

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 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: February 14, 2017
 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, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	113,980	8.9	4,162	(12.1)	4,349	(8.1)	2,263	(4.8)
Nine months ended December 31, 2015	104,680	12.1	4,734	20.7	4,730	17.9	2,376	(9.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	19.24		–	
Nine months ended December 31, 2015	20.20		–	

(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, 2016	115,182		35,082		28.4		278.17	
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 nine months ended December 31, 2016
(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: 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2016	117,654,456 shares	Nine months ended December 31, 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 December 31, 2016
Assets		
Current assets		
Cash and deposits	7,456	8,489
Notes and accounts receivable - trade	4,662	4,226
Merchandise and finished goods	13,564	20,442
Work in process	1,683	3,583
Raw materials and supplies	82	68
Other	11,002	13,129
Allowance for doubtful accounts	(32)	(69)
Total current assets	38,419	49,871
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,731	24,210
Accumulated depreciation	(12,014)	(13,513)
Buildings and structures, net	8,716	10,697
Machinery, equipment and vehicles	3,978	6,107
Accumulated depreciation	(1,960)	(2,394)
Machinery, equipment and vehicles, net	2,017	3,712
Land	19,407	20,364
Other	10,918	12,627
Accumulated depreciation	(4,472)	(5,094)
Other, net	6,446	7,533
Total property, plant and equipment	36,587	42,307
Intangible assets		
Goodwill	11,528	13,471
Other	560	614
Total intangible assets	12,088	14,086
Investments and other assets		
Investment securities	5,549	5,749
Other	3,295	4,089
Allowance for doubtful accounts	(962)	(922)
Total investments and other assets	7,882	8,917
Total non-current assets	56,559	65,311
Total assets	94,979	115,182

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,233	16,567
Short-term loans payable	13,621	21,355
Lease obligations	9,855	11,500
Income taxes payable	1,388	235
Provision for bonuses	883	451
Other	4,952	7,176
Total current liabilities	44,935	57,287
Non-current liabilities		
Bonds payable	381	334
Long-term loans payable	8,126	13,472
Provision for directors' retirement benefits	657	724
Net defined benefit liability	720	807
Asset retirement obligations	336	379
Other	5,123	7,095
Total non-current liabilities	15,346	22,813
Total liabilities	60,281	80,100
Net assets		
Shareholders' equity		
Capital stock	4,297	4,297
Capital surplus	2,832	2,832
Retained earnings	25,498	25,879
Treasury shares	(98)	(98)
Total shareholders' equity	32,530	32,910
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	313	406
Revaluation reserve for land	29	29
Foreign currency translation adjustment	(156)	(620)
Total accumulated other comprehensive income	186	(183)
Subscription rights to shares	60	118
Non-controlling interests	1,920	2,236
Total net assets	34,697	35,082
Total liabilities and net assets	94,979	115,182

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, 2015	Nine months ended December 31, 2016
Net sales	104,680	113,980
Cost of sales	84,600	92,702
Gross profit	20,079	21,278
Selling, general and administrative expenses	15,345	17,115
Operating income	4,734	4,162
Non-operating income		
Rent income	55	55
Share of profit of entities accounted for using equity method	132	155
Subsidy income	43	195
Other	144	171
Total non-operating income	375	577
Non-operating expenses		
Interest expenses	238	241
Foreign exchange losses	67	54
Other	74	95
Total non-operating expenses	379	391
Ordinary income	4,730	4,349
Extraordinary income		
Gain on sales of non-current assets	1	0
Gain on sales of investment securities	13	2
Total extraordinary income	14	2
Extraordinary losses		
Loss on sales of non-current assets	2	-
Loss on retirement of non-current assets	16	35
Loss on removal of non-current assets	99	20
Loss on valuation of investment securities	572	-
Loss on closing of stores	-	42
Other	14	-
Total extraordinary losses	706	98
Profit before income taxes	4,039	4,253
Income taxes - current	1,455	959
Income taxes - deferred	81	913
Total income taxes	1,536	1,872
Profit	2,502	2,381
Profit attributable to non-controlling interests	125	117
Profit attributable to owners of parent	2,376	2,263

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	2,502	2,381
Other comprehensive income		
Valuation difference on available-for-sale securities	(42)	97
Foreign currency translation adjustment	(51)	(440)
Share of other comprehensive income of entities accounted for using equity method	(4)	(18)
Total other comprehensive income	(98)	(361)
Comprehensive income	2,404	2,019
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,291	1,893
Comprehensive income attributable to non-controlling interests	112	125