

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

May 10, 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 of ordinary general meeting of shareholders: June 28, 2016
 Scheduled date to file Securities Report: June 29, 2016
 Scheduled date to commence dividend payments: June 13, 2016
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

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	%
Year ended March 31, 2016	146,468	7.4	7,619	3.7	7,603	2.3	4,090	(11.7)
Year ended March 31, 2015	136,376	2.8	7,347	(27.1)	7,434	(25.5)	4,633	(9.6)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	34.77	–	12.9	8.1	5.2
Year ended March 31, 2015	39.38	–	15.8	8.5	5.4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	94,979	34,697	34.4	278.07
As of March 31, 2015	92,772	32,604	33.3	262.76

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2016	9,640	(3,220)	(5,041)	7,454
Year ended March 31, 2015	4,259	(5,017)	(778)	6,056

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2015	–	7.00	–	7.00	14.00	1,647	35.5	5.6
Year ended March 31, 2016	–	10.00	–	8.00	18.00	2,117	51.8	6.7
Year ending March 31, 2017 (Forecast)	–	8.00	–	8.00	16.00		51.6	

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
Six months ending September 30, 2016	68,000	(5.6)	2,300	(38.9)	2,300	(38.5)	1,250	(33.5)	10.62
Full year	149,000	1.7	6,500	(14.7)	6,500	(14.5)	3,650	(10.8)	31.02

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2016	119,381,034 shares	As of March 31, 2015	119,381,034 shares
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Number of treasury shares at the end of the period

As of March 31, 2016	1,726,578 shares	As of March 31, 2015	1,726,578 shares
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Average number of shares during the period

Year ended March 31, 2016	117,654,456 shares	Year ended March 31, 2015	117,654,458 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	6,106	7,456
Notes and accounts receivable - trade	5,017	4,662
Lease receivables and investment assets	6,282	7,488
Merchandise and finished goods	14,803	13,564
Work in process	805	1,683
Raw materials and supplies	62	82
Deferred tax assets	678	764
Other	2,915	2,749
Allowance for doubtful accounts	(24)	(32)
Total current assets	36,647	38,419
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,254	20,731
Accumulated depreciation	(11,941)	(12,014)
Buildings and structures, net	8,313	8,716
Machinery, equipment and vehicles	3,603	3,978
Accumulated depreciation	(2,009)	(1,960)
Machinery, equipment and vehicles, net	1,594	2,017
Land	19,000	19,407
Leased assets	8,437	8,820
Accumulated depreciation	(3,336)	(3,329)
Leased assets, net	5,101	5,490
Other	1,588	2,098
Accumulated depreciation	(1,142)	(1,142)
Other, net	446	955
Total property, plant and equipment	34,455	36,587
Intangible assets		
Goodwill	12,520	11,528
Other	527	560
Total intangible assets	13,047	12,088
Investments and other assets		
Investment securities	6,178	5,549
Long-term loans receivable	327	290
Deferred tax assets	314	188
Guarantee deposits	1,112	1,100
Other	1,648	1,716
Allowance for doubtful accounts	(958)	(962)
Total investments and other assets	8,622	7,882
Total non-current assets	56,125	56,559
Total assets	92,772	94,979

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,903	14,233
Short-term loans payable	10,351	13,621
Lease obligations	8,500	9,855
Accounts payable - other	477	452
Income taxes payable	753	1,388
Provision for bonuses	862	883
Other	4,967	4,499
Total current liabilities	41,817	44,935
Non-current liabilities		
Bonds payable	675	381
Long-term loans payable	10,701	8,126
Lease obligations	3,187	3,476
Deferred tax liabilities	1,577	1,244
Provision for directors' retirement benefits	596	657
Net defined benefit liability	730	720
Long-term accounts payable - other	180	107
Asset retirement obligations	320	336
Other	380	295
Total non-current liabilities	18,350	15,346
Total liabilities	60,168	60,281
Net assets		
Shareholders' equity		
Capital stock	4,297	4,297
Capital surplus	2,832	2,832
Retained earnings	23,402	25,498
Treasury shares	(98)	(98)
Total shareholders' equity	30,433	32,530
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	377	313
Revaluation reserve for land	29	29
Foreign currency translation adjustment	73	(156)
Total accumulated other comprehensive income	480	186
Subscription rights to shares	–	60
Non-controlling interests	1,689	1,920
Total net assets	32,604	34,697
Total liabilities and net assets	92,772	94,979

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	136,376	146,468
Cost of sales	109,621	118,157
Gross profit	26,755	28,310
Selling, general and administrative expenses		
Promotion expenses	1,126	1,273
Haulage expenses	434	428
Advertising expenses	1,029	1,076
Directors' compensations, salaries and allowances	7,206	7,753
Bonuses	553	602
Retirement benefit expenses	303	291
Welfare expenses	1,300	1,396
Provision for bonuses	518	560
Provision for directors' retirement benefits	67	69
Entertainment expenses	93	66
Traveling and transportation expenses	243	228
Communication expenses	230	250
Utilities expenses	357	349
Insurance expenses	128	147
Supplies expenses	215	216
Taxes and dues	278	308
Repair expenses	171	229
Vehicle expenses	212	172
Depreciation	679	690
Rent expenses	2,175	2,375
Amortization of goodwill	967	1,001
Other	1,114	1,199
Total selling, general and administrative expenses	19,408	20,690
Operating income	7,347	7,619
Non-operating income		
Interest income	29	29
Dividend income	47	47
Share of profit of entities accounted for using equity method	158	186
Rent income	74	74
Other	260	217
Total non-operating income	570	555
Non-operating expenses		
Interest expenses	330	316
Rent cost of real estate	72	65
Foreign exchange losses	–	145
Other	80	44
Total non-operating expenses	483	571
Ordinary income	7,434	7,603

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Extraordinary income		
Gain on step acquisitions	87	–
Gain on change in equity	524	–
Gain on sales of shares of subsidiaries	–	48
Gain on sales of non-current assets	9	10
Gain on sales of investment securities	3	5
Total extraordinary income	624	64
Extraordinary losses		
Loss on sales of non-current assets	7	1
Loss on retirement of non-current assets	77	62
Loss on removal of non-current assets	10	99
Loss on valuation of investment securities	113	651
Impairment loss	71	–
Other	17	22
Total extraordinary losses	298	837
Profit before income taxes	7,760	6,830
Income taxes - current	2,496	2,710
Income taxes - deferred	370	(245)
Total income taxes	2,867	2,465
Profit	4,893	4,365
Profit attributable to non-controlling interests	259	274
Profit attributable to owners of parent	4,633	4,090

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	4,893	4,365
Other comprehensive income		
Valuation difference on available-for-sale securities	99	(71)
Foreign currency translation adjustment	(73)	(236)
Share of other comprehensive income of entities accounted for using equity method	3	(6)
Total other comprehensive income	28	(314)
Comprehensive income	4,921	4,050
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,654	3,795
Comprehensive income attributable to non-controlling interests	267	255

Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,297	2,832	20,421	(98)	27,452
Changes of items during period					
Dividends of surplus			(1,647)		(1,647)
Profit attributable to owners of parent			4,633		4,633
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation			(5)		(5)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	2,981	(0)	2,981
Balance at end of current period	4,297	2,832	23,402	(98)	30,433

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	281	29	148	460	–	1,042	28,955
Changes of items during period							
Dividends of surplus							(1,647)
Profit attributable to owners of parent							4,633
Purchase of treasury shares							(0)
Change of scope of consolidation							(5)
Net changes of items other than shareholders' equity	95	–	(74)	20	–	646	667
Total changes of items during period	95	–	(74)	20	–	646	3,648
Balance at end of current period	377	29	73	480	–	1,689	32,604

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,297	2,832	23,402	(98)	30,433
Changes of items during period					
Dividends of surplus			(2,000)		(2,000)
Profit attributable to owners of parent			4,090		4,090
Change in treasury shares of parent arising from transactions with non-controlling shareholders		0			0
Change of scope of consolidation			6		6
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	2,096	-	2,096
Balance at end of current period	4,297	2,832	25,498	(98)	32,530

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	377	29	73	480	-	1,689	32,604
Changes of items during period							
Dividends of surplus							(2,000)
Profit attributable to owners of parent							4,090
Change in treasury shares of parent arising from transactions with non-controlling shareholders						(21)	(20)
Change of scope of consolidation							6
Net changes of items other than shareholders' equity	(64)	-	(230)	(294)	60	251	17
Total changes of items during period	(64)	-	(230)	(294)	60	230	2,093
Balance at end of current period	313	29	(156)	186	60	1,920	34,697

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	7,760	6,830
Depreciation	3,463	3,701
Impairment loss	71	–
Amortization of goodwill	967	1,001
Increase (decrease) in allowance for doubtful accounts	(8)	15
Increase (decrease) in provision for bonuses	(25)	18
Increase (decrease) in provision for directors' retirement benefits	49	26
Increase (decrease) in net defined benefit liability	(104)	(18)
Interest and dividend income	(76)	(77)
Interest expenses	330	316
Foreign exchange losses (gains)	3	12
Share of (profit) loss of entities accounted for using equity method	(158)	(186)
Loss (gain) on sales of non-current assets	(1)	(9)
Loss on retirement of non-current assets	77	62
Loss (gain) on valuation of investment securities	113	651
Loss (gain) on sales of investment securities	(3)	(4)
Loss (gain) on step acquisitions	(87)	–
Loss (gain) on change in equity	(524)	–
Decrease (increase) in notes and accounts receivable - trade	(263)	13
Decrease (increase) in inventories	(1,794)	615
Increase (decrease) in notes and accounts payable - trade	(609)	(1,332)
Decrease (increase) in other current assets	(407)	93
Increase (decrease) in other current liabilities	(358)	(77)
Increase (decrease) in accrued consumption taxes	190	468
Other, net	(63)	(60)
Subtotal	8,541	12,061
Interest and dividend income received	129	127
Interest expenses paid	(329)	(315)
Income taxes paid	(4,083)	(2,233)
Net cash provided by (used in) operating activities	4,259	9,640
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,461)	(5,571)
Proceeds from sales of property, plant and equipment	2,130	2,311
Purchase of intangible assets	(54)	(92)
Purchase of investment securities	(10)	(123)
Proceeds from sales of investment securities	12	138
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,772)	(65)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	114
Payments of loans receivable	(25)	(7)
Collection of loans receivable	78	47
Payments for lease and guarantee deposits	(104)	(102)
Proceeds from collection of lease and guarantee deposits	78	59
Other, net	110	72
Net cash provided by (used in) investing activities	(5,017)	(3,220)

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,061	1,813
Proceeds from long-term loans payable	6,502	2,860
Repayments of long-term loans payable	(4,665)	(3,962)
Redemption of bonds	(368)	(550)
Cash dividends paid	(1,647)	(2,000)
Dividends paid to non-controlling interests	(14)	(23)
Repayments of lease obligations	(2,644)	(3,173)
Other, net	(1)	(5)
Net cash provided by (used in) financing activities	(778)	(5,041)
Effect of exchange rate change on cash and cash equivalents	(9)	18
Net increase (decrease) in cash and cash equivalents	(1,546)	1,397
Cash and cash equivalents at beginning of period	7,597	6,056
Increase in cash and cash equivalents from newly consolidated subsidiary	5	—
Cash and cash equivalents at end of period	6,056	7,454