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Summary of Consolidated Financial Results for the First Three Quarters of
Fiscal Year ending September 30, 2026 (Japanese Accounting Standards)

August 6, 2026

Listed Company Name: MTI Ltd. Listing Exchanges: Tokyo Stock Exchange
Securities Code: 9438 URL: <https://ir.mti.co.jp/eng/>
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Scheduled date of dividend payment: None
Supplementary documents for quarterly results: Yes
Quarterly results briefing: Yes (for securities analysts and institutional investors (online))

(Figures less than one million yen are omitted)

1. Consolidated business results for the nine months ended June 30, 2026

(October 1, 2025 – June 30, 2026)

(1) Consolidated operating results (cumulative total)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three quarters of fiscal year ending September 30, 2026	23,277	4.4	2,273	(3.0)	2,818	18.6	2,175	5.6
First three quarters of fiscal year ended September 30, 2025	22,306	8.6	2,343	33.8	2,376	0.6	2,061	(8.1)

(Note) Comprehensive income
Nine months ended June 30, 2026: 2,381 million yen (10.9%)
Nine months ended June 30, 2025: 2,146 million yen ((7.5)%)

	Net income per share	Net income per share/diluted
	Yen	Yen
First three quarters of fiscal year ending September 30, 2026	39.20	-
First three quarters of fiscal year ended September 30, 2025	37.34	37.29

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	33,446	23,192	58.6
As of September 30, 2025	33,347	22,446	55.2

(Reference) Shareholders' equity:
As of June 30, 2026: 19,609 million yen
As of September 30, 2025: 18,413 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2025	—	9.00	—	10.00	19.00
Fiscal year ending September 30, 2026	—	10.00	—		
Fiscal year ending September 30, 2026 (forecast)				10.00	20.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecast for consolidated business results for the fiscal year ending September 30, 2026
(October 1, 2025 – September 30, 2026)

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	31,500	5.3	2,700	(8.4)	3,100	2.4	2,680	(21.3)	48.25

(Note) Revisions to forecasts for consolidated business results published most recently: Yes

* Note:

(1) Important changes of subsidiaries during the term

(change in specified subsidiaries resulting in change in scope of consolidation): None

Newly included: –

Excluded: –

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and changes or restatement of accounting estimates

(i) Changes in accounting policies due to the modification in accounting methods: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of outstanding shares (common shares)

(i) Number of shares outstanding at the end of period (including treasury shares):

As of June 30, 2026: 60,435,200 shares

As of September 30, 2025: 60,435,200 shares

(ii) Number of treasury shares at the end of period

As of June 30, 2026: 4,895,014 shares

As of September 30, 2025: 4,947,414 shares

(iii) Average number of shares during the period (quarterly consolidated cumulative period)

Nine months ended June 30, 2026: 55,512,930 shares

Nine months ended June 30, 2025: 55,204,286 shares

* Status of a quarterly review

This earnings release is not subject to review by certified public accountants or an audit firm.

* Cautionary statement with respect to forward-looking statements

The forward-looking statements included in this material are based on the Company's judgments, assumptions, and convictions based on information available to the Company at the time of publication of this document and may differ materially from actual results for a range of factors, including conditions of Japanese and overseas economies, changes in the situation of operations in Japan and overseas, and uncertainties and potential risks inherent in forward-looking statements. The risks and uncertainties include unforeseeable effects of future events. The information on consolidated earnings forecasts and other future forecasts on page 4 of the Accompanying Materials describes notes on the assumptions of the earnings forecasts and the use of the earnings forecasts.

The Company plans to hold an online financial results briefing for institutional investors and analysts on Friday, August 7, 2026, and will post the materials for this briefing on the Company's IR website.

Accompanying materials – Contents

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1. Qualitative information on financial results for the current quarterly settlement

(1) Explanation on operating results

Overview for the first three quarters of fiscal year ending September 30, 2026

(Period from October 1, 2025 to June 30, 2026)

The Group has been actively engaged in the healthcare business and the school DX business, both of which are expected to expand in the future, in order to enhance its corporate value over the medium to long term.

Net sales amounted to ¥23,277 million (up 4.4% YoY), reflecting sales growth in the healthcare business and the school DX business. Gross profit increased to ¥17,024 million (up 2.4% YoY), mainly due to the increase in net sales.

Regarding operating income, although there was an increase in gross profit, selling, general and administrative expenses (SG&A) increased due to such factors as increased development expenses for the launch of systems for pharmacy DX in the healthcare business (next-generation cloud-based receipt computers), resulting in a slight decrease in profit to ¥2,273 million (down 3.0% YoY).

Meanwhile, ordinary income increased to ¥2,818 million (up 18.6% YoY) due to a ¥485 million increase in share of profit of entities accounted for using the equity method.

Profit attributable to owners of parent increased to ¥2,175 million (up 5.6% YoY), as the increase in ordinary income and a ¥425 million deduction from income taxes - current associated with the transfer of all shares of the consolidated subsidiary Video Market Co., Ltd. offset the absence of the extraordinary income recorded in the same period of the previous fiscal year.

Consolidated business results

(Period from October 1, 2025 to June 30, 2026)

	First three quarters of the fiscal year ending September 30, 2026	First three quarters of the fiscal year ended September 30, 2025	Change	
			Amount	Percentage
	Millions of yen	Millions of yen	Millions of yen	%
Net sales	23,277	22,306	+971	+4.4
Cost of sales	6,253	5,686	+566	+10.0
Gross profit	17,024	16,619	+404	+2.4
SG&A	14,750	14,275	+475	+3.3
Operating income	2,273	2,343	(70)	(3.0)
Ordinary income	2,818	2,376	+442	+18.6
Profit attributable to owners of parent	2,175	2,061	+114	+5.6

Breakdown of SG&A

(Period from October 1, 2025 to June 30, 2026)

	First three quarters of the fiscal year ending September 30, 2026	First three quarters of the fiscal year ended September 30, 2025	Change	
			Amount	Percentage
	Millions of yen	Millions of yen	Millions of yen	%
Total	14,750	14,275	+475	+3.3
Advertising expense	2,657	2,802	(144)	(5.2)
Personnel expenses	5,673	5,501	+172	+3.1
Commission fee	2,494	2,294	+200	+8.7
Subcontract expenses	1,476	1,267	+208	+16.4
Depreciation	932	913	+19	+2.2
Other	1,515	1,496	+19	+1.3

Operating results by segment are as follows.

(i) Content business

The content business includes BtoC monthly subscription services (excluding the women's healthcare service *LunaLuna* and the medical consultation service *CARADA medica*) and the BtoB original comic business, which provides original comic works to comic distribution operators.

The number of paid members in this business was 3.16 million (down 80 thousand compared with the end of September 2025), reflecting a decrease in paid members at Video Market Co., Ltd., a consolidated subsidiary, following the transfer of all shares of the company (60 thousand members). As the number of paid members for the security-related app *AdGuard* and other services continues to grow, the number of paid members in this business has remained almost flat.

Regarding net sales, due to the exclusion of Video Market Corporation from consolidation, the amount was ¥12,356 million (down 4.4% YoY).

Regarding operating income, it amounted to ¥3,362 million (up 10.6% YoY) due to a decrease in SG&A through cost control.

(ii) Healthcare business

The healthcare business includes BtoC monthly subscription services under the *LunaLuna* and *CARADA medica* brands, as well as BtoB and BtoBtoC healthcare services provided to medical institutions and local governments, including cloud-based pharmacy medication history services, the maternal and child health handbook app, and childcare DX services.

The number of paid members in this business was 440 thousand (down 30 thousand compared with the end of September 2025). In addition, as a result of focusing on expanding adoption by medium-sized and larger dispensing pharmacies, the number of pharmacies using the cloud-based pharmacy medication history service increased to 4,743 as of the end of June 2026 (up 932 compared with the end of September 2025).

Net sales increased to ¥5,830 million (up 19.3% YoY), mainly due to growth in sales of the cloud-based pharmacy medication history service.

Operating loss was ¥566 million (compared with operating income of ¥75 million in the same period of the previous fiscal year), mainly due to increased system development expenses for pharmacy DX and childcare DX and the cost burden of "LunaLuna Mirai Support".

(iii) School DX business

The school DX business consists of the school DX business developed for school corporations by Motivation Works Inc., a consolidated subsidiary.

Net sales increased significantly to ¥1,773 million (up 30.6% YoY), as the cumulative number of schools adopting the cloud-based school administration support system *BLEND* from April 2026 reached 1,359 schools (an increase of 292 schools compared with April 2025), resulting in higher monthly usage fee revenue, and also due to the expansion of initial development sales for public schools.

Regarding operating income, the increase in SG&A was absorbed by a substantial increase in net sales, resulting in a significant increase in profit to ¥641 million (up 66.9% YoY).

(iv) Other business

Other business includes the B2B AI business operated by Automagi Inc., a consolidated subsidiary, and the corporate DX support business and solution business.

Net sales were ¥4,545 million (up 7.5% YoY), due to steady growth in orders for the corporate DX support business.

Operating income was ¥826 million (up 0.3% YoY) due to an increase in SG&A.

(2) Explanation on financial position

Total assets at the end of the current third quarter were ¥33,446 million, an increase of ¥98 million compared with the end of September 2025.

Regarding assets, current assets decreased by ¥1,165 million mainly due to a decrease in cash and deposits, while non-current assets increased by ¥1,264 million mainly due to increases in investment securities, software, and goodwill.

Regarding liabilities, current liabilities decreased by ¥200 million mainly due to a decrease in income taxes payable, while contract liabilities increased, and non-current liabilities decreased by ¥446 million mainly due to a decrease in long-term borrowings.

Regarding net assets, although there was a payment of dividends, they increased by ¥745 million due to the recording of ¥2,175 million as profit attributable to owners of parent.

(3) Explanation of future forecast information including consolidated forecast

We will work to maintain earnings by focusing on expanding sales and profits in the school DX business, which will drive future business growth, and on expanding sales in the healthcare business, where medium- to long-term business growth is expected, while also working to increase the number of paid members for the security-related app *AdGuard* in the content business.

Regarding the school DX business, as government-led promotion of school administration DX at the prefectural level advances as a growth opportunity, we aim to achieve sustainable growth by proactively expanding the business while leveraging the competitive advantage of our full cloud-based integrated service. For the full cloud-based school administration support system *BLEND*, inquiries leading to orders remain strong, and as of April 2026, the cumulative number of schools adopting the system reached 1,359 (an increase of 292 schools compared with April 2025).

Order-taking activities for private schools had been focused mainly on junior high schools and high schools, but we will also conduct order-taking activities for elementary schools and vocational schools. In addition, by proactively expanding order-taking activities for public schools as well, we will aim for further growth in sales and profits.

In addition, as projects for public schools scheduled to be introduced in April 2027, we have currently received orders for the following.

- Fukushima Prefecture: Prefectural high schools, compulsory education
- Shimane Prefecture: Prefectural High School
- Tochigi Prefecture: Prefectural High Schools
- Okinawa Prefecture: Prefectural High School
- Tagajo City, Miyagi Prefecture: compulsory education
- Kamakura City, Kanagawa Prefecture: compulsory education

The healthcare business, which we are pursuing over the medium- to long-term, has significant future growth potential and, compared with the BtoC model, can become a stable stock-based business by building long-term business relationships with customers. Therefore, we will implement various measures to achieve sales growth.

Regarding cloud-based pharmacy medication history services, demand for introduction from dispensing pharmacies remains strong, and as this business can contribute to sustained growth in sales and profits, we will further expand the number of stores using the service by strengthening collaboration with our business partners. In addition, to comprehensively promote operational efficiency across dispensing pharmacies, we are developing a next-generation cloud-based receipt computer system that will serve as a core component. By combining AI and cloud technologies, we aim to streamline operations from reception to payment and realize efficient pharmacy operations with minimal staffing, and we are working diligently toward its launch. Furthermore, by actively supporting the cloud transformation of dispensing pharmacies through a combination of multiple pharmacy DX products offered by the Group, we will seek to further improve profitability.

Regarding childcare DX, as the government's promotion of the digitalization of maternal and child health information progresses, we will further expand municipal adoption of the maternal and child health app *Boshimo*, while also vigorously promoting sales expansion of multiple high-function childcare DX services, mainly to those adopters. In addition, by advancing the *Boshimo* platform strategy through realizing digital collaboration among municipalities, hospitals, and residents, we will work to enable medium- to long-term profit contribution in the healthcare business.

Regarding the women's health information service *LunaLuna* the conclusion of prefecture-level partnership agreements for "*LunaLuna* Mirai Support" with local governments has been progressing. As the service has strong potential to contribute to addressing the social issue of declining birthrates, we will endeavor to expand the conclusion of partnership agreements to other prefectures and develop it into a new revenue source for *LunaLuna*.

[Status of Agreements]

- Niigata Prefecture: October 2025
- Miyagi Prefecture: January 2026
- Okayama Prefecture: May 2026
- Yamanashi Prefecture: June 2026
- Tochigi Prefecture: June 2026
- Ishikawa Prefecture: July 2026
- Yamaguchi Prefecture: July 2026
- Gifu Prefecture: July 2026

[Assumptions for forecast values]

The impact of undetermined new businesses and low-probability mergers and acquisitions in the Group are not taken into account and are not incorporated in the forecast figures. The Company will promptly disclose any deviation between forecasts and results that should be disclosed.

Earnings forecast for the fiscal year ending September 30, 2026

(Period from October 1, 2025 to September 30, 2026)

	(Millions of yen)	YoY(%)
Net sales	31,500	+5.3
Operating income	2,700	(8.4)
Ordinary income	3,100	+2.4
Profit attributable to owners of parent	2,680	(21.3)

2. Quarterly consolidated financial statements and important notes

(1) Quarterly consolidated balance sheet

	(Unit: Thousands of yen)	
	Previous fiscal year (As of September 30, 2025)	The current third quarter of the fiscal year (As of June 30, 2026)
Assets		
Current assets		
Cash and deposits	17,816,556	16,119,009
Notes and accounts receivable - trade, and contract assets	4,085,621	4,085,743
Other	1,327,509	1,848,583
Allowance for doubtful accounts	(17,046)	(5,819)
Total current assets	23,212,641	22,047,517
Non-current assets		
Property, plant and equipment	219,308	448,117
Intangible assets		
Software	2,127,980	2,417,166
Goodwill	61,788	356,573
Customer-related assets	58,555	37,475
Other	227,530	214,765
Total intangible assets	2,475,854	3,025,980
Investments and other assets		
Investment securities	4,691,414	5,339,479
Leasehold and guarantee deposits	280,563	281,097
Deferred tax assets	2,393,184	2,207,815
Other	86,793	108,587
Allowance for doubtful accounts	(12,004)	(11,869)
Total investment and other assets	7,439,950	7,925,110
Total non-current assets	10,135,113	11,399,208
Total assets	33,347,754	33,446,725

(Unit: Thousands of yen)		
	Previous fiscal year (As of September 30, 2025)	The current third quarter of the fiscal year (As of June 30, 2026)
Liabilities		
Current liabilities		
Account payable-trade	1,020,636	907,369
Current portion of long-term borrowings	737,500	737,500
Accounts payable - other	1,569,951	1,804,561
Income taxes payable	894,150	134,888
Contract liabilities	2,726,348	3,390,484
Provision for bonuses	-	269,891
Other	1,125,602	629,193
Total current liabilities	8,074,190	7,873,888
Non-current liabilities		
Long-term borrowings	956,250	403,125
Retirement benefit liability	1,825,742	1,944,862
Other	45,446	32,764
Total non-current liabilities	2,827,438	2,380,751
Total liabilities	10,901,628	10,254,639
Net assets		
Shareholders' equity		
Share capital	5,511,199	5,530,430
Capital surplus	6,317,535	6,319,270
Retained earnings	8,709,727	9,744,353
Treasury shares	(2,596,900)	(2,571,322)
Total shareholders' equity	17,941,562	19,022,732
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	195,642	264,539
Foreign currency translation adjustment	57,021	122,325
Remeasurements of defined benefit plans	219,696	200,383
Total accumulated other comprehensive income	472,360	587,249
Non-controlling interests	4,032,203	3,582,104
Total net assets	22,446,125	23,192,085
Total liabilities and net assets	33,347,754	33,446,725

(2) Quarterly consolidated statements of income and quarterly consolidated statement of comprehensive income
Quarterly consolidated statement of income
For the first three quarters

(Unit: Thousands of yen)

	For the first three quarters of the previous fiscal year (from Oct 1, 2024 to Jun 30, 2025)	For the first three quarters of the current fiscal year (from Oct 1, 2025 to Jun 30, 2026)
Net sales	22,306,293	23,277,830
Cost of sales	5,686,404	6,253,344
Gross profit	16,619,888	17,024,485
Selling, general and administrative expenses	14,275,890	14,750,972
Operating income	2,343,997	2,273,513
Non-operating income		
Interest income	1,442	4,135
Dividend income	2,294	2,484
Share of profit of entities accounted for using equity method	60,505	545,651
Other	19,751	16,424
Total non-operating income	83,994	568,695
Non-operating expenses		
Interest expenses	13,880	13,982
Foreign exchange losses	17,434	7,205
Delinquent taxes, etc.	6,639	1,540
Other	13,375	772
Total non-operating expenses	51,329	23,500
Ordinary income	2,376,661	2,818,707
Extraordinary income		
Gain on sale of non-current assets	441	-
Gain on sale of investment securities	22,500	-
Gain on sale of shares of subsidiaries and associates	-	39,103
Consumption taxes refund	945,310	-
Gain on transfer of business	45,000	-
Gain on liquidation of subsidiaries	7,495	-
Total extraordinary income	1,020,746	39,103
Extraordinary losses		
Loss on sale of non-current assets	48	43
Loss on retirement of non-current assets	604	254
Loss on valuation of investment securities	207,671	200,499
Loss on sale of businesses	3,113	-
Other	3,089	-
Total extraordinary losses	214,527	200,798
Profit before income taxes	3,182,881	2,657,012
Income taxes - current	866,148	201,412
Income taxes-deferred	173,556	187,004
Total income taxes	1,039,704	388,416
Profit	2,143,176	2,268,595
Profit attributable to non-controlling interests	82,045	92,711
Profit attributable to owners of parent	2,061,131	2,175,883

Quarterly consolidated statement of comprehensive income
For the first three quarters

	(Unit: Thousands of yen)	
	For the first three quarters of the previous fiscal year (from Oct 1, 2024 to Jun 30, 2025)	For the first three quarters of the current fiscal year (from Oct 1, 2025 to Jun 30, 2026)
Profit	2,143,176	2,268,595
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,579)	(1,048)
Foreign currency translation adjustment	(23,176)	62,690
Remeasurements of defined benefit plans, net of tax	(13,315)	(19,312)
Share of other comprehensive income of entities accounted for using equity method	42,859	70,545
Total other comprehensive income	3,787	112,875
Comprehensive income	2,146,964	2,381,470
Profit attributable to		
Comprehensive income attributable to owners of parent	2,064,919	2,290,772
Comprehensive income attributable to non-controlling interests	82,045	90,697

3) Notes concerning quarterly consolidated financial statements

(Notes concerning going concern assumption)

Not applicable.

(Notes in the event of significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

【Segment information】

I First three quarters of previous fiscal year (period from October 1, 2023 to June 30, 2024)

1. Information on net sales, profit or loss for each reporting segment and revenue breakdown information

(Unit: thousands of yen)

	Reporting segment					Adjustment amount (Note)1	Amount reported on the quarterly consolidated statement of income (Note)2
	Content business	Healthcare business	School DX business	Other business	Total		
Net sales							
Goods or services transferred at a point in time	12,701,545	4,854,435	1,198,558	3,017,253	21,771,792	-	21,771,792
Goods or services transferred over time	54,075	26,073	159,000	295,351	534,500	-	534,500
Revenue from contracts with customers	12,755,620	4,880,508	1,357,558	3,312,604	22,306,293	-	22,306,293
Sales to outside customers	12,755,620	4,880,508	1,357,558	3,312,604	22,306,293	-	22,306,293
Internal sales between segments or transfers	168,159	7,861	-	917,327	1,093,347	(1,093,347)	-
Total	12,923,780	4,888,370	1,357,558	4,229,932	23,399,641	(1,093,347)	22,306,293
Segment income (loss)	3,039,359	75,673	384,213	824,124	4,323,371	(1,979,373)	2,343,997

(Note) 1 The adjustment amount for segment profit of (1,979,373) thousand yen includes elimination of intersegment transactions of 53,760 thousand yen and corporate expenses of (2,033,134) thousand yen that have not been allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.

2 Segment profit is reconciled with operating income in the quarterly consolidated statements of income.

2 Information on Impairment losses on non-current assets or Goodwill, etc. by reportable segment

2. Information on impairment loss on non-current assets or goodwill and others for each reporting segment

Not applicable.

II First three quarters of current fiscal year (period from October 1, 2024 to June 30, 2025)

1. Information on net sales, profit or loss for each reporting segment and revenue breakdown information

(Unit: thousands of yen)

	Reporting segment					Adjustment amount (Note)1	Amount reported on the quarterly consolidated statement of income (Note)2
	Content business	Healthcare business	School DX business	Other business	Total		
Net sales							
Goods or services transferred at a point in time	12,136,599	5,770,850	1,529,864	2,953,303	22,390,617	-	22,390,617
Goods or services transferred over time	31,107	52,496	234,240	569,369	887,212	-	887,212
Revenue from contracts with customers	12,167,706	5,823,346	1,764,104	3,522,672	23,277,830	-	23,277,830
Sales to outside customers	12,167,706	5,823,346	1,764,104	3,522,672	23,277,830	-	23,277,830
Internal sales between segments or transfers	188,774	6,721	9,000	1,022,790	1,227,286	(1,227,286)	-
Total	12,356,481	5,830,067	1,773,104	4,545,463	24,505,116	(1,227,286)	23,277,830
Segment income (loss)	3,362,191	(566,048)	641,224	826,430	4,263,797	(1,990,284)	2,273,513

(Note) 1 The adjustment amount for segment profit or (loss) of (1,990,284) thousand yen includes elimination of intersegment transactions of (7,036) thousand yen and corporate expenses of -1,983,248 thousand yen that have not been allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.

2 Segment profit or (loss) is reconciled with operating income in the quarterly consolidated statements of income.

2. Information on impairment loss on non-current assets or goodwill and others for each reporting segment

Not applicable.

3. Matters related to changes in reportable segments

In response to the expansion of the school DX business, and in order to more appropriately understand the performance of each reporting segment within our group, we have reorganized the business classifications for certain transactions that were previously recorded under "Other" as part of the DX support business. From the first quarter of the current consolidated fiscal period, these transactions are now recorded under the "school DX" business.

The segment information for the previous nine months is presented based on the revised classifications.

(Notes to the statements of cash flows)

The quarterly consolidated statement of cash flows for the current third quarter consolidated cumulative period has not been prepared. Depreciation and amortization (including amortization of intangible fixed assets excluding goodwill) and amortization of goodwill for the current third quarter consolidated cumulative period are as follows:

	For the first three quarters of the previous fiscal year (from Oct 1, 2024 to Jun 30, 2025)	For the first three quarters of the current fiscal year (from Oct 1, 2025 to Jun 30, 2026)
Depreciation	975,882 thousand yen	991,761 thousand yen
Amortization of goodwill	33,894 thousand yen	35,215 thousand yen

(Significant subsequent events)

(Recording of consumption tax refund)

The Company has reviewed the consumption tax treatment of expired points in point-granting transactions from the fiscal year ended September 2022, and Net sales corresponding to expired points are treated as non-taxable transactions. In connection with this, regarding the consumption tax treatment for the fiscal year ended September 2021, the Company received a reassessment decision (refund) from the Shinjuku Tax Office, and the refund of the relevant consumption tax was finalized. In addition, as a result of the finalization of this refund, the Company will file an amended tax return for a portion of the consumption tax for the fiscal year ended September 2022.

In connection with the above, in the fourth-quarter consolidated accounting period of the fiscal year ending September 2026, the Company expects to record Consumption taxes refund (Extraordinary income) of 524,851 thousand yen, and also expects to record Income taxes - current of 228,399 thousand yen as the corresponding tax expense.

(Transactions under common control)

(Sale of shares of subsidiaries)

At the Board of Directors meeting held on July 17, 2026, the Company resolved to sell the shares of Eagle Co., Ltd. (hereinafter, "Eagle"), a consolidated subsidiary of the Company, to MTI Healthcare Holdings Co., Ltd. (hereinafter, "HCHD"), also a consolidated subsidiary of the Company, and transferred them on July 31, 2026.

1 Overview of transactions

(1) Names of the combining parties and details of the relevant business

Name of consolidated subsidiaries Eagle Co., Ltd.

Description of Business Provision of business systems for dispensing pharmacies

(2) Share transfer date

July 31, 2026

(3) Legal form of business combination

Sale of shares for cash consideration

(4) Overview of the transaction, including the purpose of the transaction

Eagle is developing a next-generation cloud-based receipt computer system, and by combining AI and the cloud, aims to make operations from reception to accounting seamless while achieving efficient pharmacy operations with a minimal number of personnel.

While our company is focusing on the pharmacy DX business, where future growth can be expected, we are implementing this share transfer from the perspective of strengthening collaboration in the pharmacy DX business with Solamichi System Co., Ltd. and others, which operate the cloud-based medication history business under HCHD.

2 Overview of accounting treatment to be implemented

Based on the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan Statement No.21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Accounting Standards Board of Japan Guidance No.10, January 16, 2019), it will be accounted for as a transaction under common control.

3 Matters concerning changes in the Company's equity resulting from transactions with non-controlling shareholders

(1) Main factors behind changes in capital surplus

Sale of shares of subsidiaries without changes in the scope of consolidation

(2) Amount of increase in Capital surplus resulting from transactions with non-controlling shareholders

It has not been finalized at this time.