

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2023 (Based on Japanese GAAP)

August 4, 2023

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, 2023
 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, 2023 (from October 1, 2022 to June 30, 2023)

(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, 2023	43,105	24.2	2,557	31.6	2,876	20.4	1,461	(24.0)
Nine months ended June 30, 2022	34,706	9.4	1,943	(47.1)	2,390	(41.4)	1,921	(48.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2023	37.09		36.93	
Nine months ended June 30, 2022	49.10		48.89	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	52,191	42,327	79.6
As of September 30, 2022	49,942	41,285	81.8

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, 2022	–	0.00	–	10.00	10.00
Year ending September 30, 2023	–	0.00	–		
Year ending September 30, 2023 (Forecast)				10.00	10.00

3. Forecast of consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

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	58,000	18.4	3,400	5.0	3,300	(11.4)	1,600	(40.4)	40.61

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 2023
 (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: 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, 2023	40,092,368 shares	As of September 30, 2022	40,082,288 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	678,553 shares	As of September 30, 2022	690,261 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, 2023	39,403,672 shares	Nine months ended June 30, 2022	39,141,677 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	16,529	14,761
Notes and accounts receivable - trade	4,838	5,639
Merchandise and finished goods	9,654	11,440
Raw materials and supplies	1,414	789
Prepaid expenses	436	785
Other	1,727	1,928
Allowance for doubtful accounts	(1)	(4)
Total current assets	34,600	35,340
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	289	336
Land	8,883	8,883
Other, net	615	969
Total property, plant and equipment	9,788	10,189
Intangible assets	476	555
Investments and other assets		
Investment securities	2,673	3,443
Deferred tax assets	1,923	1,965
Other	592	833
Allowance for doubtful accounts	(113)	(137)
Total investments and other assets	5,076	6,105
Total non-current assets	15,341	16,851
Total assets	49,942	52,191

(Millions of yen)

	As of September 30, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,644	2,592
Accounts payable - other	1,739	1,901
Income taxes payable	964	978
Provision for bonuses	512	299
Other provisions	609	653
Other	2,808	3,054
Total current liabilities	8,279	9,479
Non-current liabilities		
Other	377	384
Total non-current liabilities	377	384
Total liabilities	8,656	9,864
Net assets		
Shareholders' equity		
Share capital	16,772	16,776
Capital surplus	16,153	16,158
Retained earnings	9,116	10,183
Treasury shares	(904)	(889)
Total shareholders' equity	41,137	42,229
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	54	(14)
Foreign currency translation adjustment	(346)	(675)
Total accumulated other comprehensive income	(292)	(689)
Share acquisition rights	3	0
Non-controlling interests	436	787
Total net assets	41,285	42,327
Total liabilities and net assets	49,942	52,191

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, 2022	Nine months ended June 30, 2023
Net sales	34,706	43,105
Cost of sales	12,446	16,859
Gross profit	22,259	26,246
Selling, general and administrative expenses	20,316	23,689
Operating profit	1,943	2,557
Non-operating income		
Interest and dividend income	9	11
Foreign exchange gains	458	301
Compensation for damages received	1	2
Other	37	39
Total non-operating income	508	354
Non-operating expenses		
Interest expenses	0	0
Commitment fees	6	-
Loss on cancellation of leasehold contracts	21	5
Loss on retirement of non-current assets	2	2
Share issuance costs	16	-
Compensation expenses	-	11
Loss on charge back	1	9
Other	11	6
Total non-operating expenses	61	34
Ordinary profit	2,390	2,876
Extraordinary income		
Gain on sale of non-current assets	-	8
Gain on sale of investment securities	4	-
Gain on reversal of share acquisition rights	-	3
Insurance claim income	263	-
Compensation income for damage	442	-
Gain on extinguishment of debt	326	-
Total extraordinary income	1,037	12
Extraordinary losses		
Loss on valuation of investment securities	0	87
Settlement payments	275	-
Provision of allowance for doubtful accounts	80	40
Expenses related to recall	110	2
Total extraordinary losses	467	130
Profit before income taxes	2,960	2,758
Income taxes	1,148	1,515
Profit	1,812	1,243
Loss attributable to non-controlling interests	(109)	(217)
Profit attributable to owners of parent	1,921	1,461

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2022	Nine months ended June 30, 2023
Profit	1,812	1,243
Other comprehensive income		
Valuation difference on available-for-sale securities	(133)	(69)
Foreign currency translation adjustment	(226)	(328)
Total other comprehensive income	(360)	(397)
Comprehensive income	1,451	846
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,561	1,063
Comprehensive income attributable to non-controlling interests	(109)	(217)