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For Immediate Release:

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**Notice Regarding Differences between Forecasts and Actual Results for the
First Half of the Fiscal Year, and Revisions to Full-Year Results Forecast**

MTI Ltd. (hereinafter the “Company”) announces that the Company will revise the forecasts for the first half of the fiscal year ending September 30, 2023, the revise the earnings forecast for the fiscal year ending September 30, 2023 announced on November 9, 2022. Detail are as follows.

1. Revision of the consolidated results forecast

**(1) Differences between forecasts and actual results for the first half of the fiscal year ending
September 30, 2023
(October 1, 2022 – March 31, 2023)**

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous announced forecast (A)	Millions of yen 12,700	Millions of yen 200	Millions of yen 0	Millions of yen (740)	Yen (13.5)*
Current announced forecast (B)	13,613	(18)	187	(326)	(5.95)
Differences (B-A)	+913	(218)	+187	+413	
Differences (%)	+7.2	–	–	–	
(Reference) Actual results in the previous fiscal year (For the first half of the fiscal year ended September 30, 2022)	12,975	599	292	123	2.25

*The forecast for net income per share released on the previous occasion is a figure taken from the Summary of Consolidated Financial Results for the First Half of the Fiscal Year Ending September 30, 2023 (released on May 11, 2023) in which figures recalculated on the basis of the number of outstanding shares (excluding treasury shares) as of March 31, 2023 are stated.

[Reasons for the differences]

Net sales exceeded the initial forecast mainly due to the video sales of consolidated subsidiary Video Market Corporation.

Operating income was lower than the initial forecast primarily reflecting an increase in the cost of sales as a result of the ongoing response to low-margin projects in the DX support business for major corporate customers and sluggish orders in the AI business of subsidiary Automagi Inc.

Ordinary income was higher than the initial forecast as a result of an equity-method investment profit posted due to the improved results of equity-method associated companies in contrast to the initially expected equity-method investment loss.

Loss attributable to owners of parent improved from the initial forecast. This is mainly attributable to gain on change in equity due to extraordinary income caused by the Company's investment ratio declining due to an equity-method affiliate implementing a private placement in addition to higher-than-expected ordinary income.

**(2) Revision of the consolidated financial forecast for the full fiscal year ending September 30, 2023
(October 1, 2022 – September 30, 2023)**

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous announced forecast (A)	Millions of yen 26,000	Millions of yen 800	Millions of yen 800	Millions of yen (600)	Yen (10.94)*
Current announced forecast (B)	26,800	200	400	(400)	(7.29)
Differences (B-A)	+800	(600)	0	+200	
Differences (%)	+3.1	(75.0)	0.0	–	
(Reference) For the fiscal year ended September 30, 2022	26,479	870	485	(930)	(16.99)

*The forecast for net income per share released on the previous occasion is a figure taken from the Summary of Consolidated Financial Results for the First Half of the Fiscal Year Ending September 30, 2023 (released on May 11, 2023) in which figures recalculated on the basis of the number of outstanding shares (excluding treasury shares) as of March 31, 2023 are stated.

[Reasons for the revisions]

Regarding the consolidated business results forecasts for the fiscal year ending September 30, 2023, net sales were revised upward, operating income was revised downward, ordinary income was not changed and profit was revised upward in consideration of the differences between the results and forecasts for the first six months, the ongoing response to low-margin projects in the DX support business for major corporate customers and the sluggish orders for AI business.

<Points to consider concerning forecasts

Matters stated in this material concerning results forecasts are based on assessments, assumptions and convictions derived from information available to the Company at the time when this material is published. They may differ significantly from actual results due to a variety of factors, including future economic conditions in Japan and overseas, changes in conditions for business operations in Japan and overseas, or uncertain factors and potential risks inherent in forecasts. Those risks and uncertain factors include unpredictable effects on results that may arise from future events.

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