

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

November 13, 2017

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 14, 2017  
 Scheduled date to commence dividend payments: December 4, 2017  
 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, 2017 (from April 1, 2017 to September 30, 2017)

(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, 2017	97,991	33.4	3,187	4.8	3,382	11.0	1,771	4.8
Six months ended September 30, 2016	73,469	1.9	3,042	(19.2)	3,046	(18.6)	1,690	(10.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2017	15.06		-	
Six months ended September 30, 2016	14.36		-	

(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, 2017	129,655		39,398		27.9		307.98	
As of March 31, 2017	121,493		37,642		28.8		297.33	

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, 2017	-	8.00	-	9.00	17.00
Year ending March 31, 2018	-	9.00			
Year ending March 31, 2018 (Forecast)			-	9.00	18.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	196,000	15.6	8,500	12.0	8,500	7.1	4,800	8.5	40.80

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2017  
(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, 2017	119,381,034 shares	As of March 31, 2017	119,381,034 shares
--------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of September 30, 2017	1,726,578 shares	As of March 31, 2017	1,726,578 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2017	117,654,456 shares	Six months ended September 30, 2016	117,654,456 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	6,490	8,575
Notes and accounts receivable - trade	6,010	7,425
Merchandise and finished goods	23,933	25,455
Work in process	2,687	2,961
Raw materials and supplies	72	71
Other	15,582	15,368
Allowance for doubtful accounts	(74)	(64)
Total current assets	54,702	59,793
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,861	26,266
Accumulated depreciation	(13,693)	(14,094)
Buildings and structures, net	11,168	12,171
Machinery, equipment and vehicles	6,307	7,758
Accumulated depreciation	(2,495)	(2,805)
Machinery, equipment and vehicles, net	3,812	4,953
Land	20,868	21,265
Other	12,686	13,496
Accumulated depreciation	(5,162)	(5,411)
Other, net	7,524	8,085
Total property, plant and equipment	43,373	46,475
Intangible assets		
Goodwill	13,324	12,915
Other	616	596
Total intangible assets	13,940	13,511
Investments and other assets		
Investment securities	5,892	6,103
Other	4,499	4,683
Allowance for doubtful accounts	(914)	(912)
Total investments and other assets	9,477	9,874
Total non-current assets	66,791	69,861
Total assets	121,493	129,655

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	23,646	23,526
Short-term loans payable	16,311	20,462
Lease obligations	12,670	13,383
Income taxes payable	746	1,133
Provision for bonuses	967	988
Other	7,750	8,536
<b>Total current liabilities</b>	<b>62,091</b>	<b>68,031</b>
<b>Non-current liabilities</b>		
Bonds payable	287	280
Long-term loans payable	12,391	12,613
Provision for directors' retirement benefits	748	771
Net defined benefit liability	777	800
Asset retirement obligations	380	390
Other	7,175	7,369
<b>Total non-current liabilities</b>	<b>21,759</b>	<b>22,224</b>
<b>Total liabilities</b>	<b>83,851</b>	<b>90,256</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,297	4,297
Capital surplus	2,832	2,832
Retained earnings	28,038	28,751
Treasury shares	(98)	(98)
<b>Total shareholders' equity</b>	<b>35,069</b>	<b>35,782</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	430	545
Foreign currency translation adjustment	(517)	(92)
<b>Total accumulated other comprehensive income</b>	<b>(87)</b>	<b>452</b>
Subscription rights to shares	137	152
Non-controlling interests	2,522	3,011
<b>Total net assets</b>	<b>37,642</b>	<b>39,398</b>
<b>Total liabilities and net assets</b>	<b>121,493</b>	<b>129,655</b>

**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, 2016	Six months ended September 30, 2017
Net sales	73,469	97,991
Cost of sales	59,482	81,653
Gross profit	13,986	16,338
Selling, general and administrative expenses	10,944	13,151
Operating profit	3,042	3,187
Non-operating income		
Rent income	36	35
Share of profit of entities accounted for using equity method	112	83
Subsidy income	166	56
Foreign exchange gains	–	123
Other	103	134
Total non-operating income	419	434
Non-operating expenses		
Interest expenses	157	175
Foreign exchange losses	189	–
Other	67	62
Total non-operating expenses	414	238
Ordinary profit	3,046	3,382
Extraordinary income		
Gain on sales of investment securities	2	–
Other	–	0
Total extraordinary income	2	0
Extraordinary losses		
Loss on sales of non-current assets	–	3
Loss on retirement of non-current assets	12	75
Loss on removal of non-current assets	19	50
Loss on valuation of investment securities	9	–
Other	–	0
Total extraordinary losses	41	129
Profit before income taxes	3,007	3,254
Income taxes - current	988	1,063
Income taxes - deferred	266	96
Total income taxes	1,255	1,160
Profit	1,752	2,093
Profit attributable to non-controlling interests	62	321
Profit attributable to owners of parent	1,690	1,771

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

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	1,752	2,093
Other comprehensive income		
Valuation difference on available-for-sale securities	51	120
Foreign currency translation adjustment	(514)	427
Share of other comprehensive income of entities accounted for using equity method	(16)	3
Total other comprehensive income	(479)	551
Comprehensive income	1,273	2,645
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,207	2,311
Comprehensive income attributable to non-controlling interests	65	333

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	3,007	3,254
Depreciation	2,058	2,568
Amortization of goodwill	519	572
Increase (decrease) in allowance for doubtful accounts	0	(15)
Increase (decrease) in provision for bonuses	38	20
Interest expenses	157	175
Loss on retirement of non-current assets	12	75
Loss (gain) on valuation of investment securities	9	–
Decrease (increase) in notes and accounts receivable - trade	1,333	(1,183)
Decrease (increase) in inventories	1,288	49
Increase (decrease) in notes and accounts payable - trade	(2,549)	(1,232)
Other, net	(934)	1,279
Subtotal	4,943	5,565
Interest and dividend income received	89	100
Interest expenses paid	(157)	(176)
Income taxes paid	(1,644)	(1,149)
Net cash provided by (used in) operating activities	3,229	4,339
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,295)	(5,001)
Proceeds from sales of property, plant and equipment	822	1,337
Purchase of investment securities	(16)	(3)
Proceeds from sales of investment securities	8	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,969)	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	202
Payments of loans receivable	(685)	(51)
Collection of loans receivable	32	51
Payments for transfer of business	(1,075)	–
Other, net	(38)	(88)
Net cash provided by (used in) investing activities	(7,217)	(3,552)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,545	4,804
Proceeds from long-term loans payable	6,639	2,595
Repayments of long-term loans payable	(1,839)	(3,191)
Cash dividends paid	(941)	(1,058)
Repayments of lease obligations	(1,530)	(1,815)
Other, net	(185)	(64)
Net cash provided by (used in) financing activities	4,688	1,270
Effect of exchange rate change on cash and cash equivalents	47	28
Net increase (decrease) in cash and cash equivalents	747	2,085
Cash and cash equivalents at beginning of period	7,454	6,499
Cash and cash equivalents at end of period	8,202	8,585