

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on IFRS)

February 14, 2023

Company name: VT HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Securities code: 7593 URL <https://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: February 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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	%
Nine months ended December 31, 2022	193,384	12.2	10,133	50.5	10,032	(30.3)	7,245	(27.5)	5,451	(43.3)	10,939	7.6
Nine months ended December 31, 2021	172,297	24.6	6,735	24.1	14,397	166.1	9,988	149.7	9,618	184.7	10,165	102.7

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	47.00		–	
Nine months ended December 31, 2021	83.28		–	

(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 December 31, 2022	213,435	65,751	57,902	27.1
As of March 31, 2022	188,049	56,934	51,342	27.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	11.00	–	11.00	22.00
Year ending March 31, 2023	–	11.50	–		
Year ending March 31, 2023 (Forecast)				12.00	23.50

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

	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	260,000	9.3	12,500	22.6	12,500	(30.4)	7,500	(35.8)	64.66

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022
 (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 December 31, 2022	119,381,034 shares	As of March 31, 2022	119,381,034 shares
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Number of treasury shares at end of period

As of December 31, 2022	3,393,364 shares	As of March 31, 2022	3,393,364 shares
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Average number of shares during period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	115,987,670 shares	Nine months ended December 31, 2021	115,494,913 shares
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Condensed quarterly consolidated financial statements
Condensed quarterly consolidated statement of financial position

	As of March 31, 2022	As of December 31, 2022
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	11,844	8,893
Trade and other receivables	19,694	19,429
Other financial assets	87	146
Inventories	37,543	55,201
Other current assets	4,579	6,929
Total current assets	73,748	90,598
Non-current assets		
Property, plant and equipment	68,250	71,035
Goodwill	13,513	13,573
Intangible assets	1,088	1,009
Investment property	6,448	7,372
Investments accounted for using equity method	4,277	4,436
Other financial assets	19,479	24,234
Deferred tax assets	1,146	1,060
Other non-current assets	100	118
Total non-current assets	114,301	122,837
Total assets	188,049	213,435

	As of March 31, 2022	As of December 31, 2022
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	28,274	43,116
Trade and other payables	35,577	39,998
Other financial liabilities	6,485	6,531
Income taxes payable	2,479	788
Contract liabilities	12,103	10,219
Other current liabilities	3,294	1,835
Total current liabilities	88,212	102,487
Non-current liabilities		
Bonds and borrowings	18,027	19,399
Other financial liabilities	18,258	17,560
Provisions	585	575
Deferred tax liabilities	3,997	5,655
Other non-current liabilities	2,035	2,008
Total non-current liabilities	42,903	45,197
Total liabilities	131,115	147,684
Equity		
Share capital	4,297	4,297
Capital surplus	2,975	3,149
Treasury shares	(866)	(866)
Other components of equity	1,539	1,472
Retained earnings	43,397	49,849
Total equity attributable to owners of parent	51,342	57,902
Non-controlling interests	5,592	7,850
Total equity	56,934	65,751
Total liabilities and equity	188,049	213,435

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

Condensed quarterly consolidated statements of income

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
	Millions of yen	Millions of yen
Revenue	172,297	193,384
Cost of sales	143,865	161,469
Gross profit	28,432	31,915
Selling, general and administrative expenses	21,889	23,925
Other income	392	2,318
Other expenses	199	175
Operating profit	6,735	10,133
Finance income	207	337
Finance costs	548	617
Share of profit of investments accounted for using equity method	185	179
Other non-operating income and expenses	7,817	–
Profit before tax	14,397	10,032
Income tax expense	4,408	2,787
Profit	9,988	7,245
Profit attributable to		
Owners of parent	9,618	5,451
Non-controlling interests	370	1,794
Profit	9,988	7,245
Earnings per share		
Basic earnings per share	83.28	47.00
Diluted earnings per share	–	–

Condensed quarterly consolidated statements of comprehensive income

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
	Millions of yen	Millions of yen
Profit	9,988	7,245
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	73	3,633
Share of other comprehensive income of investments accounted for using equity method	(1)	(8)
Total of items that will not be reclassified to profit or loss	72	3,625
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	110	38
Share of other comprehensive income of investments accounted for using equity method	(6)	31
Total of items that may be reclassified to profit or loss	104	69
Other comprehensive income	177	3,694
Comprehensive income	10,165	10,939
Comprehensive income attributable to		
Owners of parent	9,794	9,120
Non-controlling interests	371	1,819
Comprehensive income	10,165	10,939

Condensed quarterly consolidated statement of changes in equity

Nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

	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, 2021	4,297	2,842	(1,028)	740	134	
Profit						
Other comprehensive income				104		
Comprehensive income	–	–	–	104	–	
Change in scope of consolidation						
Changes in ownership interest in subsidiaries		0				
Forfeiture of share acquisition rights		1			(1)	
Transfer to retained earnings						
Disposal of treasury shares		132	162			
Dividends						
Total transactions with owners	–	133	162	–	(1)	
Balance at December 31, 2021	4,297	2,975	(866)	845	133	

	Equity attributable to owners of parent					
	Financial assets measured at fair value through other comprehensive income	Other components of equity		Retained earnings	Non-controlling interests	Total
		Total	Total			
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at April 1, 2021	–	874	33,210	40,195	5,127	45,322
Profit		–	9,618	9,618	370	9,988
Other comprehensive income	72	176		176	1	177
Comprehensive income	72	176	9,618	9,794	371	10,165
Change in scope of consolidation		–		–	23	23
Changes in ownership interest in subsidiaries		–		0	(262)	(262)
Forfeiture of share acquisition rights		(1)		–		–
Transfer to retained earnings	(72)	(72)	72	–		–
Disposal of treasury shares		–		293		293
Dividends		–	(2,422)	(2,422)	(78)	(2,500)
Total transactions with owners	(72)	(73)	(2,351)	(2,129)	(317)	(2,446)
Balance at December 31, 2021	–	977	40,477	47,860	5,181	53,041

Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

	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, 2022	4,297	2,975	(866)	1,407	132
Profit					
Other comprehensive income				58	
Comprehensive income	–	–	–	58	–
Changes in ownership interest in subsidiaries		47			
Forfeiture of share acquisition rights		132			(132)
Issuance of share acquisition rights					8
Transfer to retained earnings					
Disposal of treasury shares		(6)			
Dividends					
Total transactions with owners	–	173	–	–	(124)
Balance at December 31, 2022	4,297	3,149	(866)	1,465	8

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total
	Financial assets measured at fair value through other comprehensive income	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, 2022	–	1,539	43,397	51,342	5,592	56,934
Profit		–	5,451	5,451	1,794	7,245
Other comprehensive income	3,611	3,669		3,669	25	3,694
Comprehensive income	3,611	3,669	5,451	9,120	1,819	10,939
Changes in ownership interest in subsidiaries		–		47	557	604
Forfeiture of share acquisition rights		(132)		–	–	–
Issuance of share acquisition rights		8		8	–	8
Transfer to retained earnings	(3,611)	(3,611)	3,611	–	–	–
Disposal of treasury shares		–		(6)	–	(6)
Dividends		–	(2,610)	(2,610)	(118)	(2,728)
Total transactions with owners	(3,611)	(3,736)	1,002	(2,561)	439	(2,122)
Balance at December 31, 2022	–	1,472	49,849	57,902	7,850	65,751

Condensed quarterly consolidated statements of cash flows

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	14,397	10,032
Depreciation and amortization	7,060	7,935
Impairment losses	8	20
Gain on bargain purchase	–	(1,834)
Interest and dividend income	(152)	(215)
Interest expenses	525	592
Foreign exchange loss (gain)	(13)	90
Share of loss (profit) of investments accounted for using equity method	(185)	(179)
Loss (gain) on sales of investments accounted for using equity method	(1,380)	–
Gain on remeasurement relating to exclusion of equity method	(6,436)	–
Loss (gain) on sale of fixed assets	10	4
Loss on retirement of fixed assets	16	60
Decrease (increase) in trade receivables	(376)	2,194
Decrease (increase) in inventories	6,775	(11,312)
Increase (decrease) in trade payables	(10,602)	2,241
Increase (decrease) in contract liabilities	(2,761)	(2,163)
Increase (decrease) in accrued consumption taxes	705	(1,471)
Other	477	(325)
Subtotal	8,066	5,670
Interest and dividends received	203	265
Interest paid	(525)	(550)
Income taxes refund (paid)	(2,521)	(4,443)
Net cash provided by (used in) operating activities	5,223	941
Cash flows from investing activities		
Payments into time deposits	(40)	(120)
Proceeds from withdrawal of time deposits	11	26
Purchase of property, plant and equipment	(6,669)	(10,175)
Proceeds from sale of property, plant and equipment	1,493	2,154
Purchase of intangible assets	(102)	(35)
Purchase of investment securities	(24)	(1)
Proceeds from sale of investment securities	9	340
Proceeds (Payments) from (for) acquisition of subsidiaries	(737)	1,088
Proceeds from sale of investments in associates	2,186	–
Payments for loans receivable	(8)	(8)
Collection of loans receivable	140	109
Payments of leasehold and guarantee deposits	(92)	(109)
Proceeds from refund of leasehold and guarantee deposits	98	53
Payments for acquisition of businesses	(35)	–
Proceeds from sale of businesses	–	31
Other	(10)	(5)
Net cash provided by (used in) investing activities	(3,780)	(6,650)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
	Millions of yen	Millions of yen
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,585	9,909
Proceeds from long-term borrowings	5,169	6,382
Repayments of long-term borrowings	(4,631)	(5,162)
Redemption of bonds	(5)	(95)
Proceeds from issuance of share acquisition rights	–	8
Capital contribution from non-controlling interests	23	25
Proceeds from sale of treasury shares	–	10
Dividends paid	(2,422)	(2,610)
Dividends paid to non-controlling interests	(78)	(118)
Repayments of lease liabilities	(5,018)	(5,531)
Other	(1)	(1)
Net cash provided by (used in) financing activities	<u>622</u>	<u>2,816</u>
Effect of exchange rate changes on cash and cash equivalents	14	(59)
Net increase (decrease) in cash and cash equivalents	2,079	(2,951)
Cash and cash equivalents at beginning of period	<u>9,195</u>	<u>11,844</u>
Cash and cash equivalents	<u><u>11,273</u></u>	<u><u>8,893</u></u>