

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on IFRS)

November 13, 2020

Company name: VT HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Securities code: 7593 URL <http://www.vt-holdings.co.jp>
 Representative: President & CEO Kazuho Takahashi
 Inquiries: Managing Director Ichiro Yamauchi TEL 052-203-9500
 Scheduled date to file Quarterly Securities Report: November 13, 2020
 Scheduled date to commence dividend payments: December 4, 2020
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2020	86,809	(18.4)	3,707	(12.1)	3,639	(2.6)	2,801	12.2	2,205	0.5	3,541	82.4
Six months ended September 30, 2019	106,407	(1.3)	4,215	14.5	3,734	6.7	2,496	8.6	2,194	0.9	1,942	(14.7)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	18.90	—
Six months ended September 30, 2019	18.69	—

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2020	165,556	42,289	37,882	22.9
As of March 31, 2020	167,912	40,705	36,882	22.0

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 March 31, 2020	—	10.00	—	10.00	20.00
Year ending March 31, 2021	—	10.00	—	—	—
Year ending March 31, 2021 (Forecast)	—	—	—	10.00	20.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	199,000	(4.1)	5,800	9.9	5,400	17.1	3,200	53.9	27.58

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies and changes in accounting estimates
- Changes in accounting policies required by IFRS: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No

(3) Number of issued shares (ordinary shares)

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

As of September 30, 2020	∴	119,381,034 shares	As of March 31, 2020	∴	119,381,034 shares
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Number of treasury shares at end of period

As of September 30, 2020	∴	4,026,580 shares	As of March 31, 2020	∴	2,026,580 shares
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Average number of shares during period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2020	∴	116,672,815 shares	Six months ended September 30, 2019	∴	117,354,454 shares
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Condensed quarterly consolidated financial statements
Condensed quarterly consolidated statement of financial position

	As of March 31, 2020	As of September 30, 2020
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	9,490	10,778
Trade and other receivables	16,853	14,843
Other financial assets	90	74
Inventories	37,935	35,990
Other current assets	4,694	4,621
Total current assets	69,063	66,306
Non-current assets		
Property, plant and equipment	62,286	61,874
Goodwill	12,624	12,702
Intangible assets	700	661
Investment property	6,730	6,894
Investments accounted for using equity method	8,533	8,613
Other financial assets	6,630	7,327
Deferred tax assets	1,223	1,050
Other non-current assets	122	129
Total non-current assets	98,849	99,251
Total assets	167,912	165,556

	As of March 31, 2020	As of September 30, 2020
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	32,110	32,945
Trade and other payables	40,279	30,894
Other financial liabilities	5,763	5,613
Income taxes payable	864	887
Contract liabilities	8,873	9,416
Other current liabilities	2,270	3,053
Total current liabilities	90,160	82,807
Non-current liabilities		
Bonds and borrowings	13,970	19,012
Other financial liabilities	19,375	17,640
Provisions	497	516
Deferred tax liabilities	1,639	1,688
Other non-current liabilities	1,565	1,604
Total non-current liabilities	37,046	40,460
Total liabilities	127,207	123,267
Equity		
Share capital	4,297	4,297
Capital surplus	2,847	2,850
Treasury shares	(272)	(1,028)
Other components of equity	(146)	114
Retained earnings	30,156	31,648
Total equity attributable to owners of parent	36,882	37,882
Non-controlling interests	3,823	4,408
Total equity	40,705	42,289
Total liabilities and equity	167,912	165,556

Condensed quarterly consolidated statements of income and condensed quarterly consolidated statements of comprehensive income

Condensed quarterly consolidated statements of income

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Millions of yen	Millions of yen
Revenue	106,407	86,809
Cost of sales	88,861	72,385
Gross profit	17,546	14,423
Selling, general and administrative expenses	13,583	12,616
Other income	307	1,958
Other expenses	54	59
Operating profit	4,215	3,707
Finance income	59	154
Finance costs	642	395
Share of profit of investments accounted for using equity method	103	172
Profit before tax	3,734	3,639
Income tax expense	1,238	838
Profit	2,496	2,801
Profit attributable to		
Owners of parent	2,194	2,205
Non-controlling interests	302	596
Profit	2,496	2,801
Earnings per share		
Basic earnings per share	18.69	18.90
Diluted earnings per share	-	-

Condensed quarterly consolidated statements of comprehensive income

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Millions of yen	Millions of yen
Profit	2,496	2,801
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(48)	458
Share of other comprehensive income of investments accounted for using equity method	1	6
Total of items that will not be reclassified to profit or loss	(47)	464
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(512)	281
Share of other comprehensive income of investments accounted for using equity method	4	(5)
Total of items that may be reclassified to profit or loss	(507)	276
Other comprehensive income	(554)	740
Comprehensive income	1,942	3,541
Comprehensive income attributable to		
Owners of parent	1,654	2,929
Non-controlling interests	287	613
Comprehensive income	1,942	3,541

Condensed quarterly consolidated statement of changes in equity

Six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Exchange differences on translation of foreign operations	Share acquisition rights
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at April 1, 2019	4,297	2,843	(272)	189	141
Accounting change	–	–	–	–	–
Restated balance	4,297	2,843	(272)	189	141
Profit					
Other comprehensive income				(488)	
Comprehensive income	–	–	–	(488)	–
Forfeiture of share acquisition rights		3			(3)
Transfer to retained earnings					
Dividends					
Total transactions with owners	–	3	–	–	(3)
Balance at September 30, 2019	4,297	2,845	(272)	(299)	138

	Equity attributable to owners of parent					
	Other components of equity		Retained earnings	Non-controlling interests		Total
	Financial assets measured at fair value through other comprehensive income	Total		Total	Non-controlling interests	
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at April 1, 2019	–	330	32,846	40,044	3,423	43,467
Accounting change	–	–	(1,971)	(1,971)	(18)	(1,989)
Restated balance	–	330	30,875	38,073	3,405	41,478
Profit		–	2,194	2,194	302	2,496
Other comprehensive income	(51)	(540)		(540)	(15)	(554)
Comprehensive income	(51)	(540)	2,194	1,654	287	1,942
Forfeiture of share acquisition rights		(3)		–		–
Transfer to retained earnings	51	51	(51)	–		–
Dividends		–	(1,174)	(1,174)	(37)	(1,210)
Total transactions with owners	51	49	(1,225)	(1,174)	(37)	(1,210)
Balance at September 30, 2019	–	(161)	31,844	38,553	3,656	42,209

Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Exchange differences on translation of foreign operations	Share acquisition rights
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at April 1, 2020	4,297	2,847	(272)	(283)	137
Profit					
Other comprehensive income				263	
Comprehensive income	–	–	–	263	–
Purchase of treasury shares			(755)		
Forfeiture of share acquisition rights		3			(3)
Transfer to retained earnings					
Dividends					
Total transactions with owners	–	3	(755)	–	(3)
Balance at September 30, 2020	4,297	2,850	(1,028)	(20)	134

	Equity attributable to owners of parent					
	Financial assets measured at fair value through other comprehensive income	Other components of equity		Total	Non-controlling interests	Total
		Total	Retained earnings			
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at April 1, 2020	–	(146)	30,156	36,882	3,823	40,705
Profit		–	2,205	2,205	596	2,801
Other comprehensive income	460	723		723	17	740
Comprehensive income	460	723	2,205	2,929	613	3,541
Purchase of treasury shares		–		(755)		(755)
Forfeiture of share acquisition rights		(3)		–		–
Transfer to retained earnings	(460)	(460)	460	–		–
Dividends		–	(1,174)	(1,174)	(28)	(1,202)
Total transactions with owners	(460)	(463)	(713)	(1,929)	(28)	(1,957)
Balance at September 30, 2020	–	114	31,648	37,882	4,408	42,289

Condensed quarterly consolidated statements of cash flows

	Six months ended	Six months ended
	September 30, 2019	September 30, 2020
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	3,734	3,639
Depreciation and amortization	4,165	4,318
Gain on bargain purchase	–	(1,185)
Interest and dividend income	(54)	(40)
Interest expenses	370	381
Foreign exchange loss (gain)	238	(101)
Share of loss (profit) of investments accounted for using equity method	(103)	(172)
Loss (gain) on sale of fixed assets	(146)	(221)
Loss on retirement of non-current assets	12	1
Decrease (increase) in trade receivables	(375)	(716)
Decrease (increase) in inventories	1,919	6,067
Increase (decrease) in trade payables	(3,793)	(6,742)
Increase (decrease) in contract liabilities	628	423
Increase (decrease) in accrued consumption taxes	(73)	1,041
Other	(1,273)	(504)
Subtotal	5,250	6,188
Interest and dividends received	107	131
Interest paid	(374)	(406)
Income taxes refund (paid)	(1,237)	(1,076)
Net cash provided by (used in) operating activities	3,746	4,836
Cash flows from investing activities		
Payments into time deposits	(12)	–
Proceeds from withdrawal of time deposits	1	–
Purchase of property, plant and equipment	(4,706)	(2,942)
Proceeds from sale of property, plant and equipment	1,302	1,488
Purchase of intangible assets	(37)	(13)
Purchase of investment securities	(44)	–
Proceeds from sale of investment securities	62	13
Proceeds (Payments) from (for) acquisition of subsidiaries	(1,195)	301
Payments for loans receivable	–	(20)
Collection of loans receivable	290	92
Payments of leasehold and guarantee deposits	(60)	(42)
Proceeds from refund of leasehold and guarantee deposits	51	47
Other	(4)	9
Net cash provided by (used in) investing activities	(4,353)	(1,067)

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Millions of yen	Millions of yen
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(440)	(2,133)
Proceeds from long-term borrowings	9,410	7,899
Repayments of long-term borrowings	(3,267)	(3,321)
Redemption of bonds	(7)	(9)
Purchase of treasury shares	–	(755)
Dividends paid	(1,174)	(1,174)
Dividends paid to non-controlling interests	(37)	(28)
Repayments of lease liabilities	(3,150)	(3,074)
Other	3	(1)
Net cash provided by (used in) financing activities	<u>1,339</u>	<u>(2,596)</u>
Effect of exchange rate changes on cash and cash equivalents	(225)	115
Net increase (decrease) in cash and cash equivalents	506	1,289
Cash and cash equivalents at beginning of period	<u>7,514</u>	<u>9,490</u>
Cash and cash equivalents	<u><u>8,020</u></u>	<u><u>10,778</u></u>