

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

November 9, 2016

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 11, 2016  
 Scheduled date to commence dividend payments: November 30, 2016  
 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, 2016 (from April 1, 2016 to September 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2016	73,469	1.9	3,042	(19.2)	3,046	(18.6)	1,690	(10.2)
Six months ended September 30, 2015	72,068	15.0	3,763	32.5	3,742	29.6	1,881	(9.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2016	14.36		-	
Six months ended September 30, 2015	15.99		-	

(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, 2016	105,279		35,049		31.3		280.33	
As of March 31, 2016	94,979		34,697		34.4		278.07	

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, 2016	-	10.00	-	8.00	18.00
Year ending March 31, 2017	-	8.00	-	-	-
Year ending March 31, 2017 (Forecast)	-	-	-	8.00	16.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Full year	174,000	18.8	7,500	(1.6)	7,500	(1.4)	4,000	(2.2)	34.00	

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2016  
(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: Yes
- 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, 2016	119,381,034 shares	As of March 31, 2016	119,381,034 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	1,726,578 shares	As of March 31, 2016	1,726,578 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, 2016	117,654,456 shares	Six months ended September 30, 2015	117,654,456 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	7,456	8,194
Notes and accounts receivable - trade	4,662	4,939
Merchandise and finished goods	13,564	14,781
Work in process	1,683	2,777
Raw materials and supplies	82	68
Other	11,002	12,568
Allowance for doubtful accounts	(32)	(33)
Total current assets	38,419	43,297
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,731	22,626
Accumulated depreciation	(12,014)	(12,408)
Buildings and structures, net	8,716	10,218
Machinery, equipment and vehicles	3,978	5,172
Accumulated depreciation	(1,960)	(2,139)
Machinery, equipment and vehicles, net	2,017	3,033
Land	19,407	20,264
Other	10,918	11,716
Accumulated depreciation	(4,472)	(4,657)
Other, net	6,446	7,059
Total property, plant and equipment	36,587	40,576
Intangible assets		
Goodwill	11,528	12,180
Other	560	568
Total intangible assets	12,088	12,748
Investments and other assets		
Investment securities	5,549	5,642
Other	3,295	3,938
Allowance for doubtful accounts	(962)	(923)
Total investments and other assets	7,882	8,657
Total non-current assets	56,559	61,982
Total assets	94,979	105,279

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	14,233	13,588
Short-term loans payable	13,621	17,997
Lease obligations	9,855	11,129
Income taxes payable	1,388	960
Provision for bonuses	883	930
Other	4,952	5,826
Total current liabilities	44,935	50,434
Non-current liabilities		
Bonds payable	381	334
Long-term loans payable	8,126	11,404
Provision for directors' retirement benefits	657	699
Net defined benefit liability	720	793
Asset retirement obligations	336	375
Other	5,123	6,188
Total non-current liabilities	15,346	19,795
Total liabilities	60,281	70,229
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,297	4,297
Capital surplus	2,832	2,832
Retained earnings	25,498	26,247
Treasury shares	(98)	(98)
Total shareholders' equity	32,530	33,278
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	313	360
Revaluation reserve for land	29	29
Foreign currency translation adjustment	(156)	(687)
Total accumulated other comprehensive income	186	(296)
Subscription rights to shares	60	99
Non-controlling interests	1,920	1,968
Total net assets	34,697	35,049
Total liabilities and net assets	94,979	105,279

**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, 2015	Six months ended September 30, 2016
Net sales	72,068	73,469
Cost of sales	58,069	59,482
Gross profit	13,998	13,986
Selling, general and administrative expenses	10,235	10,944
Operating income	3,763	3,042
Non-operating income		
Rent income	37	36
Share of profit of entities accounted for using equity method	85	112
Subsidy income	35	166
Other	99	103
Total non-operating income	257	419
Non-operating expenses		
Interest expenses	158	157
Foreign exchange losses	70	189
Other	50	67
Total non-operating expenses	279	414
Ordinary income	3,742	3,046
Extraordinary income		
Gain on sales of non-current assets	0	–
Gain on sales of investment securities	11	2
Total extraordinary income	11	2
Extraordinary losses		
Loss on sales of non-current assets	0	–
Loss on retirement of non-current assets	15	12
Loss on removal of non-current assets	98	19
Loss on valuation of investment securities	572	9
Other	13	–
Total extraordinary losses	699	41
Profit before income taxes	3,053	3,007
Income taxes - current	1,317	988
Income taxes - deferred	(251)	266
Total income taxes	1,066	1,255
Profit	1,987	1,752
Profit attributable to non-controlling interests	106	62
Profit attributable to owners of parent	1,881	1,690

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

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	1,987	1,752
Other comprehensive income		
Valuation difference on available-for-sale securities	(42)	51
Foreign currency translation adjustment	(26)	(514)
Share of other comprehensive income of entities accounted for using equity method	3	(16)
Total other comprehensive income	(65)	(479)
Comprehensive income	1,921	1,273
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,823	1,207
Comprehensive income attributable to non-controlling interests	98	65

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	3,053	3,007
Depreciation	1,749	2,058
Amortization of goodwill	500	519
Increase (decrease) in allowance for doubtful accounts	(3)	0
Increase (decrease) in provision for bonuses	28	38
Interest expenses	158	157
Loss (gain) on sales of non-current assets	(0)	–
Loss on retirement of non-current assets	15	12
Loss (gain) on valuation of investment securities	572	9
Decrease (increase) in notes and accounts receivable - trade	1,310	1,333
Decrease (increase) in inventories	2,596	1,288
Increase (decrease) in notes and accounts payable - trade	(4,806)	(2,549)
Other, net	(529)	(934)
Subtotal	4,647	4,943
Interest and dividend income received	80	89
Interest expenses paid	(156)	(157)
Income taxes paid	(1,269)	(1,644)
Net cash provided by (used in) operating activities	3,302	3,229
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,444)	(3,295)
Proceeds from sales of property, plant and equipment	957	822
Purchase of investment securities	(107)	(16)
Proceeds from sales of investment securities	112	8
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(65)	(2,969)
Payments of loans receivable	(5)	(685)
Collection of loans receivable	28	32
Payments for transfer of business	–	(1,075)
Other, net	(55)	(38)
Net cash provided by (used in) investing activities	(1,579)	(7,217)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,247	2,545
Proceeds from long-term loans payable	1,641	6,639
Repayments of long-term loans payable	(1,971)	(1,839)
Cash dividends paid	(823)	(941)
Repayments of lease obligations	(1,404)	(1,530)
Other, net	(189)	(185)
Net cash provided by (used in) financing activities	(1,500)	4,688
Effect of exchange rate change on cash and cash equivalents	49	47
Net increase (decrease) in cash and cash equivalents	271	747
Cash and cash equivalents at beginning of period	6,056	7,454
Cash and cash equivalents at end of period	6,328	8,202