

Translation

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Summary of Consolidated Financial Results for the Year Ended September 30, 2024 (Based on Japanese GAAP)

November 11, 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 of ordinary general meeting of shareholders: December 23, 2024
 Scheduled date to file Securities Report: December 24, 2024
 Scheduled date to commence dividend payments: December 24, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(1) Consolidated operating results

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 | % |
| Year ended September 30, 2024 | 71,865 | 19.5 | 3,965 | 10.2 | 4,364 | 4.7 | 2,888 | 45.6 |
| Year ended September 30, 2023 | 60,154 | 22.8 | 3,597 | 11.1 | 4,168 | 11.9 | 1,984 | (26.1) |

| | Earnings per share | Diluted earnings per share | Profit attributable to owners of parent/equity | Ordinary profit/total assets | Operating profit/net sales |
|-------------------------------|--------------------|----------------------------|--|------------------------------|----------------------------|
| | Yen | Yen | % | % | % |
| Year ended September 30, 2024 | 73.08 | 72.74 | 6.6 | 7.7 | 5.5 |
| Year ended September 30, 2023 | 50.35 | 50.13 | 4.8 | 8.0 | 6.0 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of September 30, 2024 | 58,439 | 45,101 | 77.1 | 1,126.87 |
| As of September 30, 2023 | 54,449 | 42,712 | 77.0 | 1,063.78 |

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Year ended September 30, 2024 | 983 | (4,501) | 195 | 12,960 |
| Year ended September 30, 2023 | 2,686 | (2,788) | 195 | 16,137 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--------------------------------------|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Year ended September 30, 2023 | — | 0.00 | — | 10.00 | 10.00 | 394 | 19.9 | 1.0 |
| Year ended September 30, 2024 | — | 0.00 | — | 13.00 | 13.00 | 519 | 17.8 | 1.2 |
| Year ending September 30, 2025 (Forecast) | — | 0.00 | — | 15.00 | 15.00 | | 18.2 | |

3. Forecast of consolidated financial results for the year ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

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 | 80,000 | 11.3 | 5,000 | 26.1 | 5,000 | 14.6 | 3,300 | 14.2 | 82.51 |

4. Notes

- (1) Significant changes in the scope of consolidation during the year ended September 30, 2024: Yes
- (2) 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

(3) Number of issued shares (common shares)

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

| | | | |
|--------------------------|-------------------|--------------------------|-------------------|
| As of September 30, 2024 | 40,103,528 shares | As of September 30, 2023 | 40,097,168 shares |
|--------------------------|-------------------|--------------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|--------------------------|----------------|--------------------------|----------------|
| As of September 30, 2024 | 109,398 shares | As of September 30, 2023 | 678,553 shares |
|--------------------------|----------------|--------------------------|----------------|

Average number of shares during the period

| | | | |
|-------------------------------|-------------------|-------------------------------|-------------------|
| Year ended September 30, 2024 | 39,524,489 shares | Year ended September 30, 2023 | 39,406,151 shares |
|-------------------------------|-------------------|-------------------------------|-------------------|

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of September 30, 2023 | As of September 30, 2024 |
|--|--------------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 16,137 | 12,960 |
| Notes and accounts receivable - trade | 6,017 | 7,031 |
| Merchandise and finished goods | 10,611 | 13,465 |
| Raw materials and supplies | 744 | 921 |
| Prepaid expenses | 995 | 789 |
| Other | 1,986 | 3,052 |
| Allowance for doubtful accounts | (1) | (15) |
| Total current assets | 36,491 | 38,206 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 1,080 | 1,773 |
| Accumulated depreciation | (770) | (800) |
| Buildings and structures, net | 309 | 972 |
| Machinery, equipment and vehicles | 96 | 84 |
| Accumulated depreciation | (42) | (55) |
| Machinery, equipment and vehicles, net | 54 | 28 |
| Tools, furniture and fixtures | 4,125 | 6,332 |
| Accumulated depreciation | (3,409) | (4,289) |
| Tools, furniture and fixtures, net | 715 | 2,043 |
| Land | 8,883 | 9,070 |
| Construction in progress | 307 | 577 |
| Other | 167 | 26 |
| Accumulated depreciation | (102) | (16) |
| Other, net | 65 | 9 |
| Total property, plant and equipment | 10,335 | 12,702 |
| Intangible assets | | |
| Goodwill | – | 44 |
| Software | 476 | 685 |
| Other | 154 | 687 |
| Total intangible assets | 630 | 1,417 |
| Investments and other assets | | |
| Investment securities | 3,645 | 3,212 |
| Deferred tax assets | 2,565 | 2,234 |
| Other | 932 | 753 |
| Allowance for doubtful accounts | (151) | (86) |
| Total investments and other assets | 6,991 | 6,114 |
| Total non-current assets | 17,958 | 20,233 |
| Total assets | 54,449 | 58,439 |

(Millions of yen)

| | As of September 30, 2023 | As of September 30, 2024 |
|--|--------------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 1,831 | 3,591 |
| Accounts payable - other | 2,012 | 2,233 |
| Income taxes payable | 1,485 | 975 |
| Provision for bonuses | 595 | 669 |
| Provision for bonuses for directors (and other officers) | 71 | 1 |
| Provision for product warranties | 1,618 | 815 |
| Provision for shareholder benefit program | 211 | 277 |
| Provision for loss on fire | 124 | 0 |
| Provision for loss on business liquidation | – | 218 |
| Other | 3,380 | 3,813 |
| Total current liabilities | 11,330 | 12,596 |
| Non-current liabilities | | |
| Other | 406 | 741 |
| Total non-current liabilities | 406 | 741 |
| Total liabilities | 11,737 | 13,338 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 16,778 | 16,781 |
| Capital surplus | 16,160 | 16,045 |
| Retained earnings | 10,706 | 13,142 |
| Treasury shares | (889) | (143) |
| Total shareholders' equity | 42,756 | 45,826 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (11) | 68 |
| Foreign currency translation adjustment | (812) | (826) |
| Total accumulated other comprehensive income | (824) | (758) |
| Share acquisition rights | 0 | 0 |
| Non-controlling interests | 779 | 33 |
| Total net assets | 42,712 | 45,101 |
| Total liabilities and net assets | 54,449 | 58,439 |

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

| | Fiscal year ended September 30, 2023 | Fiscal year ended September 30, 2024 |
|---|---|---|
| Net sales | 60,154 | 71,865 |
| Cost of sales | 23,295 | 28,764 |
| Gross profit | 36,859 | 43,101 |
| Selling, general and administrative expenses | 33,261 | 39,135 |
| Operating profit | 3,597 | 3,965 |
| Non-operating income | | |
| Interest and dividend income | 19 | 22 |
| Foreign exchange gains | 555 | 340 |
| Compensation for damages received | 3 | 17 |
| Other | 47 | 112 |
| Total non-operating income | 626 | 493 |
| Non-operating expenses | | |
| Interest expenses | 0 | 2 |
| Loss on cancellation of leasehold contracts | 12 | 15 |
| Loss on retirement of non-current assets | 11 | 36 |
| Compensation expenses | 11 | 7 |
| Charge back loss | 9 | 1 |
| Settlement payments | 0 | 18 |
| Other | 9 | 12 |
| Total non-operating expenses | 55 | 94 |
| Ordinary profit | 4,168 | 4,364 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 11 | 4 |
| Gain on sale of investment securities | – | 65 |
| Gain on reversal of share acquisition rights | 3 | – |
| Insurance claim income | – | 41 |
| Gain on reversal of provision for loss on fire | – | 26 |
| Settlement Income | 163 | – |
| Total extraordinary income | 178 | 138 |
| Extraordinary losses | | |
| Impairment losses | 1 | 138 |
| Loss on valuation of investment securities | 89 | 124 |
| Loss on sale of investment securities | – | 1 |
| Valuation loss on advance payments to suppliers | – | 81 |
| Provision of allowance for doubtful accounts | 40 | – |
| Provision for product warranties | 990 | – |
| Provision for loss on business liquidation | – | 211 |
| Expenses related to recall | 13 | 19 |
| Loss on fire | 162 | – |
| Total extraordinary losses | 1,297 | 577 |
| Profit before income taxes | 3,049 | 3,925 |
| Income taxes - current | 2,002 | 1,339 |
| Income taxes - deferred | (661) | 49 |
| Total income taxes | 1,341 | 1,389 |
| Profit | 1,708 | 2,536 |
| Loss attributable to non-controlling interests | (275) | (351) |
| Profit attributable to owners of parent | 1,984 | 2,888 |

Consolidated statements of comprehensive income

(Millions of yen)

| | Fiscal year ended September 30, 2023 | Fiscal year ended September 30, 2024 |
|--|---|---|
| Profit | 1,708 | 2,536 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (65) | 79 |
| Foreign currency translation adjustment | (466) | (13) |
| Total other comprehensive income | (531) | 65 |
| Comprehensive income | 1,176 | 2,602 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,452 | 2,954 |
| Comprehensive income attributable to non-controlling interests | (275) | (351) |

Consolidated statements of changes in equity

Fiscal year ended September 30, 2023

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 16,772 | 16,153 | 9,116 | (904) | 41,137 |
| Changes during period | | | | | |
| Issuance of new shares | 6 | 6 | | | 13 |
| Dividends of surplus | | | (393) | | (393) |
| Profit attributable to owners of parent | | | 1,984 | | 1,984 |
| Purchase of treasury shares | | | | (0) | (0) |
| Disposal of treasury shares | | 0 | | 15 | 15 |
| Changes in equity due to capital transfer | | 0 | | | 0 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | 6 | 7 | 1,590 | 15 | 1,619 |
| Balance at end of period | 16,778 | 16,160 | 10,706 | (889) | 42,756 |

| | Accumulated other comprehensive income | | | Share acquisition rights | Non-controlling interests | Total net assets |
|--|---|---|--|--------------------------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | 54 | (346) | (292) | 3 | 436 | 41,285 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 13 |
| Dividends of surplus | | | | | | (393) |
| Profit attributable to owners of parent | | | | | | 1,984 |
| Purchase of treasury shares | | | | | | (0) |
| Disposal of treasury shares | | | | | | 15 |
| Changes in equity due to capital transfer | | | | | | 0 |
| Net changes in items other than shareholders' equity | (65) | (466) | (531) | (3) | 342 | (192) |
| Total changes during period | (65) | (466) | (531) | (3) | 342 | 1,426 |
| Balance at end of period | (11) | (812) | (824) | 0 | 779 | 42,712 |

Fiscal year ended September 30, 2024

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 16,778 | 16,160 | 10,706 | (889) | 42,756 |
| Changes during period | | | | | |
| Issuance of new shares | 2 | 2 | | | 5 |
| Dividends of surplus | | | (394) | | (394) |
| Profit attributable to owners of parent | | | 2,888 | | 2,888 |
| Purchase of treasury shares | | | | (0) | (0) |
| Disposal of treasury shares | | 121 | | 745 | 867 |
| Change by business combination | | | (58) | | (58) |
| Changes in equity due to capital transfer | | (239) | | | (239) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | 2 | (115) | 2,436 | 745 | 3,069 |
| Balance at end of period | 16,781 | 16,045 | 13,142 | (143) | 45,826 |

| | Accumulated other comprehensive income | | | Share acquisition rights | Non-controlling interests | Total net assets |
|--|---|---|--|--------------------------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | (11) | (812) | (824) | 0 | 779 | 42,712 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 5 |
| Dividends of surplus | | | | | | (394) |
| Profit attributable to owners of parent | | | | | | 2,888 |
| Purchase of treasury shares | | | | | | (0) |
| Disposal of treasury shares | | | | | | 867 |
| Change by business combination | | | | | | (58) |
| Changes in equity due to capital transfer | | | | | | (239) |
| Net changes in items other than shareholders' equity | 79 | (13) | 65 | – | (746) | (680) |
| Total changes during period | 79 | (13) | 65 | – | (746) | 2,389 |
| Balance at end of period | 68 | (826) | (758) | 0 | 33 | 45,101 |

Consolidated statements of cash flows

(Millions of yen)

| | Fiscal year ended September 30, 2023 | Fiscal year ended September 30, 2024 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 3,049 | 3,925 |
| Depreciation | 796 | 1,652 |
| Impairment losses | 1 | 138 |
| Amortization of goodwill | – | 1 |
| Increase (decrease) in provision for bonuses | 82 | 72 |
| Provision for loss on fire | 124 | (25) |
| Increase (decrease) in provision for product warranties | 1,167 | (802) |
| Increase (decrease) in provision for loss on business liquidation | – | 218 |
| Foreign exchange losses (gains) | (6) | 0 |
| Insurance claim income | – | (59) |
| Settlement payments | 0 | 18 |
| Loss on fire | 38 | – |
| Loss (gain) on valuation of investment securities | 93 | 126 |
| Decrease (increase) in trade receivables | (1,287) | (1,125) |
| Decrease (increase) in inventories | (323) | (3,039) |
| Increase (decrease) in trade payables | 135 | 1,595 |
| Increase (decrease) in accounts payable - other | 266 | 213 |
| Other, net | 10 | 248 |
| Subtotal | 4,149 | 3,163 |
| Interest and dividends received | 19 | 27 |
| Interest paid | (0) | (4) |
| Proceeds from insurance income | – | 59 |
| Proceeds from damage income | – | 17 |
| Settlement paid | (0) | (38) |
| Loss on fire paid | – | (92) |
| Income taxes paid | (1,481) | (2,148) |
| Net cash provided by (used in) operating activities | 2,686 | 983 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,185) | (3,297) |
| Purchase of intangible assets | (264) | (912) |
| Purchase of investment securities | (1,143) | (439) |
| Proceeds from sale of investment securities | – | 207 |
| Purchase of shares of subsidiaries and associates | – | (107) |
| Other, net | (195) | 46 |
| Net cash provided by (used in) investing activities | (2,788) | (4,501) |

(Millions of yen)

| | Fiscal year ended September 30, 2023 | Fiscal year ended September 30, 2024 |
|---|---|---|
| Cash flows from financing activities | | |
| Repayments of long-term borrowings | (17) | (5) |
| Proceeds from issuance of shares | 13 | 5 |
| Proceeds from share issuance to non-controlling shareholders | 618 | 624 |
| Purchase of treasury shares | (0) | (0) |
| Dividends paid | (393) | (393) |
| Other, net | (26) | (36) |
| Net cash provided by (used in) financing activities | 195 | 195 |
| Effect of exchange rate change on cash and cash equivalents | (484) | 2 |
| Net increase (decrease) in cash and cash equivalents | (391) | (3,320) |
| Cash and cash equivalents at beginning of period | 16,529 | 16,137 |
| Increase in cash and cash equivalents due to share exchange | – | 578 |
| Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation | – | (434) |
| Cash and cash equivalents at end of period | 16,137 | 12,960 |