

May 8, 2025

Consolidated Financial Results for the Six Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: MTG Co.,Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7806
 URL: <https://www.mtg.gr.jp/>
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 Scheduled date to file semi-annual securities report: May 9, 2025
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended March 31, 2025 (from October 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|------------------|-----------------|------|------------------|--------|-----------------|--------|---|-------|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 46,695 | 42.6 | 7,370 | 345.5 | 7,469 | 306.9 | 4,655 | 296.8 |
| March 31, 2024 | 32,736 | 17.7 | 1,654 | (31.5) | 1,835 | (19.9) | 1,173 | 1.5 |

Note: Comprehensive income For the six months ended March 31, 2025: ¥4,750 million [369.4%]
 For the six months ended March 31, 2024: ¥1,012 million [0.2%]

| | Basic earnings per share | Diluted earnings per share |
|------------------|--------------------------|----------------------------|
| Six months ended | Yen | Yen |
| March 31, 2025 | 118.10 | 117.35 |
| March 31, 2024 | 29.75 | 29.62 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|--------------------|-----------------|-----------------|-----------------------|
| As of | Millions of yen | Millions of yen | % |
| March 31, 2025 | 63,365 | 47,389 | 74.8 |
| September 30, 2024 | 58,484 | 44,524 | 76.0 |

Reference: Equity
 As of March 31, 2025: ¥47,385 million
 As of September 30, 2024: ¥44,459 million

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended September 30, 2024 | - | 0.00 | - | 13.00 | 13.00 |
| Fiscal year ending September 30, 2025 | - | 0.00 | | | |
| Fiscal year ending September 30, 2025 (Forecast) | | | | 18.00 | 18.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal 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 | | Basic earnings per share |
|---------------------------------------|-----------------|------|------------------|-------|-----------------|-------|---|-------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending September 30, 2025 | 93,000 | 29.4 | 9,300 | 183.7 | 9,300 | 152.9 | 5,700 | 150.0 | 144.92 |

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, see "2. Interim Consolidated Financial Statements and Major Notes (4) Notes on Interim Consolidated Financial Statements (Notes on Accounting Procedures Specific to the Preparation of Interim Consolidated Financial Statements)" for more information.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, see "2. Interim Consolidated Financial Statements and Major Notes (4) Notes on Interim Consolidated Financial Statements (Notes on Changes in Accounting Policy)"

(4) Number of issued shares (common shares)

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

| | |
|--------------------------|-------------------|
| As of March 31, 2025 | 40,104,008 shares |
| As of September 30, 2024 | 40,103,528 shares |

(ii) Number of treasury shares at the end of the period

| | |
|--------------------------|----------------|
| As of March 31, 2025 | 859,398 shares |
| As of September 30, 2024 | 109,398 shares |

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

| | |
|---------------------------------|-------------------|
| Six months ended March 31, 2025 | 39,417,605 shares |
| Six months ended March 31, 2024 | 39,426,948 shares |

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Summary of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

Semi-annual consolidated balance sheet

(Millions of yen)

| | As of September 30, 2024 | As of March 31, 2025 |
|---------------------------------------|--------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 12,960 | 12,932 |
| Notes and accounts receivable - trade | 7,031 | 8,008 |
| Merchandise and finished goods | 13,465 | 15,860 |
| Raw materials and supplies | 921 | 1,050 |
| Prepaid expenses | 789 | 864 |
| Other | 3,029 | 2,381 |
| Allowance for doubtful accounts | (15) | (11) |
| Total current assets | 38,182 | 41,086 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 972 | 1,191 |
| Land | 9,070 | 9,070 |
| Other, net | 2,658 | 3,713 |
| Total property, plant and equipment | 12,702 | 13,976 |
| Intangible assets | 1,417 | 2,209 |
| Investments and other assets | | |
| Investment securities | 3,212 | 3,441 |
| Deferred tax assets | 2,301 | 1,772 |
| Other | 753 | 967 |
| Allowance for doubtful accounts | (86) | (89) |
| Total investments and other assets | 6,181 | 6,092 |
| Total non-current assets | 20,301 | 22,278 |
| Total assets | 58,484 | 63,365 |

| | As of September 30, 2024 | As of March 31, 2025 |
|---|--------------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 4,237 | 3,379 |
| Accounts payable - other | 2,233 | 2,732 |
| Income taxes payable | 954 | 2,460 |
| Provision for product warranties | 815 | 881 |
| Other provisions | 1,166 | 1,003 |
| Other | 3,809 | 4,854 |
| Total current liabilities | 13,217 | 15,312 |
| Non-current liabilities | | |
| Other | 741 | 663 |
| Total non-current liabilities | 741 | 663 |
| Total liabilities | 13,959 | 15,975 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 16,781 | 16,782 |
| Capital surplus | 16,045 | 15,874 |
| Retained earnings | 12,533 | 16,668 |
| Treasury shares | (143) | (1,347) |
| Total shareholders' equity | 45,217 | 47,977 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 68 | 263 |
| Foreign currency translation adjustment | (826) | (855) |
| Total accumulated other comprehensive income | (758) | (592) |
| Share acquisition rights | 0 | 0 |
| Non-controlling interests | 65 | 3 |
| Total net assets | 44,524 | 47,389 |
| Total liabilities and net assets | 58,484 | 63,365 |

Semi-annual consolidated statement of income

(Millions of yen)

| | Six months ended March 31, 2024 | Six months ended March 31, 2025 |
|--|------------------------------------|------------------------------------|
| Net sales | 32,736 | 46,695 |
| Cost of sales | 12,996 | 17,715 |
| Gross profit | 19,740 | 28,980 |
| Selling, general and administrative expenses | 18,085 | 21,609 |
| Operating profit | 1,654 | 7,370 |
| Non-operating income | | |
| Interest and dividend income | 16 | 8 |
| Foreign exchange gains | 129 | 49 |
| Other | 84 | 51 |
| Total non-operating income | 231 | 109 |
| Non-operating expenses | | |
| Interest expenses | 0 | 0 |
| Loss on cancellation of leasehold contracts | 15 | - |
| Loss on retirement of non-current assets | 6 | 3 |
| Settlement payments | 17 | 3 |
| Other | 8 | 2 |
| Total non-operating expenses | 49 | 9 |
| Ordinary profit | 1,835 | 7,469 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 3 | 1 |
| Gain on sale of investment securities | 0 | 127 |
| Insurance claim income | 38 | - |
| Total extraordinary income | 42 | 128 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | - | 178 |
| Loss on sale of investment securities | 1 | - |
| Expenses related to recall | 11 | - |
| Total extraordinary losses | 12 | 178 |
| Profit before income taxes | 1,865 | 7,419 |
| Income taxes | 849 | 2,834 |
| Profit | 1,015 | 4,584 |
| Loss attributable to non-controlling interests | (157) | (70) |
| Profit attributable to owners of parent | 1,173 | 4,655 |

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

| | Six months ended March 31, 2024 | Six months ended March 31, 2025 |
|--|------------------------------------|------------------------------------|
| Profit | 1,015 | 4,584 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 6 | 195 |
| Foreign currency translation adjustment | (10) | (29) |
| Total other comprehensive income | (3) | 165 |
| Comprehensive income | 1,012 | 4,750 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,169 | 4,821 |
| Comprehensive income attributable to non-controlling interests | (157) | (70) |

Semi-annual consolidated statement of cash flows

(Millions of yen)

| | Six months ended March 31, 2024 | Six months ended March 31, 2025 |
|--|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,865 | 7,419 |
| Depreciation | 645 | 911 |
| Increase (decrease) in provision for product warranties | (700) | 65 |
| Foreign exchange losses (gains) | (2) | (16) |
| Insurance claim income | (38) | (14) |
| Settlement payments | 17 | 3 |
| Decrease (increase) in trade receivables | 136 | (853) |
| Decrease (increase) in inventories | 188 | (2,534) |
| Increase (decrease) in trade payables | 452 | (633) |
| Decrease (increase) in prepaid expenses | 69 | (73) |
| Increase (decrease) in accounts payable - other | 124 | 629 |
| Other, net | (523) | 916 |
| Subtotal | 2,234 | 5,818 |
| Interest and dividends received | 21 | 8 |
| Interest paid | (0) | (0) |
| Proceeds from insurance income | 38 | 14 |
| Settlement paid | (17) | (3) |
| Income taxes refund (paid) | (1,181) | (578) |
| Other, net | 14 | 4 |
| Net cash provided by (used in) operating activities | 1,108 | 5,261 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,651) | (2,027) |
| Purchase of intangible assets | (339) | (872) |
| Purchase of investment securities | (109) | (236) |
| Purchase of shares of subsidiaries and associates | (107) | (205) |
| Other, net | 103 | (184) |
| Net cash provided by (used in) investing activities | (2,104) | (3,526) |
| Cash flows from financing activities | | |
| Repayments of long-term borrowings | (2) | (70) |
| Proceeds from issuance of shares | 2 | 0 |
| Proceeds from share issuance to non-controlling shareholders | 130 | 50 |
| Dividends paid | (392) | (519) |
| Purchase of treasury shares | (0) | (1,205) |
| Other, net | (20) | (3) |
| Net cash provided by (used in) financing activities | (283) | (1,747) |
| Effect of exchange rate change on cash and cash equivalents | (123) | (16) |
| Net increase (decrease) in cash and cash equivalents | (1,402) | (28) |
| Cash and cash equivalents at beginning of period | 16,137 | 12,960 |
| Cash and cash equivalents at end of period | 14,735 | 12,932 |