Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2024 (Based on Japanese GAAP)

July 31, 2024

Company name: MTG Co.,Ltd.
Stock exchange listing: Tokyo
Stock code: 7806 URL https://www.mtg.gr.jp/
Representative: President Tsuyoshi Matsushita
Inquiries: Director CFO Akihiko Tajima TEL 052-307-7890
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended June 30, 2024 (from October 1, 2023 to June 30, 2024)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended June 30, 2024	50,542	17.3	1,884	(26.3)	2,442	(15.1)	1,745	19.4
Nine months ended June 30, 2023	43,105	24.2	2,557	31.6	2,876	20.4	1,461	(24.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2024	44.27	44.06
Nine months ended June 30, 2023	37.09	36.93

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	55,601	43,613	76.9
As of September 30, 2023	54,449	42,712	77.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended September 30, 2023	–	0.00	–	10.00	10.00
Year ending September 30, 2024	–	0.00	–		
Year ending September 30, 2024 (Forecast)				10.00	10.00

3. Forecast of consolidated financial results for the year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	67,000	11.4	3,400	(5.5)	3,400	(18.4)	2,000	0.8	50.74

4. Notes

(1) Significant changes in the scope of consolidation during the nine months ended June 30, 2024: Yes

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2024	40,102,268 shares	As of September 30, 2023	40,097,168 shares

Number of treasury shares at the end of the period

As of June 30, 2024	665,698 shares	As of September 30, 2023	678,553 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2024	39,429,881 shares	Nine months ended June 30, 2023	39,403,672 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	16,137	12,455
Notes and accounts receivable - trade	6,017	6,766
Merchandise and finished goods	10,611	12,463
Raw materials and supplies	744	838
Prepaid expenses	995	916
Other	1,986	2,659
Allowance for doubtful accounts	(1)	(11)
Total current assets	36,491	36,088
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	309	607
Land	8,883	8,883
Other, net	1,142	2,144
Total property, plant and equipment	10,335	11,635
Intangible assets	630	1,126
Investments and other assets		
Investment securities	3,645	3,782
Deferred tax assets	2,565	2,336
Other	932	718
Allowance for doubtful accounts	(151)	(86)
Total investments and other assets	6,991	6,750
Total non-current assets	17,958	19,513
Total assets	54,449	55,601

(Millions of yen)

	As of September 30, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,831	3,381
Accounts payable - other	2,012	2,308
Income taxes payable	1,485	578
Provision for product warranties	1,618	874
Other provisions	1,002	402
Other	3,380	3,799
Total current liabilities	11,330	11,345
Non-current liabilities		
Other	406	642
Total non-current liabilities	406	642
Total liabilities	11,737	11,988
Net assets		
Shareholders' equity		
Share capital	16,778	16,781
Capital surplus	16,160	15,924
Retained earnings	10,706	11,999
Treasury shares	(889)	(872)
Total shareholders' equity	42,756	43,832
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(11)	(16)
Foreign currency translation adjustment	(812)	(1,049)
Total accumulated other comprehensive income	(824)	(1,065)
Share acquisition rights	0	0
Non-controlling interests	779	846
Total net assets	42,712	43,613
Total liabilities and net assets	54,449	55,601

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Net sales	43,105	50,542
Cost of sales	16,859	19,943
Gross profit	26,246	30,599
Selling, general and administrative expenses	23,689	28,715
Operating profit	2,557	1,884
Non-operating income		
Interest and dividend income	11	20
Foreign exchange gains	301	514
Compensation for damages received	2	14
Reversal of allowance for doubtful accounts	16	16
Other	22	60
Total non-operating income	354	625
Non-operating expenses		
Interest expenses	0	1
Loss on cancellation of leasehold contracts	5	15
Loss on retirement of non-current assets	2	11
Compensation expenses	11	7
Settlement payments	–	18
Other	15	11
Total non-operating expenses	34	67
Ordinary profit	2,876	2,442
Extraordinary income		
Gain on sale of non-current assets	8	3
Gain on sale of investment securities	–	65
Gain on reversal of share acquisition rights	3	–
Insurance claim income	–	38
Gain on reversal of provision for loss on fire	–	25
Total extraordinary income	12	133
Extraordinary losses		
Loss on valuation of investment securities	87	–
Loss on sale of investment securities	–	1
Provision of allowance for doubtful accounts	40	–
Expenses related to recall	2	16
Total extraordinary losses	130	17
Profit before income taxes	2,758	2,558
Income taxes	1,515	1,068
Profit	1,243	1,490
Loss attributable to non-controlling interests	(217)	(255)
Profit attributable to owners of parent	1,461	1,745

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Profit	1,243	1,490
Other comprehensive income		
Valuation difference on available-for-sale securities	(69)	(5)
Foreign currency translation adjustment	(328)	(236)
Total other comprehensive income	(397)	(241)
Comprehensive income	846	1,248
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,063	1,503
Comprehensive income attributable to non-controlling interests	(217)	(255)