

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on IFRS)

August 9, 2019

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: August 9, 2019  
 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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	%
Three months ended June 30, 2019	53,723	(1.2)	1,868	26.3	1,624	22.6	1,101	37.0	961	12.1	691	32.4
Three months ended June 30, 2018	54,373	–	1,478	–	1,325	–	804	–	858	–	522	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	8.19		–	
Three months ended June 30, 2018	7.31		–	

(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 June 30, 2019	155,170	40,974	37,455	24.1
As of March 31, 2019	141,478	43,467	40,044	28.3

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, 2019	–	10.00	–	10.00	20.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	10.00	–	10.00	20.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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
Six months ending September 30, 2019	110,000	–	3,900	–	3,800	–	2,200	–	18.75
Full year	225,000	2.8	8,300	19.7	8,000	20.7	4,700	24.8	40.05

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2019  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): —

(2) Changes in accounting policies and changes in accounting estimates  
 Changes in accounting policies required by IFRS: —  
 Changes in accounting policies due to other reasons: —  
 Changes in accounting estimates: —

(3) Number of issued shares (ordinary shares)

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

As of June 30, 2019	119,381,034 shares	As of March 31, 2019	119,381,034 shares
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Number of treasury shares at end of period

As of June 30, 2019	2,026,580 shares	As of March 31, 2019	2,026,580 shares
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Average number of shares during period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	117,354,454 shares	Three months ended June 30, 2018	117,354,456 shares
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**Condensed quarterly consolidated financial statements**  
**Condensed quarterly consolidated statement of financial position**

	As of March 31, 2019	As of June 30, 2019
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	7,514	10,758
Trade and other receivables	19,381	18,794
Other financial assets	235	4
Inventories	36,686	33,847
Other current assets	3,525	4,759
Total current assets	67,341	68,162
Non-current assets		
Property, plant and equipment	41,536	54,340
Goodwill	12,554	12,459
Intangible assets	513	511
Investment property	7,127	7,197
Investments accounted for using equity method	4,053	4,054
Other financial assets	7,381	7,165
Deferred tax assets	827	1,150
Other non-current assets	144	131
Total non-current assets	74,137	87,008
Total assets	141,478	155,170

	As of March 31, 2019	As of June 30, 2019
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	17,711	26,756
Trade and other payables	45,356	39,166
Other financial liabilities	3,607	5,610
Income taxes payable	937	560
Contract liabilities	8,694	7,358
Other current liabilities	2,378	2,348
Total current liabilities	78,683	81,798
Non-current liabilities		
Bonds and borrowings	10,321	10,564
Other financial liabilities	5,213	18,063
Provisions	458	459
Deferred tax liabilities	1,876	1,808
Other non-current liabilities	1,461	1,504
Total non-current liabilities	19,328	32,399
Total liabilities	98,011	114,197
Equity		
Share capital	4,297	4,297
Capital surplus	2,843	2,845
Treasury shares	(272)	(272)
Other components of equity	330	40
Retained earnings	32,846	30,545
Total equity attributable to owners of parent	40,044	37,455
Non-controlling interests	3,423	3,519
Total equity	43,467	40,974
Total liabilities and equity	141,478	155,170

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

**Condensed quarterly consolidated statements of income**

	Three months ended June 30, 2018	Three months ended June 30, 2019
	Millions of yen	Millions of yen
Revenue	54,373	53,723
Cost of sales	46,048	45,206
Gross profit	8,325	8,517
Selling, general and administrative expenses	6,899	6,757
Other income	77	134
Other expenses	24	27
Operating profit	1,478	1,868
Finance income	39	42
Finance costs	241	337
Share of profit of investments accounted for using equity method	48	52
Profit before tax	1,325	1,624
Income tax expense	521	523
Profit	804	1,101
Profit attributable to		
Owners of parent	858	961
Non-controlling interests	(54)	140
Profit	804	1,101
Earnings per share		
Basic earnings per share	7.31	8.19
Diluted earnings per share	-	-

## Condensed quarterly consolidated statements of comprehensive income

	Three months ended June 30, 2018	Three months ended June 30, 2019
	Millions of yen	Millions of yen
Profit	804	1,101
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	(16)	(118)
Share of other comprehensive income of investments accounted for using equity method	2	1
Total of items that will not be reclassified to profit or loss	(14)	(117)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(265)	(297)
Share of other comprehensive income of investments accounted for using equity method	(3)	4
Total of items that may be reclassified to profit or loss	(269)	(293)
Other comprehensive income	(282)	(410)
Comprehensive income	522	691
Comprehensive income attributable to		
Owners of parent	603	556
Non-controlling interests	(81)	135
Comprehensive income	522	691

## Condensed quarterly consolidated statement of changes in equity

Three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

	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	Millions of yen
Balance at April 1, 2018	4,297	2,841	(272)	477	143
Profit					
Other comprehensive income				(240)	
Comprehensive income	–	–	–	(240)	–
Change in scope of consolidation				1	
Forfeiture of share acquisition rights		1			(1)
Transfer to retained earnings					
Dividends					
Total transactions with owners	–	1	–	1	(1)
Balance at June 30, 2018	4,297	2,842	(272)	238	141

	Equity attributable to owners of parent					
	Financial assets measured at fair value through other comprehensive income			Non-controlling interests		Total
	Total	Retained earnings	Total	Non-controlling interests	Total	
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at April 1, 2018	–	620	31,559	39,045	3,190	42,235
Profit		–	858	858	(54)	804
Other comprehensive income	(14)	(254)		(254)	(28)	(282)
Comprehensive income	(14)	(254)	858	603	(81)	522
Change in scope of consolidation		1	8	9	–	9
Forfeiture of share acquisition rights		(1)		–		–
Transfer to retained earnings	14	14	(14)	–		–
Dividends		–	(1,056)	(1,056)	(17)	(1,073)
Total transactions with owners	14	14	(1,063)	(1,048)	(17)	(1,064)
Balance at June 30, 2018	–	379	31,354	38,601	3,092	41,693

Three months ended June 30, 2019 (from April 1, 2019 to June 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	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				(288)	
Comprehensive income	–	–	–	(288)	–
Forfeiture of share acquisition rights		3			(3)
Transfer to retained earnings					
Dividends					
Total transactions with owners	–	3	–	–	(3)
Balance at June 30, 2019	4,297	2,845	(272)	(99)	138

	Equity attributable to owners of parent					
	Financial assets measured at fair value through other comprehensive income			Non-controlling interests		Total
	Total	Retained earnings	Total	Non-controlling interests	Total	
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		–	961	961	140	1,101
Other comprehensive income	(118)	(405)		(405)	(5)	(410)
Comprehensive income	(118)	(405)	961	556	135	691
Forfeiture of share acquisition rights		(3)		–		–
Transfer to retained earnings	118	118	(118)	–		–
Dividends		–	(1,174)	(1,174)	(21)	(1,195)
Total transactions with owners	118	115	(1,291)	(1,174)	(21)	(1,195)
Balance at June 30, 2019	–	40	30,545	37,455	3,519	40,974



## Condensed quarterly consolidated statements of cash flows

	Three months ended	Three months ended
	June 30, 2018	June 30, 2019
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	1,325	1,624
Depreciation and amortization	1,343	2,007
Interest and dividend income	(37)	(42)
Interest expenses	91	176
Foreign exchange loss (gain)	72	89
Share of loss (profit) of investments accounted for using equity method	(48)	(52)
Loss (gain) on sale of fixed assets	(0)	(44)
Loss on retirement of non-current assets	3	6
Decrease (increase) in trade receivables	(766)	(44)
Decrease (increase) in inventories	4,689	2,424
Increase (decrease) in trade payables	(8,464)	(5,656)
increase (decrease) in Contract liabilities	(1,068)	(1,324)
Increase (decrease) in accrued consumption taxes	583	(46)
Other	393	(557)
Subtotal	(1,884)	(1,440)
Interest and dividends received	98	96
Interest paid	(93)	(176)
Income taxes refund (paid)	(1,425)	(888)
Net cash provided by (used in) operating activities	(3,303)	(2,408)
Cash flows from investing activities		
Payments into time deposits	(10)	(6)
Proceeds from withdrawal of time deposits	76	1
Purchase of property, plant and equipment	(1,755)	(1,641)
Proceeds from sale of property, plant and equipment	343	418
Purchase of intangible assets	(17)	(15)
Purchase of investment securities	–	(3)
Proceeds from sale of investment securities	3	62
Collection of loans receivable	25	265
Payments of leasehold deposits and guarantee deposits	(23)	(23)
Proceeds from refund of leasehold deposits and guarantee deposits	29	33
Other	(0)	(1)
Net cash provided by (used in) investing activities	(1,330)	(909)

	Three months ended June 30, 2018	Three months ended June 30, 2019
	Millions of yen	Millions of yen
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	8,195	9,594
Proceeds from long-term borrowings	910	1,026
Repayments of long-term borrowings	(1,090)	(1,236)
Dividends paid	(1,056)	(1,174)
Dividends paid to non-controlling interests	(17)	(21)
Repayments of lease liabilities	(938)	(1,536)
Other	(0)	3
Net cash provided by (used in) financing activities	<u>6,004</u>	<u>6,656</u>
Effect of exchange rate changes on cash and cash equivalents	(71)	(95)
Net increase (decrease) in cash and cash equivalents	1,300	3,244
Cash and cash equivalents at beginning of period	<u>7,640</u>	<u>7,514</u>
Cash and cash equivalents	<u><u>8,940</u></u>	<u><u>10,758</u></u>