



## Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023 (Under Japanese GAAP)

February 8, 2023

Company name: VIA HOLDINGS INC.  
 Stock listing: Tokyo Stock Exchange Prime Section  
 Code number: 7918  
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Scheduled date of quarterly report submission: February 8, 2023

Scheduled date of dividend payment commencement: -

Supplemental materials for the quarterly financial results: None

Presentation to explain the quarterly financial results: None

(Yen amounts are rounded down to millions of yen.)

### 1. Consolidated financial results for the first nine months of the fiscal year ending March 31, 2023 (April 1 – December 31, 2022)

#### (1) Consolidated operating results (cumulative) (Percentage figures indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months of the fiscal year ending March 31, 2023	10,730	40.8	(742)	-	(787)	-	(772)	-
First nine months of the fiscal year ended March 31, 2022	7,623	(21.3)	(862)	-	(599)	-	1,009	-

Note: Comprehensive income  
 First nine months of the fiscal year ending March 31, 2023 (772) million yen (-%)  
 First nine months of the fiscal year ended March 31, 2022 1,009 million yen (-%)

	Profit per share	Diluted profit per share
	Yen	Yen
First nine months of the fiscal year ending March 31, 2023	(21.99)	-
First nine months of the fiscal year ended March 31, 2022	30.45	30.12

Note: The presentation of diluted profit per share for the third quarter of the fiscal year ending March 31, 2023 was omitted as there was a loss per share, although there existed dilutive shares.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First nine months of the fiscal year ending March 31, 2023	7,910	1,537	19.4	(112.35)
Fiscal year ended March 31, 2022	9,379	2,498	26.6	(101.95)

Reference: Equity  
 First nine months of the fiscal year ending March 31, 2023 1,535 million yen  
 Fiscal year ended March 31, 2022 2,496 million yen

### 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2023	-	0.00	-		
Fiscal year ending March 31, 2023 (Forecast)				0.00	0.00

Note: Revision to dividend forecast announced most recently: None

Note: The cash dividends section above shows the status of dividends on common stock. For the status of dividends on a class of stock (unlisted) with rights that differ from those for common stock issued by the Company, see the section titled “Dividend on class stock.”

3. Consolidated financial results forecast for the fiscal year ending March 31, 2023 (April 1, 2022 – March 31, 2023)  
(Percentage figures indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	14,380	40.2	(975)	-	(1,050)	-	(1,300)	-	(36.29)

Note: Revision to financial results forecast announced most recently: Yes

Note: Notes to consolidated financial statements

For the revision to the financial results forecast, see the “Notice on the Financial Results Forecast for the Fiscal Year Ending March 31, 2023” that was released today (February 8, 2023).

\* Notes

- (1) Changes in significant subsidiaries during the period  
(changes in specified subsidiaries resulting in a change in the scope of consolidation): None  
New companies: -  
Excluded companies: -
- (2) Application of an accounting standard specific to the preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies other than as provided in item (i): None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common stock)
  - (i) Total number of issued shares at the end of the period (including treasury shares)
 

Third quarter of the fiscal year ending March 31, 2023	37,426,584 shares
Fiscal year ended March 31, 2022	34,363,400 shares
  - (ii) Number of treasury shares at the end of the period
 

Third quarter of the fiscal year ending March 31, 2023	2,500 shares
Fiscal year ended March 31, 2022	2,500 shares
  - (iii) Average number of shares outstanding during the period (cumulative for the quarter)
 

Third quarter of the fiscal year ending March 31, 2023	35,148,209 shares
Third quarter of the fiscal year ended March 31, 2022	33,157,962 shares

\* Quarterly financial results reports are exempt from audit procedures conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

The forward-looking statements provided in this document, such as the financial results forecast, are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual financial results could potentially differ markedly from the forecast due to various factors. For matters related to the financial results forecast mentioned above, see the “Explanation on future forecasts such as consolidated financial results forecast” section on page 2 of the attached document.

\* Dividend on class stock

Shown below is a breakdown of the dividend per share on class stock whose rights differ from those of common stock.  
(Class C preferred stock)

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	-	-	73,589.04	73,589.04
Fiscal year ending March 31, 2023	-	-	-		
Fiscal year ending March 31, 2023 (Forecast)				85,000.00	85,000.00

Note: 1. Class C preferred stock was issued in May 2021. Dividends began to be paid from the fiscal year ended March 31, 2022, in accordance with the Class C preferred stock issuance guidelines set forth at the time of issuance.

(Class D preferred stock)

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	-	-	17,315.07	17,315.07
Fiscal year ending March 31, 2023	-	-	-		
Fiscal year ending March 31, 2023 (Forecast)				20,000.00	20,000.00

Note: 1. Class D preferred stock was issued in May 2021. Dividends began to be paid from the fiscal year ended March 31, 2022, in accordance with the Class D preferred stock issuance guidelines set forth at the time of issuance.

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## 1. Qualitative information on the quarterly financial results

### (1) Explanation on operating results

During the consolidated first nine months under review, although the spread of COVID-19 slowed, the Japanese economy faced significant challenges as prices of goods and costs of energy soared, affected by global logistics disruptions and Russia's invasion of Ukraine while consumer spending declined and production activities were stagnant.

It is unpredictable how the economy will fare in the future as the impact of COVID-19 on it remains uncertain due to unforeseeable mutations and the vaccination status. The restaurant sector remained in an extremely challenging operating environment as competition to win customers increasingly intensified, including in the ready-meal segment. This followed a decrease in the number of in-person customers due to lifestyle changes resulting from the effects of COVID-19, such as the diffusion of telework, and reluctance to go out, coupled with social distancing-based outlet operation intended to protect the safety and security of customers and employees.

In this situation, the izakaya pub business, the Company's mainstay, continued to suffer a severe blow due to decreased demand for alcoholic drink and large parties, affected by resurging COVID-19 cases. This happened despite rebounding office worker numbers, particularly in central urban areas, and it had a serious impact on the Company's business performance and financial position for the period under review.

In response to this situation, under its business revival plan, the Company strove to reduce costs through efforts to: i) lower headquarters costs; ii) improve customer gross profit via menu revisions and menu mixes; iii) decrease cost of sales by cutting food wastage; and iv) enhance labor productivity by revamping outlet operations. At the same time, the Company keeps working to step up profitability by transforming its business into a new concept-based operation that adapts to the COVID and post-COVID eras, renovating outlets, and providing remote food services such as for takeout, delivery, and e-commerce.

Our outlets numbered 326 (including 33 franchise outlets) at the end of the quarter under review following 1 opening (1 franchise outlet) and 27 closures (including 5 franchise outlets).

As a result, for the Group, during the consolidated first nine months under review, net sales were 10,730 million yen (up 40.8% year on year), operating loss was 742 million yen (compared with operating loss of 862 million yen for the same period of the previous year), ordinary loss was 787 million yen (compared with ordinary loss of 599 million yen for the same period of the previous year), and loss attributable to owners of parent was 772 million yen (compared with profit attributable to owners of parent of 1,009 million yen for the same period of the previous year).

### (2) Explanation on financial position

#### (i) Assets, liabilities and net assets

Total assets for the consolidated first nine months under review were 7,910 million yen, a decrease of 1,469 million yen compared with the end of the previous consolidated fiscal year.

This was due to an increase of 301 million yen in cash and deposits, a drop of 1,358 million yen in accounts receivable, and a fall of 314 million yen in property, plant and equipment.

Total liabilities were 6,373 million yen, a decrease of 507 million yen compared with the end of the previous consolidated fiscal year. This was due to a drop of 249 million yen in long-term borrowings, a fall of 42 million yen in provision for loss on outlet closings, which stemmed from progress in closing outlets, and a decrease of 145 million yen in short-term asset retirement obligations.

Total net assets were 1,537 million yen, a decrease of 961 million yen compared with the end of the previous consolidated fiscal year. This was due to the fact that: i) paying dividends on Class C and Class D preferred stocks had an effect of reducing capital surplus by 188 million yen; ii) a loss compensation done in accordance with Article 452 of the Companies Act had an effect of lowering capital surplus by 4,576 million yen and increasing retained earnings by the same amount; and iii) 772 million yen recorded in loss attributable to owners of parent had an effect of reducing retained earnings.

As a result, equity ratio decreased by 7.2 percentage points compared with the end of the previous consolidated fiscal year to 19.4%, bringing net assets per share of common stock to negative 112.35 yen.

### (3) Explanation on future forecasts such as consolidated financial results forecasts

We have revised the consolidated financial forecast for the fiscal year ending March 31, 2023, based on information currently available and predictions in light of our business performance up to the first nine months under review.

For details, see the "Notice on the Financial Results Forecast for the Fiscal Year Ending March 31, 2023" that was released today (February 8, 2023). The above-mentioned financial results forecast was prepared on the basis of information available to the Company as of the date of release of this document. Actual financial results could potentially differ from the forecasts due to various future factors.

(4) Material matters on going concern assumption

The Group recorded 1,123 million yen as an operating loss and 827 million yen as an ordinary loss for the previous consolidated fiscal year, posting an ordinary loss for the fourth consecutive year. For the consolidated first nine months under review, the Group recorded 742 million yen as an operating loss and 787 million yen as an ordinary loss.

Thus, there exists material uncertainty regarding the going concern assumption for the Group.

In order to establish a strong earnings structure and fundamentally improve its financial position toward a business turnaround in the future, the Group formulated a business turnaround plan (the “Business Turnaround Plan”) by being examined, instructed, and advised by procedure conductors selected by the Japanese Association of Turnaround Professionals, an agency that was fair and impartial, while consulting with the creditor financial institutions in accordance with a dispute resolution procedure certified specifically (“Business Turnaround ADR Procedure”) under the Industrial Competitiveness Enhancement Act. At the Group, we completed the procedure for the alternative dispute resolution (ADR) for the business turnaround as we obtained consent from all the creditor financial institutions at a meeting of creditors held on April 20, 2021, for resolving the Business Turnaround Plan (the 3rd meeting of creditors) in accordance with the business turnaround ADR procedure.

Currently, however, there exists material uncertainty regarding the going concern assumption for the Group as: i) the economic outlook is unclear considering lifestyle changes resulting from COVID-19, such as the diffusion of telework, reluctance to go out, and a reduced number of incoming customers as a result of social distancing-based outlet operation intended to ensure the safety and security of customers and employees, making uncertain the extent and duration of the effects on our future sales; and ii) our business turnaround efforts under the Business Turnaround Plan are now underway.

Measures to eliminate or rectify such circumstances are described in the section titled “(3) Notes to quarterly consolidated financial statements (Notes on going concern assumption)” in the segment titled “2. Quarterly Consolidated Financial Statements and Key Notes.”

## 2. Quarterly Consolidated Financial Statements and Key Notes

## (1) Quarterly consolidated balance sheet

(Millions of yen)

	Previous fiscal year (March 31, 2022)	Third quarter of the current fiscal year (December 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	1,374	1,676
Accounts receivable - trade	406	568
Raw materials and supplies	115	129
Accounts receivable - other	1,379	21
Other	226	250
Total current assets	3,503	2,645
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,664	2,452
Machinery, equipment and vehicles, net	287	246
Tools, furniture and fixtures, net	93	82
Leased assets, net	69	18
Land	512	512
Total property, plant and equipment	3,627	3,312
Intangible assets		
Leased assets	122	90
Other	154	112
Total intangible assets	276	203
Investments and other assets		
Investment securities	371	371
Leasehold and guarantee deposits	1,566	1,366
Other	17	0
Total investments and other assets	1,955	1,738
Total non-current assets	5,859	5,254
Deferred assets		
Share issuance costs	15	9
Share acquisition rights issuance costs	1	0
Total deferred assets	17	10
Total assets	9,379	7,910

(Millions of yen)

	Previous fiscal year (March 31, 2022)	Third quarter of the current fiscal year (December 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	514	751
Current portion of long-term borrowings	249	249
Accounts payable - other	453	426
Accrued expenses	444	498
Income taxes payable	62	32
Provision for bonuses	76	19
Lease obligations	127	72
Asset retirement obligations	206	60
Provision for loss on outlet closings	47	4
Other	431	301
Total current liabilities	2,613	2,419
Non-current liabilities		
Long-term borrowings	3,315	3,065
Lease obligations	46	4
Asset retirement obligations	699	703
Deferred tax liabilities	93	90
Other	111	89
Total non-current liabilities	4,267	3,953
<b>Total liabilities</b>	<b>6,881</b>	<b>6,373</b>
Net assets		
Shareholders' equity		
Share capital	316	316
Capital surplus	6,990	2,225
Retained earnings	(4,808)	(1,004)
Treasury shares	(2)	(2)
Total shareholders' equity	2,496	1,535
Share acquisition rights	1	1
Total net assets	2,498	1,537
<b>Total liabilities and net assets</b>	<b>9,379</b>	<b>7,910</b>



## (2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

## Quarterly consolidated statement of income

Consolidated first nine months

(Millions of yen)

	First nine months of the previous fiscal year (From April 1 to December 31, 2021)	First nine months of the current fiscal year (From April 1 to December 31, 2022)
Net sales	7,623	10,730
Cost of sales	2,541	3,504
Gross profit	5,081	7,226
Selling, general and administrative expenses	5,944	7,969
Operating loss	(862)	(742)
Non-operating income		
Interest and dividend income	1	4
Rental income	40	25
Subsidy income	330	-
Other	8	12
Total non-operating income	381	43
Non-operating expenses		
Interest expenses	103	75
Other	14	11
Total non-operating expenses	117	87
Ordinary loss	(599)	(787)
Extraordinary income		
Subsidies for employment adjustment	329	0
Subsidy income	2,750	72
Gain on sale of non-current assets	3	1
Other	152	39
Total extraordinary income	3,235	113
Extraordinary losses		
Loss caused by COVID-19	1,339	-
Loss on sale of non-current assets	86	16
Impairment losses	89	20
Loss on retirement of non-current assets	9	6
Loss on outlet closings	55	15
Other	9	6
Total extraordinary losses	1,591	64
Profit (loss) before income taxes	1,045	(738)
Income taxes - current	54	37
Income taxes - deferred	(18)	(3)
Total income taxes	35	34
Profit (loss)	1,009	(772)
Profit (loss) attributable to owners of parent	1,009	(772)

## Quarterly consolidated statement of comprehensive income

Consolidated first nine months

(Millions of yen)

	First nine months of the previous fiscal year (From April 1 to December 31, 2021)	First nine months of the current fiscal year (From April 1 to December 31, 2022)
Profit (loss)	1,009	(772)
Other comprehensive income		
Comprehensive income	1,009	(772)
(Breakdown)		
Comprehensive income attributable to owners of parent	1,009	(772)
Comprehensive income attributable to non- controlling interests	-	-

## (3) Notes to quarterly consolidated financial statements

## (Notes on going concern assumption)

The Group recorded 1,123 million yen as an operating loss and 827 million yen as an ordinary loss for the previous consolidated fiscal year, posting an ordinary loss for the fourth consecutive year. For the consolidated first nine months under review, the Group recorded 742 million yen as an operating loss and 787 million yen as an ordinary loss.

Thus, there exists material uncertainty regarding the going concern assumption for the Group.

In order to establish a strong earnings structure and fundamentally improve its financial position toward a business turnaround in the future, the Group formulated a business turnaround plan (the “Business Turnaround Plan”) by being examined, instructed, and advised by procedure conductors selected by the Japanese Association of Turnaround Professionals, an agency that was fair and impartial, while consulting with the creditor financial institutions in accordance with a dispute resolution procedure certified specifically (“Business Turnaround ADR Procedure”) under the Industrial Competitiveness Enhancement Act. At the Group, we completed the procedure for the alternative dispute resolution (ADR) for the business turnaround as we obtained consent from all the creditor financial institutions at a meeting of creditors held on April 20, 2021, for resolving the Business Turnaround Plan (the 3rd meeting of creditors) in accordance with the business turnaround ADR procedure. As the business turnaround ADR procedure was completed, financial restriction provisions were laid down in an agreement between the Company and seven eligible creditor banks.

To resolve the situation, the Company, which is submitting consolidated financial statements, is working on its business turnaround steadily under the Business Turnaround Plan by fundamentally reviewing its business structure toward a regrowth track and regrowing through deepening and evolving its core businesses, while carrying out the following financial measures.

## 1. Outline of financial measures under the Business Turnaround Plan

Shown below is an outline of the financial measures under the Business Turnaround Plan, including financial assistance such as that for a debt-for-shares swap.

## (1) Assistance from financial institutions

## (i) Subscription to Class D preferred stock through a debt-for-shares swap

The Company resolved insolvency after stabilizing its financial position by receiving assistance from five eligible creditor financial institutions that hold claims for a certain amount or more against it, through a debt-for-shares swap deal for some of its outstanding debt. The assistance was worth 4,500 million yen in total.

## (ii) Revision to the terms and conditions of debt repayment

Seven eligible creditor banks assisted the Group by changing the terms and conditions of the repayment of its outstanding borrowings.

## (2) Capital contribution and loans from RKD Encourage Fund Limited Investment Partnership

## (i) Subscription to Class C preferred stock through payment of cash

The Group used a capital contribution of 1,500 million yen from RKD Encourage Fund Limited Investment Partnership to enhance its share capital, and is appropriating it to store capital investment such as business format conversion and renewal, as well as ordinary working capital.

## (ii) Lending in the form of a subordinated loan

The Group borrowed 500 million yen from RKD Encourage Fund Limited Investment Partnership and appropriated the cash to restructuring funds (including for refinancing its outstanding short-term loans) and working capital.

## 2. Issuance of the 25th series of share acquisition rights (with an exercise price revision clause)

In addition to taking the measures set forth in the Business Turnaround Plan, the Company allotted the 25th series of share acquisition rights (with an exercise price revision clause) to Barclays Bank PLC (the amount obtained was 1,033 million yen (composed of 3 million yen in share acquisition rights issued and 1,030 million yen for the exercise of share acquisition rights)) as a financial measure outside the Business Turnaround Plan in order to further improve

its financial position. The allotment date of the share acquisition rights was May 20, 2021, and the exercisable period was specified as from May 21, 2021 to May 22, 2023.

Currently, however, there exists material uncertainty regarding the going concern assumption for the Group as: i) the economic outlook is unclear considering lifestyle changes resulting from COVID-19, such as the diffusion of telework, reluctance to go out, and a reduced number of incoming customers as a result of social distancing-based outlet operation intended to ensure the safety and security of customers and employees, making uncertain the extent and duration of the effects on our future sales; and ii) our business turnaround efforts under the Business Turnaround Plan are now underway.

The quarterly consolidated financial statements were prepared on the basis of a going concern assumption, and the effects of material uncertainty regarding the going concern assumption are not reflected in the quarterly consolidated financial statements.

(Notes on substantial change in shareholders' equity)

Not applicable

(Changes in accounting policies)

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

Starting from the beginning of the first quarter of the current fiscal year, the Company began to apply the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; "Implementation Guidance on Accounting Standard for Fair Value Measurement"), and decided to apply, going forward, the new accounting policy set forth in the Implementation Guidance on Accounting Standard for Fair Value Measurement in accordance with the transitional treatment stipulated in paragraph 27-2 of the implementation guidance. The application of the accounting policy had no effect on the quarterly consolidated financial statements.

(Additional information)

Application of the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System

Starting from the first quarter of the current fiscal year, the Company and some of its domestic consolidated subsidiaries transitioned from the consolidated taxation system to the group tax sharing system. Accordingly, the accounting treatment and disclosure of income taxes and local income taxes and of tax effect accounting were governed by the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Practical Solution No. 42, August 12, 2021; "Practical Solution No. 42"). There were no effects from the accounting policy change due to the application of Practical Solution No. 42 in accordance with Paragraph 32 (1) of the report.

Accounting estimates relating to the effects of COVID-19

The izakaya pub business, the Group's mainstay, suffered a severe blow due to a decrease caused by reduced office workers, particularly in central urban areas, and lower demand for large parties even though outlets were able to operate amid the spread of COVID-19.

In this situation, we made accounting estimates in relation to the effects of COVID-19 assuming that demand will decline to a certain extent due to lifestyle changes even after such effects subside in the future.

However, actual results may differ from the estimates as we are in an extremely uncertain environment and there is uncertainty for predicting when COVID-19 will end.

During the consolidated first nine months under review, in comparison with the previous consolidated fiscal year, there were no significant changes in assumptions about how COVID-19 will spread in the future and when it will end.