

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	3,277	(8.9)	3,676	(11.8)	2,279	14.9
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	57.68	57.41	5.3	6.5	4.6
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	58,484	44,524	76.0	1,111.65
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	22.5	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
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	80,000	11.3	5,000	52.5	5,000	36.0	3,300	44.8	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
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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
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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
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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	3,029
Allowance for doubtful accounts	(1)	(15)
Total current assets	36,491	38,182
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	2,301
Other	932	753
Allowance for doubtful accounts	(151)	(86)
Total investments and other assets	6,991	6,181
Total non-current assets	17,958	20,301
Total assets	54,449	58,484

(Millions of yen)

	As of September 30, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,831	4,237
Accounts payable - other	2,012	2,233
Income taxes payable	1,485	954
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	3,809
Total current liabilities	11,330	13,217
Non-current liabilities		
Other	406	741
Total non-current liabilities	406	741
Total liabilities	11,737	13,959
Net assets		
Shareholders' equity		
Share capital	16,778	16,781
Capital surplus	16,160	16,045
Retained earnings	10,706	12,533
Treasury shares	(889)	(143)
Total shareholders' equity	42,756	45,217
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	65
Total net assets	42,712	44,524
Total liabilities and net assets	54,449	58,484

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	39,823
Operating profit	3,597	3,277
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	3,676
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	3,237
Income taxes - current	2,002	1,296
Income taxes - deferred	(661)	(18)
Total income taxes	1,341	1,278
Profit	1,708	1,959
Loss attributable to non-controlling interests	(275)	(320)
Profit attributable to owners of parent	1,984	2,279

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Profit	1,708	1,959
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	2,025
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,452	2,345
Comprehensive income attributable to non-controlling interests	(275)	(320)

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			2,279		2,279
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)	1,827	745	2,461
Balance at end of period	16,781	16,045	12,533	(143)	45,217

	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						2,279
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	—	(714)	(648)
Total changes during period	79	(13)	65	—	(714)	1,812
Balance at end of period	68	(826)	(758)	0	65	44,524

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	3,237
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	2,324
Increase (decrease) in accounts payable - other	266	213
Other, net	10	208
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)
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