

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2017 (Based on Japanese GAAP)

May 11, 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 of ordinary general meeting of shareholders: June 27, 2017  
 Scheduled date to file Securities Report: June 28, 2017  
 Scheduled date to commence dividend payments: June 12, 2017  
 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, 2017 (from April 1, 2016 to March 31, 2017)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2017	169,560	15.8	7,592	(0.4)	7,937	4.4	4,421	8.1
Year ended March 31, 2016	146,468	7.4	7,619	3.7	7,603	2.3	4,090	(11.7)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2017	37.58	–	13.1	7.3	4.5
Year ended March 31, 2016	34.77	–	12.9	8.1	5.2

#### (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, 2017	121,493	37,642	28.8	297.33
As of March 31, 2016	94,979	34,697	34.4	278.07

#### (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, 2017	11,017	(13,103)	1,102	6,499
Year ended March 31, 2016	9,640	(3,220)	(5,041)	7,454

### 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, 2016	–	10.00	–	8.00	18.00	2,117	51.8	6.7
Year ended March 31, 2017	–	8.00	–	9.00	17.00	2,000	45.2	5.9
Year ending March 31, 2018 (Forecast)	–	9.00	–	9.00	18.00		44.1	

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
Six months ending September 30, 2017	95,000	29.3	3,500	15.0	3,500	14.9	1,900	12.4	16.15
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 year ended March 31, 2017

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(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, 2017	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 March 31, 2017	1,726,578 shares	As of March 31, 2016	1,726,578 shares
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Average number of shares during the period

Year ended March 31, 2017	117,654,456 shares	Year ended March 31, 2016	117,654,456 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	7,456	6,490
Notes and accounts receivable - trade	4,662	6,010
Lease receivables and investment assets	7,488	9,981
Merchandise and finished goods	13,564	23,933
Work in process	1,683	2,687
Raw materials and supplies	82	72
Deferred tax assets	764	840
Other	2,749	4,760
Allowance for doubtful accounts	(32)	(74)
Total current assets	38,419	54,702
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,731	24,861
Accumulated depreciation	(12,014)	(13,693)
Buildings and structures, net	8,716	11,168
Machinery, equipment and vehicles	3,978	6,307
Accumulated depreciation	(1,960)	(2,495)
Machinery, equipment and vehicles, net	2,017	3,812
Land	19,407	20,868
Leased assets	8,820	10,705
Accumulated depreciation	(3,329)	(3,650)
Leased assets, net	5,490	7,054
Other	2,098	1,980
Accumulated depreciation	(1,142)	(1,511)
Other, net	955	469
Total property, plant and equipment	36,587	43,373
Intangible assets		
Goodwill	11,528	13,324
Other	560	616
Total intangible assets	12,088	13,940
Investments and other assets		
Investment securities	5,549	5,892
Long-term loans receivable	290	1,399
Deferred tax assets	188	178
Guarantee deposits	1,100	1,130
Other	1,716	1,790
Allowance for doubtful accounts	(962)	(914)
Total investments and other assets	7,882	9,477
Total non-current assets	56,559	66,791
Total assets	94,979	121,493

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	14,233	23,646
Short-term loans payable	13,621	16,311
Lease obligations	9,855	12,670
Accounts payable - other	452	922
Income taxes payable	1,388	746
Provision for bonuses	883	967
Other	4,499	6,827
<b>Total current liabilities</b>	<b>44,935</b>	<b>62,091</b>
<b>Non-current liabilities</b>		
Bonds payable	381	287
Long-term loans payable	8,126	12,391
Lease obligations	3,476	4,819
Deferred tax liabilities	1,244	1,767
Provision for directors' retirement benefits	657	748
Net defined benefit liability	720	777
Long-term accounts payable - other	107	64
Asset retirement obligations	336	380
Other	295	522
<b>Total non-current liabilities</b>	<b>15,346</b>	<b>21,759</b>
<b>Total liabilities</b>	<b>60,281</b>	<b>83,851</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,297	4,297
Capital surplus	2,832	2,832
Retained earnings	25,498	28,038
Treasury shares	(98)	(98)
<b>Total shareholders' equity</b>	<b>32,530</b>	<b>35,069</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	313	430
Revaluation reserve for land	29	-
Foreign currency translation adjustment	(156)	(517)
<b>Total accumulated other comprehensive income</b>	<b>186</b>	<b>(87)</b>
Subscription rights to shares	60	137
Non-controlling interests	1,920	2,522
<b>Total net assets</b>	<b>34,697</b>	<b>37,642</b>
<b>Total liabilities and net assets</b>	<b>94,979</b>	<b>121,493</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net sales	146,468	169,560
Cost of sales	118,157	138,456
Gross profit	28,310	31,104
Selling, general and administrative expenses		
Promotion expenses	1,273	1,302
Haulage expenses	428	403
Advertising expenses	1,076	1,364
Directors' compensations, salaries and allowances	7,753	8,909
Bonuses	602	576
Retirement benefit expenses	291	300
Welfare expenses	1,396	1,590
Provision for bonuses	560	602
Provision for directors' retirement benefits	69	133
Entertainment expenses	66	57
Traveling and transportation expenses	228	258
Communication expenses	250	287
Utilities expenses	349	371
Insurance expenses	147	174
Supplies expenses	216	235
Taxes and dues	308	377
Repair expenses	229	269
Vehicle expenses	172	209
Depreciation	690	1,025
Rent expenses	2,375	2,369
Amortization of goodwill	1,001	1,088
Other	1,199	1,604
Total selling, general and administrative expenses	20,690	23,511
Operating profit	7,619	7,592
Non-operating income		
Interest income	29	32
Dividend income	47	45
Share of profit of entities accounted for using equity method	186	271
Rent income	74	73
Subsidy income	50	288
Other	166	156
Total non-operating income	555	868
Non-operating expenses		
Interest expenses	316	322
Rent cost of real estate	65	63
Foreign exchange losses	145	74
Other	44	61
Total non-operating expenses	571	523
Ordinary profit	7,603	7,937

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Extraordinary income		
Gain on sales of shares of subsidiaries	48	–
Gain on sales of non-current assets	10	0
Gain on sales of investment securities	5	2
Total extraordinary income	64	2
Extraordinary losses		
Loss on sales of non-current assets	1	–
Loss on retirement of non-current assets	62	86
Loss on removal of non-current assets	99	14
Loss on valuation of investment securities	651	–
Impairment loss	–	89
Loss on closing of stores	–	103
Other	22	56
Total extraordinary losses	837	350
Profit before income taxes	6,830	7,589
Income taxes - current	2,710	2,324
Income taxes - deferred	(245)	445
Total income taxes	2,465	2,770
Profit	4,365	4,819
Profit attributable to non-controlling interests	274	397
Profit attributable to owners of parent	4,090	4,421

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Profit	4,365	4,819
Other comprehensive income		
Valuation difference on available-for-sale securities	(71)	122
Foreign currency translation adjustment	(236)	(339)
Share of other comprehensive income of entities accounted for using equity method	(6)	(31)
Total other comprehensive income	(314)	(248)
Comprehensive income	4,050	4,570
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,795	4,148
Comprehensive income attributable to non-controlling interests	255	421

## Consolidated statements of changes in equity

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 ownership interest of parent due to transactions with non-controlling interests		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 ownership interest of parent due to transactions with non-controlling interests						(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

Fiscal year ended March 31, 2017

(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	25,498	(98)	32,530
Changes of items during period					
Dividends of surplus			(1,882)		(1,882)
Profit attributable to owners of parent			4,421		4,421
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	2,539	-	2,539
Balance at end of current period	4,297	2,832	28,038	(98)	35,069

	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	313	29	(156)	186	60	1,920	34,697
Changes of items during period							
Dividends of surplus							(1,882)
Profit attributable to owners of parent							4,421
Change in ownership interest of parent due to transactions with non-controlling interests						(1)	(1)
Net changes of items other than shareholders' equity	117	(29)	(360)	(273)	76	603	407
Total changes of items during period	117	(29)	(360)	(273)	76	602	2,945
Balance at end of current period	430	-	(517)	(87)	137	2,522	37,642

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	6,830	7,589
Depreciation	3,701	4,574
Impairment loss	–	89
Amortization of goodwill	1,001	1,088
Increase (decrease) in allowance for doubtful accounts	15	8
Increase (decrease) in provision for bonuses	18	66
Increase (decrease) in provision for directors' retirement benefits	26	90
Increase (decrease) in net defined benefit liability	(18)	(26)
Interest and dividend income	(77)	(78)
Interest expenses	316	322
Foreign exchange losses (gains)	12	(4)
Share of (profit) loss of entities accounted for using equity method	(186)	(271)
Loss (gain) on sales of non-current assets	(9)	(0)
Loss on retirement of non-current assets	62	86
Loss (gain) on valuation of investment securities	651	–
Loss (gain) on sales of investment securities	(4)	(2)
Decrease (increase) in notes and accounts receivable - trade	13	1,209
Decrease (increase) in inventories	615	(4,352)
Increase (decrease) in notes and accounts payable - trade	(1,332)	4,606
Decrease (increase) in other current assets	93	(496)
Increase (decrease) in other current liabilities	(77)	194
Increase (decrease) in accrued consumption taxes	468	(743)
Other, net	(60)	135
Subtotal	12,061	14,086
Interest and dividend income received	127	127
Interest expenses paid	(315)	(321)
Income taxes paid	(2,233)	(2,873)
Net cash provided by (used in) operating activities	9,640	11,017
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,571)	(8,083)
Proceeds from sales of property, plant and equipment	2,311	2,341
Purchase of intangible assets	(92)	(93)
Purchase of investment securities	(123)	(16)
Proceeds from sales of investment securities	138	8
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(65)	(5,083)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	114	–
Payments of loans receivable	(7)	(1,153)
Collection of loans receivable	47	96
Payments for lease and guarantee deposits	(102)	(138)
Proceeds from collection of lease and guarantee deposits	59	121
Payments for transfer of business	–	(1,075)
Other, net	72	(27)
Net cash provided by (used in) investing activities	(3,220)	(13,103)

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,813	1,216
Proceeds from long-term loans payable	2,860	11,480
Repayments of long-term loans payable	(3,962)	(6,232)
Redemption of bonds	(550)	(294)
Cash dividends paid	(2,000)	(1,882)
Dividends paid to non-controlling interests	(23)	(24)
Repayments of lease obligations	(3,173)	(3,158)
Other, net	(5)	(2)
Net cash provided by (used in) financing activities	(5,041)	1,102
Effect of exchange rate change on cash and cash equivalents	18	29
Net increase (decrease) in cash and cash equivalents	1,397	(954)
Cash and cash equivalents at beginning of period	6,056	7,454
Cash and cash equivalents at end of period	7,454	6,499