

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 10, 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: August 10, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2018 (from April 1, 2018 to June 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	%
Three months ended June 30, 2018	51,957	10.8	924	(21.2)	827	(33.7)	419	(35.5)
Three months ended June 30, 2017	46,907	47.2	1,172	21.6	1,247	39.8	651	49.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	3.58		–	
Three months ended June 30, 2017	5.53		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2018	133,930	39,698	27.2	310.95
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	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	10.00	–	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
Six months ending September 30, 2018	100,000	2.0	3,200	0.4	3,300	(2.5)	1,900	7.2	16.19
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 three months ended June 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 June 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 June 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)

Three months ended June 30, 2018	117,349,356 shares	Three months ended June 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 June 30, 2018
Assets		
Current assets		
Cash and deposits	7,808	9,306
Notes and accounts receivable - trade	7,536	6,276
Merchandise and finished goods	31,259	28,047
Work in process	3,188	4,024
Raw materials and supplies	79	83
Other	15,589	16,226
Allowance for doubtful accounts	(67)	(70)
Total current assets	65,395	63,894
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,078	27,227
Accumulated depreciation	(14,522)	(14,694)
Buildings and structures, net	12,556	12,532
Machinery, equipment and vehicles	7,962	7,985
Accumulated depreciation	(3,124)	(3,240)
Machinery, equipment and vehicles, net	4,838	4,744
Land	21,216	21,240
Other	14,209	14,353
Accumulated depreciation	(5,938)	(6,250)
Other, net	8,271	8,102
Total property, plant and equipment	46,881	46,620
Intangible assets		
Goodwill	12,088	11,721
Other	583	566
Total intangible assets	12,672	12,287
Investments and other assets		
Investment securities	7,269	7,165
Other	4,934	4,869
Allowance for doubtful accounts	(930)	(907)
Total investments and other assets	11,273	11,128
Total non-current assets	70,827	70,036
Total assets	136,223	133,930

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,592	20,754
Short-term loans payable	18,270	26,700
Lease obligations	14,064	14,467
Income taxes payable	1,533	303
Provision for bonuses	1,001	478
Other	9,878	12,267
Total current liabilities	75,341	74,972
Non-current liabilities		
Bonds payable	23	23
Long-term loans payable	11,356	11,004
Provision for directors' retirement benefits	826	845
Net defined benefit liability	765	771
Asset retirement obligations	416	418
Other	6,742	6,196
Total non-current liabilities	20,131	19,259
Total liabilities	95,472	94,232
Net assets		
Shareholders' equity		
Capital stock	4,297	4,297
Capital surplus	2,832	2,832
Retained earnings	29,685	29,057
Treasury shares	(272)	(272)
Total shareholders' equity	36,543	35,914
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	886	847
Foreign currency translation adjustment	(3)	(272)
Total accumulated other comprehensive income	882	575
Share acquisition rights	142	141
Non-controlling interests	3,182	3,067
Total net assets	40,750	39,698
Total liabilities and net assets	136,223	133,930

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	46,907	51,957
Cost of sales	39,321	43,893
Gross profit	7,586	8,064
Selling, general and administrative expenses	6,413	7,140
Operating profit	1,172	924
Non-operating income		
Rent income	18	19
Share of profit of entities accounted for using equity method	37	55
Foreign exchange gains	61	–
Other	77	96
Total non-operating income	193	170
Non-operating expenses		
Interest expenses	83	91
Foreign exchange losses	–	151
Other	35	24
Total non-operating expenses	118	267
Ordinary profit	1,247	827
Extraordinary income		
Gain on sales of non-current assets	–	0
Gain on reversal of share acquisition rights	–	1
Total extraordinary income	–	1
Extraordinary losses		
Loss on retirement of non-current assets	1	3
Loss on removal of non-current assets	3	0
Loss on valuation of investment securities	–	34
Other	0	1
Total extraordinary losses	5	40
Profit before income taxes	1,242	788
Income taxes - current	532	545
Income taxes - deferred	(64)	(111)
Total income taxes	467	434
Profit	774	353
Profit (loss) attributable to non-controlling interests	123	(66)
Profit attributable to owners of parent	651	419

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	774	353
Other comprehensive income		
Valuation difference on available-for-sale securities	55	(38)
Foreign currency translation adjustment	109	(297)
Share of other comprehensive income of entities accounted for using equity method	0	(4)
Total other comprehensive income	165	(340)
Comprehensive income	940	13
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	824	112
Comprehensive income attributable to non-controlling interests	116	(98)