

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on IFRS)

November 13, 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: November 14, 2019
 Scheduled date to commence dividend payments: December 2, 2019
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 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	%
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)
Six months ended September 30, 2018	107,782	–	3,682	–	3,498	–	2,298	–	2,174	–	2,276	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2019	18.69		–	
Six months ended September 30, 2018	18.53		–	

(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, 2019	158,165	42,209	38,553	24.4
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	–	10.00			
Year ending March 31, 2020 (Forecast)			–	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
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 six months ended September 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 September 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 September 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)

Six months ended September 30, 2019	∣	117,354,454 shares	Six months ended September 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 September 30, 2019
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	7,514	8,020
Trade and other receivables	19,381	19,111
Other financial assets	235	59
Inventories	36,686	33,994
Other current assets	3,525	5,127
Total current assets	67,341	66,312
Non-current assets		
Property, plant and equipment	41,536	59,246
Goodwill	12,554	12,736
Intangible assets	513	491
Investment property	7,127	6,786
Investments accounted for using equity method	4,053	4,194
Other financial assets	7,381	7,294
Deferred tax assets	827	979
Other non-current assets	144	127
Total non-current assets	74,137	91,852
Total assets	141,478	158,165

	As of March 31, 2019	As of September 30, 2019
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	17,711	17,919
Trade and other payables	45,356	39,762
Other financial liabilities	3,607	5,935
Income taxes payable	937	1,231
Contract liabilities	8,694	9,288
Other current liabilities	2,378	2,367
Total current liabilities	78,683	76,503
Non-current liabilities		
Bonds and borrowings	10,321	16,209
Other financial liabilities	5,213	19,695
Provisions	458	461
Deferred tax liabilities	1,876	1,549
Other non-current liabilities	1,461	1,539
Total non-current liabilities	19,328	39,453
Total liabilities	98,011	115,956
Equity		
Share capital	4,297	4,297
Capital surplus	2,843	2,845
Treasury shares	(272)	(272)
Other components of equity	330	(161)
Retained earnings	32,846	31,844
Total equity attributable to owners of parent	40,044	38,553
Non-controlling interests	3,423	3,656
Total equity	43,467	42,209
Total liabilities and equity	141,478	158,165

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, 2018	Six months ended September 30, 2019
	Millions of yen	Millions of yen
Revenue	107,782	106,407
Cost of sales	90,425	88,861
Gross profit	17,357	17,546
Selling, general and administrative expenses	13,746	13,583
Other income	166	307
Other expenses	95	54
Operating profit	3,682	4,215
Finance income	56	59
Finance costs	338	642
Share of profit of investments accounted for using equity method	98	103
Profit before tax	3,498	3,734
Income tax expense	1,200	1,238
Profit	2,298	2,496
Profit attributable to		
Owners of parent	2,174	2,194
Non-controlling interests	124	302
Profit	2,298	2,496
Earnings per share		
Basic earnings per share	18.53	18.69
Diluted earnings per share	-	-

Condensed quarterly consolidated statements of comprehensive income

	Six months ended September 30, 2018	Six months ended September 30, 2019
	Millions of yen	Millions of yen
Profit	2,298	2,496
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	11	(48)
Share of other comprehensive income of investments accounted for using equity method	1	1
Total of items that will not be reclassified to profit or loss	12	(47)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(28)	(512)
Share of other comprehensive income of investments accounted for using equity method	(7)	4
Total of items that may be reclassified to profit or loss	(35)	(507)
Other comprehensive income	(23)	(554)
Comprehensive income	2,276	1,942
Comprehensive income attributable to		
Owners of parent	2,165	1,654
Non-controlling interests	111	287
Comprehensive income	2,276	1,942

Condensed quarterly consolidated statement of changes in equity

Six months ended September 30, 2018 (from April 1, 2018 to September 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				(20)	
Comprehensive income	–	–	–	(20)	–
Change in scope of consolidation				1	
Forfeiture of share acquisition rights		2			(2)
Transfer to retained earnings					
Dividends					
Total transactions with owners	–	2	–	1	(2)
Balance at September 30, 2018	4,297	2,843	(272)	457	141

	Equity attributable to owners of parent					
	Financial assets measured at fair value through other comprehensive income			Other components of equity		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		–	2,174	2,174	124	2,298
Other comprehensive income	11	(10)		(10)	(13)	(23)
Comprehensive income	11	(10)	2,174	2,165	111	2,276
Change in scope of consolidation		1	8	9		9
Forfeiture of share acquisition rights		(2)		–		–
Transfer to retained earnings	(11)	(11)	11	–		–
Dividends		–	(1,056)	(1,056)	(17)	(1,073)
Total transactions with owners	(11)	(12)	(1,037)	(1,048)	(17)	(1,064)
Balance at September 30, 2018	–	598	32,696	40,162	3,285	43,447

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	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					
	Financial assets measured at fair value through other comprehensive income	Total	Retained earnings	Total	Non-controlling interests	Total
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

Condensed quarterly consolidated statements of cash flows

	Six months ended September 30, 2018	Six months ended September 30, 2019
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	3,498	3,734
Depreciation and amortization	2,750	4,165
Interest and dividend income	(47)	(54)
Interest expenses	178	370
Foreign exchange loss (gain)	40	238
Share of loss (profit) of investments accounted for using equity method	(98)	(103)
Loss (gain) on sale of fixed assets	(3)	(146)
Loss on retirement of non-current assets	37	12
Decrease (increase) in trade receivables	(1,168)	(375)
Decrease (increase) in inventories	3,631	1,919
Increase (decrease) in trade payables	(3,906)	(3,793)
increase (decrease) in Contract liabilities	242	628
Increase (decrease) in accrued consumption taxes	929	(73)
Other	(216)	(1,273)
Subtotal	5,868	5,250
Interest and dividends received	105	107
Interest paid	(183)	(374)
Income taxes refund (paid)	(1,851)	(1,237)
Net cash provided by (used in) operating activities	3,939	3,746
Cash flows from investing activities		
Payments into time deposits	(18)	(12)
Proceeds from withdrawal of time deposits	117	1
Purchase of property, plant and equipment	(3,434)	(4,706)
Proceeds from sale of property, plant and equipment	670	1,302
Purchase of intangible assets	(132)	(37)
Purchase of investment securities	-	(44)
Proceeds from sale of investment securities	3	62
Proceeds (Payments) from (for) acquisition of subsidiaries	-	(1,195)
Collection of loans receivable	49	290
Payments of leasehold deposits and guarantee deposits	(85)	(60)
Proceeds from refund of leasehold deposits and guarantee deposits	48	51
Other	(1)	(4)
Net cash provided by (used in) investing activities	(2,783)	(4,353)

	Six months ended September 30, 2018	Six months ended September 30, 2019
	Millions of yen	Millions of yen
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,080	(440)
Proceeds from long-term borrowings	3,648	9,410
Repayments of long-term borrowings	(2,951)	(3,267)
Redemption of bonds	(7)	(7)
Dividends paid	(1,056)	(1,174)
Dividends paid to non-controlling interests	(17)	(37)
Repayments of lease liabilities	(1,831)	(3,150)
Other	(1)	3
Net cash provided by (used in) financing activities	<u>(136)</u>	<u>1,339</u>
Effect of exchange rate changes on cash and cash equivalents	(17)	(225)
Net increase (decrease) in cash and cash equivalents	1,003	506
Cash and cash equivalents at beginning of period	<u>7,640</u>	<u>7,514</u>
Cash and cash equivalents	<u><u>8,643</u></u>	<u><u>8,020</u></u>