

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on IFRS)

May 27, 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 of ordinary general meeting of shareholders: June 29, 2020
 Scheduled date to file Securities Report: July 10, 2020
 Scheduled date to commence dividend payments: June 15, 2020
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Consolidated operating results

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	%
Year ended March 31, 2020	207,468	(5.2)	5,277	(23.9)	4,611	(30.5)	2,559	(37.9)	2,079	(44.8)	1,622	(54.1)
Year ended March 31, 2019	218,848	8.5	6,936	(7.2)	6,630	(11.2)	4,121	(20.1)	3,767	(19.7)	3,534	(44.6)

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
Year ended March 31, 2020	17.72	17.72	5.4	3.0	2.5
Year ended March 31, 2019	32.10	32.10	9.5	4.6	3.2

(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	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	167,912	40,705	36,882	22.0	314.28
As of March 31, 2019	141,478	43,467	40,044	28.3	341.22

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	8,361	(15,356)	9,104	9,490
Year ended March 31, 2019	13,147	(5,640)	(7,624)	7,514

2. Cash dividends

	Annual dividends per share					Total cash dividends	Dividend payout ratio	Ratio of dividends to equity attributable to owners of parent
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	—	10.00	—	10.00	20.00	2,347	62.3	5.9
Year ended March 31, 2020	—	10.00	—	10.00	20.00	2,347	112.9	6.1
Year ending March 31, 2021 (Forecast)	—	10.00	—	10.00	20.00		186.3	

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
Six months ending September 30, 2020	80,000	(24.8)	400	(90.5)	100	(97.3)	0	(100.0)	–
Full year	190,000	(8.4)	3,000	(43.2)	2,400	(48.0)	1,260	(39.4)	10.74

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 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: Yes
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 March 31, 2020	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 March 31, 2020	2,026,580 shares	As of March 31, 2019	2,026,580 shares
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Average number of shares during period

Year ended March 31, 2020	117,354,454 shares	Year ended March 31, 2019	117,354,455 shares
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Consolidated financial statements
Consolidated statement of financial position

	As of March 31, 2019	As of March 31, 2020
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	7,514	9,490
Trade and other receivables	19,381	16,853
Other financial assets	235	90
Inventories	36,686	37,935
Other current assets	3,525	4,694
Total current assets	67,341	69,063
Non-current assets		
Property, plant and equipment	41,536	62,286
Goodwill	12,554	12,624
Intangible assets	513	700
Investment property	7,127	6,730
Investments accounted for using equity method	4,053	8,533
Other financial assets	7,381	6,630
Deferred tax assets	827	1,223
Other non-current assets	144	122
Total non-current assets	74,137	98,849
Total assets	141,478	167,912

	As of March 31, 2019	As of March 31, 2020
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	17,711	32,110
Trade and other payables	45,356	40,279
Other financial liabilities	3,607	5,763
Income taxes payable	937	864
Contract liabilities	8,694	8,873
Other current liabilities	2,378	2,270
Total current liabilities	78,683	90,160
Non-current liabilities		
Bonds and borrowings	10,321	13,970
Other financial liabilities	5,213	19,375
Provisions	458	497
Deferred tax liabilities	1,876	1,639
Other non-current liabilities	1,461	1,565
Total non-current liabilities	19,328	37,046
Total liabilities	98,011	127,207
Equity		
Share capital	4,297	4,297
Capital surplus	2,843	2,847
Treasury shares	(272)	(272)
Other components of equity	330	(146)
Retained earnings	32,846	30,156
Total equity attributable to owners of parent	40,044	36,882
Non-controlling interests	3,423	3,823
Total equity	43,467	40,705
Total liabilities and equity	141,478	167,912

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
	Millions of yen	Millions of yen
Revenue	218,848	207,468
Cost of sales	183,782	173,570
Gross profit	35,066	33,898
Selling, general and administrative expenses	27,566	27,087
Other income	620	635
Other expenses	1,184	2,169
Operating profit	6,936	5,277
Finance income	104	112
Finance costs	591	1,019
Share of profit of investments accounted for using equity method	181	242
Profit before tax	6,630	4,611
Income tax expense	2,509	2,052
Profit	4,121	2,559
Profit attributable to		
Owners of parent	3,767	2,079
Non-controlling interests	353	480
Profit	4,121	2,559
Earnings per share		
Basic earnings per share	32.10	17.72
Diluted earnings per share	32.10	17.72

Consolidated statements of comprehensive income

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
	Millions of yen	Millions of yen
Profit	4,121	2,559
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	(255)	(447)
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	(257)	(449)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(327)	(500)
Share of other comprehensive income of investments accounted for using equity method	(3)	11
Total of items that may be reclassified to profit or loss	(330)	(489)
Other comprehensive income	(587)	(938)
Comprehensive income	3,534	1,622
Comprehensive income attributable to		
Owners of parent	3,218	1,155
Non-controlling interests	316	467
Comprehensive income	3,534	1,622

Consolidated statement of changes in equity

Fiscal year ended March 31, 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	Financial assets measured at fair value through other comprehensive income
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				(291)		(258)
Total	–	–	–	(291)	–	(258)
Change in scope of consolidation				1		
Changes in ownership interest in subsidiaries		(0)		2		
Forfeiture of share acquisition rights		2			(2)	
Transfer to retained earnings						258
Purchase of treasury shares			(0)			
Dividends						
Total transactions with owners	–	2	(0)	3	(2)	258
Balance at March 31, 2019	4,297	2,843	(272)	189	141	–

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total
	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	–	3,767	3,767	353	4,121
Other comprehensive income	(549)		(549)	(38)	(587)
Total	(549)	3,767	3,218	316	3,534
Change in scope of consolidation	1	8	9	8	17
Changes in ownership interest in subsidiaries	2		2	(43)	(41)
Forfeiture of share acquisition rights	(2)		–		–
Transfer to retained earnings	258	(258)	–		–
Purchase of treasury shares	–		(0)		(0)
Dividends	–	(2,230)	(2,230)	(49)	(2,278)
Total transactions with owners	259	(2,480)	(2,219)	(83)	(2,302)
Balance at March 31, 2019	330	32,846	40,044	3,423	43,467

Fiscal year ended March 31, 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	Financial assets measured at fair value through other comprehensive income
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	–
Cumulative effect of accounting change	–	–	–	–	–	–
Restated balance	4,297	2,843	(272)	189	141	–
Profit						
Other comprehensive income				(472)		(453)
Total	–	–	–	(472)	–	(453)
Change in scope of consolidation						
Changes in ownership interest in subsidiaries		0				
Forfeiture of share acquisition rights		4			(4)	
Transfer to retained earnings						453
Dividends						
Total transactions with owners	–	4	–	–	(4)	453
Balance at March 31, 2020	4,297	2,847	(272)	(283)	137	–

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total
	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
Cumulative effect of accounting change	–	(1,971)	(1,971)	(18)	(1,989)
Restated balance	330	30,875	38,073	3,405	41,478
Profit	–	2,079	2,079	480	2,559
Other comprehensive income	(925)		(925)	(13)	(938)
Total	(925)	2,079	1,155	467	1,622
Change in scope of consolidation	–	2	2		2
Changes in ownership interest in subsidiaries	–		0	(0)	0
Forfeiture of share acquisition rights	(4)		–		–
Transfer to retained earnings	453	(453)	–		–
Dividends	–	(2,347)	(2,347)	(49)	(2,396)
Total transactions with owners	449	(2,798)	(2,346)	(49)	(2,394)
Balance at March 31, 2020	(146)	30,156	36,882	3,823	40,705

Consolidated statements of cash flows

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	6,630	4,611
Depreciation and amortization	5,631	8,550
Impairment losses	945	1,751
Interest and dividend income	(92)	(102)
Interest expenses	360	745
Foreign exchange loss (gain)	15	185
Share of loss (profit) of investments accounted for using equity method	(181)	(242)
Loss (gain) on sale of fixed assets	(4)	(138)
Loss on retirement of non-current assets	51	64
Decrease (increase) in trade receivables	(822)	1,013
Decrease (increase) in inventories	1,431	(1,817)
Increase (decrease) in trade payables	621	(2,277)
Increase (decrease) in contract liabilities	811	208
Increase (decrease) in accrued consumption taxes	1,027	(253)
Other	(73)	(1,090)
Subtotal	16,349	11,210
Interest and dividends received	154	150
Interest paid	(329)	(734)
Income taxes refund (paid)	(3,027)	(2,265)
Net cash provided by (used in) operating activities	13,147	8,361
Cash flows from investing activities		
Payments into time deposits	(98)	(23)
Proceeds from withdrawal of time deposits	189	169
Purchase of property, plant and equipment	(7,605)	(11,260)
Proceeds from sale of property, plant and equipment	2,273	2,600
Purchase of intangible assets	(164)	(58)
Purchase of investments in associates	-	(4,238)
Proceeds from sale of investment securities	14	63
Proceeds (Payments) from (for) acquisition of subsidiaries	-	(1,195)
Proceeds (Payments) from (for) sale of subsidiaries	(102)	-
Payments for loans receivable	(190)	(359)
Collection of loans receivable	101	552
Payments of leasehold and guarantee deposits	(138)	(138)
Proceeds from refund of leasehold and guarantee deposits	106	83
Payments for acquisition of businesses	-	(1,568)
Other	(25)	17
Net cash provided by (used in) investing activities	(5,640)	(15,356)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
	Millions of yen	Millions of yen
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	970	11,799
Proceeds from long-term borrowings	5,404	12,160
Repayments of long-term borrowings	(7,782)	(6,313)
Redemption of bonds	(264)	(14)
Purchase of treasury shares	(0)	–
Dividends paid	(2,230)	(2,347)
Dividends paid to non-controlling interests	(49)	(49)
Repayments of lease liabilities	(3,672)	(6,135)
Other	(1)	2
Net cash provided by (used in) financing activities	<u>(7,624)</u>	<u>9,104</u>
Effect of exchange rate changes on cash and cash equivalents	(8)	(145)
Net increase (decrease) in cash and cash equivalents	(125)	1,964
Cash and cash equivalents at beginning of period	7,640	7,514
Increase in cash and cash equivalents from newly consolidated subsidiary	–	12
Cash and cash equivalents at end of period	<u><u>7,514</u></u>	<u><u>9,490</u></u>