September 9, 2026

For Immediate Release:

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Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Updated)

MTI Ltd. hereby announces that it has updated the content of "Action to Implement Management that is Conscious of Cost of Capital and Stock Price," which was released on October 17, 2025, as described in the attached document.

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Attachment
September 9, 2026

Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Updated)

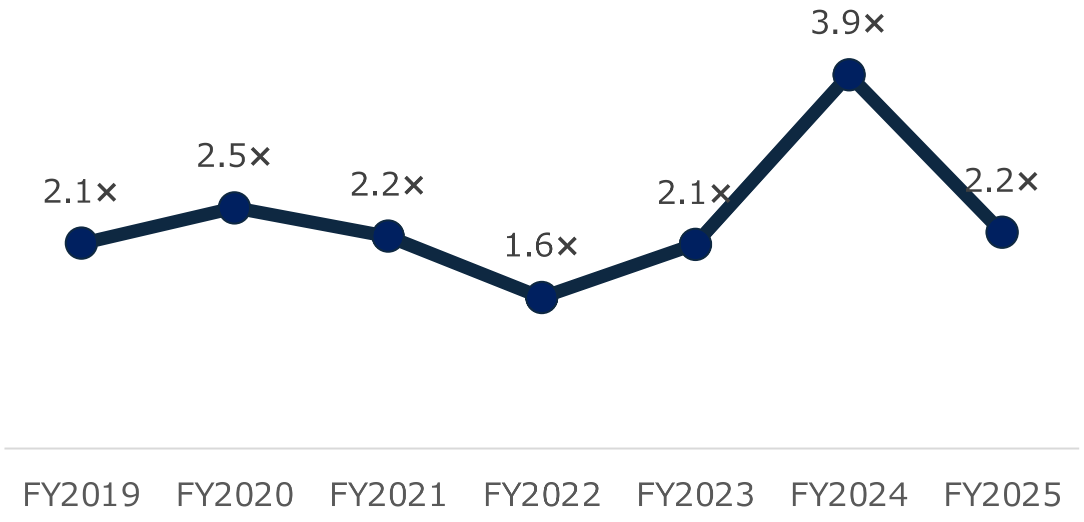
MTI Ltd. (Stock code: 9438)

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.

1. Analysis of Current Situation: PBR and PER(7-year trend)

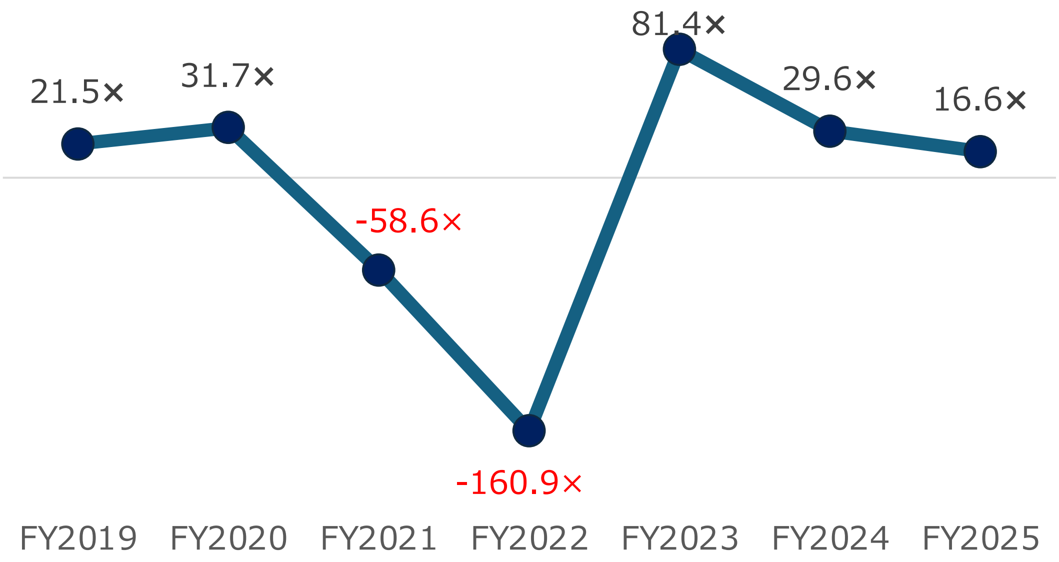
PBR 2.2×

・Around 2× from FY2018 to FY2023.
・Rose to around 4× in FY2024 on higher market capitalization.
・ Fell to around 2× in FY2025 on lower market capitalization.



PER 16.6×

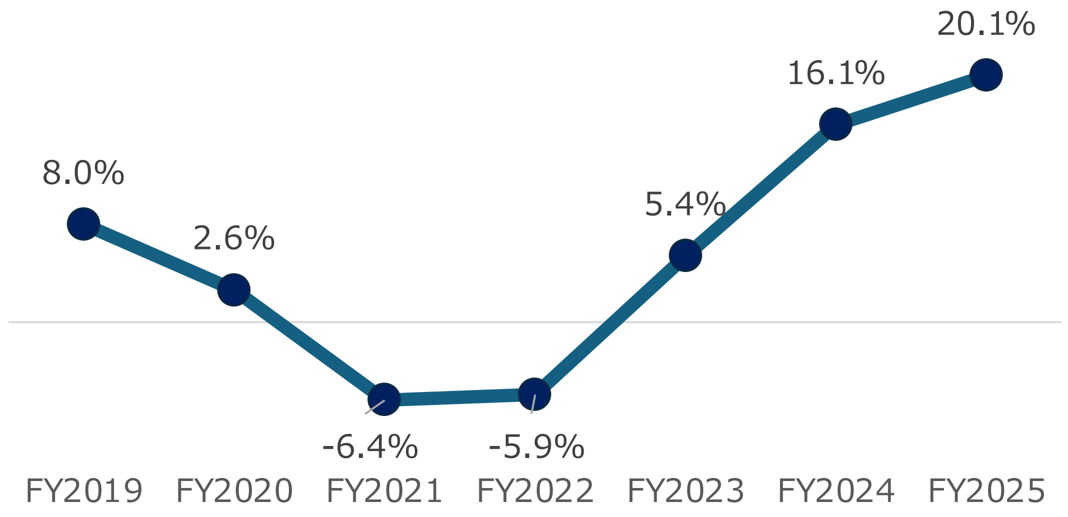
・Normally around 20×.
・Rises to around 30× when market attention increases.



(Note) PER is calculated using the closing price on the fiscal year-end date and the Company's published earnings forecast at the time of the third-quarter earnings announcement.

1. Analysis of Current Situation: ROE (7-year-trend) and Cost of Equity

ROE 20.1% > **Cost of Equity 9.2%**



Risk-free rate		β		Risk premium
0.575	**+**	**0.584**	**×**	**14.83**

Risk-free rate: Three-year average of the 10-year Japanese government bond yield (Source: Ministry of Finance, "Government Bond Interest Rate Information")
β: Weekly data over three years (calculated by our company based on publicly available information)

- **FY2020～FY2023:**
  The low level persists due to extraordinary losses and accounting factors.
- **FY2024 ～FY2025:**
  ROE is on an improving trend, recovering to 20.1% in FY2025.

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- **FY2025 ROE is at a level exceeding the cost of equity.**
- **Sustained profit growth and the implementation of various measures are both necessary.**

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
PBR(×)	2.1	2.5	2.2	1.6	2.1	3.9	2.2
PER(×)	21.5	31.7	(58.6)	(160.9)	81.4	29.6	16.6
ROE（%）	8.0	2.6	(6.4)	(5.9)	5.4	16.1	20.1

- **Improve PBR (enterprise value) by enhancing ROE and PER**
- **Strengthen dialogue with shareholders and investors**

2. Toward Enhancing Corporate Value: The Big Picture

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Enhancing corporate value (Improving PBR)

Improvement of ROE

Net profit margin

$$\frac{\text{Net income}}{\text{Net sales}}$$

×

Total asset turnover ratio

$$\frac{\text{Net sales}}{\text{Total assets}}$$

×

Financial leverage

$$\frac{\text{Total assets}}{\text{Equity capital}}$$

A. Expanding core business revenue (Organic growth on the consolidated P&L)

B. Business monitoring with an emphasis on capital efficiency and optimization of the business portfolio

C. Balancing investment and shareholder returns

D. Disciplined use of financial leverage

Improvement of PER

Expected growth rate **Cost of equity**

$$\text{PER} = \frac{1}{\text{Cost of equity} - \text{Expected growth rate}}$$

E. Improvement in expected growth rate

F. Reduction in the cost of equity capital

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I. Future Initiatives to Improve ROE

Outline	Initiatives
A. Expanding core business revenue **(Organic growth on the consolidated P&L)**	● Healthcare business Sustainable expansion of pharmacy DX and childcare DX businesses ● Sustainable expansion of school DX business
B. Business monitoring with an emphasis on capital efficiency and optimization of the business portfolio	● Focusing resources on core businesses through selection and concentration ● Withdrawal from unprofitable businesses (including divestiture)
C. Balancing investment and shareholder returns	● Execution of M&A based on business strategy ● Gradual increase in the dividend payout ratio
D. Disciplined use of financial leverage	● Examining overall optimization within external funding across the entire group

II. Future Initiatives to Improve PER

Outline	Initiatives
E. Improvement in the expected growth rate	● Disclosure of medium- to long-term management targets ● Disclosure of the growth story for core businesses
F. Reduction in the cost of equity capital	● Strengthening engagement with the stock market through IR activities ● Reducing performance volatility through enhanced budget management

Enhancing dialogue with all stakeholders through IR and SR activities

Specific Initiatives

1. Shareholder dialogue

- **Annual General Meeting: Held in a hybrid format (both in-person and online)**
  → Established an environment that allows shareholders of all ages to participate easily.
- **Holding a Business Update Meeting for Shareholders following the Annual General Meeting**
  → Positioned as a valuable opportunity to receive feedback from shareholders, while also providing an explanation of the Company's businesses.
- **Notice of Convening (English Version)**

2. Individual investor dialogue

- **Considering holding at least one briefing for individual investors annually**

3. Institutional investor dialogue

- **Quarterly Financial Results Briefings (Live Streaming)**
  → In principle, attended by the President & CEO and other directors.
- **1-on-1 Meetings with investors**
  A total of 65 meetings were held in the fiscal year ended September 2025, an increase of eight year on year.

〈Contact us〉
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