

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2014 (Based on Japanese GAAP)

February 10, 2015

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, 2015
 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, 2014 (from April 1, 2014 to December 31, 2014)

(1) Consolidated financial results (cumulative) Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2014	93,362	2.7	3,921	(34.7)	4,013	(32.2)	2,633	(17.8)
Nine months ended December 31, 2013	90,930	10.5	6,004	32.2	5,917	33.5	3,203	32.1

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2014	22.38	–
Nine months ended December 31, 2013	29.37	29.05

(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, 2014	88,848	30,527	32.6	246.35
As of March 31, 2014	82,337	28,955	33.9	237.24

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2014	–	16.00	–	21.00	37.00
Year ending March 31, 2015	–	7.00	–		
Year ending March 31, 2015 (Forecast)				7.00	14.00

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	141,000	6.3	8,000	(20.7)	7,900	(20.8)	4,800	(6.4)	40.80

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2014
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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, 2014	119,381,034 shares	As of March 31, 2014	119,381,034 shares
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Number of treasury shares at the end of the period

As of December 31, 2014	1,726,578 shares	As of March 31, 2014	1,726,500 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, 2014	117,654,459 shares	Nine months ended December 31, 2013	109,091,103 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	7,657	4,902
Notes and accounts receivable - trade	4,593	3,398
Merchandise and finished goods	10,330	13,191
Work in process	328	1,186
Raw materials and supplies	69	69
Other	8,686	9,597
Allowance for doubtful accounts	(22)	(31)
Total current assets	31,642	32,314
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,861	20,364
Accumulated depreciation	(11,331)	(11,941)
Buildings and structures, net	6,530	8,422
Machinery, equipment and vehicles	3,459	3,824
Accumulated depreciation	(1,934)	(2,104)
Machinery, equipment and vehicles, net	1,524	1,720
Land	17,294	18,936
Other	9,279	10,036
Accumulated depreciation	(4,649)	(4,639)
Other, net	4,630	5,397
Total property, plant and equipment	29,979	34,475
Intangible assets		
Goodwill	11,696	12,821
Other	544	530
Total intangible assets	12,240	13,352
Investments and other assets		
Investment securities	5,417	6,060
Other	4,328	3,608
Allowance for doubtful accounts	(1,271)	(963)
Total investments and other assets	8,474	8,705
Total non-current assets	50,694	56,533
Total assets	82,337	88,848

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,367	10,091
Short-term loans payable	6,302	15,337
Income taxes payable	1,968	188
Provision for bonuses	859	421
Other	13,238	13,231
Total current liabilities	37,736	39,270
Non-current liabilities		
Bonds payable	1,146	1,031
Long-term loans payable	8,411	11,048
Provision for directors' retirement benefits	547	580
Net defined benefit liability	761	791
Asset retirement obligations	301	319
Other	4,478	5,279
Total non-current liabilities	15,645	19,049
Total liabilities	53,382	58,320
Net assets		
Shareholders' equity		
Capital stock	4,297	4,297
Capital surplus	2,832	2,832
Retained earnings	20,421	21,402
Treasury shares	(98)	(98)
Total shareholders' equity	27,452	28,433
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	281	306
Revaluation reserve for land	29	29
Foreign currency translation adjustment	148	214
Total accumulated other comprehensive income	460	550
Minority interests	1,042	1,543
Total net assets	28,955	30,527
Total liabilities and net assets	82,337	88,848

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, 2013	Nine months ended December 31, 2014
Net sales	90,930	93,362
Cost of sales	71,644	75,266
Gross profit	19,285	18,096
Selling, general and administrative expenses	13,281	14,174
Operating income	6,004	3,921
Non-operating income		
Rent income	90	55
Share of profit of entities accounted for using equity method	108	125
Other	136	270
Total non-operating income	335	452
Non-operating expenses		
Interest expenses	305	249
Other	117	110
Total non-operating expenses	423	359
Ordinary income	5,917	4,013
Extraordinary income		
Gain on step acquisitions	–	87
Gain on change in equity	–	524
Gain on sales of non-current assets	6	8
Gain on sales of investment securities	8	3
Reversal of allowance for doubtful accounts	4	–
Total extraordinary income	19	624
Extraordinary losses		
Loss on sales of non-current assets	103	6
Loss on retirement of non-current assets	17	36
Loss on valuation of investment securities	0	113
Other	24	27
Total extraordinary losses	146	183
Income before income taxes and minority interests	5,790	4,453
Income taxes - current	1,400	936
Income taxes - deferred	1,099	769
Total income taxes	2,499	1,706
Income before minority interests	3,290	2,747
Minority interests in income	87	114
Net income	3,203	2,633

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	3,290	2,747
Other comprehensive income		
Valuation difference on available-for-sale securities	59	25
Foreign currency translation adjustment	128	68
Share of other comprehensive income of entities accounted for using equity method	1	4
Total other comprehensive income	188	97
Comprehensive income	3,479	2,845
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,393	2,724
Comprehensive income attributable to minority interests	85	121

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	5,790	4,453
Depreciation	2,312	2,547
Amortization of goodwill	683	717
Increase (decrease) in allowance for doubtful accounts	(7)	2
Increase (decrease) in provision for bonuses	(422)	(466)
Interest expenses	305	249
Loss (gain) on step acquisitions	–	(87)
Loss (gain) on change in equity	–	(524)
Loss (gain) on sales of non-current assets	97	(2)
Loss on retirement of non-current assets	17	36
Loss (gain) on valuation of investment securities	0	113
Decrease (increase) in notes and accounts receivable - trade	1,680	1,485
Decrease (increase) in inventories	860	(434)
Increase (decrease) in notes and accounts payable - trade	(2,952)	(6,516)
Other, net	(157)	(762)
Subtotal	8,207	812
Interest and dividend income received	99	99
Interest expenses paid	(295)	(244)
Income taxes paid	(3,544)	(4,030)
Income taxes refund	627	–
Net cash provided by (used in) operating activities	5,094	(3,362)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,971)	(4,315)
Proceeds from sales of property, plant and equipment	2,094	1,423
Purchase of investment securities	(26)	(10)
Proceeds from sales of investment securities	50	11
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,754)
Payments of loans receivable	(13)	(21)
Collection of loans receivable	59	58
Other, net	(56)	(204)
Net cash provided by (used in) investing activities	135	(4,812)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,122)	6,729
Proceeds from long-term loans payable	4,580	5,744
Repayments of long-term loans payable	(3,654)	(3,294)
Proceeds from issuance of common shares	1,644	–
Cash dividends paid	(1,191)	(1,647)
Repayments of lease obligations	(1,612)	(1,951)
Other, net	(262)	(217)
Net cash provided by (used in) financing activities	(2,620)	5,361
Effect of exchange rate change on cash and cash equivalents	21	(7)
Net increase (decrease) in cash and cash equivalents	2,630	(2,820)
Cash and cash equivalents at beginning of period	4,184	7,597
Increase in cash and cash equivalents from newly consolidated subsidiary	–	5
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(20)	–
Cash and cash equivalents at end of period	6,794	4,782