

May 12, 2022

For Immediate Release:

MTI Ltd.

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Notice Concerning Dividend from Surplus (Interim Dividend)

MTI Ltd. (hereinafter the “Company”) announces that the Board of Directors of the Company resolved to pay a dividend from surplus (interim dividend) with March 31, 2022 as the record date at its meeting held on May 12, 2022. Details are as follows.

1. Outline of the dividend (Interim dividend)

	Determined amount	Latest dividend forecast (Announced on November 9, 2021)	Dividends in previous fiscal year (Fiscal year ended September 30, 2021)
Dividend record date	March 31, 2022	Same as on the left	March 31, 2021
Cash dividends per share	8 yen	Same as on the left	8 yen
Total cash dividends	439 million yen	-	439 million yen
Effective date	June 17, 2022	-	June 18, 2021
Dividend resource	Retained earnings	-	Retained earnings

2. Reasons for dividends from surplus

Net sales in the first half of the fiscal year ending September 30, 2022 were in line with expectations. Meanwhile, as stated in the “Notice Concerning Posting of Extraordinary Losses, Differences between Forecasts and Actual Results for the First Half of the Fiscal Year, and Revisions to Full-Year Results Forecast” released today, operating income, ordinary income, and profit attributable to owners of parent were significantly below the initial forecast. The main factor was upfront investments in the school digital transformation (DX) business operated by Motivation Works Inc., a consolidated subsidiary. Specifically, given a large number of business inquiries about “BLEND”, the cloud-based school affairs support system provided by Motivation Works Inc., the Group is increasing the number of personnel to strengthen the business structure, using subcontractors to deal with increasing implementations of the system, and developing the system to improve its scalability.

As a result, profits in the first half were below the initial forecasts. This is, however, primarily because of upfront investments in the school DX business, in which results are expected to expand from the next fiscal year. The Company is taking into consideration also its policy to make consistent dividend payments until the healthcare business contributes to earnings. The Company has thus decided to pay an interim dividend of 8 yen per share as forecast.

(Reference) Annual dividend forecast

	Cash dividends per share		
Dividend record date	End of Q2	Year-end	Total
Initial forecast		8 yen	16 yen
Actual dividends in the current fiscal year	8 yen		
Actual dividends in the previous fiscal year (Fiscal year ended September 30, 2021)	8 yen	8 yen	16 yen

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Contact information for inquiries

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