

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2014 (Based on Japanese GAAP)

August 8, 2014

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 12, 2014
 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, 2014 (from April 1, 2014 to June 30, 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	%
Three months ended June 30, 2014	28,551	2.7	884	(38.4)	929	(32.9)	511	(31.6)
Three months ended June 30, 2013	27,789	5.5	1,435	13.0	1,386	18.6	747	8.5

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2014	4.35	–
Three months ended June 30, 2013	6.91	6.86

(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, 2014	85,603	28,653	32.2	234.57
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	–				
Year ending March 31, 2015 (Forecast)		7.00	–	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
Six months ending September 30, 2014	60,500	0.1	4,100	1.3	4,000	1.4	2,200	1.8	18.70
Full year	135,000	1.7	10,300	2.2	10,100	1.2	5,400	5.3	45.90

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2014
 (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, 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 June 30, 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)

Three months ended June 30, 2014	117,654,464 shares	Three months ended June 30, 2013	108,199,680 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	7,657	4,750
Notes and accounts receivable - trade	4,593	3,858
Merchandise and finished goods	10,330	14,719
Work in process	328	182
Raw materials and supplies	69	75
Other	8,686	9,869
Allowance for doubtful accounts	(22)	(22)
Total current assets	31,642	33,434
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,861	17,932
Accumulated depreciation	(11,331)	(11,295)
Buildings and structures, net	6,530	6,637
Machinery, equipment and vehicles	3,459	3,555
Accumulated depreciation	(1,934)	(1,984)
Machinery, equipment and vehicles, net	1,524	1,571
Land	17,294	17,576
Other	9,279	9,876
Accumulated depreciation	(4,649)	(4,682)
Other, net	4,630	5,193
Total property, plant and equipment	29,979	30,978
Intangible assets		
Goodwill	11,696	11,945
Other	544	535
Total intangible assets	12,240	12,480
Investments and other assets		
Investment securities	5,417	6,321
Other	4,328	3,350
Allowance for doubtful accounts	(1,271)	(961)
Total investments and other assets	8,474	8,709
Total non-current assets	50,694	52,169
Total assets	82,337	85,603

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,367	12,367
Short-term loans payable	6,302	13,303
Income taxes payable	1,968	197
Provision for bonuses	859	418
Other	13,238	13,056
Total current liabilities	37,736	39,343
Non-current liabilities		
Bonds payable	1,146	1,126
Long-term loans payable	8,411	10,086
Provision for directors' retirement benefits	547	542
Net defined benefit liability	761	771
Asset retirement obligations	301	302
Other	4,478	4,777
Total non-current liabilities	15,645	17,606
Total liabilities	53,382	56,950
Net assets		
Shareholders' equity		
Capital stock	4,297	4,297
Capital surplus	2,832	2,832
Retained earnings	20,421	20,104
Treasury shares	(98)	(98)
Total shareholders' equity	27,452	27,135
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	281	283
Revaluation reserve for land	29	29
Foreign currency translation adjustment	148	149
Total accumulated other comprehensive income	460	462
Minority interests	1,042	1,055
Total net assets	28,955	28,653
Total liabilities and net assets	82,337	85,603

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, 2013	Three months ended June 30, 2014
Net sales	27,789	28,551
Cost of sales	21,972	23,015
Gross profit	5,816	5,535
Selling, general and administrative expenses	4,381	4,650
Operating income	1,435	884
Non-operating income		
Rent income	30	18
Share of profit of entities accounted for using equity method	29	50
Other	42	79
Total non-operating income	101	148
Non-operating expenses		
Interest expenses	107	72
Foreign exchange losses	3	1
Other	39	28
Total non-operating expenses	150	103
Ordinary income	1,386	929
Extraordinary income		
Gain on sales of non-current assets	7	-
Gain on sales of investment securities	3	2
Reversal of allowance for doubtful accounts	4	-
Total extraordinary income	15	2
Extraordinary losses		
Loss on retirement of non-current assets	12	24
Office transfer expenses	7	-
Other	3	15
Total extraordinary losses	23	40
Income before income taxes and minority interests	1,377	892
Income taxes - current	206	257
Income taxes - deferred	393	101
Total income taxes	600	359
Income before minority interests	777	532
Minority interests in income	29	20
Net income	747	511

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	777	532
Other comprehensive income		
Valuation difference on available-for-sale securities	(8)	0
Foreign currency translation adjustment	34	0
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	26	1
Comprehensive income	804	534
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	776	514
Comprehensive income attributable to minority interests	27	20

Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	1,377	892
Depreciation	738	800
Amortization of goodwill	227	233
Increase (decrease) in allowance for doubtful accounts	(5)	(2)
Increase (decrease) in provision for bonuses	(426)	(467)
Interest expenses	107	72
Decrease (increase) in notes and accounts receivable - trade	1,163	314
Decrease (increase) in inventories	1,551	(3,851)
Increase (decrease) in notes and accounts payable - trade	(3,626)	(3,275)
Other, net	406	(347)
Subtotal	1,515	(5,630)
Interest and dividend income received	74	70
Interest expenses paid	(102)	(68)
Income taxes paid	(2,652)	(2,594)
Net cash provided by (used in) operating activities	(1,164)	(8,222)
Cash flows from investing activities		
Purchase of property, plant and equipment	(454)	(1,554)
Proceeds from sales of property, plant and equipment	1,336	369
Purchase of investment securities	(8)	(313)
Proceeds from sales of investment securities	9	10
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(389)
Payments of loans receivable	(4)	(2)
Collection of loans receivable	17	18
Other, net	(42)	(0)
Net cash provided by (used in) investing activities	853	(1,860)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,073	6,522
Proceeds from long-term loans payable	900	2,800
Repayments of long-term loans payable	(1,001)	(684)
Cash dividends paid	(595)	(815)
Repayments of lease obligations	(551)	(620)
Other, net	2	(27)
Net cash provided by (used in) financing activities	827	7,173
Effect of exchange rate change on cash and cash equivalents	8	(2)
Net increase (decrease) in cash and cash equivalents	525	(2,912)
Cash and cash equivalents at beginning of period	4,184	7,597
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(20)	5
Cash and cash equivalents at end of period	4,689	4,690