13.73	16.00
September 2024 Act.	27,669	2,394	2,827	2,363	43.05	17.00
September 2025 Est.	29,400	2,800 ~3,200	2,900 ~3,300	2,050 ~2,330	37.04 ~42.10	18.00

*Unit: million yen. Estimates are those of the Company. Net income is profit attributable to owners of the parent. Hereinafter the same shall apply.

This Bridge Report includes the earning results for the first half of the fiscal year ending September 2025, the earnings forecasts for the fiscal year ending September 2025 and other information of MTI Ltd.

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Key Points

- In the first half of the fiscal year ending September 2025, sales grew 10.1% year on year to 14.88 billion yen. Sales in all segments increased and the Healthcare Business, School DX Business and other businesses achieved a double-digit growth. The increase was remarkable especially in School DX. Operating income rose 55.8% year on year to 1.63 billion yen. Gross profit margin increased 12.0%, offsetting the augmentation in SGA expenses brought about by the increase in promotion and advertising costs. Profit significantly grew as the School DX Business and other businesses moved into the black. Both sales and profit exceeded the performance forecast announced on January 31, 2025 (the high end of the forecast range), owing to the cloud-based medication history in the Healthcare Business, School DX Business and the business of DX support for corporations.
- For the fiscal year ending September 2025, sales are forecast to increase 6.3% year on year to 29.4 billion yen, and operating income to grow 25.3% year on year to 3 billion yen. The sales in the previous forecast disclosed on January 31 were upwardly revised. While focusing on the expansion of sales and revenues in the Healthcare Business and the School DX Business, which will drive performance growth from now on, the company will strive to maintain revenues by working on increasing the number of paying subscribers to the security-related app “AdGuard” and expanding the original comic business in the Content Business. Moreover, the forecast includes the decrease of depreciation/amortization in step with the end of the amortization of goodwill and the depreciation of client-related assets in the music streaming business, taken over on December 1, 2019. No revisions have been made to the year-end dividend forecast of 9.00 yen/share. The full-year dividend, combined with the dividend paid at the end of the first half, is expected to be 18.00 yen/share. The expected payout ratio is 45.5% (using the median of the forecast EPS).
- Sales in the first half of the fiscal year achieved a double-digit growth and profit increased significantly. Sales and all kinds of profits were favorable, exceeding the company’s forecast. There has been a remarkable growth in the sales of the Healthcare Business and School DX Business, on which the company “especially focused,” as President Maeta has stressed. As the School DX Business has moved into the black, it can be surmised that the future increase in sales will directly lead to profit. The number of paying subscribers in the Content Business, which is the mainstay, saw a net increase.
- A decrease in sales and profit from the first half of the year is expected even in case of the high end of the forecast range for the second half of the fiscal year. However, considering the momentum in the first half, it can be assumed that the company can achieve much more. It is likely that their performance will significantly surpass the forecast. It can be expected that the growth of the Healthcare Business and the School DX Business will drive the company’s growth, from the medium/long-term perspective as well.

1. Company Overview

【1-1 History】

In 1996, the founder Toshihiro Maeta (currently the company's president) foresaw the further possibilities of mobile content-related services and established MTI to create various entertainment, lifestyle information, and solution services the world needs.

In addition to mobile phone sales and content distribution, the company has diversified its spot-type business for Internet-related services such as Internet payment systems and website system management leading to the expansion of the business backed by the fast growth of the mobile content market. In 1999, its stock was registered over the counter, and in 2004 it was listed on the JASDAQ stock exchange.

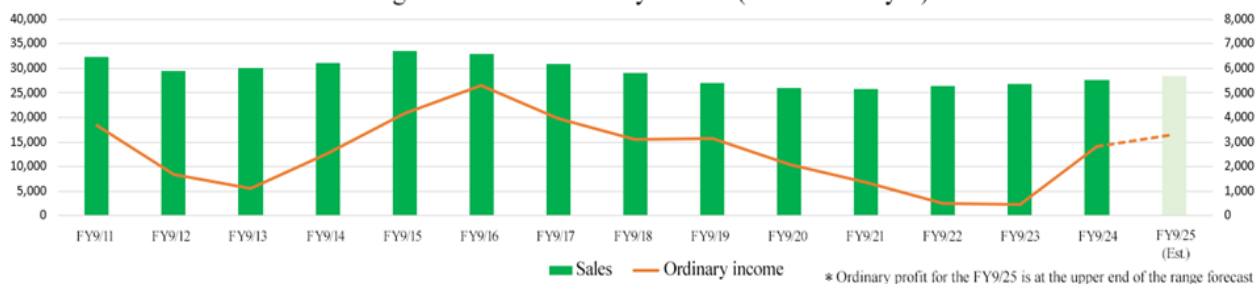
After that, as main mobile communication devices shifted from mobile phones to smartphones, the company shifted to the Content business for smartphones and further expanded earnings, and in 2015, the company was listed on the first section of the Tokyo Stock Exchange.

In 2016, the Ministry of Internal Affairs and Communications launched a plan to abolish 0-yen devices (a system that offsets the price of phones with campaigns and benefits). Thus, the total number of paying subscribers continues to decline*. The company is harnessing its strengths in UI/UX and marketing it has acquired through many years in the Content business to focus on expanding the Healthcare business, which has great potential for future growth.

In 2022, it got listed on the Prime Market of the Tokyo Stock Exchange through market restructuring.

*For the company, mobile phone shops were the center of attraction for paying subscribers. The company provided mobile shops with the funds for the discount amount associated with the purchase of content when changing models as a sales incentive. The Content business grew significantly with the spread of smartphones, but the abolishing of 0-yen devices in 2016 led to a significant decrease in the number of members.

Changes in sales and ordinary income (Unit: million yen)



【1-2 Philosophy】

As the world changes day by day, the MTI Group believes that it is important to create and deliver the services that are required at the time all over the world in order to realize a society where customers can live more freely and in their own way.

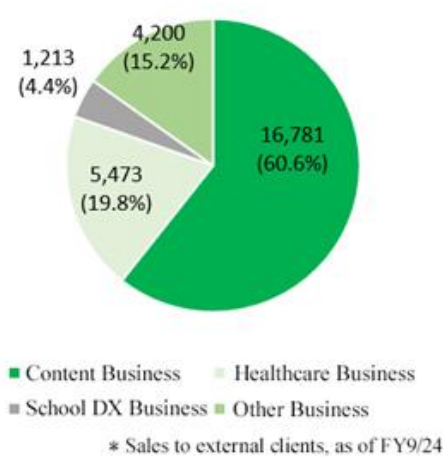
With a vision of "Taking the world a step forward," the company will continue to be a partner that accompanies its customers in their daily lives, and it will work to realize a better future society by providing services that make their lives more convenient and richer.

In the Healthcare business, on which the company is currently focusing, MTI aims to improve people's QOL and reduce medical expenses by maintaining health and preventing illness based on data analysis.

【1-3 Business description】

As of the end of September 2024, the company has 26 consolidated subsidiaries, and six affiliates, for a total of 32 companies. There are four reportable segments: the Content business, the Healthcare business, the School DX business, and other business.

Sales by Business Segment (Unit: million yen)



(1) Content Business

The Content business provides end users with mobile content services mainly for smartphones. These services include entertainment content, centering on videos, music, books, and comics. In addition, these services also include the security-related application “AdGuard,” weather, map and road information services, etc.

The company is also developing a BtoB original comic business that provides original comics to comic distribution companies.

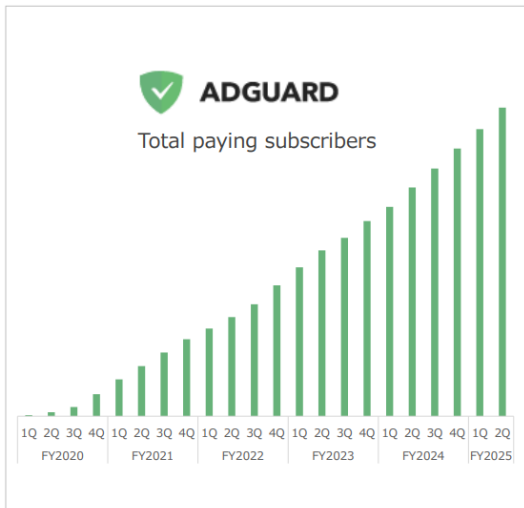
It has been the company's original business since its founding and still accounts for 60% of sales. The number of paying subscribers as of the end of September 2025 was 3.21 million. As mentioned in the history section, the number of paying subscribers had been declining, but an increase was seen in the first half of the fiscal year ending September 2025. Currently, the rate of decline is shrinking, and the company plans to reduce the decrease further and slow down its rate while prioritizing securing profit by concentrating on content with high demand.

◎ Main businesses and services

1) The security-related application “AdGuard”

“AdGuard” is a mobile security-related application featuring four functions: ad blocking, tracking blocking, threat blocking, and parental control function (child protection function).

The number of paying subscribers as of the end of March 2025 was 1.06 million. The number of paying subscribers is steadily increasing, and further expansion is expected because the application is highly recognized for enabling one account to be used on multiple devices.



(Source: the company's documents)

2) Original comic business

Under a marketing strategy aimed at expanding sales, the company's staff plan and build stories, which are then turned into works by amateur and professional comics artists and offered to client publishers.

Currently, about 20 works have been published, and the business continues to grow steadily.

(2) Healthcare Business

Aside from distributing information useful for healthcare, the Healthcare business operates several services to promote "Taking the world a step forward," through which each user can utilize individual health data in various life aspects via smartphones in order to lead a more convenient and comfortable daily life.

In order to use the health data, the medical institutions and municipalities accumulated individually more effectively, the business is working on building a new system to link the data on the multiple different systems in each institution through the use of the group's healthcare services.

Concretely, services for cloud-based medication history and cloud-based inventory management, as well as the prescription record app service, are offered to dispensing pharmacies to support the DX of pharmacies. In addition, the mother and child health handbook app and childcare DX services are provided to municipalities. Apart from the aforementioned, the number of paying subscribers to healthcare content, such as "LunaLuna," a health information service for women, has reached 500,000 as of the end of March 2025.

◎ Main business and services

1) The Cloud-based medication history service for dispensing pharmacies "CARADA electronic medication history Solamichi"

Dispensing pharmacies are increasingly important in improving regional medical care, as evidenced by the government's efforts to promote the spread of family pharmacies.

On the other hand, dispensing pharmacies require diverse and complex operations to provide users with safety, security, trust, and convenience. Therefore, the company wants to solve problems such as "I want to quickly write a complete drug record," "I want to add up things without leaving anything out," and "I want to strengthen interpersonal work."

The cloud-based medication history "CARADA electronic medication history Solamichi" mainly provides the following functions to solve the above problems, improve the operational efficiency of dispensing pharmacies, and provide an environment in which patients can take medicine safely and securely.

☆	Medication history	Medication history can be easily created by simply checking the boxes to shorten the writing time and improve quality.
☆	Medication administration follow-up	By recording the answers from patients in the medication history, follow-up of the period of administration is conducted to support communication with the patients.
☆	Prescription audit	An automatic check for drug interactions is performed. Audit items that are often overlooked can be checked immediately to ensure safer medical treatment
☆	Operational analysis	In addition to aggregating the operating status of each store in real time, it is also possible to check whether there is an unrecorded item within the medication history.
☆	Home visit	Compilation of necessary documents for work from home
☆	Patient information management	Support for the creation of patient information without excess or deficiency through thorough information management for each patient

"CARADA electronic medication history Solamichi," all-in-one cloud-based medication history to create loved pharmacies



(Based on the company's website)

In the future, the company will also promote the development of inventory management and receipt computers* and support the DX of pharmacies, which reforms all pharmacy operations with ICT.

*Receipt computer

It is a computer for creating receipts (medical fee statements). It can improve efficiency by linking data for issuance at medical institutions and collection at pharmacies instead of using paper.

◎ Features

Even if you are not good at operating a computer, you can intuitively use it without looking at the manual as it has easy-to-watch screen and simple operability. Anyone can use it without stress as it displays only the minimum necessary menus and buttons.

It not only creates the medication history quicker than by handwriting, but also unifies the contents of the medication history in a way that does not rely on the experience level of pharmacists.

The system leverages the advanced UI/UX design the company cultivated in the Content business.

◎ Market development

As of the end of March 2025, 3,027 pharmacies have installed the system. Of the approximately 60,000 dispensing pharmacies across Japan, the company targets 10,000 small and medium-sized pharmacies (so-called pop-and-mom pharmacies), excluding major chains.

In terms of sales, the company is developing customers using the dispensing pharmacy network owned by MEDIPAL HOLDINGS Corporation (TSE Prime, 7459), a wholesaler of ethical pharmaceuticals, with which it formed a capital and business alliance in 2016.

The on-premise systems of other companies in the same industry already have a share of the market. However, the company will focus on expanding the number of pharmacies that have installed this system, leveraging its strengths as a cloud system.

◎ Fee system

The required cost for a dispensing pharmacy is the initial cost only for the first month of introduction and the monthly fee every month.

Depending on the manufacturer, additional terminal costs may be required based on the number of terminals that use the electronic medication history system, but "CARADA electronic medication history" does not require additional terminal costs when using it on several terminals.

2) “Boshimo”, a mother and child health handbook app for municipalities

“Boshimo” is an electronic mother and child health handbook application service that easily supports everything from records of the mother and child health handbook to local information using mobile phones.

It has various functions such as recording health data of pregnant and nursing mothers and children, displaying weight and growth graphs, managing vaccination schedules, giving advice on childbirth and childcare, childcare diaries with photos, functions for sharing information with families, and local childcare information. The service uses ICT to reduce the anxiety and burden of the childcare generation.



Maternal health record book app

Boshimo

(Based on the company's website)

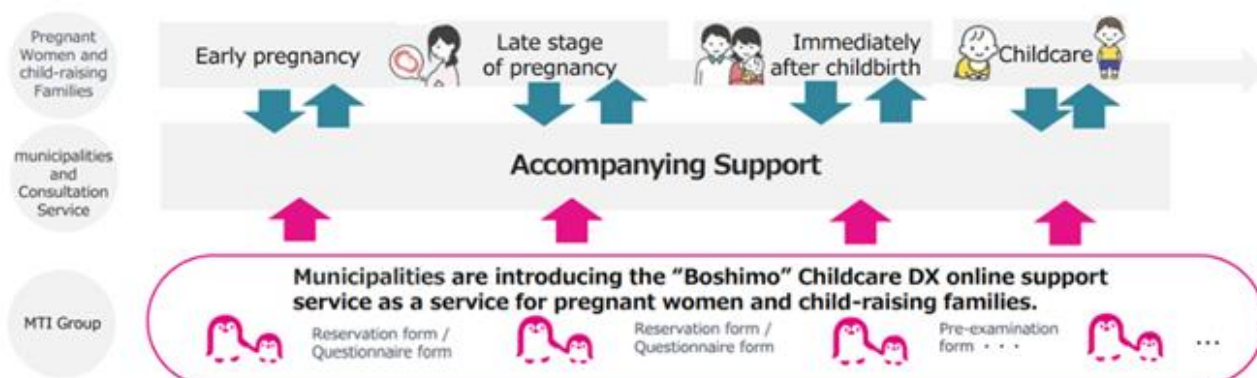
Customers (users) are municipalities, and as of the end of March 2025, 704 out of 1,741 municipalities nationwide have introduced this service.

A monthly fee of 50,000 ~100,000 yen is collected from municipalities, and app users can use the services for free.

Believing that it is necessary to first increase the number of municipalities adopting the system, the company has been offering it at affordable prices; however, over 500 municipalities have already adopted it, so the company aims not only to stimulate adoption of the system by a greater number of municipalities, but also to proactively provide “Childcare DX” for further growing the business in the future. The business environment is becoming more favorable to the company with the accompanying support program (*) that was launched in January 2023 as well as the trend started by the Japanese government toward digitization and digital transformation (DX) being as a tailwind.

*Accompanying Support Program

It is a governmental support service for pregnancy and childcare launched in January 2023. The government will obtain a perspective on the childbirth and childcare alongside pregnant women and families rearing 2-year-old or younger children in order to support them. They will arrange an environment which eases worries in giving birth and raising children based on a connection with local consulting institutions nearby, in addition to holding a total of three interviews at the notification of pregnancy, near childbirth and after the birth, and providing a gift certificate worth 100,000 yen.



(Taken from the reference material of the company)

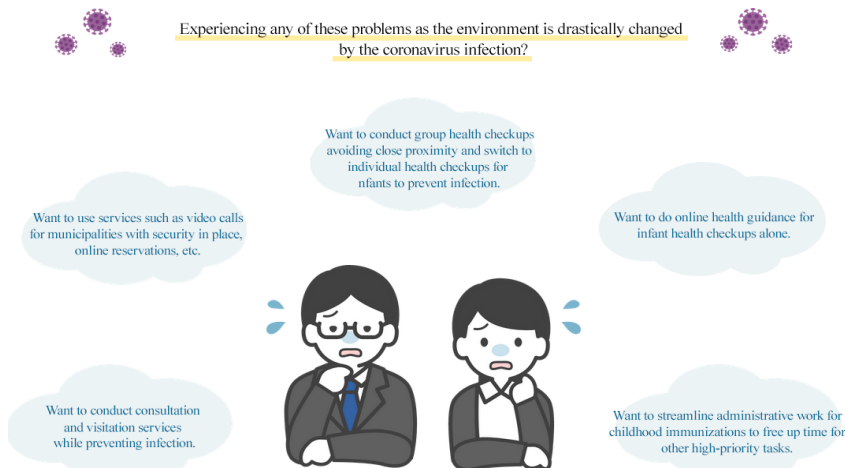
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<Childcare DX>

The company aims to realize a safe, secure, and convenient childcare society by enhancing childcare support in the region through the spread of services that utilize digital technology and data. These services are called "Childcare DX."

The main service of "Childcare DX" is the mother and child health notebook application "Boshimo." In addition to the basic functions mentioned above, the company provides three services to support the use of the Internet by childcare businesses and solve various issues municipalities face. As of March 2025, the number of municipalities that have adopted their service was 234.



(Based on the company's website)

Service	Overview	Provided functions	Target business
"Boshimo" Childcare DX Consultation and home visit services	It provides efficient and high-quality consultations and home visits while avoiding contact.	Video calls, digitization of pre-questionnaires, online booking, etc.	Home visit guidance for pregnant and nursing mothers, home visits for newborn babies, home visits for infants, home visits for childcare support, home visits for premature babies, childcare counseling, infant counseling, pregnancy counseling (postpartum care), single parent counseling, etc.
"Boshimo" Childcare DX Infant health checkup service	It switches to group or individual health checkups that offers a way to avoid crowds and reduce labor.	Digitalization of medical interviews, digitalization of medical examinations, online health guidance, etc.	Infant checkups
"Boshimo" Childcare DX Pediatric vaccination service	It provides efficient and safe vaccinations that reduce the time and cost for parents, municipalities, and medical institutions.	Digitization of vaccination procedures, etc.	Pediatric vaccinations

In addition, the company is considering using the Internet in various childcare-related applications and maternal health checkups.

Rather than simply using an app, "Childcare DX" links the data of the parents, municipalities, and medical institutions not only to provide convenience to parents but also to effectively resolve the problems in conventional administrative processes at municipalities and medical institutions.

Regarding the fees for these services, the company set separate initial costs and monthly payments according to the number of births. Orders, including orders from ordinance-designated cities, are steadily increasing, and the company expects significant earnings growth in the future.

3) Others

The company offers a variety of services, including:

"LunaLuna," a health care service for women (free)	A health information service that supports women throughout their lives according to their life stages and concerns
"CARADA" package for companies (paid)	A corporate service that supports corporate health management and employee health using smartphones
"LunaLuna" online medical consultation (paid)	Online medical examination system for obstetricians and gynecologists in collaboration with "LunaLuna."
"CARADA" online consultation (paid)	A system that can implement both online medical treatment and online medication guidance

(3) School DX Business

◎ "BLEND," a full cloud-based school affairs support system

"BLEND" is a school affairs support system that streamlines the daily school affairs of teachers at nursery schools, kindergartens, elementary and middle schools, high schools, technical colleges, specialized training colleges, and universities. Motivation Works Co., Ltd., a subsidiary of MTI, provides a cloud-based school affairs support system mainly for private middle and high schools.

Due to the "GIGA School Concept" promoted by the Ministry of Education, Culture, Sports, Science, and Technology, many schools have developed an ICT environment, and the ICT environment for students is progressing. As for the work style reforms for teachers, many schools do not provide a remote work environment, and it is necessary to go to work even during the spread of infectious diseases. In addition, many school affairs, such as student attendance management, grade management, and form management, are processed on paper. Even school affairs that have been converted to ICT have usability issues due to network and security restrictions.

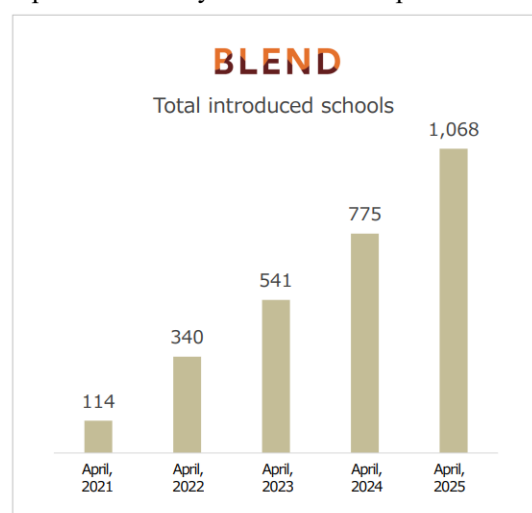
In addition, the average working hours of teachers and staff exceed 10 hours per day; thus, reducing schoolwork is an urgent issue.

"BLEND" is a service that solves these issues.

"BLEND" is equipped with all the functions necessary for school affairs, focusing on academic affairs such as attendance and grade registration and output of forms such as teaching records and survey reports.

Since the system links various data, it reflects it collectively, eliminating the need to fill in various forms and preventing repeating school work. Also, because it is a cloud-based system, it supports multiple OSs and multiple devices and can perform school duties without being limited to devices or locations; therefore, it supports the digital transformation of schools.

As of the end of April 2025, 1,068 schools had adopted the system. Demand for the service is enormous, and the company expects that the system will be adopted continuously by a large number of schools.



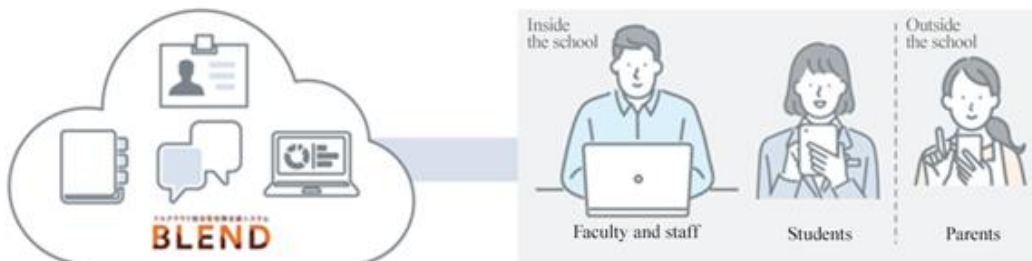
(Taken from the reference material of the company)

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It covers 50% of private schools (middle and high school). The company is focusing on spreading the technology mainly among private high schools at the moment, but they are working on bringing it to some public middle and high schools as well. As for sales to municipalities, the company will also utilize its knowledge and know-how cultivated through “Boshimo”.

Managing school affairs information centrally by cloud based system



(Taken from the website of the company)

(4) Other Business

The company provides contract development and operation of systems for corporate clients, such as systems for the AI business, DX support business for corporate clients and solution business.

【1-4 Features, Strengths, and Competitive Advantages】

The following four items are the company's strengths.

(1) Development speed that allows them to catch up with technological innovation speed

The speed of internet-related technological innovation is accelerating and complex data links between different systems are becoming possible through AI, clouds, API connections, and other technologies, but at the same time, the developers of those technologies have diverse needs for development technologies, including the indispensable building of solid security systems. MTI hires excellent developers with advanced specialized skills both inside Japan and from overseas throughout the year, while also engaging in technological collaboration with various corporate partners so that MTI can generate new added value and continuously catch up with the speed of technological innovation in this field.

While growing with the Content business, the company has polished its development capacity for multiple devices, including PCs, cellphones, smartphones, and tablets.

Cloud-unique development capacity and compatibility with all devices, including security check ones, are the company's major fortes.

(2) Advanced UI/UX design

For a content service to be used by many end users, it is important to develop UI design with excellent navigability, including button placement on the screen and explanatory text that is easy to use and understand for as many as possible, regardless of age or gender and produce high-quality UX for end users.

MTI is designing advanced UI/UX based on the experiences of planning and developing content services of all kinds of genres, such as videos, music, comics, and other forms of entertainment, maps, weather information, and other types of lifestyle information, and healthcare information.

(3) A business model that emphasizes stock

Many businesses in the MTI Group have a stock-type business model, with monthly billing making up the majority of sales. The company is able to invest accumulated profit generated by the solid revenue base into new growth businesses and the development of services that use the latest technologies.

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**(4) Marketing ability for communicating the merits of the services**

Also, in the internet industry to which the company belongs, it is important to enhance the marketing and business ability so that the company can properly communicate the merits of the services to end users and convince them to keep using them. It is for this reason that the company has promoted content service sales in the cellphone stores across Japan as well as conducted active business activities based on an effective marketing strategy for many years, despite being a content provider.

At present, the company is working with municipalities, medical institutions, schools, companies, and others to introduce the services through business activities based on an effective marketing strategy, not just in the Content business, but also in the Healthcare business, School DX business, and other business.

2. 1H of Fiscal Year ending September 2025 Earnings Results**【2-1 Business Results】**

	FY 9/24 1H	Ratio to sales	FY 9/25 1H	Ratio to sales	YoY	Forecasts by the company	Ratio to forecasts
Sales	13,517	100.0%	14,885	100.0%	+10.1%	14,000	+6.3%
Gross Profit	9,905	73.3%	11,091	74.5%	+12.0%	—	—
SG&A	8,852	65.5%	9,451	63.5%	+6.8%	—	—
Operating Income	1,052	7.8%	1,639	11.0%	+55.8%	1,450	+13.1%
Ordinary Income	1,518	11.2%	1,721	11.6%	+13.4%	1,500	+14.8%
Interim Net Income	1,558	11.5%	1,757	11.8%	+12.7%	1,390	+26.4%

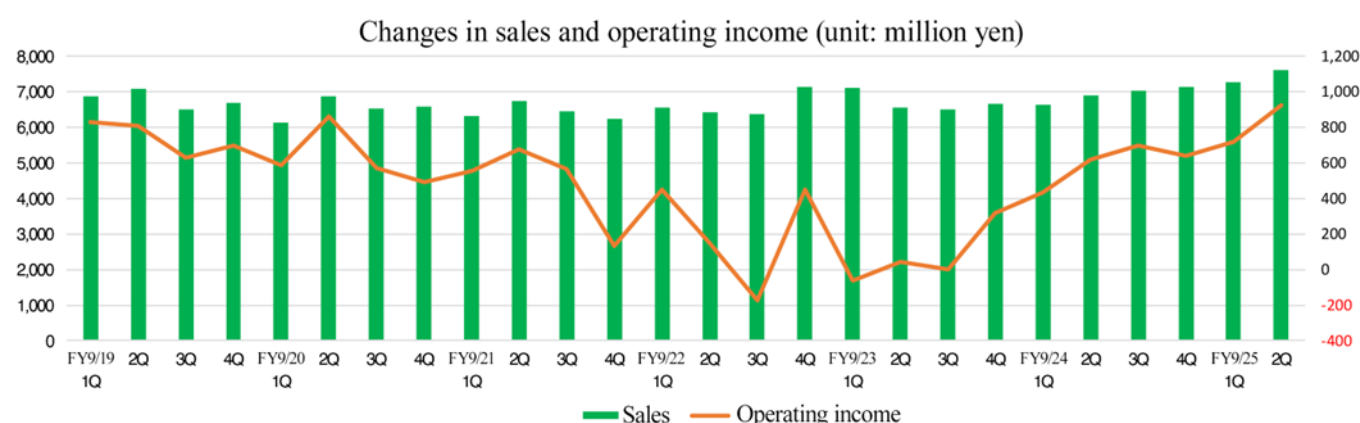
*Unit: million yen. Ratio to forecasts is the ratio to the earnings forecast announced on January 31, 2025. Forecasts for all kinds of profits are the high ends of the forecast ranges.

Sales increased while profit increased significantly, and both sales and profit exceeded the forecast.

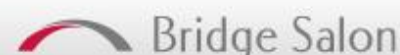
Sales grew 10.1% year on year to 14.88 billion yen. Sales in all segments increased and the Healthcare Business, School DX Business and other businesses achieved a double-digit growth. The increase was remarkable especially in School DX.

Operating income rose 55.8% year on year to 1.63 billion yen. Gross profit margin increased 12.0%, offsetting the augmentation in SGA expenses brought about by the increase in promotion and advertising costs. Profit significantly grew as the School DX Business and other businesses moved into the black.

Both sales and profit exceeded the earnings forecast announced on January 31, 2025 (the high end of the forecast range), as the number of pharmacies using the cloud-based medication history in the Healthcare Business hit a record high, the sales of initial development for public schools surpassed the plan in the School DX Business and the number of orders from major enterprises in the business of DX support for corporations was healthy.



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【2-2 Trends by Segment】

	FY 9/24 1H	Composition ratio	FY 9/25 1H	Composition ratio	YoY
Content Business	8,350	61.8%	8,542	57.4%	+2.3%
Healthcare Business	2,610	19.3%	3,149	21.2%	+20.6%
School DX Business	521	3.9%	904	6.1%	+73.4%
Other Business	2,034	15.1%	2,289	15.4%	+12.5%
Total sales	13,517	100.0%	14,885	100.0%	+10.1%
Content Business	2,261	27.1%	1,978	23.2%	-12.5%
Healthcare Business	217	8.3%	86	2.8%	-60.1%
School DX Business	-156	—	272	30.1%	—
Other Business	-36	—	628	27.5%	—
Adjustments	-1,233	—	-1,326	—	—
Total segment profit	1,052	7.8%	1,639	11.0%	+55.8%

*Unit: million yen. The composition ratio of the segment profit is the ratio of profit to sales.

(1) Content business

Sales increased but profit declined.

There were 3.21 million paying subscribers at the end of March 2025, up 0.14 million from the end of September 2024. The number of paying subscribers to the security-related app “AdGuard” keeps rising. The number of paying subscribers, which had been declining, saw an increase in this fiscal year.

Advertisement costs for encouraging more users to join “AdGuard” augmented, leading to a decrease in profit.

(2) Healthcare business

Sales increased but profit declined.

The number of monthly paying subscribers at the end of March 2025 decreased by 10 thousand from the end of September 2024 to 500 thousand.

The number of stores adopting “cloud-based medication history” increased by 499 from the end of September 2024 to 3,027 at the end of March 2025. The number of pharmacies using this service hit a record high as a result of focusing on encouraging more medium-sized and larger pharmacies to adopt it.

Sales of the “cloud-based medication history” grew, leading to an increase in sales. Profit declined due to upfront investments in the development of new solutions.

(3) School DX business

Sales significantly grew, and the business moved into the black.

The number of schools adopting “BLEND”, a cloud-based support system for school duties, in April 2025 was 1,068 (up 293 from April 2024), and monthly usage fees that the company receives for the system went up. The sales of initial development for public schools were recorded, leading to a considerable growth in sales.

The company has increased its share to 50% in the private school market.

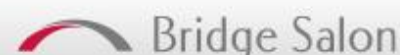
Loss has substantially improved owing to the significant growth in sales.

(4) Other business

Sales grew, and the business moved into the black.

Sales in the business of DX support for corporations increased owing to the healthy number of orders. Profit and loss considerably improved owing to the growth in sales.

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【2-3 Financial Condition and Cash Flow】

◎Main BS

	End of September 2024	End of March 2025	Increase/ Decrease		End of September 2024	End of March 2025	Increase/ Decrease
Current Assets	20,152	20,932	+780	Current Liabilities	6,951	6,830	-121
Cash	14,828	15,240	+412	Payables	1,100	1,133	+33
Receivables	4,183	4,703	+519	Contract Liabilities	2,667	2,026	-640
Noncurrent Assets	9,533	9,772	+238	Noncurrent Liabilities	3,590	3,314	-276
Intangible Assets	2,275	2,399	+123	LT Borrowings	1,693	1,325	-368
Software	1,929	2,050	+121	Total Liabilities	10,541	10,144	-397
Investment, Other Assets	7,054	7,145	+90	Net Assets	19,144	20,560	+1,415
Investment Securities	4,466	4,626	+159	Retained Earnings	6,626	7,562	936
Total Assets	29,686	30,704	+1,018	Total Liabilities and Net Assets	29,686	30,704	+1,018

*Unit: million yen.

Total assets increased 1,018 million yen from the end of the previous fiscal year to 30,704 million yen due to an increased in cash and deposits.

Total liabilities decreased 397 million yen from the end of the previous fiscal year to 10,144 million yen due to a decrease in contract liabilities.

Net assets increased 1,415 million yen from the end of the previous fiscal year to 20,560 million yen, due to the increase in retained earnings.

Capital-to-asset ratio increased 2.6 points from the end of the previous fiscal year to 54.6%.

3. Fiscal Year ending September 2025 Earnings Forecasts

【3-1 Earnings Forecast】

	FY 9/24	Ratio to Sales	FY 9/25 Est.	Ratio to Sales	YoY	Previous forecasts
Sales	27,669	100.0%	29,400	100.0%	+6.3%	28,500
Operating Income	2,394	8.7%	3,000	10.2%	+25.3%	3,000
Ordinary Income	2,827	10.2%	3,100	10.5%	+9.6%	3,100
Net Income	2,363	8.5%	2,190	7.4%	-7.4%	2,190

* Unit: million yen. Forecasts are the figures announced by the company. The intermediate value of the range was used.

Expected to increase in both sales and profit

Sales are forecast to increase 6.3% year on year to 29.4 billion yen, and operating income to grow 25.3% year on year to 3 billion yen. The sales in the previous forecast disclosed on January 31 were upwardly revised.

While focusing on the expansion of sales and revenues in the Healthcare Business and the School DX Business, which will drive performance growth from now on, the company will strive to maintain revenues by working on increasing the number of paying subscribers to the security-related app “AdGuard” and expanding the original comic business in the Content Business. Moreover, the forecast includes the decrease of depreciation/amortization in step with the end of the amortization of goodwill and the depreciation of client-related assets in the music streaming business, taken over on December 1, 2019.

No revisions have been made to the year-end dividend forecast of 9.00 yen/share, unchanged from the previous fiscal year. The full-year dividend, combined with the dividend paid at the end of the first half, is expected to be 18.00 yen/share. The expected payout ratio is 45.5% (using the median of the forecast EPS).

【3-2 Activities in each business】

(1) Healthcare business

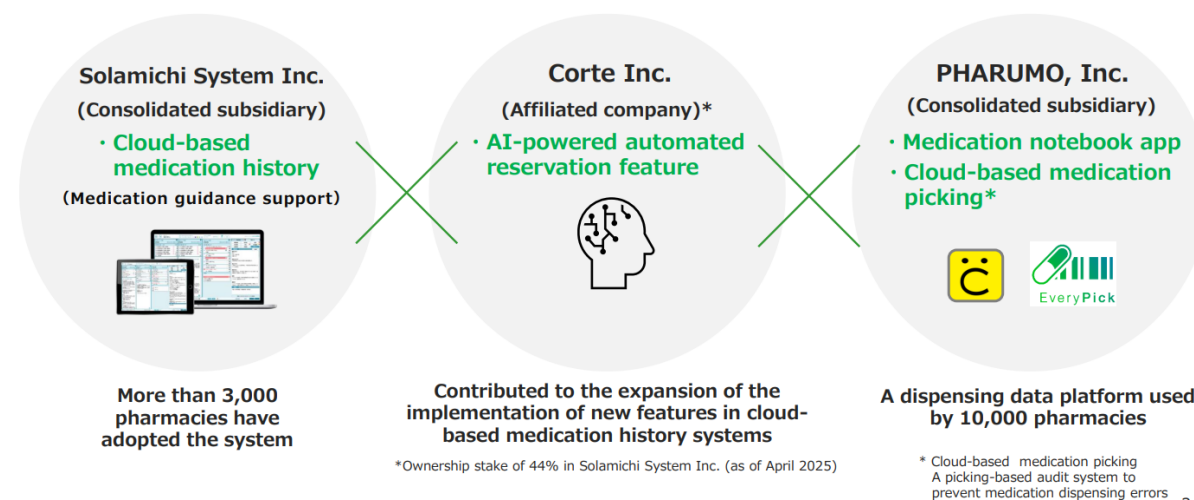
The company is focusing on this business, striving for further growth in sales and profit. Regarding services for pharmacies, they will work toward further growth of the business offering cloud-based medication history. With regard to services for municipalities, they will promote the childcare DX platform strategy.

① Expansion of Cloud-based medication history

As of the end of March 2025, 3,027 stores adopted the system.

The motivation of dispensing pharmacies to adopt the system remains high, contributing to the continuous growth of sales and profit in the Healthcare Business. The company intends to further expand the number of pharmacies using the service by enhancing the cooperation with MEDIPAL HOLDINGS, their partner. At the same time, they will promote sales of the service for supporting the entry and creation of medication records by AI, utilizing ChatGPT, for which they receive many inquiries as it can contribute to streamlining the work duties of pharmacists. Coupled with the expansion in pharmacies which adopt the system, they will pave the way for further revenue improvement.

Moreover, they will enrich the product line-up of cloud-based services to be used within dispensing pharmacies.



(Taken from the reference material of the company)

The whole group has made transactions with 13,000 pharmacies throughout Japan. 20% of pharmacies have adopted the system.

② Implementation of Platform strategy for the childcare DX “Boshimo”

As the government promotes the digitization of information concerning the health of mothers and children, the company will further expand the range of municipalities using the mother and child health handbook app “Boshimo.” Furthermore, they will actively conduct marketing to promote sales of childcare DX services mainly among municipalities that have adopted the app. Finally, they will forge ahead with the “Boshimo” platform strategy by achieving digital cooperation between municipalities, hospitals and citizens, and work on developing it into one of core businesses in the business segment, which can contribute to profit in the medium to long term.

704 municipalities have adopted the mother and child health handbook app “Boshimo,” accounting for 40% among municipalities. Moreover, the adoption of childcare DX services among municipalities that use “Boshimo” is progressing smoothly, as a total of 234 municipalities have adopted these services.

The company will continue to promote data integration among parents, municipalities, and medical institutions to seamlessly advance infant health checkups, childhood vaccinations, consultation appointments, and reservation functions to realize the “Childcare DX.”

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(2) School DX business

As the government promotes the DX of school affairs in prefectures, the company will view this as an opportunity for growth and aim for achieving continuous growth by proactively spreading their services. Inquiries concerning the orders for “BLEND,” a cloud-based support system for school duties, are strong, and the number of schools that have adopted the system reached 1,068 in April 2025, up 293 from April 2024. The company used to accept orders mainly from private schools, but in August 2024, they concluded a contract with Yamanashi Prefecture Board of Education for adopting the system at prefectural high schools. Spurred on by this achievement, they have been focusing on orders for public schools and will strive for further growth of sales and profit.

BLEND



(Taken from the reference material of the company)

(3) Content business

The company aims to secure profit through the growth of security-related apps and original comic business.

【3-3 Envisioned growth】

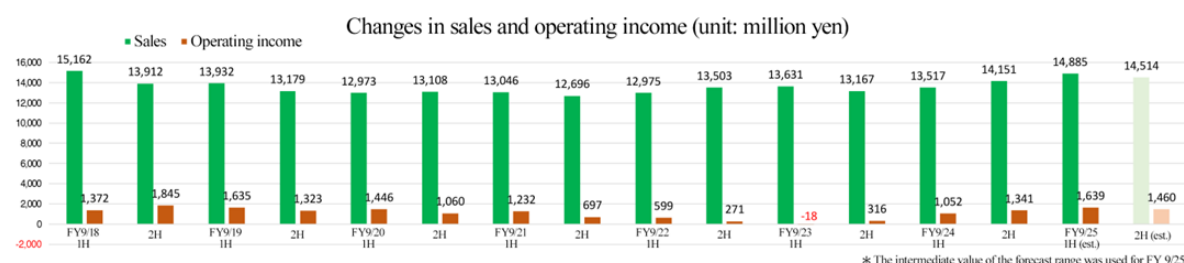
The company identifies its steadily growing Healthcare business and rapidly expanding School DX business as key drivers of medium/long-term growth, given the current market conditions and segment characteristics.

4. Conclusions

Sales in the first half of the fiscal year achieved a double-digit growth and profit increased significantly. Sales and all kinds of profits were favorable, exceeding the company’s forecast. There has been a remarkable growth in the sales of the Healthcare Business and School DX Business, on which the company “especially focused,” as President Maeta has stressed. As the School DX Business has moved into the black, it can be surmised that the future increase in sales will directly lead to profit. The number of paying subscribers in the Content Business, which is the mainstay, saw a net increase.

A decrease in sales and profit from the first half of the year is expected even in case of the high end of the forecast range for the second half of the fiscal year. However, considering the momentum in the first half, it can be assumed that the company can achieve much more. It is likely that their performance will significantly surpass the forecast. It can be expected that the growth of the Healthcare Business and the School DX Business will drive the company’s growth, from the medium/long-term perspective as well.

It can be said that while share price remains stagnant, it is at a sufficiently inexpensive level, considering the growth potential and the remaining resources for an upturn of performance in the fiscal year ending September 2025.



<Reference: Regarding Corporate Governance>

◎Composition of the organizational structure, directors and auditors

Organizational structure	Company with corporate auditors
Directors	10 including 5 outside directors
Auditors	4 including 4 outside auditors

◎Corporate Governance Report

Last update date: May 16, 2025

<Basic policy>

The company regards the establishment of a transparent and sound management structure and a prompt and accurate decision-making system that responds to changes in the business environment as its important management tasks.

As part of the effort, the term of office for directors is set at one year, and each year, there is an opportunity for shareholders to vote for their confidence in the company, ensuring that management is conducted with a sense of tension. In addition, the company is promoting the strengthening and establishment of legal compliance.

For financial results and important management information, the company strives to enhance management transparency and build trust with the market, by disclosing information in a timely and appropriate manner, as well as by engaging in two-way communication with stakeholders, in accordance with its IR policy.

<Reasons for Non-compliance with the Principles of the Corporate Governance Code (Excerpts)>

The information is based on the Corporate Governance Code revised in June 2021.

[Principle 1-4] (Strategically Held Shares)

The policy on strategically held shares and the criteria for existing voting rights thereof are described in “Basic Policy on Corporate Governance 1. Ensuring the Rights and Equality of Shareholders (6).”

The policy stipulates that, for the major strategic shareholdings, the performance of the investee companies, the objective of such shareholdings, the status of their achievement, etc. shall be reported to the Board of Directors on a regular basis, and that the company shall appropriately exercise its voting rights as a shareholder from the perspective of the sustainable growth and the medium/long-term corporate value of such companies and the company.

With regard to particular strategically held shares, the company specifically examines and scrutinizes the medium/long-term economic reasonableness, appropriateness of the purpose of the shareholding, and whether the benefits and risks associated with the shareholding are commensurate with the cost of capital. If the significance of the shareholding is determined to be not necessarily adequate, the company will consider establishing a process to reduce the number of such shares.

[Supplementary Principle 3-1-3] (Sustainability Initiatives, Investment in Human Assets, Intellectual Capital, etc.)

The company has formulated management strategies to achieve sustainable growth and to enhance corporate value over the medium/long-term, however, it has not announced its medium-term management plan, while it publishes its outlook for the next fiscal year. It is because the company’s business environment has been changing rapidly, which is making it difficult to foresee the future. Nevertheless, the company recognizes that disclosing more specific details of its management strategy and indicating its long-term direction are important tasks for enhancing dialogue with its shareholders. Therefore, the company will establish an internal system to enhance disclosure information that takes into account factors including investment in human assets and intellectual property, as well as sustainability, in the process of formulating future management strategies.

In addition, with regard to sustainability, the company does not expect climate change to have a material impact on its business, as the business is based on Internet technology that has no significant environmental impact, and thus, it has not implemented initiatives based on the TCFD or equivalent framework imposed only on companies listed in the Prime Market. On the other hand, guided by the vision of “Taking the world a step forward,” the company creates a diverse variety of services by combining various digital technologies, and develops businesses of a high social importance such as the Healthcare Business and School DX Business. The company believes that the use of its services by clients and end users in various industries related to climate change will promote various IT systems to address climate change in the future. Based on the above approach,

the company continues promoting sustainability in line with the company's vision.

The philosophy and latest information on initiatives concerning sustainability can be found on the company's website.

•Sustainability at the company:

Leveraging MTI's strengths to build a brighter future for the world

https://www.mti.co.jp/eng/?page_id=3661

•Introducing an example of initiatives for resolving social challenges through business:

SX (Sustainability Transformation)

Can we find a way for handing down our assets to the next generation?

https://www.mti.co.jp/eng/?page_id=4291

<Disclosure Based on the Principles of the Corporate Governance Code (Excerpts)>

Based on the basic approach stated in Section 1 above, the company has formulated the "Basic Policy on Corporate Governance" with the aim of realizing the management philosophy, achieving sustainable growth and enhancing its corporate value over the medium to long term, and constantly pursuing the best possible corporate governance and continuously working to improve it to earn the trust of its stakeholders including shareholders.

Basic Policy on Corporate Governance URL:

https://ir.mti.co.jp/eng/wp-content/uploads/library/tse/2022/corporate20211220_eng.pdf

[Principle 5-1] (Policy on Constructive Dialogue with Shareholders)

The company's policy on the establishment of systems and initiatives to promote constructive dialogue with shareholders is described in "Basic Policy on Corporate Governance, 5. Dialogue with Shareholders," as well as "III. Implementation Status of Measures Concerning Shareholders and Other Interested Parties, 2. Status of IR-Related Activities" of this report. Moreover, the company's IR Policy is posted on its website (Investors Relations page).

IR Policy URL: https://ir.mti.co.jp/eng/ir_policy/

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