



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
753 yen	60,435,200 shares	45,507 million yen	20.1%	100 shares
DPS Est.	Dividend Yield Est.	EPS Est.	PER Est.	BPS Act.
20.00 yen	2.7%	36.95 yen	20.4x	331.86 yen
				2.3x

*Share price as of closing on November 19, 2025. Each figure is taken from the financial statements from the financial statements of fiscal year ended September 2025. EPS represents the upper limit of the forecast range.

Earnings Trend

Fiscal Year	Sales	Operating Income	Ordinary Income	Net Income	EPS	DPS
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 Act.	29,910	2,946	3,027	3,404	61.62	19.00
September 2026 Est.	31,000	3,100 ~3,500	3,100 ~3,500	1,770 ~2,050	31.90 ~36.95	20.00

*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 fiscal year ended September 2025, the earnings forecasts for the fiscal year ending September 2026 and other information of MTI Ltd.

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Key Points

- In the fiscal year ended September 2025, sales increased 8.1% year on year to 29,910 million yen. All segments recorded revenue growth, with double-digit growth in the Healthcare Business and significant expansion in the School DX Business. Operating income increased 23.1% year on year to 2,946 million yen. Although gross profit margin declined and selling, general, and administrative (SG&A) expenses increased, operating income margin improved from 8.7% in the previous fiscal year to 9.8%. This improvement was driven by the School DX Business turning profitable and other businesses posting significant profit growth. Compared to the earnings forecast announced on August 8, 2025, sales exceeded the upper limit of the forecast range, while operating income and ordinary income fell within the forecast range. Net income increased 44.0% year on year to 3,404 million yen, due to a significant increase in refundable consumption tax and related items. The company paid a year-end dividend of 10.00 yen/share, resulting in an annual dividend of 19.00 yen/share.
- For the fiscal year ending September 2026, the company forecasts sales to increase 3.6% year on year to 31 billion yen, with operating income expected to rise 12.0% to 3.3 billion yen. The Healthcare Business and School DX Business will be the driving force for performance growth. In the Healthcare Business, the company plans to grow the cloud-based medication history service for pharmacies while promoting its childcare DX platform strategy for municipalities. For the School DX Business, the company aims to increase the number of private schools that have adopted their service and expand the number of municipalities that have adopted their service for public schools. In the Content Business, the company aims to maintain revenue by increasing the number of paying subscribers to the security-related application “AdGuard” and expanding its original comic business. The dividend will be 20.00 yen/share, up 1.00 yen/share from the previous fiscal year (of which 10.00 yen/share will be paid for the interim period). The expected dividend payout ratio is 58.1% (using the intermediate value of the forecast EPS).
- In the fiscal year ended September 2025, the company secured double-digit growth in operating income. Operating income, which was once sluggish, has exceeded one billion yen per half-year for the past two years, indicating the establishment of a stable profit structure. In the Content Business, the number of paying subscribers, which had been declining, has stabilized at a flat level. Meanwhile, the revenue growth in the Healthcare Business and the School DX Business has been remarkable. Particularly, the School DX Business has turned profitable, securing a high profit margin.
- While continuing to secure solid profit levels in the Content Business for the fiscal year ending September 2026, contributions from the School DX Business are expected. Profit growth is expected in the Healthcare Business as well, with the effects of the upfront investment made in the fiscal year ending September 2025 likely to be steadily reflected in earnings.

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.

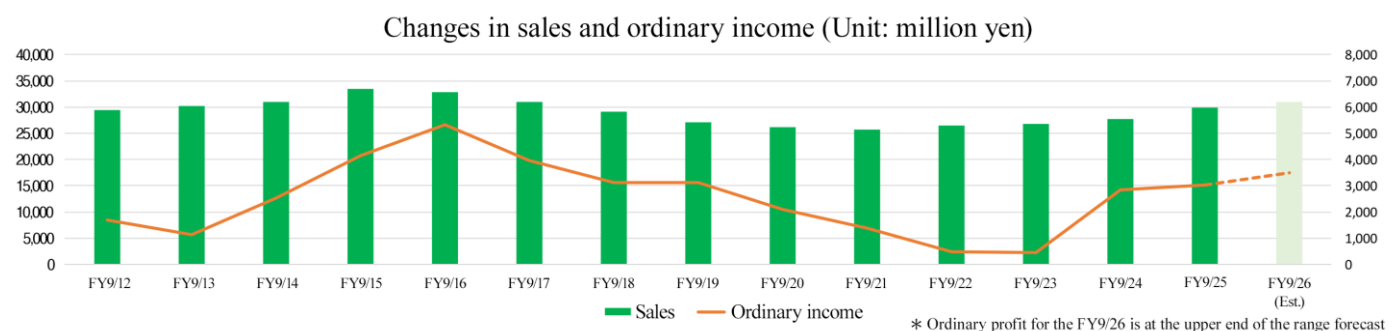
In addition to mobile phone sales and content distribution, the company has diversified its spot-type business for Internet-related services such as Internet payment systems and website system management leading to the expansion of the business backed by the fast growth of the mobile content market. 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.



[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.

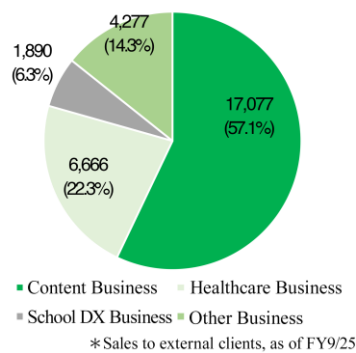
With a vision of "Taking the world a step forward," the company will continue to be a partner that accompanies its customers in their daily lives, and it will work to realize a better future society by providing services that make their lives more convenient and richer.

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]

There are four reportable segments: the Content Business, the Healthcare Business, the School DX Business, and other

Sales by Business Segment (Unit: million yen)



business.

(1) Content Business

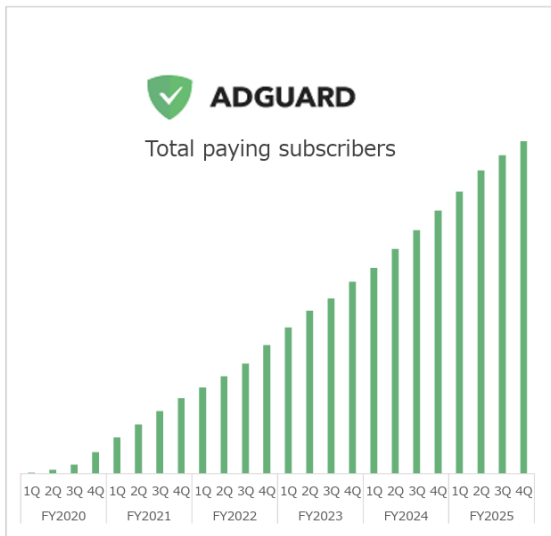
The Content Business provides end users with mobile content services mainly for smartphones. These services include entertainment content, centering on videos, music, books, and comics. In addition, these services also include the security-related application “AdGuard,” weather, map and road information 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. The number of paying subscribers has remained flat. In the future, the company plans to prioritize 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 September 2025 was 1.16 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 470,000 as of the end of September 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

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(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 September 2025, 3,811 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 772 municipalities have introduced this service. The company holds a share of 44% in the market of services for municipalities in Japan.

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)

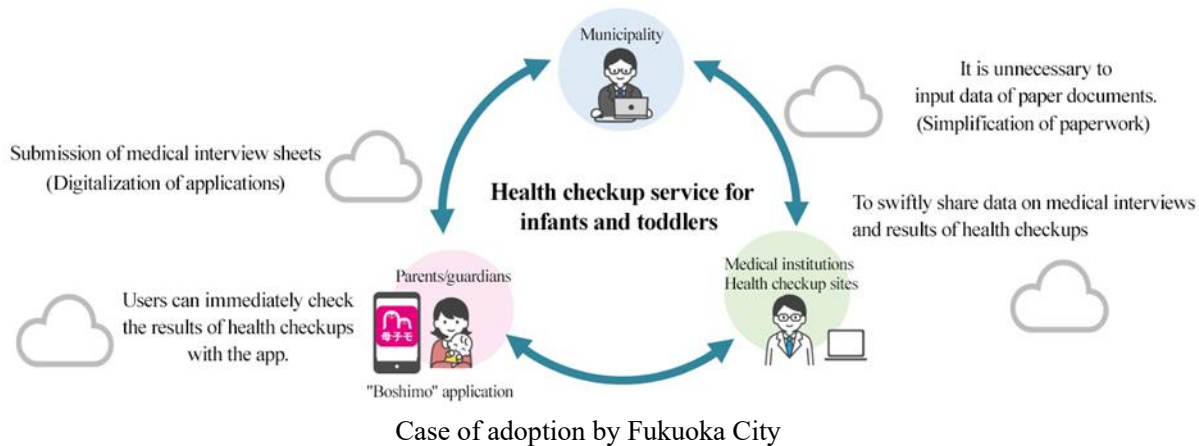
<Childcare DX>

The company aims to realize a safe, secure, and convenient childcare society by enhancing childcare support in the region

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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 September 2025, the number of municipalities that have adopted their service was 280.



(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 service for health examination providers that delivers past health checkup results as graphical data to users' 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.

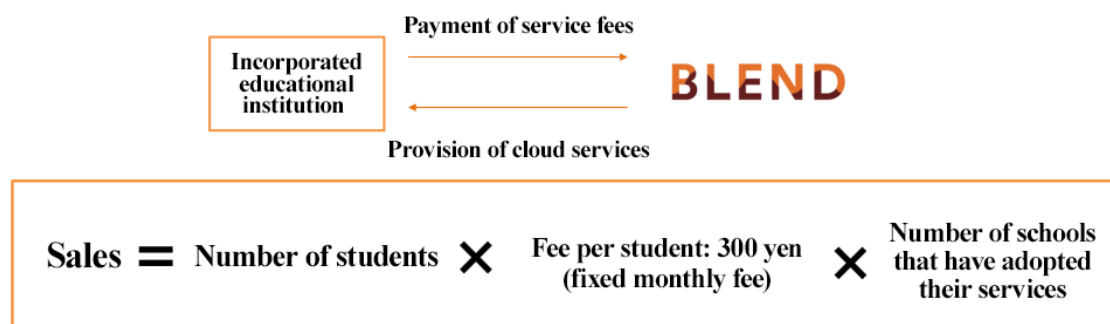
In addition, the average working hours of teachers and staff exceed 10 hours per day; thus, reducing schoolwork is an urgent issue.

"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.

The business model (private school) is as follows, with a fixed monthly fee of 300 yen per student.



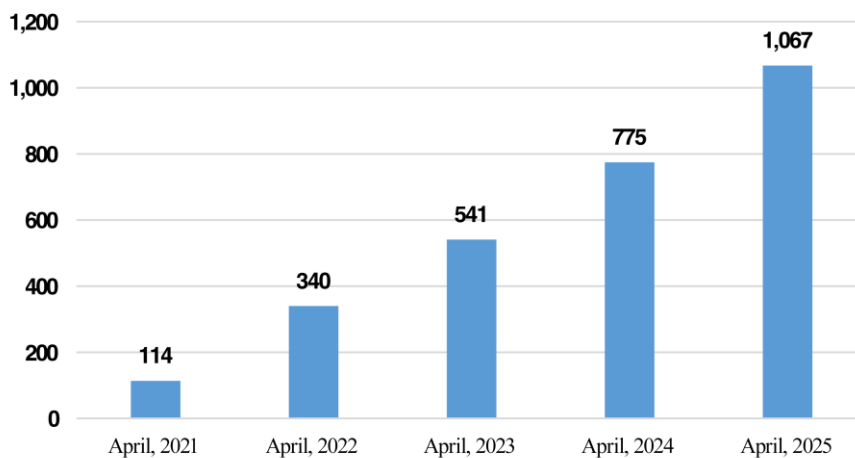
(Taken from the reference material of the company)

As of the end of April 2025, 1,067 private 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.

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Number of private schools that have adopted “BLEND”



It covers 50% of private schools (middle and high school). The company is focusing on spreading the technology mainly among private high schools, but they are working on bringing it to 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”.

(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.

(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. Fiscal Year ended September 2025 Earnings Results

[2-1 Business Results]

	FY 9/24	Ratio to sales	FY 9/25	Ratio to sales	YoY	Forecasts by the company	Ratio to forecasts
Sales	27,669	100.0%	29,910	100.0%	+8.1%	29,400	+1.7%
Gross Profit	20,404	73.7%	22,223	74.3%	+8.9%	—	—
SG&A	18,010	65.1%	19,276	64.4%	+7.0%	—	—
Operating Income	2,394	8.7%	2,946	9.8%	+23.1%	3,200	-7.9%
Ordinary Income	2,827	10.2%	3,027	10.1%	+7.1%	3,300	-8.3%
Net Income	2,363	8.5%	3,404	11.4%	+44.0%	2,940	+15.8%

*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.

Increased revenue and profits; sales and operating income in line with the company's forecasts.

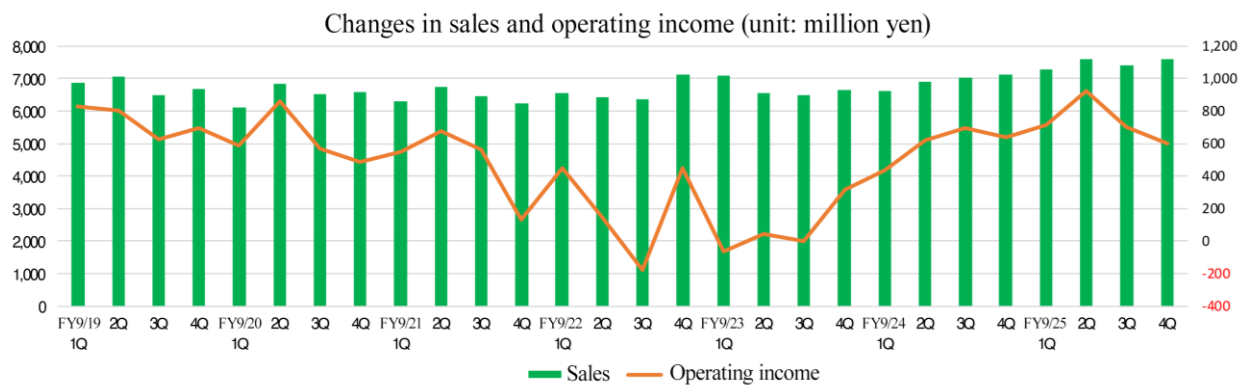
Sales increased 8.1% year on year to 29,910 million yen. All segments recorded revenue growth, with the Healthcare Business achieving double-digit growth and the School DX Business showing significant expansion.

Operating income grew 23.1% year on year to 2,946 million yen. Gross profit margin improved, with gross profit increasing by 8.9%. Although SG&A expenses augmented due to higher advertising and promotional costs in the Content Business, operating income margin improved from 8.7% in the previous fiscal year to 9.8%. The School DX Business, achieving significant revenue growth, turned profitable, while other businesses recorded substantial profit gains, driving double-digit profit growth. Although equity-method investment income decreased, ordinary income increased 7.1% year on year to 3,027 million yen.

Compared to the earnings forecast announced on August 8, 2025, sales exceeded the upper limit of the forecast range, while operating income and ordinary income remained within the forecast range. As a result of a significant increase in refunded consumption tax recorded as extraordinary income, net income for the current period substantially exceeded the company's forecast, rising 44.0% year on year to 3,404 million yen.

The company paid a year-end dividend of 10.00 yen/share, resulting in an annual dividend of 19.00 yen/share.

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[2-2 Trends by Segment]

	FY 9/24	Composition ratio	FY 9/25	Composition ratio	YoY
Content Business	16,781	60.7%	17,077	57.1%	+1.8%
Healthcare Business	5,473	19.8%	6,666	22.3%	+21.8%
School DX Business	1,213	4.4%	1,890	6.3%	+55.8%
Other Business	4,200	15.2%	4,277	14.3%	+1.8%
Total sales	27,669	100.0%	29,910	100.0%	+8.1%
Content Business	4,320	25.7%	4,270	25.0%	-1.2%
Healthcare Business	352	6.4%	-80	—	—
School DX Business	-66	—	550	29.1%	—
Other Business	300	7.1%	949	22.2%	+216.3%
Adjustments	-2,511	—	-2,743	—	—
Total segment profit	2,394	8.7%	2,946	9.8%	+23.1%

*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 3.24 million paying subscribers at the end of September 2025, up 0.17 million from the end of September 2024. The number of paying subscribers to the security-related app “AdGuard” keeps rising. There was a marginal increase in the number of paying subscribers.

Profit declined slightly due to the augmentation of advertising costs for promoting the membership of “AdGuard.”

(2) Healthcare Business

Sales increased but profit declined.

The number of monthly paying subscribers at the end of September 2025 decreased by 40 thousand from the end of September 2024 to 470 thousand.

The number of stores adopting “cloud-based medication history” increased by 1,283 from the end of September 2024 to 3,811 at the end of September 2025. The number of pharmacies using this service has increased significantly 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. Operating loss was recorded due to increased costs for the development of pharmacy DX and childcare DX projects.

(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 1,067 (up 292 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 holds a share of 50% in the private school market, and 300 schools adopted the system in the new academic year starting April 2025. Following its adoption in

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Yamanashi Prefectural High Schools, public elementary and junior high schools in the same prefecture have decided to adopt it.

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. A significant increase in profit was achieved due to the reduction of SG&A expenses for downsizing unprofitable businesses.

[2-3 Financial Condition and Cash Flow]

◎ Main BS

	End of September 2024	End of September 2025	Increase/ Decrease		End of September 2024	End of September 2025	Increase/ Decrease
Current Assets	20,152	23,212	+3,060	Current Liabilities	6,951	8,074	+1,122
Cash	14,828	17,816	+2,987	Payables	1,100	1,020	-79
Receivables	4,183	4,085	-98	Contract Liabilities	2,667	2,726	+59
Noncurrent Assets	9,533	10,135	+601	Noncurrent Liabilities	3,590	2,827	-762
Intangible Assets	2,275	2,475	+200	LT Borrowings	1,693	956	-737
Software	1,929	2,127	+198	Total Liabilities	10,541	10,901	+359
Investment, Other Assets	7,054	7,439	+384	Net Assets	19,144	22,446	+3,301
Investment Securities	4,466	4,691	+224	Retained Earnings	6,626	8,709	+2,083
Total Assets	29,686	33,347	+3,661	Total Liabilities and Net Assets	29,686	33,347	+3,661

*Unit: million yen.

Total assets increased 3,661 million yen from the end of the previous fiscal year to 33,347 million yen due to an increased in cash and deposits.

Net assets increased 3,301 million yen from the end of the previous fiscal year to 22,446 million yen, due to the increase in retained earnings.

Capital-to-asset ratio increased 3.2 points from the end of the previous fiscal year to 55.2%.

◎ Cash Flow

	FY 9/24	FY 9/25	Increase/Decrease
Operating cash flow	4,131	5,661	+1,530
Investing cash flow	-1,368	-1,706	-337
Free cash flow	2,762	3,955	+1,192
Financing cash flow	-1,637	-943	+694
Cash and equivalent	14,828	17,816	+2,987

*Unit: million yen.

The increase in cash inflow from operating activities led to an increase in positive free cash flow. The company's cash position improved.

3. Fiscal Year ending September 2026 Earnings Forecasts

[3-1 Earnings Forecast]

	FY 9/25	Ratio to Sales	FY 9/26 Est.	Ratio to Sales	YoY
Sales	29,910	100.0%	31,000	100.0%	+3.6%
Operating Income	2,946	9.8%	3,300	10.6%	+12.0%
Ordinary Income	3,027	10.1%	3,300	10.6%	+9.0%
Net Income	3,404	11.4%	1,910	6.2%	-43.9%

* 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

For the fiscal year ending September 2026, the company forecasts sales to increase 3.6% year on year to 31 billion yen, with operating income expected to rise 12.0% to 3.3 billion yen.

The Healthcare Business and School DX Business will be the driving force for performance growth. In the healthcare business, the company plans to grow the cloud-based medication history service for pharmacies while promoting its childcare DX platform strategy for municipalities. For the School DX Business, the company aims to increase the number of private schools that have adopted their service and expand the number of municipalities that have adopted their service for public schools. In the Content Business, the company aims to maintain revenue by increasing the number of paying subscribers to the security-related application “AdGuard” and expanding its original comic business.

The dividend will be 20.00 yen/share, up 1.00 yen/share from the previous fiscal year (of which 10.00 yen/share will be paid for the interim period). The expected dividend payout ratio is 58.1% (using the intermediate value of the forecast EPS).

[3-2 Activities of each business in FY 9/26]

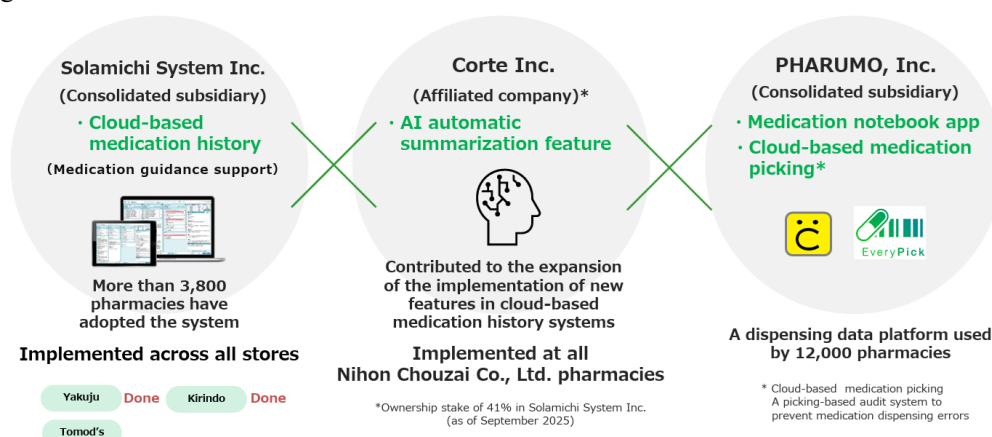
(1) Healthcare Business

As it possesses significant growth potential and can become a stable recurring revenue business by building long-term customer relationships compared to BtoC models, the company will implement various initiatives to achieve sales growth.

① Expansion of Cloud-based medication history

As of the end of September 2025, 3,811 stores adopted the system.

The motivation of dispensing pharmacies to adopt the system remains high, it will be able to contribute 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. Furthermore, to comprehensively promote operational efficiency across all dispensing pharmacies, the company will actively expand the support for cloud-based systems for dispensing pharmacies, including the pharmacy DX solutions offered by the group, to drive further revenue growth.



(Taken from the reference material of the company)

The whole group has made transactions with over 15,000 pharmacies throughout Japan. 20% of pharmacies have adopted the system.

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

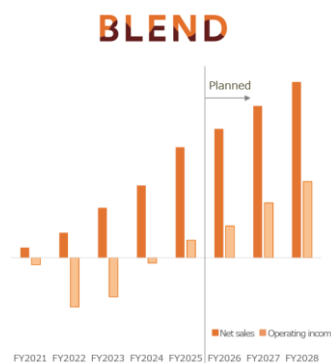
As the government promotes the digitization of information concerning the health of mothers and children, the company will further expand the range of municipalities using the mother and child health handbook app “Boshimo.” Furthermore, they will actively conduct marketing to promote sales of childcare 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.

772 municipalities have adopted the mother and child health handbook app “Boshimo,” accounting for 44% among municipalities. Moreover, the adoption of childcare DX services among municipalities that use “Boshimo” is progressing smoothly, as a total of 280 municipalities have adopted these services.

A partnership agreement has been concluded with Niigata Prefecture. Through initiatives such as providing free access to “LunaLuna” Premium Course and offering information on infertility treatment and fertility support, the company aims to promote women's health support.

(2) School DX Business

As the government promotes the DX of school affairs at the prefectural level, the company aims to achieve sustainable growth by taking this as an opportunity for growth and actively developing its initiatives. They received many inquiries about the cloud-based school affairs support system “BLEND,” and the number of schools adopting the system in April 2025 increased by 292 from April 2024 to 1,067. While previous sales efforts focused primarily on private schools, the company is now intensifying its efforts to secure contracts with public schools to drive further sales and profit growth.



(Taken from the reference material of the company)

(3) Content Business

The number of subscribers to their content service has grown steadily. They will carry out advertisement activities in a planned manner in promising fields.

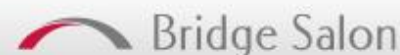
[3-3 Medium/long-term prospect for profit]

They will secure profit surely in the Content Business and other businesses (AI and DX for corporations). The School DX Business is expected to contribute to revenues in the short or medium term, while the Healthcare Business is projected to contribute to revenues in the medium or long term. They aim to secure an operating income of 5 billion yen by the fiscal year ending September 2029.

4. Conclusions

For the fiscal year ended September 2025, results were generally in line with the company's forecasts, securing double-digit growth in operating income. As clearly shown in the graph below, although operating income was once sluggish, over the past two years it has exceeded 1 billion yen per half-year, indicating the establishment of a stable profit structure. In the Content Business, the number of paying subscribers, which had been declining, has stabilized at a flat level. Notably, sales

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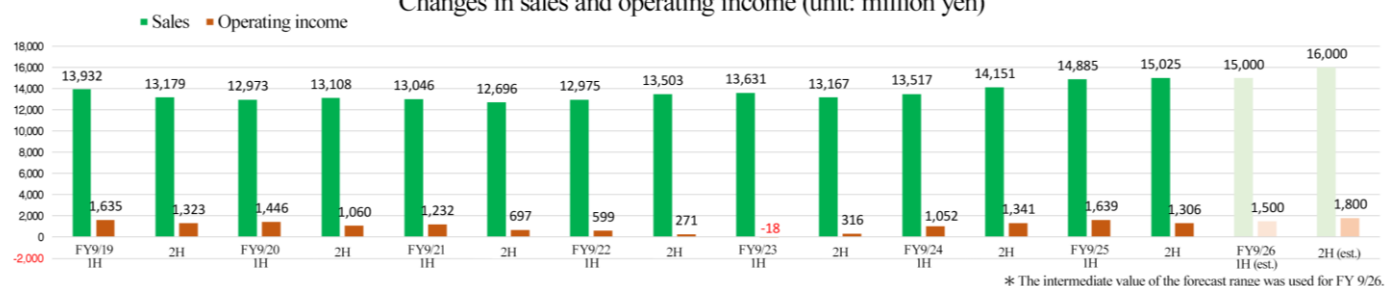


growth in the Healthcare Business and School DX Business which President Maeta has consistently emphasized as key focus areas for a long time has been remarkable. The School DX Business has turned profitable and secured a high profit margin. Going forward, further revenue growth is expected by expanding business to public schools. In the Healthcare Business, cloud-based medication history is performing well. Although operating losses are recorded due to increased system development costs, these are viewed as upfront investments to secure future profits.

While continuing to secure solid profit levels in the Content Business for the fiscal year ending September 2026, contributions from the School DX Business are expected. Profit growth is expected in the Healthcare Business as well, with the effects of the upfront investment made in the fiscal year ending September 2025 likely to be steadily reflected in earnings.

Share price is stagnant, but profit got on track. Under the company's business model, once the upfront investment cycle is completed, a high profit margin can be secured alongside sales growth.

Changes in sales and operating income (unit: million yen)



<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,

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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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<https://www.bridge-salon.jp/> for more information.