

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 (Term-end)	Total Market Cap	ROE Act.	Trading Unit
543 yen	60,435,200 shares	32,816 million yen	20.1%	100 shares
DPS Est.	Dividend Yield Est.	EPS Est.	PER Est.	BPS Act.
20.00 yen	3.7%	51.13 yen	10.6x	331.86 yen
				1.6x

*Share price as of closing on June 23, 2026. Each figure is taken from the financial statements for the fiscal year ended September 2025 and the interim period of the fiscal year ending September 2026. 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.	31,500	3,100 ~3,500	3,400 ~3,800	2,560 ~2,840	46.09 ~51.13	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 interim period of the fiscal year ending September 2026, the earnings forecasts for the fiscal year ending September 2026 and other information of MTI Ltd.

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Key Points

- In the interim period of the fiscal year ending in September 2026, sales increased 5.2% year on year to 15,666 million yen. Although the Content Business saw a decline in revenue, the Healthcare Business and the School Digital Transformation (DX) Business grew significantly. Operating income increased 2.4% year on year to 1,679 million yen. Gross profit margin declined, while gross profit rose 3.3%. The ratio of selling, general and administrative expenses declined with promotional expenses for AdGuard kept under control, and operating income margin decreased from 11.0% in the same period of the previous year to 10.7%. Although the Healthcare Business saw an operating loss, both the Content Business and the School DX Business achieved double-digit profit growth, securing overall profit growth. As expected, an interim dividend of 10.00 yen per share will be paid, representing an increase of 1.00 yen per share from the same period of the previous year.
- For the fiscal year ending September 2026, sales are forecast to increase 5.3% year on year to 31.5 billion yen, and operating income is expected to rise 12.0% to 3.3 billion yen. The sales forecast has been revised upwardly. The School DX Business will be the driving force behind short/medium-term earnings growth, and the Healthcare Business is also expected to generate revenue growth over the medium/long term. In the School DX Business, the company will actively expand its operations while leveraging the competitive advantage of its fully cloud-based, integrated service. In the Healthcare Business, the company will implement various measures to drive revenue growth. In the Content Business, the goal is to maintain revenue by working to increase the number of fee-paying subscribers to the security-related app “AdGuard.” The year-end dividend remains unchanged, and they plan to pay 10.00 yen per share, like in the same period of the previous year. For the full year, dividends are expected to total 20.00 yen per share. The expected dividend payout ratio is 41.1%, based on the median of the projected EPS.
- For the interim period of the fiscal year ending September 2026, both net sales and operating income exceeded the company’s forecasts. Although operating income had been sluggish at one point, it is projected to consistently exceed 1 billion yen per half-year for the next three years, indicating that the company is in the process of establishing a stable profit structure. While the number of fee-paying subscribers in the Content Business has shown only modest growth, sales in both the Healthcare Business and the School DX Business are steadily increasing. In particular, the School DX Business turned profitable in the fiscal year ended September 2025 and is beginning to achieve a high profit margin. Furthermore, for public schools, orders for systems to be introduced in April 2027 have been secured in several prefectures, and this will serve as a growth driver, contributing to the expansion of business performance. In the Healthcare Business, the cloud-based medication history service is performing well. Though the company is currently posting an operating loss due to upfront investments, this is a strategic move aimed at future profit growth. Once sales expand and the business surpasses the break-even point, it is expected to achieve a high profit margin.
- While the Content Business continues to secure a solid level of profitability, the School DX Business is currently making a strong contribution. In the Healthcare Business, once the effects of upfront investments are fully reflected in earnings, profit margin is expected to expand significantly. Although share price has remained low, the company is steadily building a structure that secures stable profit levels and is transitioning into a model capable of recouping growth investments. With PER remaining at a low level, there is considerable room for revaluation.

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.

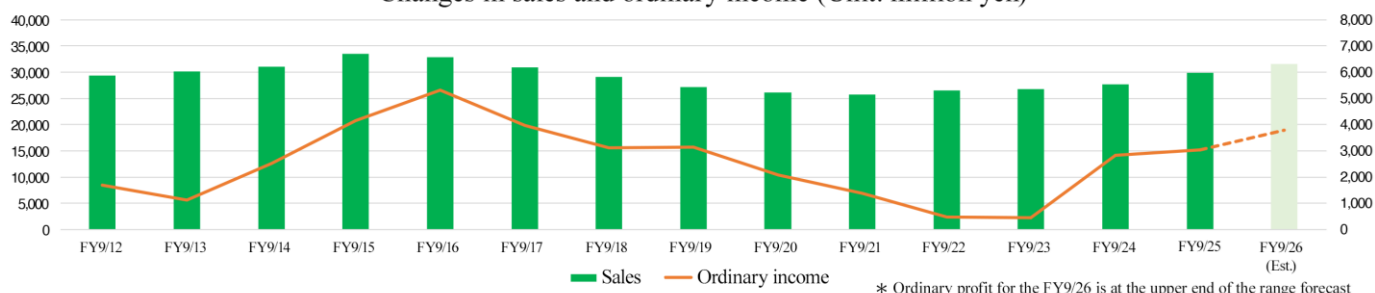
After that, as main mobile communication devices shifted from mobile phones to smartphones, the company shifted to the Content Business for smartphones and further expanded earnings, and in 2015, the company was listed on the first section of the Tokyo Stock Exchange.

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 and the School DX Business, which have great potential for future growth. The company is striving to transform itself from a “content company” into a “DX-driven company.”

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]

The MTI Group is committed to shaping a better future society by continually questioning the nature of social systems and pursuing value creation through technology. Through its businesses, it aims to realize a society where every individual enjoys greater peace of mind, freedom, and expanded choices.

In December 2025, the company revised its corporate philosophy, adopting “Transforming how we live” as its purpose. To realize this, it established two guiding policies: “Harmony between people and technology” and “Reframing social systems.” By combining a human centric perspective with technologies, the company seeks to redefine society’s “norms” and contribute to the creation of a sustainable society.

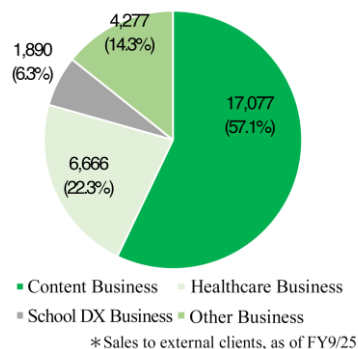
In the Healthcare Business, MTI aims to improve people's QOL and reduce medical expenses by maintaining health and preventing illness based on data analysis. MTI is also expanding the School DX initiative by strengthening the collaboration with local governments.

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**[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)



(Based on the company's website)

(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 March 2026 was 3.18 million, down 60 thousand from the end of September 2025. The number of fee-paying subscribers has continued to decline gradually. In the future, the company plans to prioritize securing profit by concentrating on content with high demand.

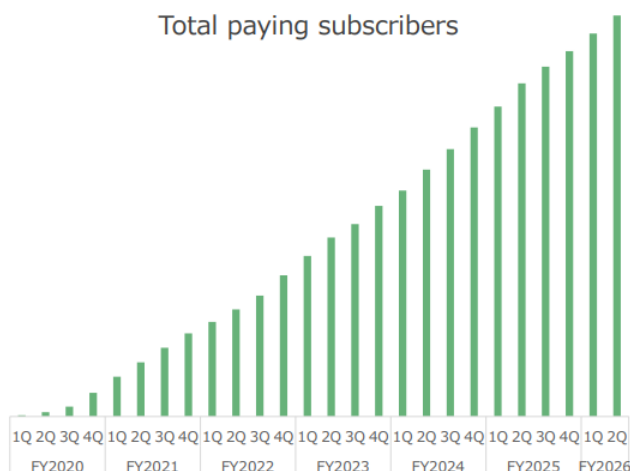
◎ Main businesses and services**1) The security-related application “AdGuard”**

“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 March 2026 was 1.28 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.



Total paying subscribers



(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.

(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 460,000 as of the end of March 2026.

◎ Main business and services

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

"CARADA Electronic Medical Record Solamichi" is a cloud-based electronic medical record system. It is equipped with functions such as checking potential risks in drug interactions at the time of prescription, and supporting pharmacists in giving instructions to patients.

It also includes functions for checking the progress of medication record creation and managing patient-care tasks through a to-do list. Leveraging the features of the cloud, the system enables medication records to be created anytime and anywhere—such as during home visits or when providing support at other pharmacy locations.

By supporting pharmacists in creating medical records and providing follow-up guidance to patients, the system contributes to building an environment where patients can take their medicines safely and with peace of mind.

"CARADA electronic medication history Solamichi," Cloud-based medication history system connecting medical institutions and patients



(Based on the company's website)

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**© 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 uniforms 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 2026, 4,458 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.



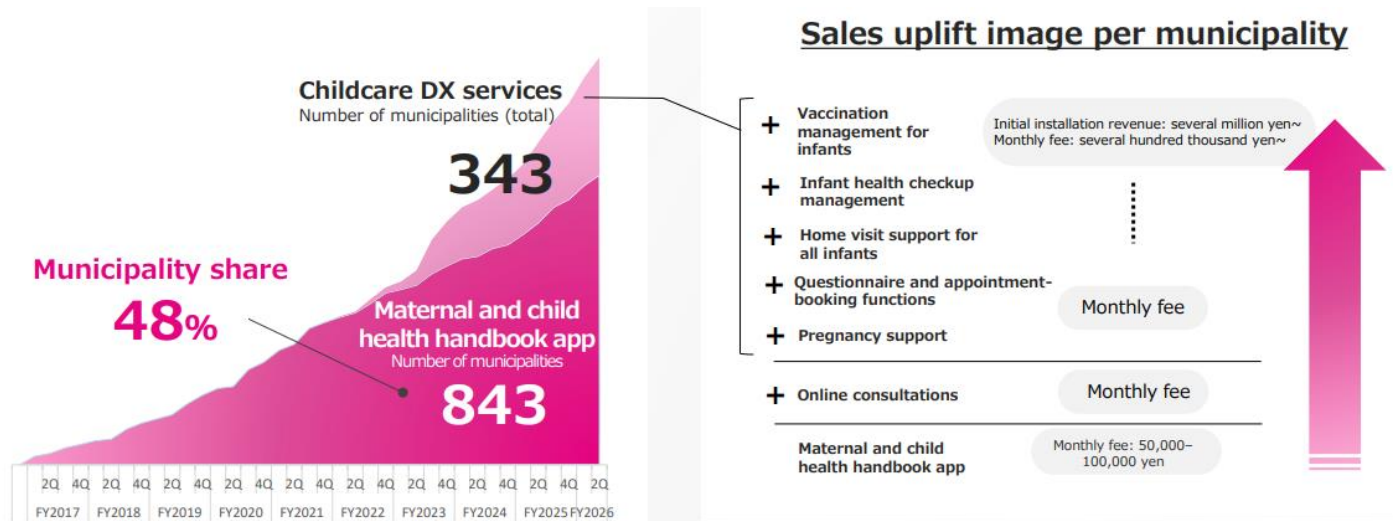
Maternal health record book app

Boshimo

(Based on the company's website)

Customers (users) are municipalities, and 843 municipalities have introduced this service as of the end of March 2026. The company holds a share of 48% 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. The business environment is becoming more favorable to the company with the trend started by the Japanese government toward digitization and digital transformation (DX) being as a tailwind. The company is also expanding its child-rearing DX services, focusing on municipalities that have already adopted the maternal and child health handbook app.

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(Taken from the reference material of the company)

In collaboration with municipalities, the company provides a variety of programs through “LunaLuna Mirai Support,” laying the groundwork for future business growth.

Main Target Areas and Services of “LunaLuna Mirai Support”



(Taken from the reference material of the company)

(3) School DX Business

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

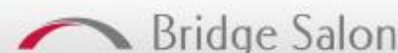
“BLEND” is a school affairs support system that streamlines the daily school affairs of teachers at nursery schools, kindergartens, elementary and middle schools, high schools, technical colleges, specialized training colleges, and universities. Motivation Works Co., Ltd., a subsidiary of MTI, provides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

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.

Teachers’ duties at schools, referred to as “school administrative work,” encompass not only teaching and attendance management, but also a wide range of additional tasks. Excessive overtime associated with these responsibilities has become a social issue. At schools that have adopted the fully cloud-based school administrative support system “BLEND,” efficiency in administrative tasks has advanced, enabling fundamental reform of school operations. Adoption has been progressing steadily, particularly among private schools nationwide. Looking ahead, the company will continue to focus on expanding implementation to public schools as well.

The business model is as follows: for private schools, the standard fee is set at 300 yen per student per month, while for public schools, revenue consists of initial implementation sales combined with monthly usage fees.

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● Private schools

$$\text{Net sales} = \text{number of students (Average)} \times \text{Monthly fee per student (unit price: ¥300)} \times \text{Number of schools introduced}$$

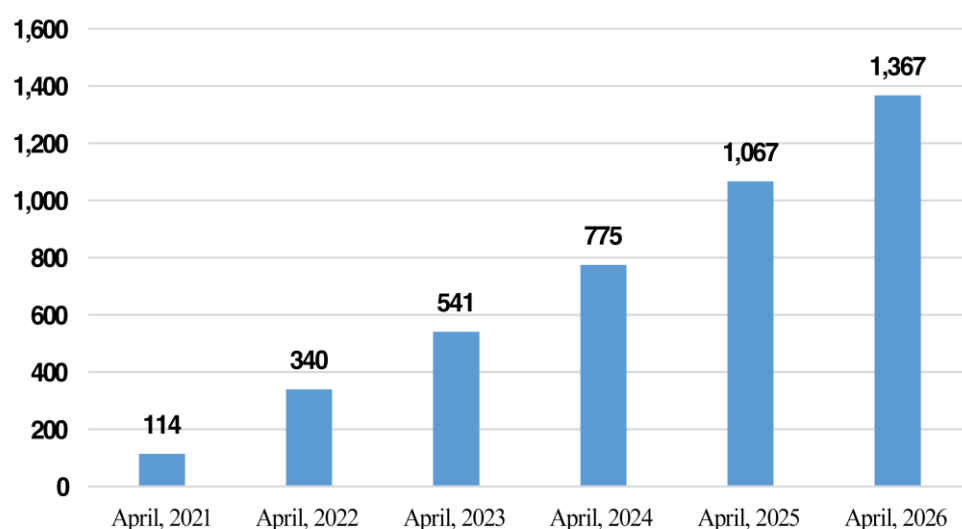
● Public schools

$$\text{Net sales} = \text{Initial installation fee} + \text{Monthly usage fee}$$

(Taken from the reference material of the company)

As of the end of April 2026, The number of private schools that had adopted "BLEND" was 1,367. Demand for the service is enormous, and the company expects that the system will be adopted continuously by a large number of schools.

Number of 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 is also expanding the presence in public middle and high schools. In Yamanashi Prefecture, it has been introduced in all prefectural high schools and all public elementary and junior high schools.

(4) Other Business

Other business includes 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.

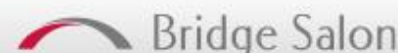
(1) Development speed that allows them to catch up with technological innovation speed

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.

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**(2) Advanced UI/UX design**

For a content service to be used by many end users, it is important to develop 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. Interim Period of Fiscal Year ending September 2026 Earnings Results**[2-1 Business Results]**

	FY 9/25 Interim	Ratio to sales	FY 9/26 Interim	Ratio to sales	YoY	Forecasts by the company	Ratio to initial forecasts
Sales	14,885	100.0%	15,666	100.0%	+5.2%	15,000	+4.4%
Gross Profit	11,091	74.5%	11,459	73.1%	+3.3%	—	—
SG&A	9,451	63.5%	9,780	62.4%	+3.5%	—	—
Operating Income	1,639	11.0%	1,679	10.7%	+2.4%	1,600	+5.0%
Ordinary Income	1,721	11.6%	2,063	13.2%	+19.9%	1,650	+25.1%
Interim Net Income	1,757	11.8%	1,863	11.9%	+6.1%	920	+102.6%

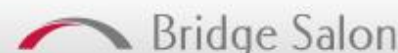
*Unit: million yen. Forecasts for all kinds of profits are the high ends of the forecast ranges.

Sales and profit increased, with sales and all kinds of profit exceeding the company's forecasts.

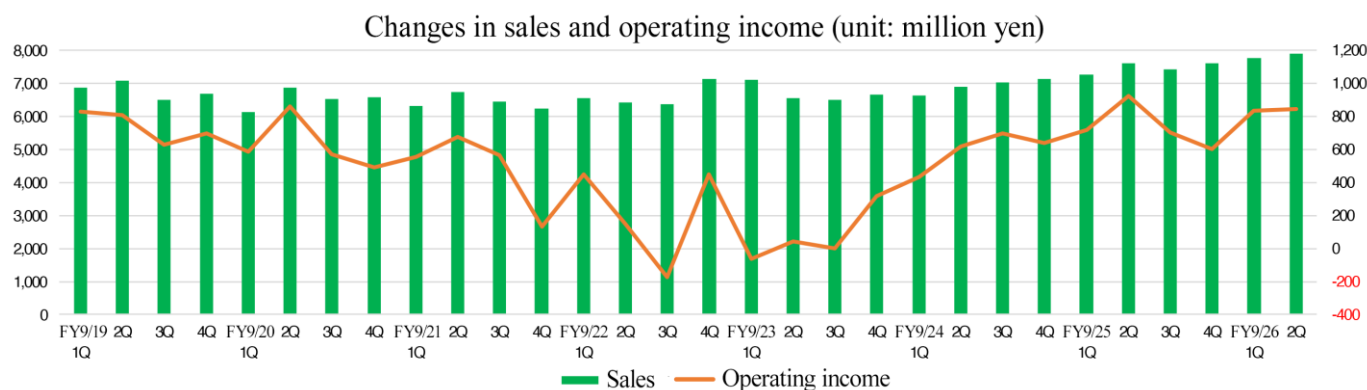
Sales increased 5.2% year on year to 15,666 million yen. While the revenue from the Content Business declined, both the Healthcare Business and the School DX Business saw a significant growth.

Operating income increased 2.4% year on year to 1,679 million yen. Although gross profit margin declined, gross profit rose 3.3% year on year. The selling, general and administrative expense ratio decreased with promotional expenses for AdGuard kept curtailed; however, operating income margin slipped year on year from 11.0% to 10.7%. Although the Healthcare Business saw an operating loss, both the Content Business and the School DX Business achieved double-digit profit growth, securing overall earnings growth. Equity-method investment income also increased substantially, increasing ordinary income 19.9% year on year to 2,063 million yen.

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Compared with the initial earnings forecast announced on November 11, 2025, sales exceeded expectations, and both operating income and ordinary income exceeded the upper ends of the projected ranges. With the absence of the special gains recorded in the same period of the previous year from refunded consumption taxes, interim net income rose 6.1% year on year to 1,863 million yen, significantly exceeding the upper end of the company's forecast.



The interim dividend will be 10.00 yen per share as expected, representing an increase of 1.00 yen per share from the same period of the previous year.

[2-2 Trends by Segment]

	FY 9/25 Interim	Composition ratio	FY 9/26 Interim	Composition ratio	YoY
Content Business	8,542	57.4%	8,263	52.7%	-3.3%
Healthcare Business	3,149	21.2%	3,923	25.0%	+24.6%
School DX Business	904	6.1%	1,142	7.3%	+26.4%
Other Business	2,289	15.4%	2,336	14.9%	+2.1%
Total sales	14,885	100.0%	15,666	100.0%	+5.2%
Content Business	1,978	23.2%	2,240	27.1%	+13.2%
Healthcare Business	86	2.8%	-253	-	-
School DX Business	272	30.1%	410	35.9%	+50.6%
Other Business	628	27.5%	619	26.5%	-1.4%
Adjustments	-1,326	—	-1,336	—	—
Total segment profit	1,639	11.0%	1,679	10.7%	+2.4%

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

(1) Content Business

Sales dropped, but profit increased.

There were 3.18 million paying subscribers at the end of March 2026, down 60 thousand from the end of September 2025. The number of paying subscribers to the security-related app “AdGuard” keeps rising and the number of fee-paying subscribers has remained nearly flat. Through cost control leading to reduced selling, general and administrative expenses, the company secured double-digit profit growth.

(2) Healthcare Business

Sales increased but a loss was recorded.

The number of monthly paying subscribers at the end of March 2026 decreased by 10 thousand from the end of September 2025 to 460 thousand.

The number of stores adopting “cloud-based medication history” increased by 647 from the end of September 2025 to 4,458 at the end of March 2026. 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.

An operating loss was recorded due to increased system development costs for pharmacy DX and child-rearing DX, as well as higher expenses associated with the LunaLuna Mirai Support program.

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(3) School DX Business

Sales and profit significantly grew.

The number of schools adopting “BLEND”, a cloud-based support system for school duties, was 1,367 (up 300 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 323 schools adopted the system in the new academic year starting April 2026. Following its adoption in Yamanashi Prefectural High Schools, preparations are also underway to introduce the system in the prefecture’s elementary and junior high schools.

Profit increased significantly owing to the significant growth in sales.

(4) Other business

Sales grew, but profit decreased.

Sales in the business of DX support for corporations increased owing to the healthy number of orders. Profit declined slightly due to the increase in SG&A expenses.

[2-3 Financial Condition]**◎ Main BS**

	End of September 2025	End of March 2026	Increase/ Decrease		End of September 2025	End of March 2026	Increase/ Decrease
Current Assets	23,212	20,908	-2,304	Current Liabilities	8,074	6,050	-2,023
Cash	17,816	15,130	-2,686	Payables	1,020	848	-171
Receivables	4,085	4,764	+679	Contract Liabilities	2,726	1,780	-945
Noncurrent Assets	10,135	11,071	+936	Noncurrent Liabilities	2,827	2,539	-288
Intangible Assets	2,475	2,899	+423	LT Borrowings	956	587	-368
Software	2,127	2,300	+172	Total Liabilities	10,901	8,589	-2,311
Investment, Other Assets	7,439	7,900	+460	Net Assets	22,446	23,389	+943
Investment Securities	4,691	5,178	+486	Retained Earnings	8,709	9,989	+1,279
Total Assets	33,347	31,979	-1,368	Total Liabilities and Net Assets	33,347	31,979	-1,368

*Unit: million yen.

Total assets decreased 1,368 million yen from the end of the previous fiscal year to 31,979 million yen due to a decreased in cash and deposits.

Total liabilities decreased 2,311 million yen from the end of the previous fiscal year to 8,589 million yen due to a decreased in contract liabilities.

Capital-to-asset ratio increased 6.7 points from the end of the previous fiscal year to 61.9%.

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	Previous forecast
Sales	29,910	100.0%	31,500	100.0%	+5.3%	31,000
Operating Income	2,946	9.8%	3,300	10.6%	+12.0%	3,300
Ordinary Income	3,027	10.1%	3,600	10.6%	+9.0%	3,300
Net Income	3,404	11.4%	2,700	6.2%	-43.9%	1,910

* 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 5.3% year on year to 31.5 billion yen, with operating income expected to rise 12.0% to 3.3 billion yen. Sales, ordinary income and net income forecasts have been revised upwardly. In the short/medium term, the School DX Business is expected to be the primary driver of performance expansion, while the Healthcare Business is anticipated to deliver sustained revenue growth over the medium/long term. In the School DX Business, the company will actively expand operations by leveraging the competitive advantage of its fully cloud-based integrated service. In the Healthcare Business, the company will implement a wide range of initiatives designed to drive revenue growth. In the Content Business, the company seeks to sustain earnings by working to expand the number of fee-paying subscribers to the security-related application AdGuard.

The year-end dividend remains unchanged at 10.00 yen per share, like in the same period of the previous year. For the full year, dividends are expected to total 20.00 yen per share. The expected dividend payout ratio is 41.1%, based on the median of the projected EPS.

[3-2 Activities of each business from the second half]

Basic Policy

The School DX Business is expected to contribute to earnings in the short/medium term, while the Healthcare Business is expected to do so in the medium/long term.

(1) Healthcare Business

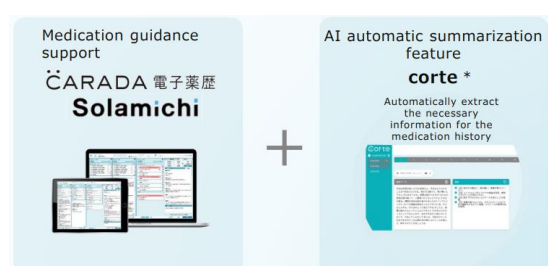
As it possesses significant growth potential and can become a stable recurring revenue business by building long-term customer relationships compared to BtoC models, the company will implement various initiatives to achieve sales growth.

① Expansion of Cloud-based medication history

As of the end of March 2026, 4,458 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 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.

Equipped with an AI-powered automatic summarization function, the system delivers a pharmacist-friendly UI/UX. They will introduce it to medium/large scale pharmacies and drugstores.



(Taken from the reference material of the company)

* “corte” was jointly developed by the company’s subsidiary, Soramichi System Co., Ltd., and Corte Co., Ltd.

* ‘corte’ is a registered trademark of Corte Co., Ltd.

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

② Promoting maternal and child health handbook app and the childcare DX

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.

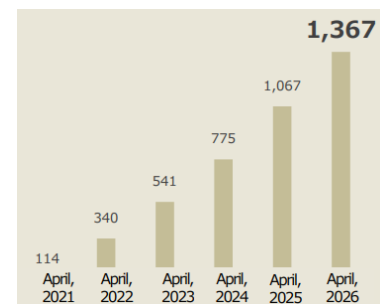
843 municipalities have adopted the mother and child health handbook app “Boshimo,” accounting for 48% among municipalities. Moreover, the adoption of childcare DX services among municipalities that use “Boshimo” is progressing smoothly, as a total of 343 municipalities have adopted these services.

With regard to the women’s health information service LunaLuna, the company will temporarily provide LunaLuna Mirai Support free of charge at the prefectural level to local residents through municipalities. By contributing to child-rearing support in the relevant regions, the company aims to pave the way for future commercialization. Following Niigata Prefecture, a collaboration agreement has also been concluded with Miyagi Prefecture, and further partnerships will be pursued.

(2) School DX Business

As the government advances the promotion of school administrative DX at the prefectural level, the company aims for sustainable growth by actively expanding operations and leveraging the competitive advantage of its fully cloud-based integrated service. Orders for the fully cloud-based school administrative support system BLEND remain strong, with the cumulative number of schools introducing the system reaching 1,367 as of April 2026 — an increase of 300 schools from April 2025. While our sales efforts for private schools have focused primarily on middle and high schools, we will also expand our sales activities to elementary schools and vocational schools. In addition, we will actively pursue sales opportunities with public schools to drive further growth in sales and profits.

Contracts have been secured for projects scheduled to begin in April 2027 in Fukushima Prefecture (public elementary and junior high schools and prefectural high schools), Shimane Prefecture (prefectural high schools), and Tagajo City, Miyagi Prefecture (elementary and junior high schools).



(Taken from the reference material of the company)

(3) Content Business

The company aims to maintain its revenue by working to increase the number of fee-paying subscribers to the security related app “AdGuard.”

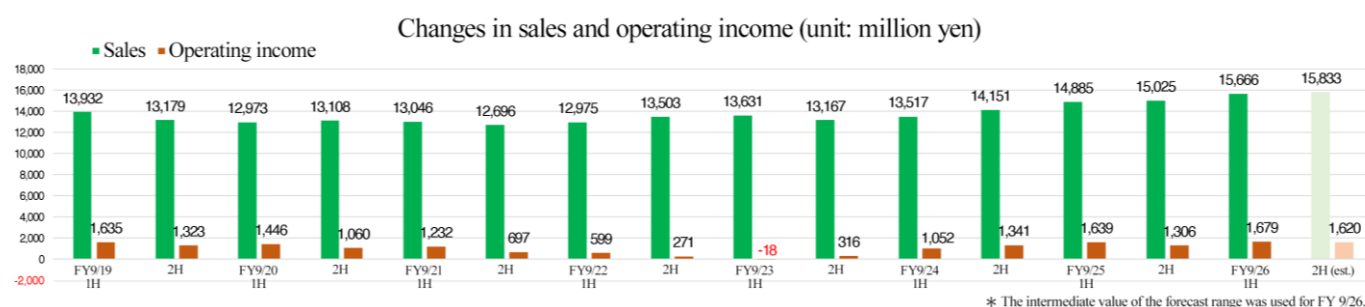
[3-3 Medium/long-term prospect for profit]

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 interim period of the fiscal year ending September 2026, both net sales and operating income exceeded the company's forecasts. As the graph below clearly shows, although operating income had been sluggish at one point, it is projected to consistently exceed 1 billion yen per half-year for the next three years, indicating that the company is in the process of establishing a stable profit structure. While the number of fee-paying subscribers in the Content Business has shown only modest growth, sales in both the Healthcare Business and the School DX Business, which President Maeda has long emphasized as areas of particular focus, are steadily increasing. In particular, the School DX Business turned profitable in the fiscal year ended September 2025 and is beginning to achieve a high profit margin. Furthermore, for public schools, orders have been secured, and this will contribute to the expansion of business performance. In the Healthcare Business, the cloud-based medication history service is performing well. Though the company is currently posting an operating loss due to upfront investments, once sales expand and the business surpasses the break-even point, it is expected to achieve a high profit margin. While the Content Business continues to secure a solid level of profitability, the School DX Business is currently making a strong contribution. In the Healthcare Business, we hope that the benefits of upfront investments will be clearly reflected in earnings.

Although share price has remained low, profits are on the right track.. With PER remaining at a low level, there is considerable room for revaluation.



<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 15, 2026

<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.

However, the company recognizes that disclosing more concrete details of our management strategy and presenting a clear long-term direction are an important challenge in enhancing dialogue with shareholders. Going forward, the company will strengthen its internal framework to enhance disclosure, taking into account investments in human capital, intellectual property, and sustainability.

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, the company aims to realize a prosperous society by creating a diverse variety of services by combining various digital technologies, and developing businesses of a high social importance such as the Healthcare Business and School DX Business.

The company also contributes to addressing climate change challenges by promoting various forms of digitalization through the use of its services by client companies across industries and by end users.

Through these initiatives, the company is committed to realizing its corporate purpose and advancing sustainability.

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/?page_id=30060

•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/?page_id=35082

<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.

BRIDGE REPORT



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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The back issues of the Bridge Report (MTI Ltd.: 9438) and the contents of the Bridge Salon (IR Seminar) can be found at: <https://www.bridge-salon.jp/> for more information.