



MTI Ltd.

Financial Results Briefing Material for Q2 FY2025

May 14, 2025

Securities Code : 9438

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Financial Results Overview for Q2 FY2025

I would now like to give you an overview of the results for the first half of the fiscal year ended September 2025.

Net sales

¥14,885 million

YoY+10.1%

Operating income

¥1,639 million

YoY+55.8%

Profit attributable to owners of parent

¥1,757 million

YoY+12.7%

Content

Number of monthly paying members

3.21 million

QoQ net increase

Cloud-based medication history

3,027

pharmacies introduced (cumulative)

Record-high number of installations for 4 consecutive quarters

Full cloud-based school affairs support system

1,068

schools introduced (cumulative)

Private middle and high school share 50%

Here are the financial highlights.

In the first half, both net sales and profit increased year-on-year.

As for our initiatives and achievements:

- In the content business, the number of monthly paid subscribers increased on a net basis from the previous quarter, reaching 3.21 million.
- In the healthcare business, the rollout of our cloud-based medication history system to pharmacies progressed steadily, with a cumulative total of 3,027 installations.
- In the school DX business, we saw a large number of new implementations timed with the start of the new academic year. The total number of schools using our system reached 1,067, with a 50% market share among private junior and senior high schools.

The specific initiatives for each business will be explained later.

Net sales: Increased, operating income, ordinary income, profit: increased

(Unit : Mil yen)	FY2024 H1	FY2025 H1	YoY		
			Amount	Percentage	
Net sales	13,517	14,885	+1,367	+10.1%	Net sales increased in all segments.
Cost of sales	3,612	3,793	+181	+5.0%	
ratio	26.7%	25.5%			
Gross profit	9,905	11,091	+1,186	+12.0%	
ratio	73.3%	74.5%			
SG&A	8,852	9,451	+598	+6.8%	
ratio	65.5%	63.5%			
Operating income	1,052	1,639	+587	+55.8%	
ratio	7.8%	11.0%			
Ordinary income	1,518	1,721	+203	+13.4%	Decrease in equity method investment income ((418) million yen) → Extraordinary income recorded at Shobunsha Holdings, Inc.
ratio	11.2%	11.6%			
Profit attributable to owners of parent	1,558	1,757	+198	+12.7%	
ratio	11.5%	11.8%			

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I would now like to explain the consolidated P/L.

Net sales increased by 10.1% year over year to ¥14.885 billion, with all segments recording revenue growth.

Operating income rose by 55.8% year over year to ¥1.639 billion, driven by higher sales.

On the other hand, ordinary income did not grow as significantly as operating income due to a decrease in equity in earnings of affiliates compared to the same period last year. Nonetheless, it still increased by 13.4% year over year to ¥1.721 billion.

Profit attributable to owners of the parent for the first half rose by 12.7% year over year to ¥1.757 billion.

Consolidated SG&A

Advertising expenses: Increased

(Unit : Mil yen)	FY2024 H1	FY2025 H1	YoY	
			Amount	Percentage
SG&A	8,852	9,451	+598	+6.8%
Advertising expenses	1,301	1,876	+575	+44.2%
Personnel expenses	3,593	3,609	+16	+0.5%
Commission fee	1,416	1,490	+74	+5.3%
Subcontract expenses	909	839	(69)	(7.6)%
Depreciation	652	617	(35)	(5.4)%
Other	980	1,018	+37	+3.8%

● Increase in sales promotion costs for AdGuard

Breakdown of SG&A expenses:

Total SG&A expenses increased by 6.8% year over year to ¥9.451 billion.

This was mainly due to higher advertising expenses in the content business.

Other expenses remained roughly in line with the same period of the previous year.

Difference between earning forecast and the actual for H1

All exceeded expectations

(Unit : Mil yen)	FY2025 H1 (latest forecast)	FY2025 H1 (actual)	Difference	
			(million yen)	(%)
Net sales	14,000	14,885	+885	+6.3%
Operating income	1,250~1,450	1,639	+189~+389	+13.1~+31.2%
Ordinary income	1,300~1,500	1,721	+221~+421	+14.8~+32.4%
Profit attributable to owners of parent	1,250~1,390	1,757	+367~+507	+26.4~40.6%

Net sales exceeded the initial forecast by 6.3%.
 Operating income, ordinary income, and net income for the first half all significantly outperformed expectations.
 The primary reason was strong sales growth in the healthcare business and corporate DX support business.

Revision of earning forecast of FY2025

Only net sales were revised upward

(Unit : Mil yen)	FY2025 (latest forecast)	FY2025 (current forecast)	Difference	
			(million yen)	(%)
Net sales	28,500	29,400	+900	+3.2%
Operating income	2,800~3,200	2,800~3,200	-	-
Ordinary income	2,900~3,300	2,900~3,300	-	-
Profit attributable to owners of parent	2,050~2,330	2,050~2,330	-	-

Based on the first-half results, we have revised upward only the revenue forecast for the full year.

Performance by segment

Content Business

- Content service
- Entertainment & Life
- Security-related
- Original comics service



Healthcare Business

- Healthcare service for women
- Childcare DX service
- Cloud-based medication history service
- Online consultation service, etc.



School DX Business

- School DX service



Other Business

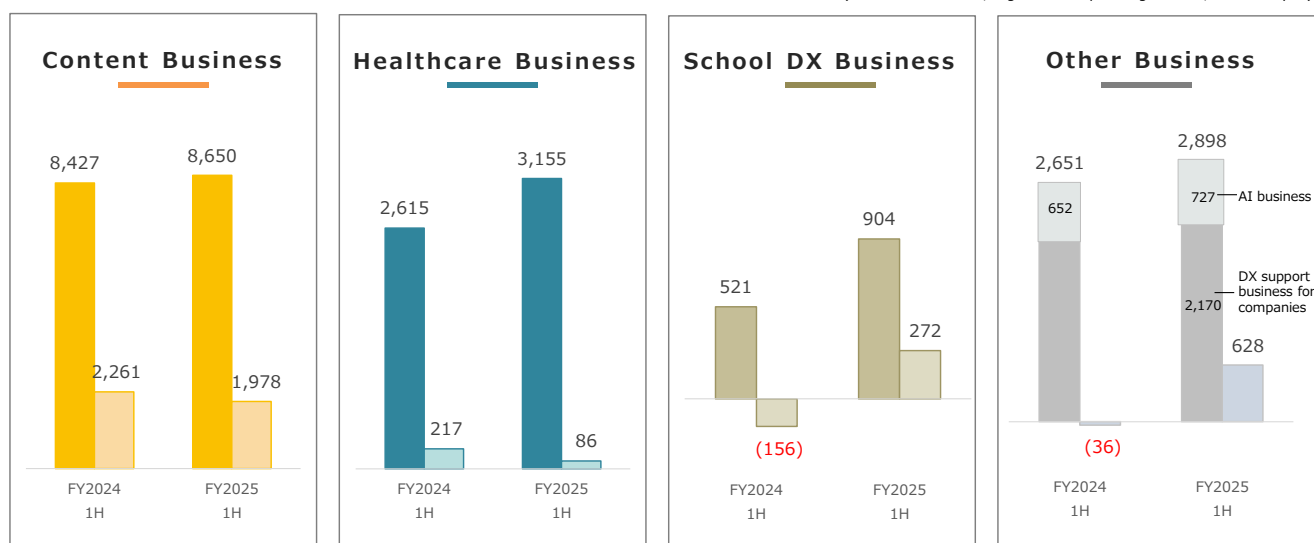
- AI business
- DX support business for companies
- Solution service for corporate



Next, I would like to explain the performance by segment.

Performance by segment (YoY)

(Left axis : Net sales, Right axis : Operating income, Unit : Mil yen)



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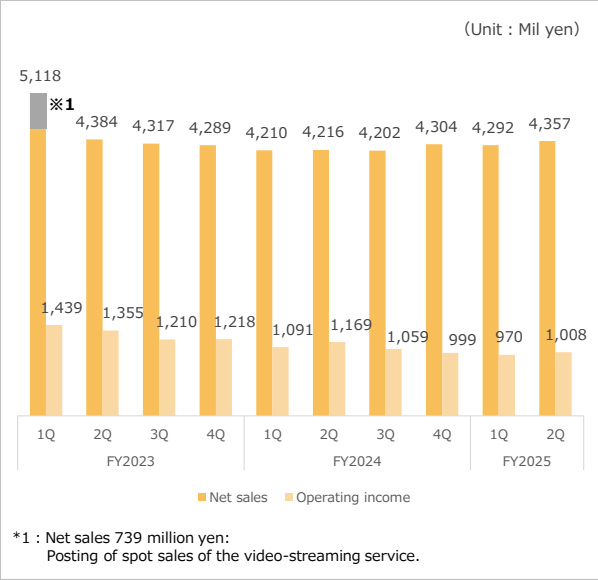
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The performance by segment compared to the previous period is as shown.

Revenue increased across all business segments.

In terms of profit, the content business and healthcare business saw a slight decline, while the school DX business and other businesses recorded a significant increase in profit.

Content business : Net sales and operating income



QoQ

Net sales: Slight increase

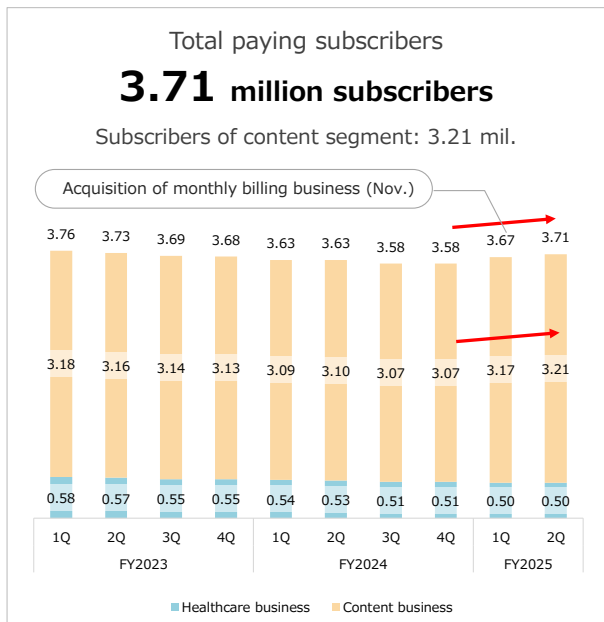
- Net increase in paid subscribers

Operating income: Slight increase

This is the quarterly trend of the content business.

Compared to the previous quarter, revenue saw a slight increase to ¥4.357 billion, and operating income also rose slightly to ¥1.008 billion.

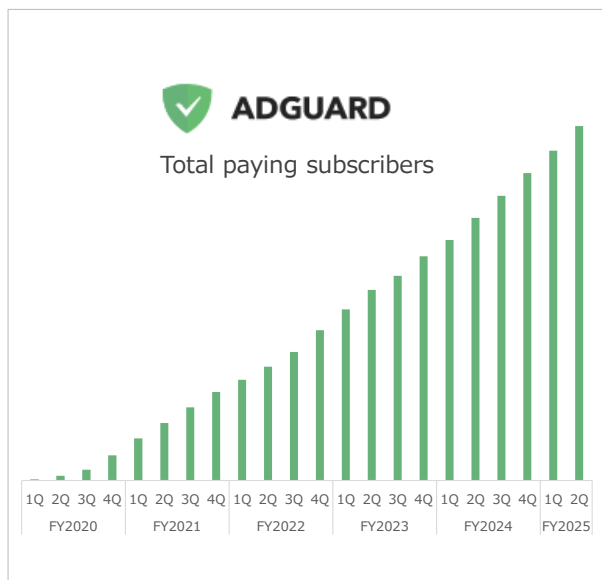
Content business : The number of paying subscribers



Net increase in paying subscribers
• Brisk Security-related app

As for the number of paid subscribers in the content business, strong performance in security-related apps led to a net increase of 40,000 from the previous quarter, bringing the total to 3.21 million. Including the healthcare business, the total number of paid subscribers reached 3.71 million.

Content business: Security-related app



The security-related app continues to perform well

Total paying subscribers

1.06 million subscribers

Four functions



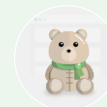
Ad blocking



Trace blocking



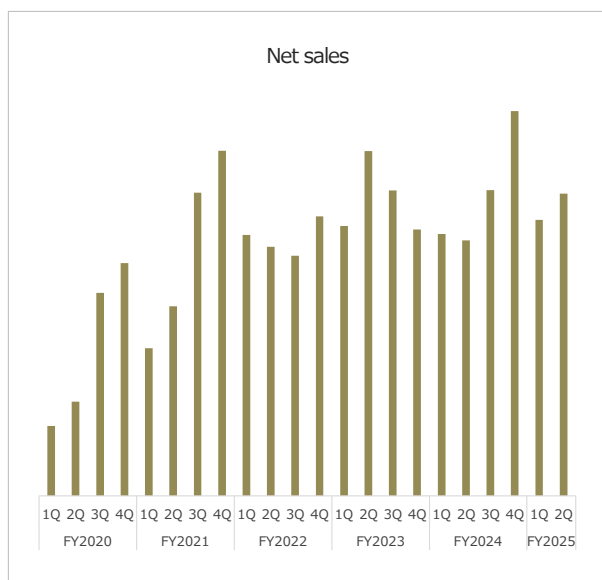
Threat blocking



Parent function
(Child protection
function)

The number of new subscribers for the security-related app *AdGuard* has been performing well, and the number of paid members reached 1.06 million at the end of March.

Content business: Original comics content business



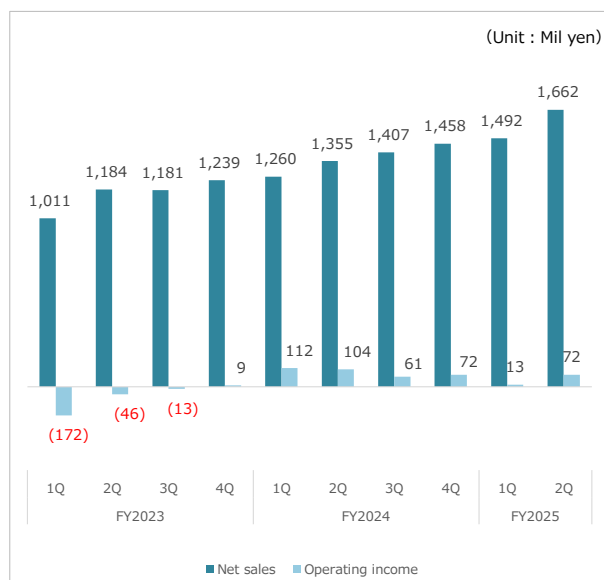
Original comics content business Stable transition

- Keep in comic titles introduced
- Stable growth in the number of TV dramas of popular works

The original comic business generates sales based on the number of downloads of the distributed works.

While there are fluctuations due to the effects of TV drama adaptations, it has generally been showing a stable trend.

Healthcare business: Net sales and operating income



QoQ

Net sales: Growth

- Brisk Cloud-based medication history service

QoQ

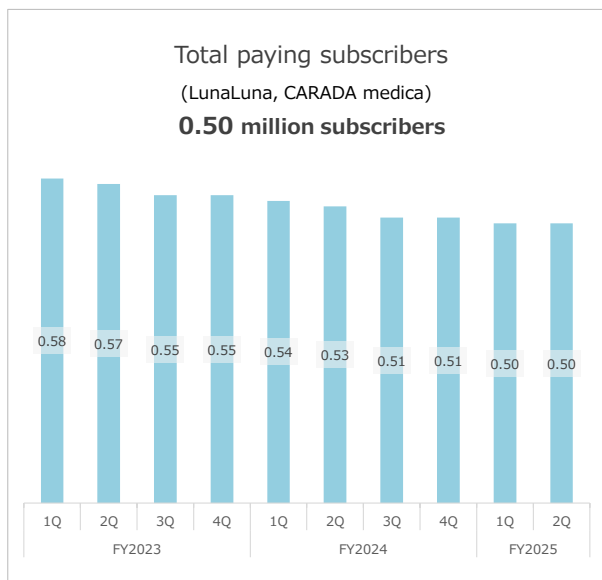
Operating income: Increased

- DX System development for pharmacy
- + Cloud-based medication history strong, childcare DX orders increase

This is the quarterly trend of the healthcare business. Revenue reached ¥1.662 billion, driven by the strong performance of the cloud-based medication history system and the expansion of orders for the childcare DX services.

As for operating income, while development of DX systems for pharmacies is ongoing, increased revenue from the cloud-based medication history system and expanded orders for childcare DX contributed to operating income of ¥72 million.

Healthcare business: Monthly content service



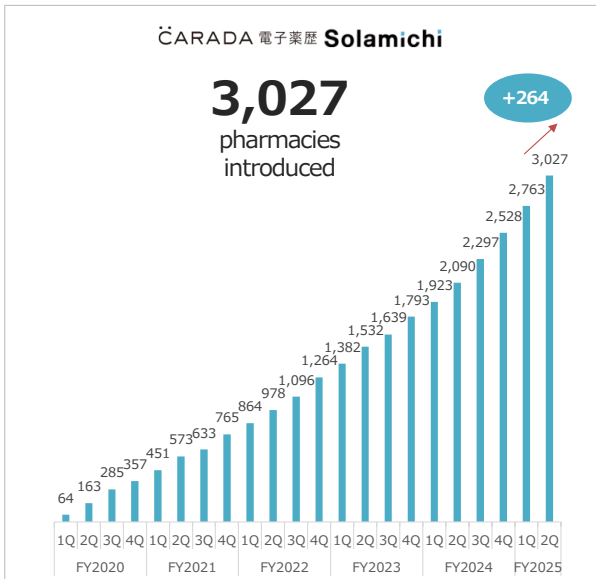
Monthly subscription content service

Total paying subscribers

QoQ: Levelled off

The number of paying subscribers in the healthcare business was mostly unchanged at 500,000.

Healthcare business: Cloud-based medication history service



Cloud-based medication history service

Record high for
4 consecutive quarters

- Introduction of mid-size pharmacies is in full swing

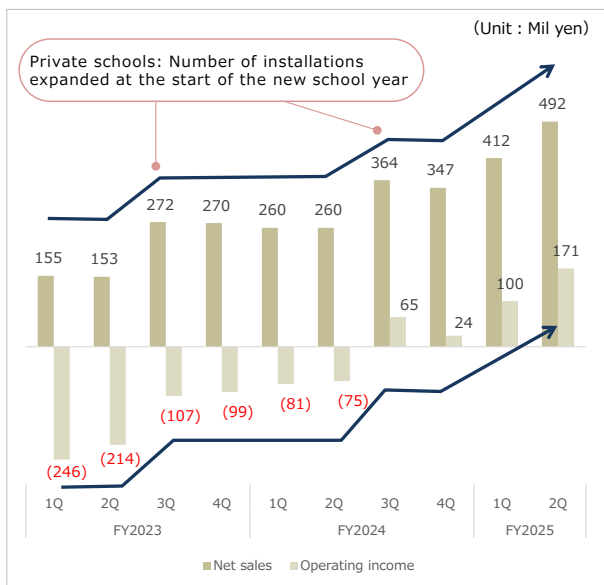
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In the cloud-based medication history business, strengthened sales efforts targeting mid-sized pharmacies led to 3,027 installations as of the end of March.

The number of new installations during the quarter was 264, marking a record high for the fourth consecutive quarter.

School DX business: Net sales and operating income



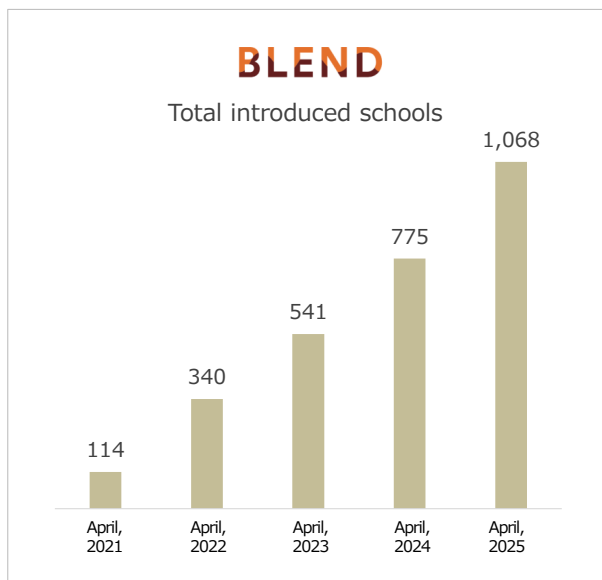
QoQ

Growth in both sales and operating income

- Add on initial public school installation sales (one-time sales)

Revenue for the school DX business was ¥492 million, and operating income was ¥171 million.

Both revenue and profit increased as a result of recording one-time sales from initial implementations for public schools in the first and second quarters.



The number of schools introducing our services is progressing well

Private middle and high school share 50%

• Introduced in April 2025 new fiscal year: 300 schools

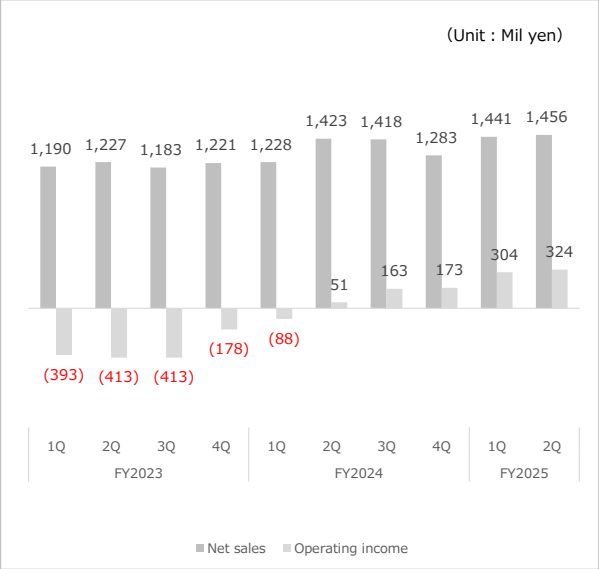
Number of Schools Introduced:
Figures reflect contract cancellations due to school corporation mergers and account consolidations between junior and senior high schools.
Share in Private Schools:
Calculated by the Company based on the FY2024 School Basic Survey published by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) on December 18, 2024.

At the start of the new academic year, 300 new private schools adopted our system.

This brought the cumulative total to 1,068 schools.

As a result, our market share among private schools reached 50%. Please note that the revenue from these new implementations is scheduled to be recorded in the third quarter.

Other business (Includes DX support business for companies, AI):
Net sales and operating income



QoQ
Growth in both sales and operating income
• Strong orders in the corporate DX support business

In the other businesses segment, orders for our corporate DX support services remained strong.
Revenue was ¥1.456 billion, and operating income was ¥324 million.
That concludes the summary of the first half financial results.

Approach for the 2nd half and beyond

Next, I would like to explain the approach for the 2nd half and beyond.

Basic policies and priority issues for FY2025

Healthcare business**Further sales and profit growth**

- For Pharmacies:
Further expansion of the cloud-based medication history service
- For Municipalities:
Promotion of the platform strategy of the childcare DX

School DX business**Further sales and profit growth**

- For private schools :
Further expansion of the number of introduced schools
- For Public Schools :
Expansion of business areas

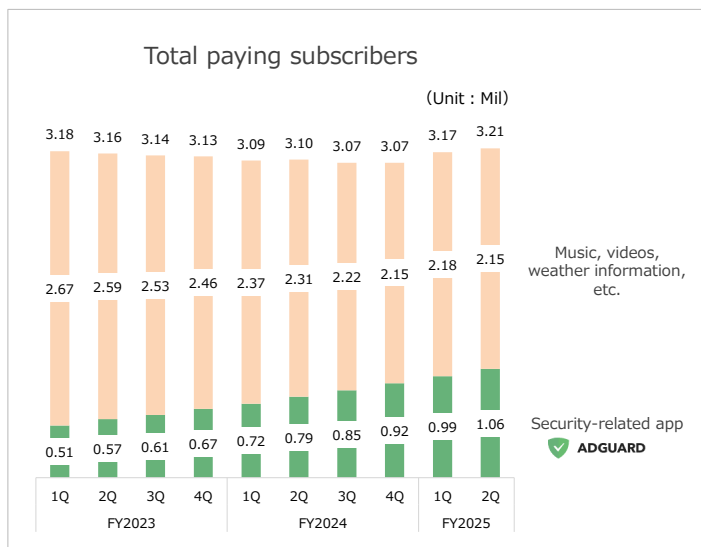
Content business**Securing profit**

- Original comics content business growth
- Security-related app growth

In each segment, we are addressing the key issues shown here, based on the respective fundamental policies.

- In particular, we are aiming for further revenue and profit growth in the healthcare business, which is our long-term strategic focus.
- For the cloud-based medication history system, we are working to expand the number of pharmacies using the system and to enhance its features and services.
- In the Childcare DX, we are advancing our platform strategy.
- In the School DX Business, we are also aiming for continued growth in both revenue and profit.
- We will focus on increasing the number of private school adoptions and expanding into public schools to grow our business domain.
- In the Content Business, the number of subscribers increased due to the growth of security-related apps, and we will continue to place emphasis on securing profitability.

Content business:



Content subscriptions performing well

Strategic promotional activities in fields with strong growth potential

In the content business, the proportion of entertainment content such as music has declined, while the share of security-related content has increased.

We will continue to carry out planned advertising and promotional activities for content that is expected to drive future growth.

Healthcare business: Cloud-based medication history service

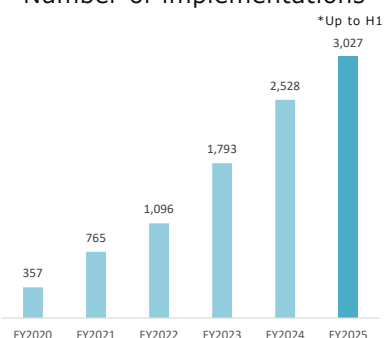
CARADA 電子薬歴 Solamichi



Further expansion of the number of implementations.

- Strong implementation for mid-sized pharmacies.
- Strengthening of function development.

Number of implementations



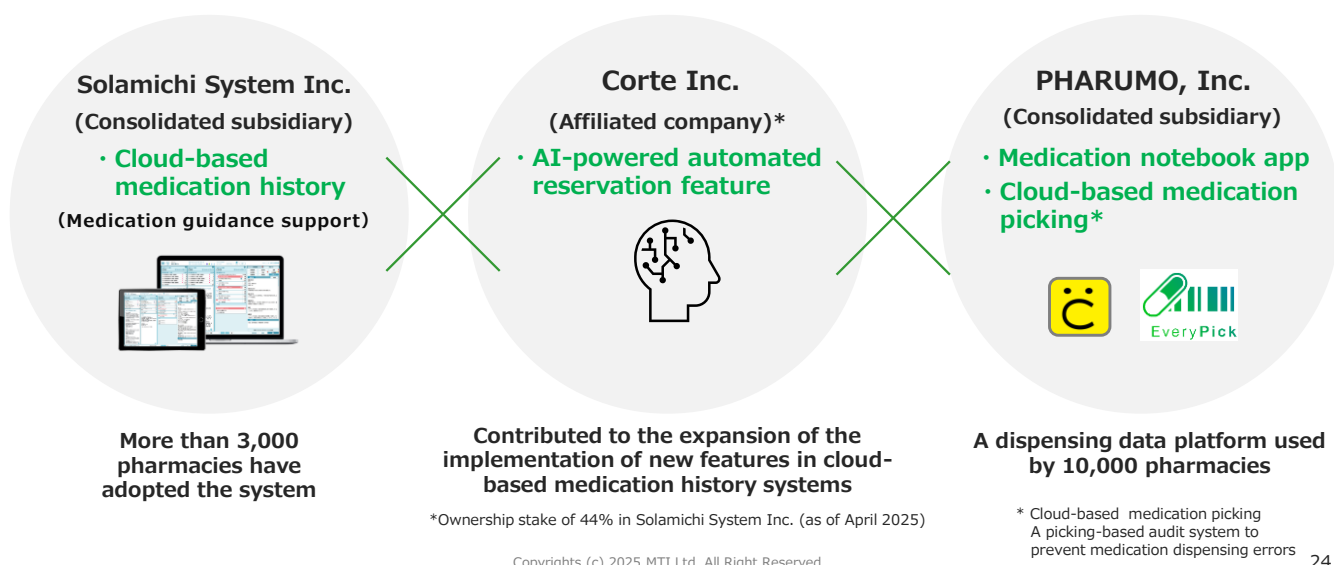
- Achieving a user-friendly UI/UX for pharmacists
- Equipped with AI automatic summarization function

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In the cloud-based medication history business, strengthened sales promotion efforts targeting mid-sized pharmacies have led to steady growth in installations.

We will continue to enhance system functionality to further expand the number of installations.

Enhancing the lineup of cloud services for dispensing pharmacies



In addition to the cloud-based medication history system provided by our subsidiary Soramichi, our group offers a variety of services for pharmacies.

Corte, an affiliated company, provides an “AI automatic summary” feature as an add-on to the cloud-based medication history system.

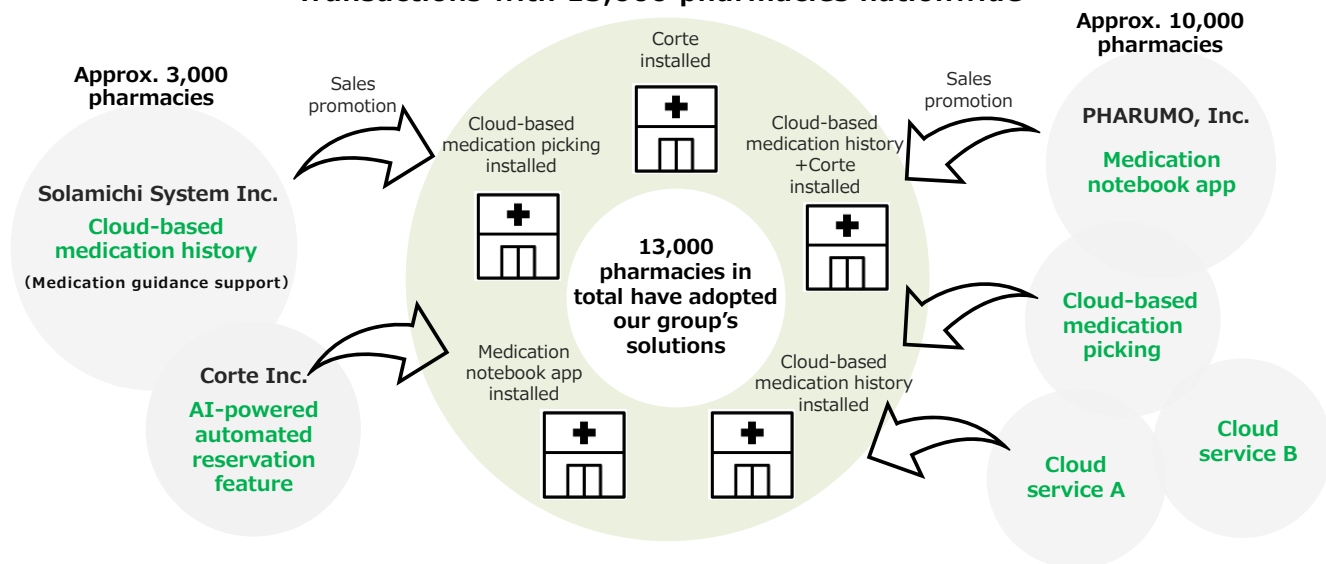
Furthermore, our subsidiary PHARUMO develops and supplies medication notebook apps under both its own brand and OEM arrangements, which are being introduced at pharmacies.

Sales of our cloud-based picking system are also performing well. Altogether, these services have been implemented at over 10,000 pharmacy locations.

PHARUMO is also exploring new business opportunities by leveraging the prescription data infrastructure built across these 10,000 pharmacies.

Group-wide deployment in 20% of pharmacies

Transactions with 13,000 pharmacies nationwide



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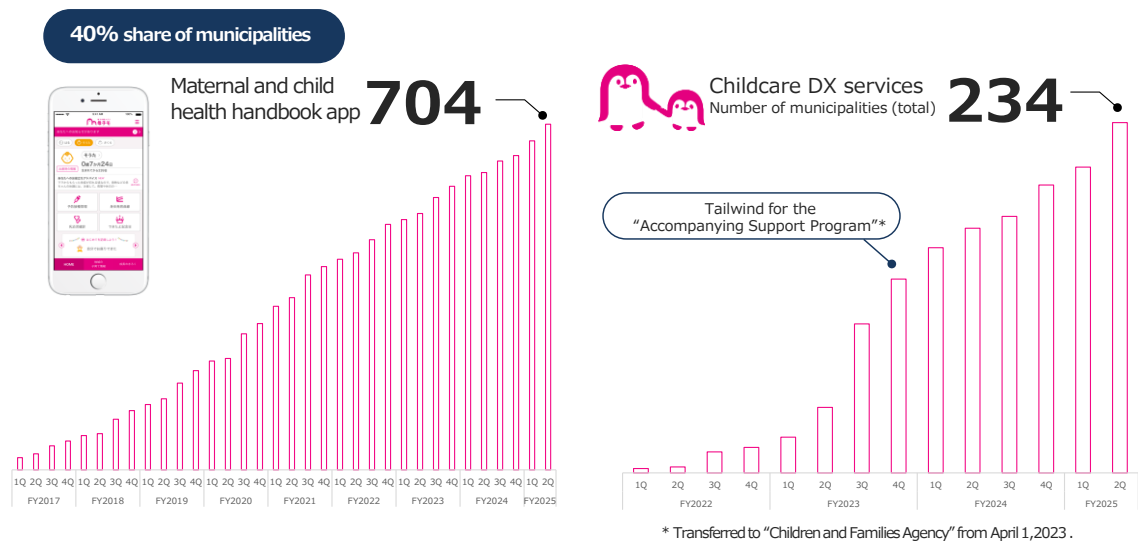
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Across the entire group, the number of pharmacies with implemented solutions has reached 13,000, covering 20% of all pharmacies nationwide.

Going forward, we expect to increase revenue per pharmacy by proposing additional cloud services after the initial cloud solution has been introduced.

Healthcare business:
Maternal and child health handbook app + Childcare DX services

Childcare DX services steadily adopted by municipalities using *Boshimo*

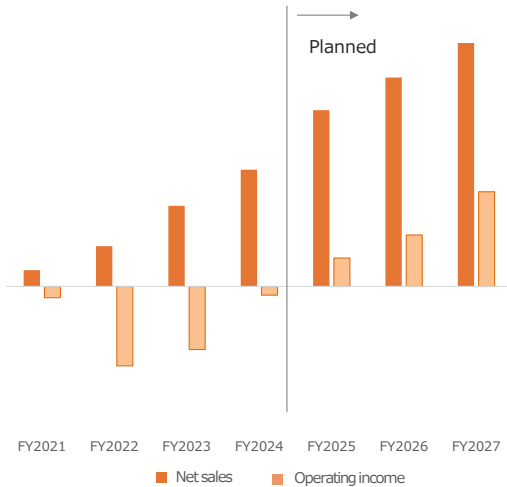


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In the childcare business, the number of municipalities that have adopted our maternal and child health handbook app reached 704 as of the end of March.

As a result, our share among local governments stands at 40%. Adoption of our childcare DX services also performed well in March, the fiscal year-end, with the total number of implementations expanding to 234.

BLEND



Continuing increase in the number of schools introducing our service

Growth opportunities

- Private schools:
Orders received for implementation starting April 2026
- Public schools:
Promotion of DX for school administration led by prefectural and municipal governments



Introduced in public high schools in Yamanashi Prefecture

Differentiation

Cloud-based batch services

The school DX business continues to grow steadily, supported by sustained strong demand for cloud-based school affairs systems.

Our fully cloud-based school affairs support system, *BLEND*, has been newly adopted by 300 private schools starting this fiscal year.

We will continue to actively promote our services in preparation for further implementations next year.

We have also begun initiatives for public schools, with implementation progressing at prefectural high schools in Yamanashi Prefecture.

Going forward, we will continue to focus not only on private schools but also on expanding into the public school sector.



〈Contact us〉
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This concludes the explanation.
Thank you for your time.