

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 12, 2018

Company name: VT HOLDINGS CO., LTD.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock 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: November 13, 2018  
 Scheduled date to commence dividend payments: November 30, 2018  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

(1) Consolidated operating results (cumulative)

Percentages 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	%
Six months ended September 30, 2018	109,035	11.3	2,930	(8.1)	2,894	(14.5)	1,537	(13.2)
Six months ended September 30, 2017	97,991	33.4	3,187	4.8	3,382	11.0	1,771	4.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2018	13.10		-	
Six months ended September 30, 2017	15.06		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2018	136,454	41,114	27.6	321.28
As of March 31, 2018	136,223	40,750	27.5	318.91

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, 2018	-	9.00	-	9.00	18.00
Year ending March 31, 2019	-	10.00	-	-	-
Year ending March 31, 2019 (Forecast)	-	-	-	10.00	20.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	210,000	3.9	8,000	18.0	8,200	14.3	4,800	27.5	40.90

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2018  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
  - Changes in accounting policies due to other reasons: No
  - Changes in accounting estimates: No
  - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2018	119,381,034 shares	As of March 31, 2018	119,381,034 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	2,031,678 shares	As of March 31, 2018	2,026,578 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2018	117,349,356 shares	Six months ended September 30, 2017	117,654,456 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	7,808	8,193
Notes and accounts receivable - trade	7,536	8,196
Merchandise and finished goods	31,259	27,648
Work in process	3,188	4,048
Raw materials and supplies	79	83
Other	15,589	17,264
Allowance for doubtful accounts	(67)	(53)
Total current assets	65,395	65,381
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,078	28,012
Accumulated depreciation	(14,522)	(14,872)
Buildings and structures, net	12,556	13,140
Machinery, equipment and vehicles	7,962	8,874
Accumulated depreciation	(3,124)	(3,496)
Machinery, equipment and vehicles, net	4,838	5,377
Land	21,216	21,605
Other	14,209	14,175
Accumulated depreciation	(5,938)	(6,391)
Other, net	8,271	7,784
Total property, plant and equipment	46,881	47,907
Intangible assets		
Goodwill	12,088	11,434
Other	583	550
Total intangible assets	12,672	11,984
Investments and other assets		
Investment securities	7,269	7,262
Other	4,934	4,827
Allowance for doubtful accounts	(930)	(907)
Total investments and other assets	11,273	11,182
Total non-current assets	70,827	71,073
Total assets	136,223	136,454

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	30,592	26,319
Short-term loans payable	18,270	20,770
Lease obligations	14,064	15,220
Income taxes payable	1,533	877
Provision for bonuses	1,001	1,043
Other	9,878	11,238
Total current liabilities	75,341	75,470
Non-current liabilities		
Bonds payable	23	16
Long-term loans payable	11,356	11,506
Provision for directors' retirement benefits	826	841
Net defined benefit liability	765	787
Asset retirement obligations	416	449
Other	6,742	6,270
Total non-current liabilities	20,131	19,870
Total liabilities	95,472	95,340
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,297	4,297
Capital surplus	2,832	2,832
Retained earnings	29,685	30,174
Treasury shares	(272)	(272)
Total shareholders' equity	36,543	37,032
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	886	874
Foreign currency translation adjustment	(3)	(204)
Total accumulated other comprehensive income	882	669
Share acquisition rights	142	140
Non-controlling interests	3,182	3,270
Total net assets	40,750	41,114
Total liabilities and net assets	136,223	136,454

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Net sales	97,991	109,035
Cost of sales	81,653	91,809
Gross profit	16,338	17,225
Selling, general and administrative expenses	13,151	14,295
Operating profit	3,187	2,930
Non-operating income		
Rent income	35	38
Share of profit of entities accounted for using equity method	83	117
Subsidy income	56	26
Foreign exchange gains	123	–
Other	134	150
Total non-operating income	434	333
Non-operating expenses		
Interest expenses	175	179
Foreign exchange losses	–	142
Other	62	46
Total non-operating expenses	238	369
Ordinary profit	3,382	2,894
Extraordinary income		
Gain on sales of non-current assets	–	3
Gain on reversal of share acquisition rights	0	1
Total extraordinary income	0	5
Extraordinary losses		
Loss on sales of non-current assets	3	–
Loss on retirement of non-current assets	75	35
Loss on removal of non-current assets	50	21
Loss on valuation of investment securities	–	34
Other	0	1
Total extraordinary losses	129	94
Profit before income taxes	3,254	2,804
Income taxes - current	1,063	1,191
Income taxes - deferred	96	(68)
Total income taxes	1,160	1,122
Profit	2,093	1,682
Profit attributable to non-controlling interests	321	144
Profit attributable to owners of parent	1,771	1,537

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	2,093	1,682
Other comprehensive income		
Valuation difference on available-for-sale securities	120	(10)
Foreign currency translation adjustment	427	(232)
Share of other comprehensive income of entities accounted for using equity method	3	(10)
Total other comprehensive income	551	(252)
Comprehensive income	2,645	1,429
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,311	1,324
Comprehensive income attributable to non-controlling interests	333	104

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from operating activities		
Profit before income taxes	3,254	2,804
Depreciation	2,568	2,922
Amortization of goodwill	572	567
Increase (decrease) in allowance for doubtful accounts	(15)	(20)
Increase (decrease) in provision for bonuses	20	42
Interest expenses	175	179
Loss on retirement of non-current assets	75	35
Loss (gain) on valuation of investment securities	–	34
Decrease (increase) in notes and accounts receivable - trade	(1,183)	(754)
Decrease (increase) in inventories	49	2,987
Increase (decrease) in notes and accounts payable - trade	(1,232)	(4,324)
Other, net	1,279	171
Subtotal	5,565	4,647
Interest and dividend income received	100	107
Interest expenses paid	(176)	(183)
Income taxes paid	(1,149)	(1,850)
Net cash provided by (used in) operating activities	4,339	2,720
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,001)	(5,380)
Proceeds from sales of property, plant and equipment	1,337	3,202
Purchase of investment securities	(3)	–
Proceeds from sales of investment securities	0	2
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	202	–
Payments of loans receivable	(51)	(9)
Collection of loans receivable	51	47
Other, net	(88)	23
Net cash provided by (used in) investing activities	(3,552)	(2,112)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	4,804	2,256
Proceeds from long-term loans payable	2,595	3,388
Repayments of long-term loans payable	(3,191)	(2,939)
Cash dividends paid	(1,058)	(1,056)
Repayments of lease obligations	(1,815)	(1,831)
Other, net	(64)	(24)
Net cash provided by (used in) financing activities	1,270	(207)
Effect of exchange rate change on cash and cash equivalents	28	(24)
Net increase (decrease) in cash and cash equivalents	2,085	375
Cash and cash equivalents at beginning of period	6,499	7,820
Cash and cash equivalents at end of period	8,585	8,195