

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on IFRS)

August 10, 2023

Company name: VT HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Securities code: 7593 URL <https://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 10, 2023
 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, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	68,114	9.3	2,465	(8.4)	2,493	(11.5)	1,655	(13.9)	1,440	(10.2)	2,879	(50.4)
Three months ended June 30, 2022	62,298	2.8	2,692	37.6	2,815	(71.1)	1,923	(71.9)	1,604	(76.2)	5,808	(38.0)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	12.38		12.36	
Three months ended June 30, 2022	13.83		13.83	

(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, 2023	239,600	74,626	66,147	27.6
As of March 31, 2023	229,834	72,740	64,500	28.1

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, 2023	–	11.50	–	12.00	23.50
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		12.00	–	12.00	24.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	135,000	6.7	5,000	(14.5)	4,800	(21.1)	3,000	(18.2)	25.67
Full year	290,000	8.9	12,000	(6.7)	11,600	(8.3)	7,500	4.5	64.17

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (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, 2023	119,381,034 shares	As of March 31, 2023	119,381,034 shares
---------------------	--------------------	----------------------	--------------------

Number of treasury shares at end of period

As of June 30, 2023	2,496,664 shares	As of March 31, 2023	3,393,364 shares
---------------------	------------------	----------------------	------------------

Average number of shares during period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	116,305,499 shares	Three months ended June 30, 2022	115,987,670 shares
----------------------------------	--------------------	----------------------------------	--------------------

Condensed quarterly consolidated financial statements
Condensed quarterly consolidated statement of financial position

	As of March 31, 2023	As of June 30, 2023
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	12,644	10,232
Trade and other receivables	22,541	21,909
Other financial assets	125	238
Inventories	56,206	61,726
Other current assets	6,013	9,941
Total current assets	97,529	104,046
Non-current assets		
Property, plant and equipment	73,386	76,289
Goodwill	13,376	13,744
Intangible assets	1,185	1,210
Investment property	7,299	7,262
Investments accounted for using equity method	4,501	4,499
Other financial assets	30,953	30,983
Deferred tax assets	1,490	1,456
Other non-current assets	113	111
Total non-current assets	132,304	135,554
Total assets	229,834	239,600

	As of March 31, 2023	As of June 30, 2023
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	42,134	49,798
Trade and other payables	45,669	44,966
Other financial liabilities	6,487	6,655
Income taxes payable	1,709	836
Contract liabilities	10,947	10,644
Other current liabilities	2,675	2,653
Total current liabilities	109,620	115,552
Non-current liabilities		
Bonds and borrowings	19,199	20,370
Other financial liabilities	18,039	18,835
Provisions	569	572
Deferred tax liabilities	7,574	7,540
Other non-current liabilities	2,092	2,105
Total non-current liabilities	47,473	49,422
Total liabilities	157,093	164,974
Equity		
Share capital	4,297	4,297
Capital surplus	3,150	3,371
Treasury shares	(866)	(637)
Other components of equity	1,789	2,945
Retained earnings	56,130	56,171
Total equity attributable to owners of parent	64,500	66,147
Non-controlling interests	8,240	8,479
Total equity	72,740	74,626
Total liabilities and equity	229,834	239,600

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, 2022	Three months ended June 30, 2023
	Millions of yen	Millions of yen
Revenue	62,298	68,114
Cost of sales	51,972	57,108
Gross profit	10,327	11,006
Selling, general and administrative expenses	7,743	8,738
Other income	173	240
Other expenses	64	43
Operating profit	2,692	2,465
Finance income	266	285
Finance costs	197	289
Share of profit of investments accounted for using equity method	55	31
Profit before tax	2,815	2,493
Income tax expense	892	837
Profit	1,923	1,655
Profit attributable to		
Owners of parent	1,604	1,440
Non-controlling interests	319	215
Profit	1,923	1,655
Earnings per share		
Basic earnings per share	13.83	12.38
Diluted earnings per share	13.83	12.36

Condensed quarterly consolidated statements of comprehensive income

	Three months ended June 30, 2022	Three months ended June 30, 2023
	Millions of yen	Millions of yen
Profit	1,923	1,655
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	3,476	(12)
Share of other comprehensive income of investments accounted for using equity method	(4)	7
Total of items that will not be reclassified to profit or loss	3,473	(5)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	394	1,214
Share of other comprehensive income of investments accounted for using equity method	18	14
Total of items that may be reclassified to profit or loss	412	1,228
Other comprehensive income, net of tax	3,885	1,223
Comprehensive income	5,808	2,879
Comprehensive income attributable to		
Owners of parent	5,455	2,590
Non-controlling interests	353	289
Comprehensive income	5,808	2,879

Condensed quarterly consolidated statement of changes in equity

Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

	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, 2022	4,297	2,975	(866)	1,407	132
Profit (loss)					
Other comprehensive income				388	
Comprehensive income	–	–	–	388	–
Issuance of share acquisition rights					8
Forfeiture of share acquisition rights		132			(132)
Transfer to retained earnings					
Dividends					
Total transactions with owners	–	132	–	–	(124)
Balance at June 30, 2022	4,297	3,107	(866)	1,795	8

	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, 2022	–	1,539	43,397	51,342	5,592	56,934
Profit (loss)		–	1,604	1,604	319	1,923
Other comprehensive income	3,462	3,850		3,850	34	3,885
Comprehensive income	3,462	3,850	1,604	5,455	353	5,808
Issuance of share acquisition rights		8		8		8
Forfeiture of share acquisition rights		(132)		–		–
Transfer to retained earnings	(3,462)	(3,462)	3,462	–		–
Dividends		–	(1,276)	(1,276)	(75)	(1,351)
Total transactions with owners	(3,462)	(3,587)	2,187	(1,268)	(75)	(1,343)
Balance at June 30, 2022	–	1,803	47,188	55,528	5,870	61,398

Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

	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, 2023	4,297	3,150	(866)	1,782	8
Profit (loss)					
Other comprehensive income				1,157	
Comprehensive income	-	-	-	1,157	-
Change in scope of consolidation					
Changes in ownership interest in subsidiaries		0			
Disposal of treasury shares		221	229		
Exercise of share acquisition rights					(1)
Transfer to retained earnings					
Dividends					
Total transactions with owners	-	221	229	-	(1)
Balance at June 30, 2023	4,297	3,371	(637)	2,939	6

	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, 2023	-	1,789	56,130	64,500	8,240	72,740
Profit (loss)		-	1,440	1,440	215	1,655
Other comprehensive income	(7)	1,150		1,150	74	1,223
Comprehensive income	(7)	1,150	1,440	2,590	289	2,879
Change in scope of consolidation		-		-	13	13
Changes in ownership interest in subsidiaries		-		0	30	30
Disposal of treasury shares		-		450		450
Exercise of share acquisition rights		(1)		(1)		(1)
Transfer to retained earnings	7	7	(7)	-		-
Dividends		-	(1,392)	(1,392)	(94)	(1,486)
Total transactions with owners	7	6	(1,399)	(943)	(51)	(993)
Balance at June 30, 2023	-	2,945	56,171	66,147	8,479	74,626

Condensed quarterly consolidated statements of cash flows

	Three months ended	Three months ended
	June 30, 2022	June 30, 2023
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	2,815	2,493
Depreciation and amortization	2,550	2,865
Interest and dividend income	(33)	(42)
Interest expenses	174	283
Foreign exchange loss (gain)	2	(141)
Share of loss (profit) of investments accounted for using equity method	(55)	(31)
Loss (gain) on sale of fixed assets	(2)	(1)
Loss on retirement of fixed assets	6	8
Decrease (increase) in trade receivables	718	1,569
Decrease (increase) in advance payments to suppliers	(601)	(2,314)
Decrease (increase) in inventories	2,320	(3,589)
Increase (decrease) in trade payables	(2,499)	(2,789)
Increase (decrease) in contract liabilities	(1,001)	(414)
Increase (decrease) in accrued consumption taxes	(278)	562
Other	304	(894)
Subtotal	4,420	(2,434)
Interest and dividends received	92	98
Interest paid	(174)	(280)
Income taxes refund (paid)	(2,421)	(1,786)
Net cash provided by (used in) operating activities	1,916	(4,402)
Cash flows from investing activities		
Payments into time deposits	(70)	(190)
Proceeds from withdrawal of time deposits	6	100
Purchase of property, plant and equipment	(3,735)	(4,007)
Proceeds from sale of property, plant and equipment	335	423
Purchase of intangible assets	(12)	(33)
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	336	3
Proceeds (Payments) from (for) acquisition of subsidiaries	-	(22)
Collection of loans receivable	39	22
Payments of leasehold and guarantee deposits	(27)	(40)
Proceeds from refund of leasehold and guarantee deposits	22	29
Payments for acquisition of businesses	-	(104)
Other	15	(6)
Net cash provided by (used in) investing activities	(3,092)	(3,824)

	Three months ended June 30, 2022	Three months ended June 30, 2023
	Millions of yen	Millions of yen
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,838	7,205
Proceeds from long-term borrowings	2,078	3,828
Repayments of long-term borrowings	(1,938)	(2,478)
Redemption of bonds	(6)	(81)
Proceeds from issuance of share acquisition rights	8	–
Capital contribution from non-controlling interests	–	30
Proceeds from sale of treasury shares	–	449
Dividends paid	(1,276)	(1,392)
Dividends paid to non-controlling interests	(75)	(94)
Repayments of lease liabilities	(1,833)	(1,936)
Other	(0)	(0)
Net cash provided by (used in) financing activities	(205)	5,531
Effect of exchange rate changes on cash and cash equivalents	70	284
Net increase (decrease) in cash and cash equivalents	(1,311)	(2,411)
Cash and cash equivalents at beginning of period	11,844	12,644
Cash and cash equivalents	10,533	10,232