

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 12, 2019

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: February 13, 2019
 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	156,422	10.2	3,504	(16.5)	3,634	(18.6)	1,842	(19.7)
Nine months ended December 31, 2017	141,914	24.5	4,196	0.8	4,464	2.7	2,293	1.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	15.70		–	
Nine months ended December 31, 2017	19.49		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2018	130,741	39,587	27.7	309.01
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 nine months ended December 31, 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 December 31, 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 December 31, 2018	2,031,680 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)

Nine months ended December 31, 2018	117,349,356 shares	Nine months ended December 31, 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 December 31, 2018
Assets		
Current assets		
Cash and deposits	7,808	6,762
Notes and accounts receivable - trade	7,536	5,879
Merchandise and finished goods	31,259	27,498
Work in process	3,188	4,146
Raw materials and supplies	79	87
Other	15,589	14,974
Allowance for doubtful accounts	(67)	(53)
Total current assets	65,395	59,295
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,078	28,196
Accumulated depreciation	(14,522)	(15,072)
Buildings and structures, net	12,556	13,124
Machinery, equipment and vehicles	7,962	9,442
Accumulated depreciation	(3,124)	(3,840)
Machinery, equipment and vehicles, net	4,838	5,602
Land	21,216	21,585
Other	14,209	15,029
Accumulated depreciation	(5,938)	(6,557)
Other, net	8,271	8,472
Total property, plant and equipment	46,881	48,784
Intangible assets		
Goodwill	12,088	11,259
Other	583	526
Total intangible assets	12,672	11,785
Investments and other assets		
Investment securities	7,269	6,746
Other	4,934	5,040
Allowance for doubtful accounts	(930)	(910)
Total investments and other assets	11,273	10,876
Total non-current assets	70,827	71,446
Total assets	136,223	130,741

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,592	20,838
Short-term loans payable	18,270	25,856
Lease obligations	14,064	13,201
Income taxes payable	1,533	324
Provision for bonuses	1,001	496
Other	9,878	11,168
Total current liabilities	75,341	71,886
Non-current liabilities		
Bonds payable	23	16
Long-term loans payable	11,356	10,695
Provision for directors' retirement benefits	826	865
Net defined benefit liability	765	778
Asset retirement obligations	416	453
Other	6,742	6,458
Total non-current liabilities	20,131	19,268
Total liabilities	95,472	91,154
Net assets		
Shareholders' equity		
Capital stock	4,297	4,297
Capital surplus	2,832	2,832
Retained earnings	29,685	29,306
Treasury shares	(272)	(272)
Total shareholders' equity	36,543	36,164
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	886	473
Foreign currency translation adjustment	(3)	(374)
Total accumulated other comprehensive income	882	98
Share acquisition rights	142	140
Non-controlling interests	3,182	3,183
Total net assets	40,750	39,587
Total liabilities and net assets	136,223	130,741

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	141,914	156,422
Cost of sales	118,163	131,616
Gross profit	23,751	24,805
Selling, general and administrative expenses	19,555	21,301
Operating profit	4,196	3,504
Non-operating income		
Rent income	55	56
Share of profit of entities accounted for using equity method	133	181
Subsidy income	65	244
Foreign exchange gains	165	–
Other	199	217
Total non-operating income	619	699
Non-operating expenses		
Interest expenses	261	273
Foreign exchange losses	–	225
Other	89	70
Total non-operating expenses	351	569
Ordinary profit	4,464	3,634
Extraordinary income		
Gain on sales of non-current assets	2	3
Gain on sales of investment securities	3	–
Gain on bargain purchase	6	–
Gain on reversal of share acquisition rights	9	1
Total extraordinary income	20	5
Extraordinary losses		
Loss on sales of non-current assets	3	0
Loss on retirement of non-current assets	77	37
Loss on removal of non-current assets	51	25
Loss on valuation of investment securities	–	34
Other	0	2
Total extraordinary losses	133	100
Profit before income taxes	4,352	3,539
Income taxes - current	1,159	1,433
Income taxes - deferred	460	178
Total income taxes	1,620	1,611
Profit	2,732	1,928
Profit attributable to non-controlling interests	438	85
Profit attributable to owners of parent	2,293	1,842

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	2,732	1,928
Other comprehensive income		
Valuation difference on available-for-sale securities	123	(414)
Foreign currency translation adjustment	621	(403)
Share of other comprehensive income of entities accounted for using equity method	11	(1)
Total other comprehensive income	755	(820)
Comprehensive income	3,487	1,108
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,002	1,058
Comprehensive income attributable to non-controlling interests	485	49