November 6, 2026

For Immediate Release:

MTI Ltd.
Representative: Toshihiro Maeta,
President and Chief Executive Officer
Listing: TSE Prime [9438]
Contact: Hiroshi Matsumoto,
Senior Managing Director
Tel: +81-3-5333-6323

Notice Regarding the Execution of a Tender Offer Agreement for Shares of an Equity-Method Affiliate (Shobunsha Holdings, Inc.) and Recognition of Extraordinary Loss (Consolidated Financial Statements) and Extraordinary Gain (Non-consolidated Financial Statements)

MTI Ltd. (the "Company") hereby announces that, at a meeting of its Board of Directors held on November 6, 2026, it resolved to enter into an agreement (the "Tender Offer Agreement") with MSE Co., Ltd. (the "Tender Offeror") to tender all common shares held by the Company in Shobunsha Holdings, Inc. ("Shobunsha"), an equity-method affiliate of the Company, in the tender offer for Shobunsha's common shares to be conducted by the Tender Offeror (the "Tender Offer"). If the Tender Offer is completed, Shobunsha is expected to cease to be an equity-method affiliate of the Company.

For details of the Tender Offer, please refer to Shobunsha's announcement issued today entitled "Notice Regarding Implementation of an MBO and Recommendation to Tender Shares."

I. Execution of a Tender Offer Agreement for Shares of an Equity-Method Affiliate

1. Purpose and Background of the Tender Offer Agreement

Following a proposal from the Tender Offeror that the Company tender its Shobunsha shares in the Tender Offer aimed at taking Shobunsha private, the Company held careful discussions with the Tender Offeror. As a result, the Company determined that the Tender Offer would contribute to enhancing Shobunsha's corporate value going forward and that tendering its shares would also be sufficiently economically reasonable for the Company, and therefore decided to enter into the Tender Offer Agreement.

2. Overview of Shobunsha

(1) Name	Shobunsha Holdings, Inc.	
(2) Address	3-1 Kojimachi, Chiyoda-ku, Tokyo, Japan	
(3) Name and title of representative	Shigeo Kuroda, President and Representative Director	
(4) Nature of business	Planning of group-wide management strategies, enhancement of corporate value, real estate business, logistics business, etc.	
(5) Capital stock	¥5,000 million	
(6) Date of establishment	June 11, 1964	
(7) Major shareholder and shareholding ratios	MTI Ltd.	29.65%
	MSE Co., Ltd.	18.86%

(as of March 31, 2026)	Shigeo Kuroda		10.29%
(8) Relationship between the Company and the relevant company	Capital relationship	The Company holds 29.65% of the issued shares.	
	Personnel relationship	Not applicable.	
	Business relationship	The Company and Shobunsha have a business relationship involving sales of content and other products.	
	Status as related Party	Shobunsha is a related party because it is an equity-method affiliate of the Company.	

(9) Financial conditions and operating results for the past three years (Unit: Mil yen)

Fiscal year	March 31, 2024	March 31, 2025	March 31, 2026
Net assets	12,690	13,021	14,332
Total assets	18,879	18,417	18,900
Net sales	6,410	6,256	6,727
Operating income	437	189	475
Ordinary income	519	298	670
Net income	1,771	541	1,210
Net assets per share (yen)	698.13	716.34	792.96
Net income per share (yen)	97.44	29.78	66.83
Dividends per share (yen)	5.00	5.00	5.00

3. Overview of the Tender Offeror

(1) Name	MSE Co., Ltd.	
(2) Address	3-1 Kojimachi, Chiyoda-ku, Tokyo, Japan	
(3) Name and title of representative	Shigeo Kuroda, Representative Director	
(4) Nature of business	Asset Management	
(5) Capital stock	¥1,000	
(6) Date of establishment	October 13, 2023	
(7) Major shareholder and voting rights ownership ratios	Shigeo Kuroda 100.0%	
(8) Relationship between the counterparty and the company	Capital relationship	Not applicable.
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.

4. Shares to Be Tendered, Transfer Price, and Shareholdings Before and After the Tender Offer

Shares held before the Tender Offer	5,389,587 shares (Voting rights ownership ratio: 29.90%)
Shares to be tendered	5,389,587 shares (Voting rights ownership ratio: 29.90%)
Transfer Price	¥4,052 million (¥752 per share)
Shares held after the Tender Offer	0 shares (Voting rights ownership ratio: 0.00%)

Note 1) "Voting Rights Ownership Ratio" represents the ratio to Shobunsha's total voting rights as of March 31, 2026 (179,934 voting rights), as stated in the annual securities report submitted by Shobunsha on June 23, 2026, rounded to two decimal places.

Note 2) The transfer price and the number of shares held after the Tender Offer assume completion of the Tender Offer. The Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer as follows: first, the number of voting rights attached to Shobunsha's total issued shares, excluding treasury shares held by Shobunsha, is multiplied by 2/3, and the result is rounded up to the nearest whole number; next, the number of voting rights attached to Shobunsha common shares held by the Tender Offeror and Mr. Shigeo Kuroda is subtracted; finally, the resulting number is multiplied by 100 shares (one share unit). If the total number of shares and other securities tendered in the Tender Offer (the "Tendered Securities") falls below the minimum number to be purchased, the Tender Offeror will not purchase any of the Tendered Securities.

5. Tender Offer Schedule

Board Resolution Date	November 6, 2026
Tender Offer Agreement Execution Date	November 6, 2026
Tender Offer Period	November 9, 2026 to December 21, 2026
Announcement of Tender Offer Results	December 22, 2026 (scheduled)
Commencement of Settlement	December 28, 2026 (scheduled)

II. Recording of an Extraordinary Loss in Consolidated Financial Statements and Extraordinary Income in Non-Consolidated Financial Statements

If the Tender Offer is completed, Shobunsha will cease to be an equity-method affiliate of the Company. Accordingly, for the fiscal year ending September 30, 2027, the Company expects to record a loss on sale of shares of affiliates (extraordinary loss) of approximately ¥410 million in its consolidated financial statements and a gain on sale of shares of affiliates (extraordinary income) of approximately ¥1,530 million in its non-consolidated financial statements.

The impact of this transaction on the Company's consolidated financial results is expected to be reflected in the consolidated earnings forecast for the fiscal year ending September 30, 2027, to be included in the "Summary of Financial Results for the Fiscal Year Ended September 30, 2026 [Japanese GAAP]," scheduled for release on November 10, 2026. The Company will promptly announce any further matters requiring disclosure.

＜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.

Note: This document is a translation of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Contact information for inquiries
Investor Relations Office
E-mail: ir@mti.co.jp URL: https://ir.mti.co.jp/eng/