

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on IFRS)

May 14, 2021

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, 2021
 Scheduled date to file Securities Report: June 30, 2021
 Scheduled date to commence dividend payments: June 14, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	199,535	(3.8)	7,713	46.2	7,826	69.7	5,746	124.5	4,711	126.6	7,487	361.7
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)

	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, 2021	40.61	40.61	12.2	4.6	3.9
Year ended March 31, 2020	17.72	17.72	5.4	3.0	2.5

(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, 2021	174,011	45,322	40,195	23.1	348.45
As of March 31, 2020	167,912	40,705	36,882	22.0	314.28

(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, 2021	16,454	(2,580)	(14,453)	9,195
Year ended March 31, 2020	8,361	(15,356)	9,104	9,490

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, 2020	—	10.00	—	10.00	20.00	2,347	112.9	6.1
Year ended March 31, 2021	—	10.00	—	10.00	20.00	2,307	49.3	6.0
Year ending March 31, 2022 (Forecast)	—	10.00	—	10.00	20.00		46.1	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	100,000	15.2	3,400	(8.3)	3,400	(6.6)	2,200	(0.2)	19.07
Full year	220,000	10.3	8,000	3.7	8,000	2.2	5,000	6.1	43.34

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021
(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 March 31, 2021	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 March 31, 2021	4,026,580 shares	As of March 31, 2020	2,026,580 shares
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Average number of shares during period

Year ended March 31, 2021	116,015,440 shares	Year ended March 31, 2020	117,354,454 shares
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Consolidated financial statements
Consolidated statement of financial position

	As of March 31, 2020	As of March 31, 2021
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	9,490	9,195
Trade and other receivables	16,853	16,660
Other financial assets	90	137
Inventories	37,935	42,475
Other current assets	4,694	4,781
Total current assets	69,063	73,247
Non-current assets		
Property, plant and equipment	62,286	62,833
Goodwill	12,624	12,684
Intangible assets	700	956
Investment property	6,730	6,616
Investments accounted for using equity method	8,533	8,674
Other financial assets	6,630	7,699
Deferred tax assets	1,223	1,184
Other non-current assets	122	116
Total non-current assets	98,849	100,763
Total assets	167,912	174,011

	As of March 31, 2020	As of March 31, 2021
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	32,110	23,738
Trade and other payables	40,279	38,220
Other financial liabilities	5,763	6,125
Income taxes payable	864	1,191
Contract liabilities	8,873	13,585
Other current liabilities	2,270	2,717
Total current liabilities	90,160	85,577
Non-current liabilities		
Bonds and borrowings	13,970	20,688
Other financial liabilities	19,375	18,314
Provisions	497	551
Deferred tax liabilities	1,639	1,749
Other non-current liabilities	1,565	1,809
Total non-current liabilities	37,046	43,111
Total liabilities	127,207	128,689
Equity		
Share capital	4,297	4,297
Capital surplus	2,847	2,842
Treasury shares	(272)	(1,028)
Other components of equity	(146)	874
Retained earnings	30,156	33,210
Total equity attributable to owners of parent	36,882	40,195
Non-controlling interests	3,823	5,127
Total equity	40,705	45,322
Total liabilities and equity	167,912	174,011

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

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
	Millions of yen	Millions of yen
Revenue	207,468	199,535
Cost of sales	173,570	166,398
Gross profit	33,898	33,136
Selling, general and administrative expenses	27,087	26,917
Other income	635	2,725
Other expenses	2,169	1,231
Operating profit	5,277	7,713
Finance income	112	407
Finance costs	1,019	787
Share of profit of investments accounted for using equity method	242	493
Profit before tax	4,611	7,826
Income tax expense	2,052	2,080
Profit	2,559	5,746
Profit attributable to		
Owners of parent	2,079	4,711
Non-controlling interests	480	1,035
Profit	2,559	5,746
Earnings per share		
Basic earnings per share	17.72	40.61
Diluted earnings per share	17.72	40.61

Consolidated statements of comprehensive income

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
	Millions of yen	Millions of yen
Profit	2,559	5,746
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	(447)	669
Share of other comprehensive income of investments accounted for using equity method	(1)	13
Total of items that will not be reclassified to profit or loss	(449)	682
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(500)	1,064
Share of other comprehensive income of investments accounted for using equity method	11	(5)
Total of items that may be reclassified to profit or loss	(489)	1,059
Other comprehensive income, net of tax	(938)	1,741
Comprehensive income	1,622	7,487
Comprehensive income attributable to		
Owners of parent	1,155	6,404
Non-controlling interests	467	1,083
Comprehensive income	1,622	7,487

Consolidated statement of changes in equity

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

Fiscal year ended March 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	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, 2020	4,297	2,847	(272)	(283)	137	–
Profit						
Other comprehensive income				1,024		670
Total	–	–	–	1,024	–	670
Change in scope of consolidation						
Changes in ownership interest in subsidiaries						
Purchase of treasury shares			(755)			
Disposal of treasury shares		(8)				
Forfeiture of share acquisition rights		3			(3)	
Transfer to retained earnings						(670)
Dividends						
Total transactions with owners	–	(5)	(755)	–	(3)	(670)
Balance at March 31, 2021	4,297	2,842	(1,028)	740	134	–

	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, 2020	(146)	30,156	36,882	3,823	40,705
Profit	–	4,711	4,711	1,035	5,746
Other comprehensive income	1,693		1,693	48	1,741
Total	1,693	4,711	6,404	1,083	7,487
Change in scope of consolidation	–		–	245	245
Changes in ownership interest in subsidiaries	–		–	21	21
Purchase of treasury shares	–		(755)		(755)
Disposal of treasury shares	–		(8)		(8)
Forfeiture of share acquisition rights	(3)		–		–
Transfer to retained earnings	(670)	670	–		–
Dividends	–	(2,327)	(2,327)	(45)	(2,372)
Total transactions with owners	(673)	(1,658)	(3,091)	221	(2,870)
Balance at March 31, 2021	874	33,210	40,195	5,127	45,322

Consolidated statements of cash flows

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	4,611	7,826
Depreciation and amortization	8,550	8,772
Impairment losses	1,751	1,071
Gain on bargain purchase	–	(1,185)
Interest and dividend income	(102)	(93)
Interest expenses	745	730
Foreign exchange loss (gain)	185	(250)
Share of loss (profit) of investments accounted for using equity method	(242)	(493)
Loss (gain) on sale of fixed assets	(138)	(219)
Loss on retirement of fixed assets	64	14
Decrease (increase) in trade receivables	1,013	(1,151)
Decrease (increase) in inventories	(1,817)	607
Increase (decrease) in trade payables	(2,277)	(1,542)
Increase (decrease) in contract liabilities	208	4,348
Increase (decrease) in accrued consumption taxes	(253)	761
Other	(1,090)	(94)
Subtotal	11,210	19,105
Interest and dividends received	150	179
Interest paid	(734)	(750)
Income taxes refund (paid)	(2,265)	(2,079)
Net cash provided by (used in) operating activities	8,361	16,454
Cash flows from investing activities		
Payments into time deposits	(23)	(7)
Proceeds from withdrawal of time deposits	169	5
Purchase of property, plant and equipment	(11,260)	(5,797)
Proceeds from sale of property, plant and equipment	2,600	2,706
Purchase of intangible assets	(58)	(73)
Purchase of investments in associates	(4,238)	–
Proceeds from sale of investment securities	63	13
Proceeds (Payments) from (for) acquisition of subsidiaries	(1,195)	289
Payments for loans receivable	(359)	(91)
Collection of loans receivable	552	170
Payments of leasehold and guarantee deposits	(138)	(120)
Proceeds from refund of leasehold and guarantee deposits	83	118
Payments for acquisition of businesses	(1,568)	–
Proceeds from sale of businesses	–	200
Other	17	6
Net cash provided by (used in) investing activities	(15,356)	(2,580)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
	Millions of yen	Millions of yen
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	11,799	(9,416)
Proceeds from long-term borrowings	12,160	14,173
Repayments of long-term borrowings	(6,313)	(9,969)
Redemption of bonds	(14)	(14)
Purchase of treasury shares	–	(755)
Proceeds from sale of treasury shares	–	13
Dividends paid	(2,347)	(2,327)
Dividends paid to non-controlling interests	(49)	(45)
Repayments of lease liabilities	(6,135)	(6,111)
Other	2	(1)
Net cash provided by (used in) financing activities	<u>9,104</u>	<u>(14,453)</u>
Effect of exchange rate changes on cash and cash equivalents	(145)	283
Net increase (decrease) in cash and cash equivalents	1,964	(295)
Cash and cash equivalents at beginning of period	7,514	9,490
Increase in cash and cash equivalents from newly consolidated subsidiary	12	–
Cash and cash equivalents at end of period	<u><u>9,490</u></u>	<u><u>9,195</u></u>