

Translation

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

August 21, 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: August 21, 2020
 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, 2020 (from April 1, 2020 to June 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	%
Three months ended June 30, 2020	32,426	(39.6)	(146)	–	(205)	–	(244)	–	(160)	–	121	(82.4)
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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	(1.37)	–
Three months ended June 30, 2019	8.19	–

(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, 2020	160,724	39,374	35,657	22.2
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	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	10.00	–	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
Six months ending September 30, 2020	84,000	(21.1)	1,200	(71.5)	1,000	(73.2)	700	(68.1)	6.00
Full year	190,000	(8.4)	3,000	(43.2)	2,400	(48.0)	1,260	(39.4)	10.82

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 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 June 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 June 30, 2020	2,746,580 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)

Three months ended June 30, 2020	117,248,959 shares	Three months ended June 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 June 30, 2020
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	9,490	8,126
Trade and other receivables	16,853	14,555
Other financial assets	90	78
Inventories	37,935	34,278
Other current assets	4,694	4,571
Total current assets	69,063	61,607
Non-current assets		
Property, plant and equipment	62,286	61,995
Goodwill	12,624	12,641
Intangible assets	700	677
Investment property	6,730	6,931
Investments accounted for using equity method	8,533	8,531
Other financial assets	6,630	7,066
Deferred tax assets	1,223	1,157
Other non-current assets	122	118
Total non-current assets	98,849	99,117
Total assets	167,912	160,724

	As of March 31, 2020	As of June 30, 2020
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	32,110	34,834
Trade and other payables	40,279	31,077
Other financial liabilities	5,763	5,803
Income taxes payable	864	157
Contract liabilities	8,873	8,309
Other current liabilities	2,270	2,559
Total current liabilities	90,160	82,739
Non-current liabilities		
Bonds and borrowings	13,970	15,814
Other financial liabilities	19,375	19,053
Provisions	497	499
Deferred tax liabilities	1,639	1,670
Other non-current liabilities	1,565	1,576
Total non-current liabilities	37,046	38,612
Total liabilities	127,207	121,350
Equity		
Share capital	4,297	4,297
Capital surplus	2,847	2,849
Treasury shares	(272)	(523)
Other components of equity	(146)	(82)
Retained earnings	30,156	29,115
Total equity attributable to owners of parent	36,882	35,657
Non-controlling interests	3,823	3,717
Total equity	40,705	39,374
Total liabilities and equity	167,912	160,724

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, 2019	Three months ended June 30, 2020
	Millions of yen	Millions of yen
Revenue	53,723	32,426
Cost of sales	45,206	26,990
Gross profit	8,517	5,437
Selling, general and administrative expenses	6,757	5,918
Other income	134	364
Other expenses	27	30
Operating profit(loss)	1,868	(146)
Finance income	42	89
Finance costs	337	212
Share of profit of investments accounted for using equity method	52	65
Profit (loss) before tax	1,624	(205)
Income tax expense	523	40
Profit (loss)	1,101	(244)
Profit (loss) attributable to		
Owners of parent	961	(160)
Non-controlling interests	140	(84)
Profit (loss)	1,101	(244)
Earnings per share		
Basic earnings (loss) per share	8.19	(1.37)
Diluted earnings (loss) per share	-	-

Condensed quarterly consolidated statements of comprehensive income

	Three months ended June 30, 2019	Three months ended June 30, 2020
	Millions of yen	Millions of yen
Profit (loss)	1,101	(244)
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	(118)	293
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	(117)	294
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(297)	85
Share of other comprehensive income of investments accounted for using equity method	4	(14)
Total of items that may be reclassified to profit or loss	(293)	71
Other comprehensive income	(410)	365
Comprehensive income	691	121
Comprehensive income attributable to		
Owners of parent	556	200
Non-controlling interests	135	(78)
Comprehensive income	691	121

Condensed quarterly consolidated statement of changes in equity

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 (loss)					
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					
	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, 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 (loss)		–	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

Three months ended June 30, 2020 (from April 1, 2020 to June 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 (loss)					
Other comprehensive income				67	
Comprehensive income	–	–	–	67	–
Purchase of treasury shares			(251)		
Forfeiture of share acquisition rights		3			(3)
Transfer to retained earnings					
Dividends					
Total transactions with owners	–	3	(251)	–	(3)
Balance at June 30, 2020	4,297	2,849	(523)	(216)	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	Millions of yen
Balance at April 1, 2020	–	(146)	30,156	36,882	3,823	40,705
Profit (loss)		–	(160)	(160)	(84)	(244)
Other comprehensive income	293	360		360	6	365
Comprehensive income	293	360	(160)	200	(78)	121
Purchase of treasury shares		–		(251)		(251)
Forfeiture of share acquisition rights		(3)		–		–
Transfer to retained earnings	(293)	(293)	293	–		–
Dividends		–	(1,174)	(1,174)	(28)	(1,202)
Total transactions with owners	(293)	(296)	(881)	(1,424)	(28)	(1,453)
Balance at June 30, 2020	–	(82)	29,115	35,657	3,717	39,374

Condensed quarterly consolidated statements of cash flows

	Three months ended	Three months ended
	June 30, 2019	June 30, 2020
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	1,624	(205)
Depreciation and amortization	2,007	2,163
Interest and dividend income	(42)	(33)
Interest expenses	176	204
Foreign exchange loss (gain)	89	(49)
Share of loss (profit) of investments accounted for using equity method	(52)	(65)
Loss (gain) on sale of fixed assets	(44)	4
Loss on retirement of non-current assets	6	1
Decrease (increase) in trade receivables	(44)	(317)
Decrease (increase) in inventories	2,424	3,970
Increase (decrease) in trade payables	(5,656)	(7,523)
Increase (decrease) in contract liabilities	(1,324)	(580)
Increase (decrease) in accrued consumption taxes	(46)	871
Other	(557)	521
Subtotal	(1,440)	(1,039)
Interest and dividends received	96	81
Interest paid	(176)	(226)
Income taxes refund (paid)	(888)	(756)
Net cash provided by (used in) operating activities	(2,408)	(1,940)
Cash flows from investing activities		
Payments into time deposits	(6)	–
Proceeds from withdrawal of time deposits	1	–
Purchase of property, plant and equipment	(1,641)	(1,373)
Proceeds from sale of property, plant and equipment	418	431
Purchase of intangible assets	(15)	(4)
Purchase of investment securities	(3)	–
Proceeds from sale of investment securities	62	13
Collection of loans receivable	265	45
Payments of leasehold and guarantee deposits	(23)	(28)
Proceeds from refund of leasehold and guarantee deposits	33	30
Other	(1)	(3)
Net cash provided by (used in) investing activities	(909)	(889)

	Three months ended June 30, 2019	Three months ended June 30, 2020
	Millions of yen	Millions of yen
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	9,594	2,363
Proceeds from long-term borrowings	1,026	3,475
Repayments of long-term borrowings	(1,236)	(1,266)
Purchase of treasury shares	–	(251)
Dividends paid	(1,174)	(1,174)
Dividends paid to non-controlling interests	(21)	(28)
Repayments of lease liabilities	(1,536)	(1,682)
Other	3	(0)
Net cash provided by (used in) financing activities	<u>6,656</u>	<u>1,437</u>
Effect of exchange rate changes on cash and cash equivalents	(95)	28
Net increase (decrease) in cash and cash equivalents	3,244	(1,364)
Cash and cash equivalents at beginning of period	<u>7,514</u>	<u>9,490</u>
Cash and cash equivalents	<u><u>10,758</u></u>	<u><u>8,126</u></u>