

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2022 (Based on Japanese GAAP)

August 9, 2022

Company name: MTG Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 7806 URL <https://www.mtg.gr.jp/>
 Representative: President Tsuyoshi Matsushita
 Inquiries: Senior Managing Director CFO Makoto Yoshitaka TEL 052-307-7890
 Scheduled date to file Quarterly Securities Report: August 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended June 30, 2022 (from October 1, 2021 to June 30, 2022)

(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, 2022	34,706	9.4	1,943	(47.1)	2,390	(41.4)	1,921	(48.8)
Nine months ended June 30, 2021	31,734	27.5	3,675	–	4,079	–	3,754	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2022	49.10		48.89	
Nine months ended June 30, 2021	94.96		94.17	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	49,024	40,416	81.7
As of September 30, 2021	46,939	38,154	81.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2021	–	0.00	–	10.00	10.00
Year ending September 30, 2022	–	0.00	–		
Year ending September 30, 2022 (Forecast)				10.00	10.00

3. Forecast of consolidated financial results for the year ending September 30, 2022 (from October 1, 2021 to September 30, 2022)

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	49,000	14.5	3,000	(22.9)	3,400	(19.3)	2,500	(55.3)	63.87

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 2022
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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: Yes
- 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, 2022	40,077,128 shares	As of September 30, 2021	39,744,728 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	690,261 shares	As of September 30, 2021	690,217 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2022	39,141,677 shares	Nine months ended June 30, 2021	39,537,614 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2021	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	15,651	14,577
Notes and accounts receivable - trade	4,294	4,792
Merchandise and finished goods	8,010	9,563
Raw materials and supplies	1,817	1,443
Prepaid expenses	361	474
Other	1,979	2,695
Allowance for doubtful accounts	(7)	(9)
Total current assets	32,108	33,536
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	510	456
Land	8,883	8,883
Other, net	457	508
Total property, plant and equipment	9,852	9,849
Intangible assets	362	553
Investments and other assets		
Investment securities	1,969	2,454
Deferred tax assets	2,085	2,083
Other	586	652
Allowance for doubtful accounts	(25)	(105)
Total investments and other assets	4,616	5,084
Total non-current assets	14,831	15,488
Total assets	46,939	49,024

(Millions of yen)

	As of September 30, 2021	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,694	2,314
Accounts payable - other	2,433	1,615
Income taxes payable	598	833
Provision for bonuses	542	262
Other provisions	749	307
Other	2,211	2,800
Total current liabilities	8,230	8,135
Non-current liabilities		
Other	554	473
Total non-current liabilities	554	473
Total liabilities	8,784	8,608
Net assets		
Shareholders' equity		
Share capital	16,615	16,769
Capital surplus	15,418	16,151
Retained earnings	6,859	8,352
Treasury shares	(904)	(904)
Total shareholders' equity	37,989	40,368
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	184	50
Foreign currency translation adjustment	(125)	(352)
Total accumulated other comprehensive income	59	(301)
Share acquisition rights	3	3
Non-controlling interests	102	345
Total net assets	38,154	40,416
Total liabilities and net assets	46,939	49,024

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, 2021	Nine months ended June 30, 2022
Net sales	31,734	34,706
Cost of sales	8,997	12,446
Gross profit	22,736	22,259
Reversal of provision for sales returns	435	–
Provision for sales returns	598	–
Gross profit - net	22,573	22,259
Selling, general and administrative expenses	18,898	20,316
Operating profit	3,675	1,943
Non-operating income		
Interest and dividend income	11	9
Foreign exchange gains	352	458
Compensation for damages received	11	1
Other	74	37
Total non-operating income	449	508
Non-operating expenses		
Interest expenses	0	0
Commitment fees	30	6
Loss on cancellation of leasehold contracts	–	21
Loss on retirement of non-current assets	8	2
Share issuance costs	–	16
Other	5	13
Total non-operating expenses	45	61
Ordinary profit	4,079	2,390
Extraordinary income		
Gain on sale of investment securities	–	4
Gain on reversal of share acquisition rights	1	–
Insurance claim income	–	263
Compensation income for damage	158	442
Gain on extinguishment of debt	–	326
Total extraordinary income	159	1,037
Extraordinary losses		
Loss on valuation of investment securities	–	0
Settlement package	–	275
Provision of allowance for doubtful accounts	–	80
Expenses related to recall	–	110
Total extraordinary losses	–	467
Profit before income taxes	4,239	2,960
Income taxes	507	1,148
Profit	3,731	1,812
Loss attributable to non-controlling interests	(22)	(109)
Profit attributable to owners of parent	3,754	1,921

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2021	Nine months ended June 30, 2022
Profit	3,731	1,812
Other comprehensive income		
Valuation difference on available-for-sale securities	231	(133)
Foreign currency translation adjustment	(135)	(226)
Total other comprehensive income	96	(360)
Comprehensive income	3,827	1,451
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,850	1,561
Comprehensive income attributable to non-controlling interests	(22)	(109)