

# VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

Publisher: KCR Inc. Telephone number +81-6-6965-6100

Supervision analyst Yojiro Kindaichi

## Basic Information

Date of Announcement	Zip Code	Address		Telephone Number
06-Jun-18	460-0003	3-10-32, Nishiki, Naka-ku, Nagoya, Aichi		+81-52-203-9500
[Established]	Mar-83	[Industry]	Retail	[Fiscal Year End] Mar. 31
[Representative]	Kazuho Takahashi	[Date of Birth]	18-Jan-53	[Officer Responsible for Disclosure] Managing Director Ichiro Yamauchi
[Complimentary Goods for Shareholders]	YES		— YEN(estimate)	[Trading Unit (share)] 100 [Market Value (million yen)] 64,943
[Dividend Yield]	3.7 %			[Interim Dividends] YES
[Shareholder Yield]	— %			[Up/Down Ratio (high price)] -37.5 [PER Estimate] 13.3
[Real Yield]	3.7 %			[Up/Down Ratio (low price)] 73.8 [PBR (x)] 1.74

## Company Features

VT Holdings Co, Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.

## Settlement of Accounts Information

Settlement Period	Net Sales (Growth Rate) (JPY 1 Million)	Ordinary Income (Growth Rate) (JPY 1 Million)	Earnings per Share (JPY)	Dividends per Share (JPY)	Ordinary Income Margin
FY3/15	136,376	7,434	39.4	14.0	5.5%
FY3/16	146,468 7.4%	7,603 2.3%	34.8	18.0	5.2%
FY3/17	169,560 15.8%	7,937 4.4%	37.6	17.0	4.7%
FY3/18	202,133 19.2%	7,173 -9.6%	32.0	18.0	3.5%
FY3/19* KCR	222,346 10.0%	8,894 24.0%	46.9	20.0	4.0%
FY3/20* KCR	255,698 15.0%	10,484 17.9%	54.2	22.0	4.1%

\*KCR Estimate

## Investment Opinion

### Overall Rating

# +2 BUY

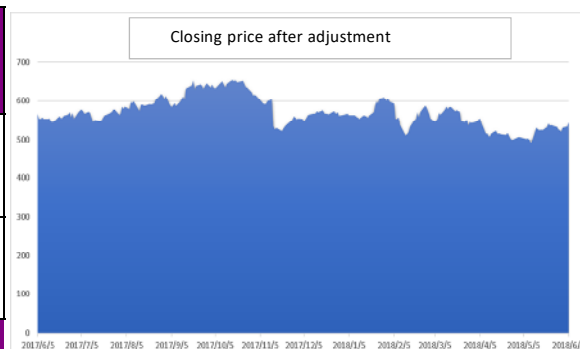


### Target Share Price

# 721 YEN

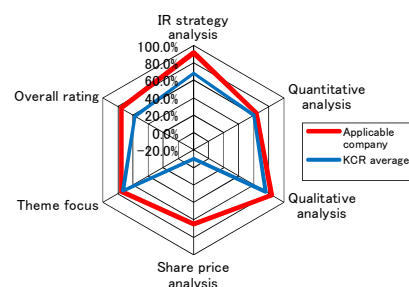
Current Share Price

544 YEN



One-year chart (source:KCR INC.)

KCR Inc. assigns an overall rating of +2 (BUY) to VT Holdings Co., Ltd. (TOKYO: 7593) and continues its buy recommendation (which is given to a share whose price is expected to outperform the current one by 10% within a year). KCR Inc. made the overall rating decision considering that the company is rated 3.8% above the KCR average in quantitative analysis and 7.4% above average in qualitative analysis. The company's share price has been hovering 75.1% below the average price while the company's IR strategy is 23.3% above average. Meanwhile, the company's theme focus is 2.0% above average. Considering that the company's overall rating is 18.1% above average, KCR Inc. sets a target price of 721 yen.



	IR strategy analysis	Quantitative analysis	Qualitative analysis	Share price analysis	Theme focus	Overall rating
Applicable company	91.3%	63.8%	83.3%	64.9%	75.0%	75.3%
KCR average	68.0%	60.0%	75.9%	-10.2%	73.0%	57.2%
Difference	23.3%	3.8%	7.4%	75.1%	2.0%	18.1%

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## VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated



## Report Summary

## Becoming a World-Leading Mega Dealer with a Global M&A Strategy and Maintaining High Growth Rate: Target Net Sales of ¥500.0 Billion

VT Holdings Co., Ltd. is an auto dealership holding company located in Aichi Prefecture, comprising 44 subsidiaries. The company's auto dealership business is made up of Honda dealerships, Nissan dealerships, import car dealerships, auto importers and overseas car dealerships and the company continue to grow as a global auto dealer through M&A. VT Holdings is positioned to proactively pursue M&A in overseas markets and intends to achieve its target of ¥500.0 billion in consolidated net sales at an early stage.

VT Holdings' business growth model has three major strategies. The first is an M&A strategy, which the company has aggressively carried out. The second is a high base profit cover ratio. The third is a recurring-revenue business model. The company aims to rapidly achieve high growth and stable profit with these three strategies.

In the fiscal year ended March 31, 2018, the company recorded consolidated net sales of ¥202,133 million (+19.2% YoY), up for the ninth straight year. Operating income was ¥6,780 million (-10.7%), ordinary income was ¥7,173 million (-9.6%) and profit attributable to owners of parent was ¥3,765 million (-14.9%). Active overseas M&A strategies contributed greatly to the rise in net sales. The overseas net sales ratio is increasing year by year and expanded to 38.35% during the fiscal year ended March 31, 2018.

For the fiscal year ending March 31, 2019, VT Holdings expects sales and profit growth to continue. The company forecasts net sales of ¥210.0 billion (+3.9% YoY), operating income of ¥8.0 billion (+18.0%), ordinary income of ¥8.2 billion (+14.3%) and profit attributable to owners of parent of ¥4.8 billion (+27.5%). The company's full-year plan does not anticipate increased sales for Nissan, but the company expects overall sales to rise as long as no recall issues arise as they did in the year ended March 31, 2018. Additionally, the company plans to switch to IFRS during the fiscal year ending March 31, 2020. At present, VT Holdings expects the transition to boost pretax income by around ¥1.2 billion.

VT Holdings puts special emphasis on improving profits in its service segment, expanding a business model in which earnings derive from the number of cars owned. Passenger car ownership in the domestic market has been trending slightly upward (up 18% since 2001) due in part to owners holding on to their vehicles for longer.

Due to steady M&A activities each year, for the fiscal year ending March 31, 2019 KCR expects net sales of ¥222,346 million, operating income of ¥8,672 million, ordinary income of ¥8,894 million and net income of ¥5,603 million and notes a possible increase in dividends. KCR assigns an overall rating of +2 (BUY) to VT Holdings and maintains its buy recommendation with a target share price of ¥721.

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## VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated



## Company Profile and History

### Ongoing Growth through M&A as a Global Auto Dealer

VT Holdings Co., Ltd., is an auto dealership holding company located in Aichi Prefecture, comprising 44 subsidiaries. Operations in the auto dealership business mainly involve sales of new and second-hand cars and auto repair at its Honda dealerships, Nissan dealerships, import car dealerships, auto importers and overseas car dealerships. Car-related business accounts for 95% of net sales, with housing-related business making up the remaining 5%.

VT Holdings' core growth strategy is M&A. Operations within the car-related business break down into the new car, used car, service, rental car and export segments. In addition to expanding its operations in Japan through M&A activities, recently the company has been aggressively developing its business through overseas M&A. Overseas business has grown to account for 38.35% of net sales, in such countries as the United Kingdom, Spain, Australia and South Africa.

In addition to auto dealer businesses, VT Holdings operates Trust Co., Ltd. (3347, listed on the 2nd section of TSE), a subsidiary engaged in used car exports and whose subsidiary, J-net, is engaged in the rental car and lease business. The company also owns MG Home Co., Ltd. (8891, listed on the 2nd section of TSE), which markets condominiums mainly in the Tokai area.

## Features and Strengths

### Business Model Built on Three Strategies

VT Holdings' business growth model has three major strategies. The first is an M&A strategy, which the company has aggressively carried out since its stock listing. The second is a high base profit cover ratio. The third is a recurring-revenue business model. The company aims to rapidly achieve high growth and stable profit with these three strategies.

The source of VT Holdings' growth is its M&A strategy. In recent years, the company has been raising its performance by actively acquiring overseas car dealers and improving its profit constitution. The company's rapid monetization of acquired companies is one characteristic of this strategy. Base profit cover ratio is expressed by gross profit made from all sales, with the exception of new car sales, divided by SGA. This ratio expresses the degree to which profit from divisions excluding new cars can cover SG&A expenses. If the ratio exceeds 100%, companies do not fall into the red even if no new cars are sold. The average ratio of VT Holdings' main dealers in the fiscal year ended March 31, 2018 was 96.0 % (with six primary dealers accounting for 45% of the group's sales). The company now expects to achieve a ratio of around 100% due to the impact of a change in the method of recording sales of "maintenance pack" services: from recording sales in a lump sum at the time of sale to recording sales as services are provided. With improvements in service-related revenue, the company is expanding the segment's recurring-revenue business model, wherein the source of earnings derives from the number of cars owned, rather than from new car sales.

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### Latest Performance

#### Achieved Consecutive Record Sales, Overseas Sales Ratio Rose

In the fiscal year ended March 31, 2018, the company recorded net sales of ¥202,133 million (+19.2% YoY), operating income of ¥6,780 million (-10.7%), ordinary income of ¥7,173 million (-9.6%) and profit attributable to owners of parent of ¥3,765 million (-14.9%). The issue of Nissan Auto Sales' inspections conducted by unqualified personnel did affect VT Holdings' core operation, the car-related business. However, the absence of the previous year's suspension of sales of two light vehicle models, plus sales contributions from 12 group companies of UK subsidiary WESSEX GARAGES HOLDINGS LIMITED and Spanish subsidiary MASTER AUTOMOCION, S.L. boosted the number of new and used cars sold by 12,243, bringing the total to 95,159 (+14.8%). However, one subsidiary's performance was below initial expectations. Due to that subsidiary's deteriorating financial circumstances, VT Holdings posted a ¥454 million impairment loss as an extraordinary loss.

The increase in net sales was largely due to the company's active M&A strategies. With the support of these strategies, net sales increase 19.2% year on year and, in addition to the aforementioned overseas companies, PEUGEOT CITROEN SOUTH AFRICA (South Africa), which became a subsidiary in June 2017, contributed for nine months. The overseas net sales ratio, which has been increasing, grew to 38.35% during the fiscal year ended March 31, 2018. Also, in terms of profit, overseas dealers' ordinary income margin, which has been improving, rose to 0.7%. This figure is lower than the global average of 1.0%. The company is aiming for 1.0% as an interim figure, with an ultimate goal of 3.0%. The profit ratio of overseas dealers is currently 10% that of domestic dealers, so raising that ratio has become an important focus for the company.

### Future Outlook

#### Company Forecasts Higher Sales and Profit, Plans Switch to IFRS

For the fiscal year ending on March 31, 2019, the company projects higher sales and profit, with net sales of ¥210.0 billion (+3.9% YoY), operating income of ¥8.0 billion (+18.0%), ordinary income of ¥8.2 billion (+14.3%) and profit attributable to owners of parent of ¥4.8 billion (+27.5%).

A consumption tax hike planned during the period makes predictions difficult but the company intends to proceed with initiatives to expand its new car sales, improve customer service, and further increase base profit in the used car and service segments while expanding overall business through M&A.

During the previous period, Nissan Auto Sales' issue with inspections conducted by unqualified personnel had a large impact on performance. The company's full-year plan does not anticipate increased sales for Nissan, but the company expects overall sales to rise as long as no recall issues arise as they did in the year ended March 31, 2018. In Japan, the company expects strong performance and higher sales for Honda dealerships. Since the company also expects increased sales overseas, the possibility of a 10th consecutive year of improving sales is high. VT Holdings also expects the new car and service segments to once again drive profit increases. With overseas net sales being nearly ¥80.0 billion, exchange rates will affect performance. VT Holdings' UK subsidiary forecasts an exchange rate of ¥148.87/£1.00 and the Spanish subsidiary a rate of ¥134.95/€1.00 for Spain subsidiaries. Depreciation of one yen more than projected would push up net sales by ¥275 million in the case of the pound and ¥239 million for the euro and boost ordinary income by ¥2 million in the case of the pound and ¥4 million for the euro.

In the fiscal year ending March 31, 2020, the company plans to switch to International Financial Reporting Standards (IFRS). The company plans to add reference information about this transition in its annual securities report for the fiscal year ending March 31, 2019. At present, VT Holdings expects the transition to have a ¥1.2 billion positive impact on pretax profit.

Given the company's steady M&A each year, KCR forecasts net sales of ¥222,346 million, operating income of ¥8,672 million, ordinary income of ¥8,894 million and net income of ¥5,603 million and notes the possibility of a further increase in dividends.

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### Market Environment

#### New Car Sales Level Off While Car Ownership Marginally Increases

The domestic new car market performed favorably through the first half of 2017 but fell slightly compared to the previous year starting in October, with domestic new car sales finishing up 2.3% year on year but slightly more sluggish than expected. Currently, according to a domestic auto dealer industry group, the number of new cars sold (including light vehicles) in May 2018 was down 0.2% year on year to 371,867, marking the first year-on-year decline in two months. Issues involving inspections conducted by unqualified personnel were discovered at both Nissan Auto Sales and SUBARU. US President Donald Trump's consideration of additional high tariffs on imported cars is also casting a dark shadow on the automotive industry.

However, VT Holdings emphasizes increasing profit in the service segment and is expanding its recurring-revenue business model, which depends on the number of vehicles owned. Passenger car ownership in the domestic ownership market has been trending upward slightly, increasing 18.0% since 2001, due to owners holding on to vehicles for longer. Currently, the US market is not an M&A target due to differences in business style.

### Medium-term Management

#### Aiming for Growth and Consolidated Net Sales of ¥500 Billion

VT Holdings has not announced a medium-term management plan. This is because the company's business model is based on an M&A strategy for growth, thus there are a significant number of unknown elements. However, the company is positioned to proactively pursue M&A in overseas markets and intends to achieve its target of ¥500.0 billion in consolidated net sales at an early stage.

In recent years, VT Holdings has pursued various M&A strategies every year. At the same time, the company aims to achieve high earnings efficiency with management targets focused on steady growth through business scale expansion and a stable financial foundation.

### President's Biography

#### Listed to Put M&A Strategies in Place, Sales to Reach 29 Times

Kazuho Takahashi, the current president, representative director, and founder of VT Holdings Co., Ltd., was born on January 18, 1953. In 1972, he started working for Aichi Hino Motors Co., Ltd. In 1978, he left his previous company and founded a used car sales company. In 1983, he founded VT Holdings as its president to start an auto dealer business. Since the company's public listing in 1998, the business has expanded through aggressive M&A. Forecast net sales for the fiscal year ending on March 31, 2019 are expected to reach 29 times what they were at the time of the company's listing. The company believes that M&A is the only way to grow in the auto dealer industry and that is why it became public.

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## VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated


**IR Strategy and  
Shareholder  
Return**
**Expecting Dividend Payout Ratio Above 40%, Full-Year  
Dividend of ¥20**

VT Holdings' IR activities were rated on a scale of one to five as follows: 5 in IR offline score, 5 in IR online score, 3 in IR tool score, 5 in IR fair disclosure score, and 5 in IR strategy score, totaling 91.3% with a general rating of 274 points. (See page 19: KCR-IR Strategy Analysis Report.) This indicates that the company conducts IR activities at a significantly high level and attaches importance to measures targeting shareholders and investors. The company is also proactive in its shareholder return initiatives and plans to continue providing stable dividends with a target consolidated dividend payout ratio 40% or higher. For the fiscal year ending March 31, 2019, the company is planning to provide a regular full-year dividend of ¥20 per share.

**Quantitative  
Analysis**
**Particularly Strong Productivity Per Employee**

VT Holdings specializes in managing auto dealers and believes that it is advisable to conduct comparatively analyze its finances and stock prices with those of other companies that also employ M&A strategies as a growth model. In conducting VT Holdings' financial analysis, KCR Inc., chose to compare the company with IDOM Inc. (7599, listed on the 1st section of TSE) in the auto-related industry and two enterprises that employ M&A strategies for growth: Nidec Corporation (6594, listed on the 1st section of TSE) and Colowide Co., Ltd. (7616, listed on the 1st section of TSE). VT Holdings' productivity is particularly strong.  
(See p. 10: KCR-Qualitative Analysis Report)

**Qualitative  
Analysis**
**Extremely Strategic with High Barriers to Entry**

Unlike manufacturers, the auto dealer industry is not subject to technical innovation risks and is unlikely to disappear in the future. According to unique judgment scores by KCR Inc., based on Michael Porter's theory of competitive advantage, VT Holdings was rated 65.1%, average, in the industry environment analysis and 81.2%, exceptionally high, in the strategic model analysis. The future risk of VT Holdings' business model was 85.6%, exceptionally low, and the company's qualitative overall rating was 83.8%, with its strategy level judged as exceptionally high.  
(See p. 9: KCR-Qualitative Analysis Report)

**Share Price  
Analysis**
**Comprehensive Theoretical Stock Price of ¥1,549**

According to a theoretical share price valuation carried out by KCR, VT Holdings' shares are undervalued at ¥1,646, which is below the theoretical price, calculated by a comparable peer company analysis, and also undervalued at ¥1,287, given the average theoretical stock price. Moreover, they are undervalued at ¥2,581, given the average PSR valuation of similar companies, undervalued at ¥1782, given the average EPS & PBR valuation of similar companies, overvalued at ¥549, given the average EPS & PBR valuation of the market, and the company's shares are judged undervalued at ¥1,549, given the total average valuation of the four. Therefore, the company's current share price, ¥544, is undervalued.  
(See p. 8: KCR-Share Price Analysis Report)



**VT HOLDINGS CO., LTD.**

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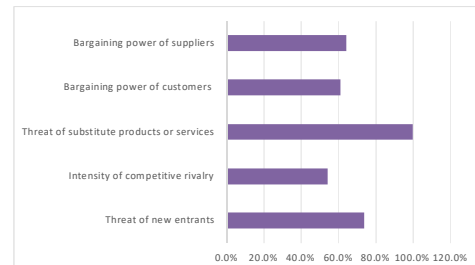
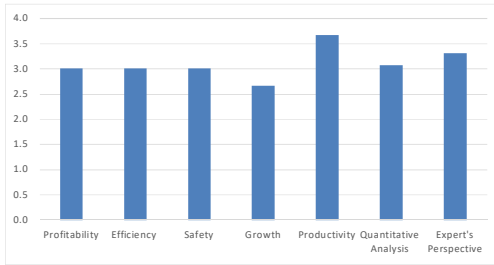
**Overall Rating**

【Stock Code】 7593 【Industry】 Retail 【Market Division】 TOKYO 【Fiscal Year End】 Mar. 31 【Share Price】 544 YEN 【Market Value】 64,943 million yen

**+2 BUY**

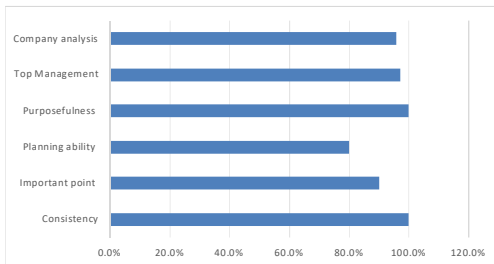
【Company Features】 VT Holdings Co. Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.

Last Rating	+2 BUY
Reference Stock Price	734 YEN



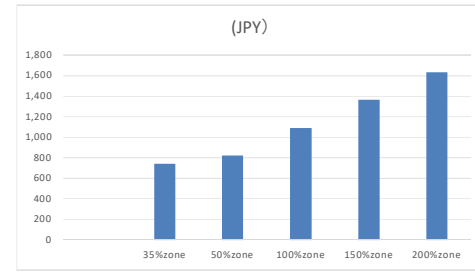
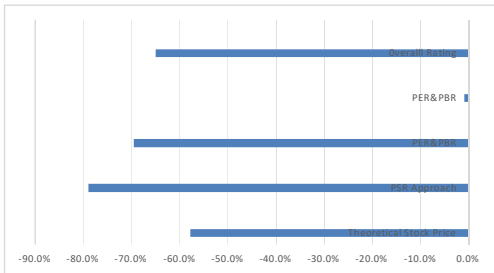
**Quantitative Analysis Rating**

**Porter five forces analysis**



**Strategy check**

**Strategic type analysis**



**Share price rating**

**Reference Stock Prices**

Quantitative Analysis Rating							Overall Rating	Chart & Theme focus		
Profitability	Efficiency	Safety	Growth	Productivity	Quantitative Analysis	Expert's Perspective	3.2	Evaluation Index	4 Index Overall Rating	
★★★	★★★	★★★	★★★	★★★★	★★★	★★★	75.0%			Total Evaluation Index
3.0	3.0	3.0	2.7	3.7	3.1	3.3	63.8%			

Qualitative Analysis Rating			
Overall rating	83.3%	★★★★★	
Strategy rating	81.6%	★★★★★	
Threat of new entrants	73.8%	★★★★	
Intensity of competitive rivalry	54.4%	★★★	
Threat of substitute products or services	100.0%	★★★★★	
Bargaining power of customers	61.1%	★★★★	
Bargaining power of suppliers	64.3%	★★★★	

Share price rating (Peer company estimate)		Share price rating (Peer company estimate)		Share price rating (JASDAQ estimate)		Overall Rating	
Theoretical Stock Price	★★★★★	PSR Approach	★★★★★	PER&PBR	★★★★★	PER&PBR	★★★★★
-57.7%		-78.9%		-69.5%		-0.8%	
Reference Stock Prices	35%zone	50%zone	100%zone	150%zone	200%zone		
(JPY)	734	816	1,088	1,360	1,632		
Reference Market Value	20%zone	50%zone	100%zone	200%zone			
(JPY 1 Million)	77,931.9	97,414.9	129,886.6	194,829.8	-		

IR Strategy Analysis	Total Score	Evaluation Index
★★★★★	274	91.3%

Comments  
The KOR overall rating report summarizes the results of IR strategy, quantitative, qualitative and share price analyses, gives a total evaluation index percentage to companies by taking their overall scores, balance, share price charts and theme focus into consideration, and finally rates companies on a scale of 1 to 5. KOR Inc. sets target share prices of companies in an investment opinion report.

Viewpoint	Rating	Total Evaluation Index	Upside/Downside Potential	Overall Rating
+1	Strong Buy	80%~100%	Upside potential is 20% or more within a year.	★★★★★
+2	Buy	60%~80%	Upside potential is 10% or more within a year.	★★★★
+3	Neutral	40%~60%	Upside potential is less than 10% or downside is less than 10% within a year.	★★★
+4	Sell	20%~40%	Downside potential is 20% or more within a year.	★★
+5	Strong Sell	~0%~20%	Downside potential is 11% or more within a year.	★

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KCR-SHARE PRICE ANALYSIS REPORT

**VT HOLDINGS CO., LTD.**

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Transaction Number 7593SB180606

**Share Price Overall Rating**

Theoretical Stock Price	PSR Approach	PER&PBR	PER&PBR	★★★★★
★★★★★	★★★★★	★★★★★	★★★★★	
(Peer company estimate)		(Peer company estimate)	(JASDAQ estimate)	

**Valuation Results**

Comparable Peer Company Analysis	1,646 YEN	-66.9%	Current Share Price	06-Jun-18	544 YEN
Net Asset Approach (book value)	314 YEN	73.5%	Price Earnings Ratio		13.53 (X)
Earnings Return Method	1,893 YEN	-71.3%	Price Book-value Ratio		1.74 (X)
Price-to-Sales Ratio Approach	2,581 YEN	-78.9%	PER(JASDAQ estimate)		15.05 (X)
Discounted Cash Flow Method	- YEN	-	PER(Peer company estimate)		52.10 (X)
Theoretical Stock Price Average	1,287 YEN	-57.7%	PBR(JASDAQ estimate)		1.57 (X)
		KCR Average	PBR(Peer company estimate)		4.69 (X)
		-4.30%	Stock Yield (estimate)		6.53 %
		Rate of divergence	Dividend Yield (JQ average estimate)		1.45 %

Precondition (JPY 1 Million)	FY3/16 Actual	FY3/17 Actual	FY3/18 Actual	FY3/19* KCR *KCR Estimate	FY3/20* KCR *KCR Estimate	FY3/21* KCR *KCR Estimate
Net Sales	146,468	169,560	202,133	222,346	255,698	294,053
Ordinary Income	7,603	7,937	7,173	8,894	10,484	12,056
Net Income	4,090	4,421	3,765	5,603	6,605	7,837
Operational Cash Flows	9,640	11,017	13,189	11,000	12,000	13,000
Investment Cash Flows	-3,220	-13,103	-6,713	-8,000	-9,000	-10,000

**VT HOLDINGS CO., LTD.**

**Three Similar and Competing Companies**

Net Sales	210,000 (JPY 1 Million)	Estimate	NIDEC CORPORATION	(TSE First Section 6594) Consolidated
Ordinary Income	8,200 (JPY 1 Million)	Estimate	IDOM Inc.	(TSE First Section 7599) Consolidated
Net income	4,800 (JPY 1 Million)	Estimate	COLOWIDE CO.,LTD.	(TSE First Section 7616) Consolidated
Shareholders' Equity	37,426 (JPY 1 Million)	Current		
Number of Shares Issued	119,381,034 (thousand shares)	Current		
Share Price	544 YEN	Current		
Market Value	64,943 (JPY 1 Million)	Current		rate of divergence
Price to Sales Ratio	1,759 (JPY 1 Million)	Market Value (Peer company average)	1,802,498 (JPY 1 Million)	-96.4%
Earnings Per Share	40 YEN	Share Price/PSR (Peer company average)	1.47 (X)	-78.9%
Book-value Per Share	314 YEN	Calculated Price (※KCR Average-6.6%)	2,581 YEN	-78.9%
Share price/PSR	0.31 (X)	EPS x Peer company average	2,095 YEN	-74.0%
PER	13.53 (X)	PBR x Peer company average	1,470 YEN	-63.0%
PBR	1.74 (X)	Calculated Price (※KCR Average18.9%)	1,782 YEN	-69.5%
Stock Yield	7.39%	EPS x JASDAQ average	605 YEN	-10.1%
		PBR x JASDAQ average	492 YEN	10.5%
		Calculated Price (※KCR Average16.9%)	549 YEN	-0.8%
		Total Average (※KCR Average-10.2%)	1,549 YEN	-64.9%

**NIDEC CORPORATION**

**A**

**IDOM Inc.**

**B**

Net Sales	1,575,000 (JPY 1 Million)	Estimate	Net Sales	290,000 (JPY 1 Million)	Estimate
Ordinary Income	185,000 (JPY 1 Million)	Estimate	Ordinary Income	6,800 (JPY 1 Million)	Estimate
Net Income	145,000 (JPY 1 Million)	Estimate	Net Income	3,900 (JPY 1 Million)	Estimate
Shareholders' Equity	933,088 (JPY 1 Million)	Current	Shareholders' Equity	40,940 (JPY 1 Million)	Current
Number of Shares Issued	298,142,234 (thousand shares)	Current	Number of Shares Issued	106,888,000 (thousand shares)	Current
Share Price	17,100 YEN	Current	Share Price	724 YEN	Current
Market Value	5,098,232 (JPY 1 Million)	Current	Market Value	77,387 (JPY 1 Million)	Current
Price to Sales Ratio	5,283 (JPY 1 Million)		Price to Sales Ratio	2,713 (JPY 1 Million)	
Earnings Per Share	486 YEN		Earnings Per Share	36 YEN	
Book-value Per Share	3,130 YEN		Book-value Per Share	383 YEN	
Share price/PSR	3.24 (X)		Share Price/PSR	0.27 (X)	
PER	35.16 (X)		PER	19.84 (X)	
PBR	5.46 (X)		PBR	1.89 (X)	
Stock Yield	2.84%		Stock Yield	5.04%	

**COLOWIDE CO.,LTD.**

**C**

Net Sales	258,461 (JPY 1 Million)	Estimate
Ordinary Income	6,267 (JPY 1 Million)	Estimate
Net income	2,289 (JPY 1 Million)	Estimate
Shareholders' Equity	34,559 (JPY 1 Million)	Current
Number of Shares Issued	75,284,041 (thousand shares)	Current
Share Price	3,080 YEN	Current
Market Value	231,875 (JPY 1 Million)	Current
Price to Sales Ratio	3,433 (JPY 1 Million)	
Earnings Per Share	30 YEN	
Book-value Per Share	459 YEN	
Share price/PSR	0.90 (X)	
PER	101.30 (X)	
PBR	6.71 (X)	
Stock Yield	0.99%	

The KCR share price analysis report rates how overvalued/undervalued the share price of the covered company is. The value is determined by calculating the average theoretical stock price using a comparable peer company analysis, a net asset approach, an earnings return method, a price-to-sales ratio approach, and a DCF method based on performance estimates by KCR. The value is also determined by a rate of divergence from the theoretical price, for which PER and PBR of the market and industry are taken into account. The more negative the rate is, the more undervalued the company's share is.

Comparable Peer Company Analysis	
Average	1,645.81
Maximum	1,851.37
Minimum	1,480.74

	A	B	C	Share Price*	EPS*	BPS*	Calculated Price
	A	B	C	6,968	184.4	1,324	1,585
	A	B	C	8,912	261.4	1,756	1,481
	A	B	C	10,090	258.4	1,794	1,667
		B	C	1,902	33	421	1,851

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**Viewpoint**

★★★★★	Considerably Undervalued
★★★★	Undervalued
★★★	Standard
★★	Overvalued
★	Considerably Overvalued



VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

【Stock Code】 7593 【Industry】 Retail 【Market Division】 TOKYO 【Fiscal Year End】 Mar. 31 【Representative】 Kazuho Takahashi

★★★★★

【Company Features】 VT Holdings Co. Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.

Overall rating	83.3%	★★★★★	Consistency	100.0%	★★★★★	Cost leadership strategy	83.3%	★★★★★
Strategy rating	81.6%	★★★★★	Important point	90.0%	★★★★★	Differentiation strategy	72.7%	★★★★★
Threat of new entrants	73.8%	★★★★	Planning ability	80.0%	★★★★★	Concentration strategy	87.5%	★★★★★
Intensity of competitive rivalry	54.4%	★★★	Purposefulness	100.0%	★★★★★	Cost leadership strategy risk	90.0%	★★★★★
Threat of substitute products or services	100.0%	★★★★★	Top Management	97.1%	★★★★★	Differentiation strategy risk	66.7%	★★★★
Bargaining power of customers	61.1%	★★★★	Company analysis	95.8%	★★★★★	Concentration strategy risk	100.0%	★★★★★
Bargaining power of suppliers	64.3%	★★★★						
■ Porter five forces analysis determines the competitive intensity and therefore attractiveness of an industry			■ Strategic type analysis determines a strategic model and judges its balance					
Industry environment analysis	65.1%	KCR Average	64.0%	Strategic model analysis	81.2%	KCR Average	78.9%	

Target Sector Automobile dealer industry			
Threat of New Entrants	Economies of scale	10	
	Product differentiation	0	
	Capital requirements	5	
	Switching costs of suppliers	10	
	Access to distribution channels	10	
	Cost advantages independent of scale	4	
	Governmental and legal barriers	10	
	Expected retaliation	10	
Subtotal	80	74%	
Intensity of competitive rivalry	Number of rival companies	10	
	Growth speed	5	
	Scales of fixed and stock costs	10	
	Differentiation	0	
	Customer retention	10	
	Expansion of supply capacity	5	
	Heterogeneous strategy	0	
	Fruit of strategic results	5	
Exit barriers	4		
Subtotal	90	54%	
Threat of substitute products or services	High profit company of Gulliver	10	
	Low-priced with same performance	10	
Subtotal	20	100%	
Bargaining power of customers (buyers)	Force down prices	10	
	Number of potential customers	10	
	Percentage of customer costs	0	
	Differentiation(buyer needs)	5	
	Buyer switching costs	0	
	Wealthiness	5	
	Backward integration possibility	10	
	Essentiality	10	
Buyer information availability	5		
Subtotal	90	61%	
Bargaining power of suppliers	Oligopolization	5	
	Possibility of substitutes and products' changes	10	
	Importance of customers	10	
	Essentiality	0	
	Number of rival companies	5	
	Supplier switching costs	10	
	Possibility of forward integration	5	
		64%	45
Subtotal	70	65%	228

Cost leadership strategy	Lowest price in the industry	5
	Low-cost structure	10
	Gross margin ratio	10
	Capital investment	5
	Process technology	10
	Distribution costs	10
	Financial power	5
	Financing capability	5
	System completeness	10
	Cost control and system	10
	Authority and responsibilities	10
	Contingency fee system	10
	Total	120

Differentiation strategy	Product design	0
	Brand image	10
	Technology	0
	Product features	10
	Customer service	10
	Distribution network	10
	Marketing capabilities	10
	R&D capabilities	0
	Experience level	10
	Imagination	10
	Talent matching system	10
Total	110	73%

Concentration strategy	Investment in specific targets	10
	Investment in specific products	10
	Investment in specific areas	5
	Investment in specific segments	10
Total	40	88%

■ Future inspection analyzes risks for future threats		
Risk analysis	85.6%	KCR Average 61.4%

Cost leadership strategy risk	Innovation possibility by other companies	10
	Price reduction by rivals	10
	Product improvement	10
	Marketing improvement	10
	Cost inflation effects	5
	Total	50

Differentiation strategy risk	Other companies' brand-name products	0
	Changes of customer needs	10
	Imitation	10
	Total	30

Concentration strategy risk	End of cost advantages	10
	End of specific needs	10
	Subdivision of specific targets	10
	Total	30

■ Other qualitative factors check other different factors from the strategies		
	96.4%	KCR Average 91.2%

Top management	Management stance	165
	Total	170

Company analysis	Head office, corporate culture	115
	Total	120

■ Strategy check analyzes the strategic level from the following four viewpoints		
Management balance analysis	92.5%	KCR Average 91.1%

Consistency analysis	External and management environments	10
	Corporate and business strategies	10
	Management strategy and functions	10
	Management functions	10
	Short term and future	10
Total	50	100%

Important point analysis	Business domain, market & products	10
	Dynamic business resources	10
	Static business resources	10
	Company's strength	10
	Narrowing	5
Total	50	90%

Planning ability analysis	Goal achievement	10
	Planning from long-term viewpoints	5
	Short-term and long term planning	5
	Downward revision	10
	Planning flexibility	10
Total	50	80%

Purposefulness analysis	Strategic domain	10
	Company policy, management philosophy & CSR	10
	Stage of company purposes	10
	Company aims and management strategies	10
	Company aims and employees	10
Total	50	100%

Viewpoint		
Strategic level		
Exceptionally strategic	80~100%	★★★★★
Considerably strategic	60~80%	★★★★
Strategic	40~60%	★★★
Strategically weak	20~40%	★★
Lacking Strategy	0~20%	★

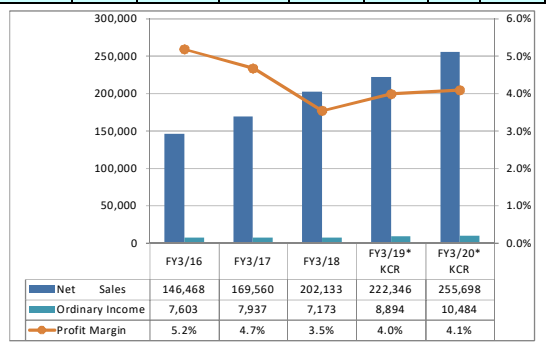
The KCR qualitative analysis report converts qualitative information to figures through a matrix analysis using 132 unique judgement scores assessed by KCR Inc. and rates competitiveness of a company based on Michael Porter's theory of competitive advantage. The more stars are given, the higher the competitiveness is. This analysis evaluates future outlook of a company, which does not appear in a quantitative analysis. This company was rated as follows: 64.0% in an industry environment analysis, 78.9% in a strategic model analysis, 61.4% in a risk analysis, 91.1% in a management balance analysis, and 91.2% in a top management and other analyses with a total rating of 75.9%.

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<b>VT HOLDINGS CO., LTD.</b> (TOKYO: 7593) Consolidated										[Current Share Price] 544 yen		★★★	
[Stock Code] 7593	[Industry] Retail	[Market Division] TOKYO	[Fiscal Year End] Mar. 31	[IPO Date] Sep-98	[BPS (yen)] 318.91	[PER(x)] 17.0	[PBR] 1.71	[Trading Unit] 100	[Dividend Yield] 3.7%	[Market Value] 64,943 million yen	[Highest Price within Five Years] 870 yen	[Lowest Price within Five Years] 313 yen	[Overseas Ratio] 38.3
[Complimentary Goods for Shareholders] YES	[Interim Dividends] YES	[Equivalent to] - yen	[Representative] Kazuho Takahashi	[Date of Birth] January 18, 1953	[Age] 65	[Capital] 4,297 million yen	[Accumulated Profit] 29,685 million yen	[Treasury Shares] 2,026.6 thousand shares	[Ratio] 1.70	[Share Split] 37,426	[Up/Down Ratio (high price) %] -37.5	[Up/Down Ratio (low price) %] 73.8	[PER Estimate] 13.3
VT Holdings Co. Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.													
[Established] March-83	[Number of Years since Established]	35.3											

Settlement Period	(JPY 1 Million)		(JPY 1 Million)		(JPY 1 Million)		(JPY 1 Million)		(JPY)		(JPY)		(JPY 1 Million)					
	Net Sales	Growth Rate	Operating Income	Profit Margin	Ordinary Income	Profit Margin	Net Income	Profit Margin	Earnings per Share	Dividends per Share	Dividend Payout Ratio	Number of Shares Issued	Operational Cash Flows	Investment Cash Flows	Free Cash Flows	Financing Cash Flows	Cash and Cash Equivalents	
FY3/15	136,376		7,347	5.4%	7,434	5.5%	4,633	3.4%	39.4	14.00	35.6%							
FY3/16	146,468	7.4%	7,619	5.2%	7,603	5.2%	4,090	2.79%	34.8	18.00	51.8%	119,381,034	9,640	-3,220	6,420	-5,041	7,454	
FY3/17	169,560	15.8%	7,592	4.5%	7,937	4.7%	4,421	2.61%	37.58	17.00	45.2%	119,381,034	11,017	-13,103	-2,086	1,102	6,499	
FY3/18	202,133	19.2%	6,780	3.4%	7,173	3.5%	3,765	1.86%	32.00	18.00	56.3%	119,381,034	13,189	-6,713	6,476	-5,206	7,820	
Current Estimate	210,000	3.9%	8,000	3.8%	8,200	3.9%	4,800	2.29%	40.90	20.00	48.9%							
FY3/19* KCR	222,346	10.0%	8,672	3.9%	8,894	4.0%	5,603	2.52%	46.93	20.00	42.6%	119,381,034	11,000	-8,000	3,000	*KCR Estimate		
FY3/20* KCR	255,698	15.0%	10,228	4.0%	10,484	4.1%	6,605	2.58%	54.24	22.00	40.6%	121,768,655	12,000	-9,000	3,000	*KCR Estimate		
FY3/21* KCR	294,053	15.0%	11,762	4.0%	12,056	4.1%	7,837	2.67%	63.09	25.00	39.6%	124,204,028	13,000	-10,000	3,000	*KCR Estimate		
2 year average	17.5%	0	7,186	3.9%	7,555	4.1%	4,093	2.2%	34.8	3Y average	51.1%		11,282	-7,679	3,603	-3,046	7,258	
3 year average	13.0%	0	7,457	4.3%	7,770	4.5%	4,329	2.4%	36.3	4Y average	50.5%							
4 year average	11.6%	0	7,498	4.2%	7,728	4.3%	4,269	2.4%	29.1	5Y average	40.4%							
FY-2Q	97,991		3,187		3,382		1,771		Total									
Pre-FY-2Q									Total									
FY-3Q	141,914		4,196		4,464		2,293		Total									
Pre-FY-3Q									Total									
FY-2Q E	100,000		3,200		3,300		1,900		Total									

Quarterly Analysis									
	Net Sales	Ordinary Income	Profit Margin	Net Income	Profit Margin	Earnings per Share	Dividends per Share	Dividend Payout Ratio	Number of Shares Issued
1Q E	50,000	1,600	3.2%	1,650	3.3%	950	1.9%		
Pre-1Q	46,907	1,172	36.5%	1,247	32.3%	651	45.9%		
2Q E	50,000	1,600	3.2%	1,650	3.3%	950	1.9%		
Pre-2Q	51,084	2,015	-20.6%	2,135	-22.7%	1,120	-15.2%		
3Q E	55,000	2,400	4.4%	2,450	4.5%	1,450	2.6%		
Pre-3Q	43,923	1,009	137.9%	1,082	126.4%	522	177.8%		
4Q E	55,000	2,400	4.4%	2,450	4.5%	1,450	2.6%		
Pre-4Q	60,219	2,584	-8.7%	2,709	-9.6%	1,472	-1.5%		
FY									
Pre-FY	202,133	6,780		7,173		3,765			
FY (%)	0.0	0.0		0.0		0.0		Progress rate	
Pre-FY (%)	100.0	100.0		100.0		100.0		Progress rate	



Segment Information										Ratio of Shareholding					Stockholders		
	FY3/18	FY3/17				Overseas	Investment Trust	Floating Stocks	Settled Stocks	Stockholders	Capital Investment	Depreciation	R & D				
Automobile Sales Related Business	95.5%	95.9%	-0.5%			27.2	4.7	1.9	57.8	3,501	13,700	4,500	-				
Housing Related Business	4.4%	4.0%	0.5%			24.6	5.8	2.3	54.2	4,034	-	-	-				
The others	0.1%	0.1%	0.0%			25.4	6.0	1.9	56.5	3,799	-	-	-				
Total	100.0%	100.0%	0.0%			(%)	(%)	(%)	(%)	(people)			*Market average in Japan				


Quantitative Analysis										Reference Data (Other service industries)*			
	Prev.	Actual	Current Estimate	KCR Estimate	Similar and Competing company average	Profitability Analysis	Efficiency Analysis	Safety Analysis	Growth Potential Analysis	Productivity Analysis	3.0	3.0	3.0
ROA (Ordinary Income)	6.5%	5.2%	6.0%	6.5%	5.0%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
ROE (Net Income)	12.6%	10.1%	12.8%	15.0%	8.7%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Ordinary Income Margin	4.7%	3.5%	3.9%	4.0%	4.8%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total Asset Turnover	1.4	1.5	1.5	1.6	1.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Current Asset Turnover	3.1	3.1	3.2	3.4	3.2	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total Non-Current Asset Turnover	2.5	2.9	3.0	3.1	2.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Current Ratio	88.1%	87.7%	87.7%	0	173.1%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Debt Ratio	239.7%	256.5%	256.5%	0	274.6%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Equity Ratio	28.8%	27.4%	27.4%	0	33.1%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Growth Rate	15.8%	19.2%	3.9%	10.0%	12.9%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Ordinary Income Growth Rate	4.4%	-9.6%	14.3%	24.0%	27.9%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Equity Growth Rate	6.9%	7.0%	-	-	5.7%	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Sales per Employee *	52,044	58,657	60,940	64,523	44,028.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Ordinary Income per Employee *	2,436	2,082	2,380	2,581	1,166.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Net Income per Employee *	1,357	1,093	1,393	1,626	774.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0

Profitability	Efficiency	Safety	Growth	Productivity	Quantitative Analysis	Expert's Perspective	Total	Evaluation Index
★★★	★★★	★★★	★★★	★★★★	★★★	★★★	★★★	63.8%
3.0	3.0	3.0	2.7	3.7	3.1	3.3	3.2	

The KCR quantitative analysis report is a rating report based on a financial analysis that compares a company with its similar and competing companies. This report analyzes a company in five indexes: profitability, efficiency, safety, growth potential, and productivity, in addition to an index valued by an expert's perspective analysis uniquely developed by KCR Inc.. This company was rated 2.9 in profitability, 3.1 in efficiency, 3.0 in safety, 3.0 in growth, 2.7 in productivity, 2.9 in quantitative analysis, and 60.0% in total evaluation (KCR's averages).



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<b>KCR-EXPERT'S PERSPECTIVE ANALYSIS REPORT</b>		Transaction Number 7593TS180606	This report details three expert evaluations. With 16 items from expert's perspectives, it analyzes whether or not a company's shares are undervalued and whether or not the company is worth investing for a medium-to-long term.				
<b>VT HOLDINGS CO., LTD.</b>			(TOKYO: 7593) Consolidated	06-Jun-18	<b>Total Score</b> <b>12.2</b>		
Fiscal Year End	Mar. 31	Zip Code	460-0003	Telephone Number	+81-52-203-9500		
Address	3-10-32, Nishiki, Naka-ku, Nagoya, Aichi			Representative	Kazuho Takahashi	KCR Average 12.8	
[Company Feature]	VT Holdings Co, Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.						

■ Main Basic Data ※Estimate is basically a company plan. Asset is current.

Capital (JPY 1 Million)	Accumulated Profit (JPY 1 Million)	Current Share Price (YEN)	Shareholders' Equity (JPY 1 Million)	Number of Shares Issued (thousand shares)	BPS (YEN)	Operational Cash flows (JPY 1 Million)	Investment Cash flows (JPY 1 Million)
4,297	29,685	544	37,426	119,381.0	319	13,189	-6,713
Total Assets (JPY 1 Million)	Interest-Bearing Debt (JPY 1 Million)	Dividends Per Share (YEN)	Dividend Payout Ratio	Established	Highest Price within Five Years (YEN)	Lowest Price within Five Years (YEN)	Up/Down Ratio (High Price)(%)
136,757	29,649	20	48.9%	March-83	870	313	-37.5
*Net Sales (JPY 1 Million)	*Operating Income (JPY 1 Million)	*Ordinary Income (JPY 1 Million)	*Net Income (JPY 1 Million)	*EPS (YEN)	*ROE (Net Income)	*ROA (Ordinary Income)	Equity Ratio
210,000	8,000	8,200	4,800	40.90	12.8%	6.0%	27.4%

■ 16 Items from Expert's Perspectives

\* Estimate

Accumulated Profit/Capital (x)	PBR (x)	*PER (x)	Dependence of Interest-Bearing Debt	Dividend Yield (%)	Number of Years since Established	Up/Down Ratio (Low Price)(%)	Free Cash Flows (JPY 1 Million)
6.9	1.7	13.3	21.7%	3.7	35	73.8	6,476
5.0	2.0	3.0	2.0	5.0	5.0	4.0	5.0
Ordinary Income Margin	Industry	Simple Arithmetic Average (YEN)	Number of Shares Issued (thousand shares)	Market Value (JPY 1 Million)	Negative News	EPS	ROE
3.9%	Retail	54.4	1,193,810	64,943	Increases both in sales and profits	Increasing trend	12.8%
0.0	3.0	5.0	2.0	1.0	1.0	5.0	5.0

Expert's Perspectives	Score	Rating	KCR Average	Radar Chart	
Perspective of Expert E	2.6	★★★	3.1		
Perspective of Expert T	3.3	★★★	3.3		
Perspective of Expert B	3.0	★★★	3.1		
Expert's Perspective Analysis Index	3.3	★★★	3.3		

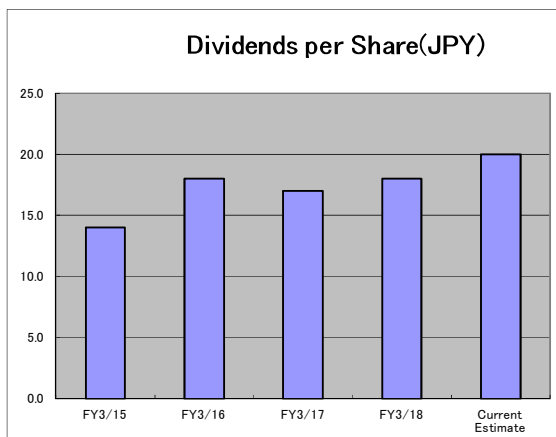
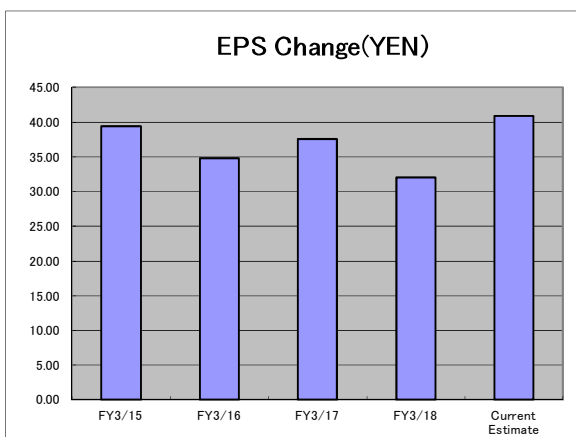
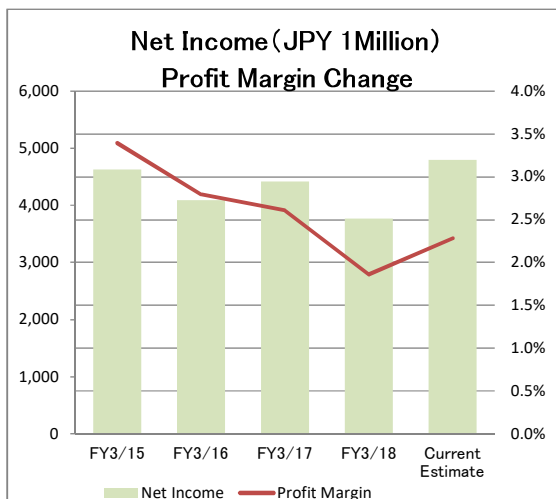
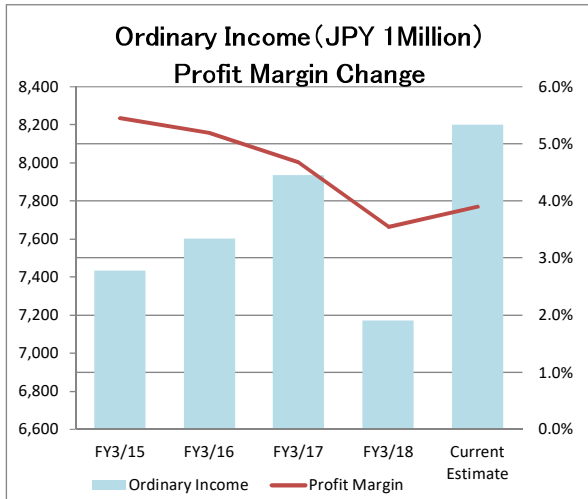
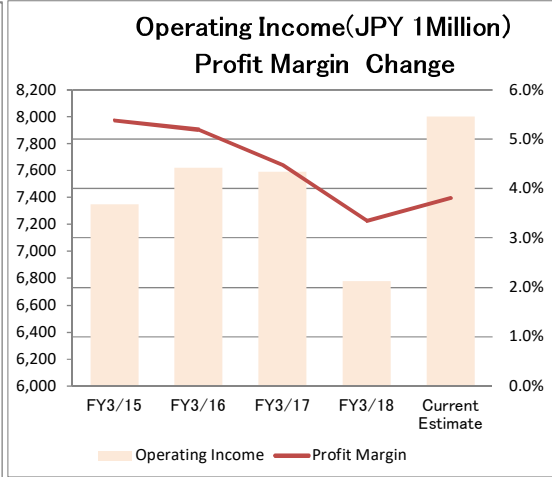
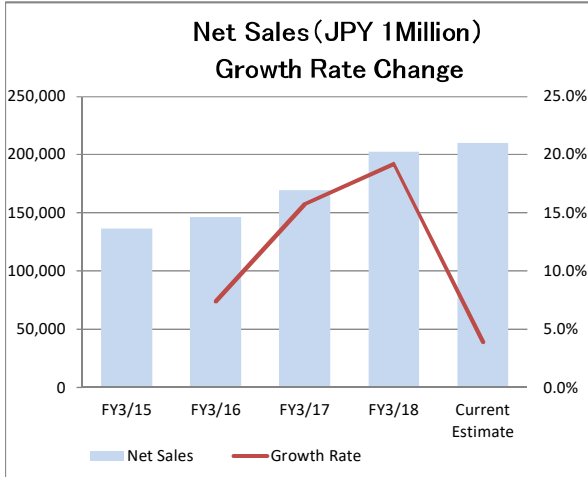
※Please note that there is no relation three masters that really exist.

Rating	Score	Expert	Description
★★★★★	4.5~5.0	Expert E	An investor who was once a company employee and later built assets of 3 billion yen through stock investments. This expert tends to place importance on low-price stock.
★★★★	3.4~4.4	Expert T	An investor who built assets of 300 billion yen as an individual investor. This expert tends to place importance on medium-to-long term investment and receiving dividends.
★★★	2.5~3.4	Expert B	An internationally well-known investor who earned 5 trillion yen through stock investment. This expert tends to place importance on value investing and revenue.
★★	1.5~2.4		
★	0~1~1.4		

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**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

Elemental Analysis	Net Sales	Growth Rate	Operating Income	Profit Margin	Ordinary Income	Profit Margin	Net Income	Profit Margin	EPS	Dividends per Share
FY3/15	136,376		7,347	5.4%	7,434	5.5%	4,633	3.4%	39.38	14.0
FY3/16	146,468	7.4%	7,619	5.2%	7,603	5.2%	4,090	2.8%	34.77	18.0
FY3/17	169,560	15.8%	7,592	4.5%	7,937	4.7%	4,421	2.6%	37.58	17.0
FY3/18	202,133	19.2%	6,780	3.4%	7,173	3.5%	3,765	1.9%	32.00	18.0
Current Estimate	210,000	3.9%	8,000	3.8%	8,200	3.9%	4,800	2.3%	40.90	20.0



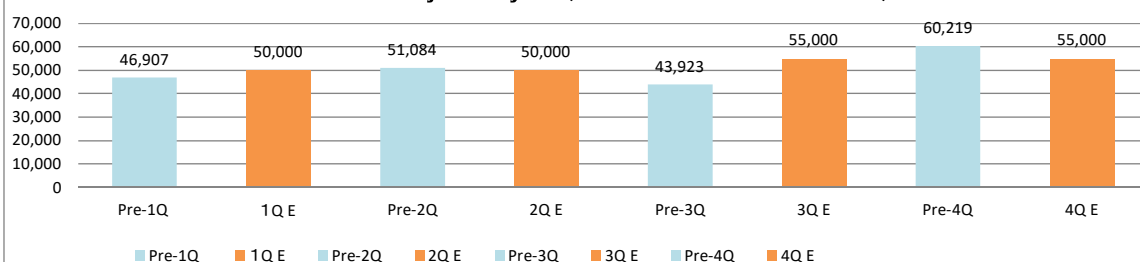
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## VT HOLDINGS CO., LTD.

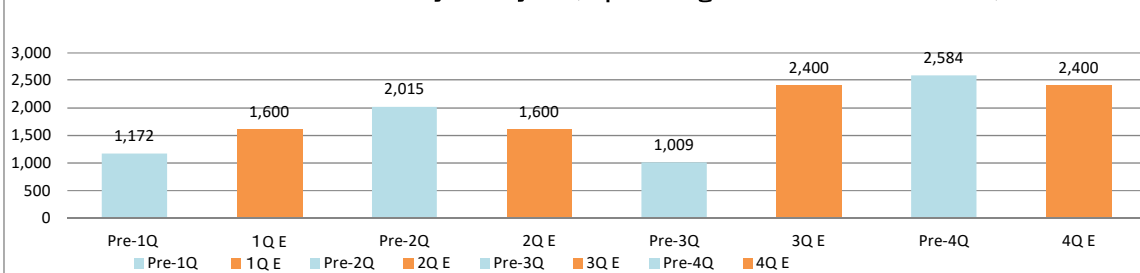
(TOKYO: 7593) Consolidated

Quarterly Analysis	Net Sales	Growth Rate	Operating Income	Profit Margin	Ordinary Income	Profit Margin	Net Income	Profit Margin		
Pre-1Q	46,907	6.6%	1,172	2.5%	1,247	2.7%	651	1.4%		
1 Q E	50,000	0.0%	1,600	3.2%	1,650	3.3%	950	1.9%		
Pre-2Q	51,084	-2.1%	2,015	3.9%	2,135	4.2%	1,120	2.2%		
2 Q E	50,000	0.0%	1,600	3.2%	1,650	3.3%	950	1.9%		
Pre-3Q	43,923	25.2%	1,009	2.3%	1,082	2.5%	522	1.2%		
3 Q E	55,000	0.0%	2,400	4.4%	2,450	4.5%	1,450	2.6%		
Pre-4Q	60,219	-8.7%	2,584	4.3%	2,709	4.5%	1,472	2.4%		
4 Q E	55,000	0.0%	2,400	4.4%	2,450	4.5%	1,450	2.6%		

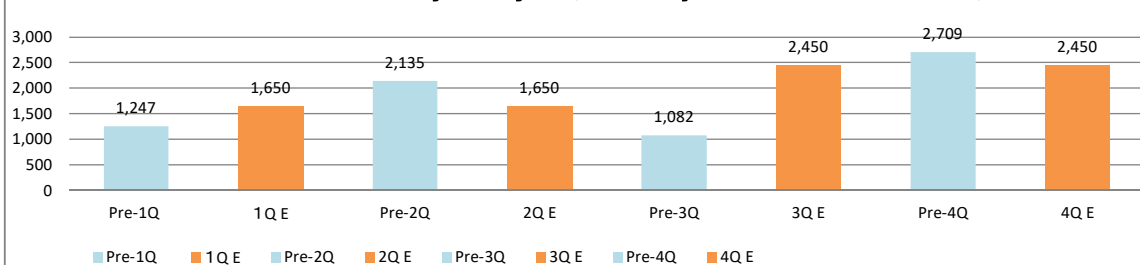
## Quarterly Analysis (Net Sales JPY 1Million)



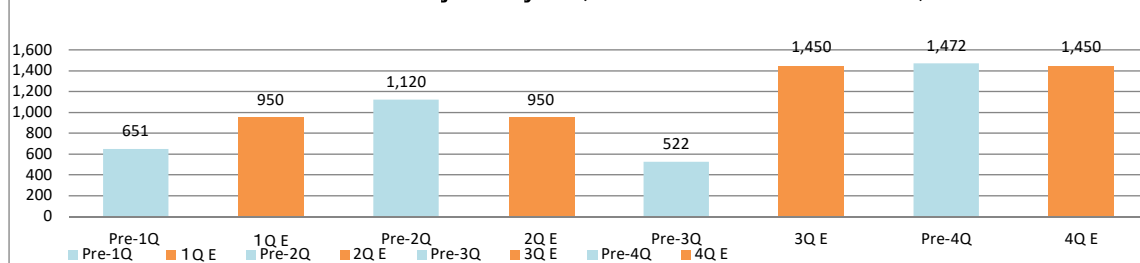
## Quarterly Analysis (Operating Income JPY 1Million)



## Quarterly Analysis (Ordinary Income JPY 1Million)



## Quarterly Analysis (Net Income JPY 1Million)

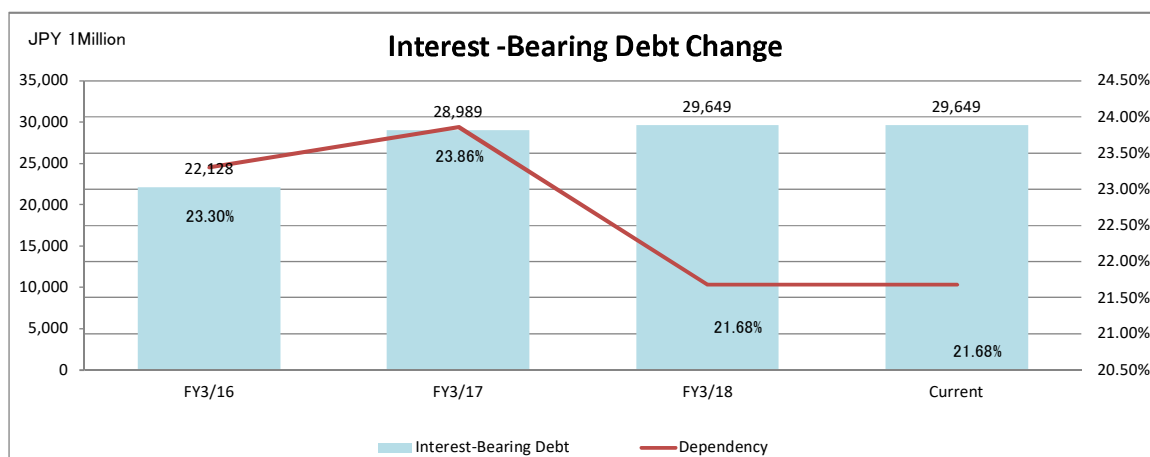
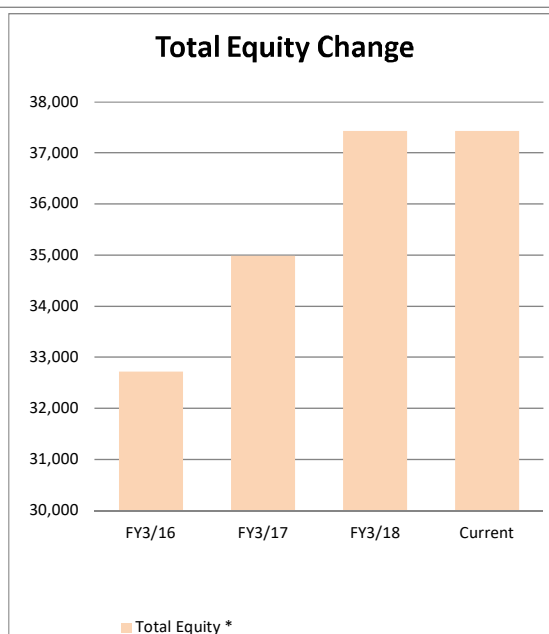
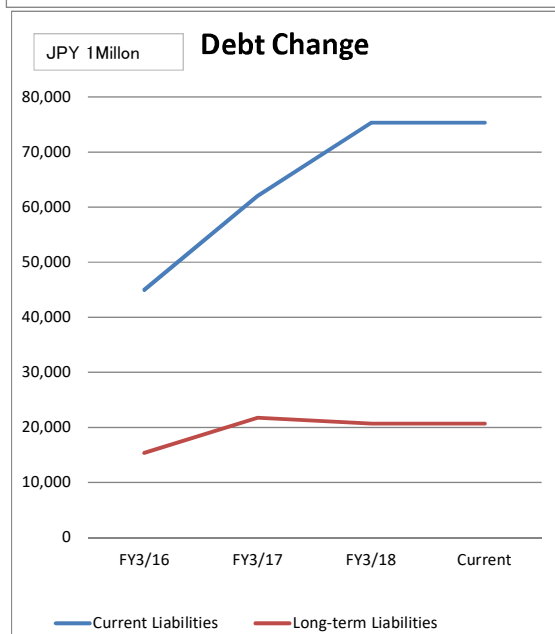
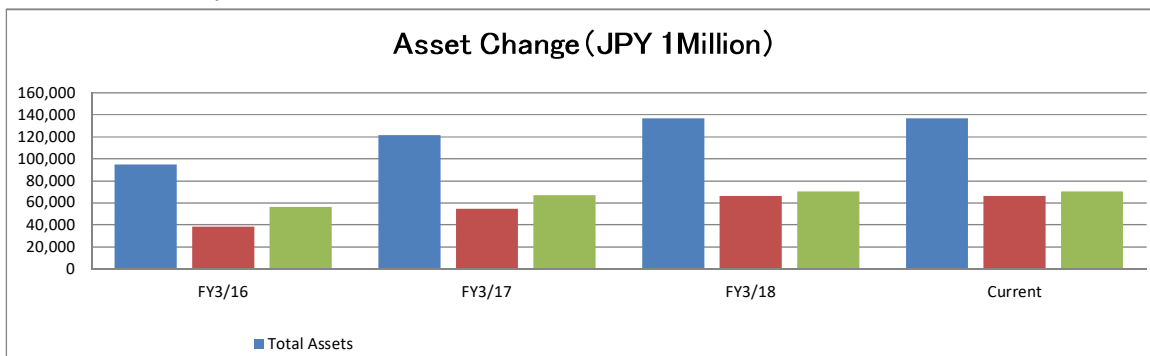


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**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

Asset Analysis	Total Assets	Current Assets	Non-Current Assets	Current Liabilities	Long-term Liabilities	Total Equity *	Interest-Bearing Debt	Dependency	Number of Employees
FY3/16	94,979	38,419	56,559	44,935	15,346	32,717	22,128	23.30%	2,579
FY3/17	121,493	54,702	66,791	62,091	21,759	34,983	28,989	23.86%	3,258
FY3/18	136,757	66,103	70,653	75,369	20,637	37,426	29,649	21.68%	3,446
Current	136,757	66,103	70,653	75,369	20,637	37,426	29,649	21.68%	3,446

\*Total net assets – Minority interests



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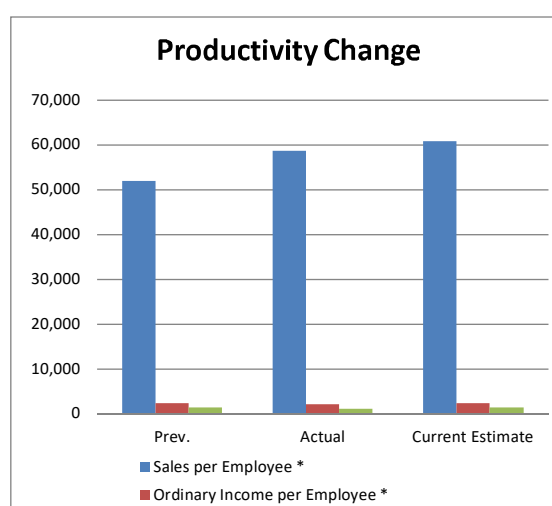
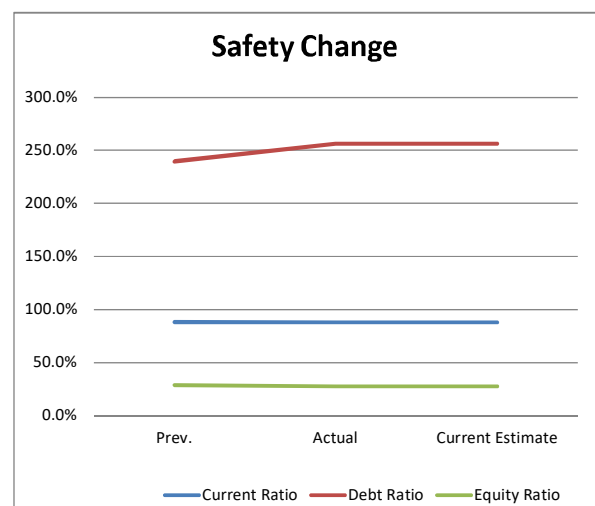
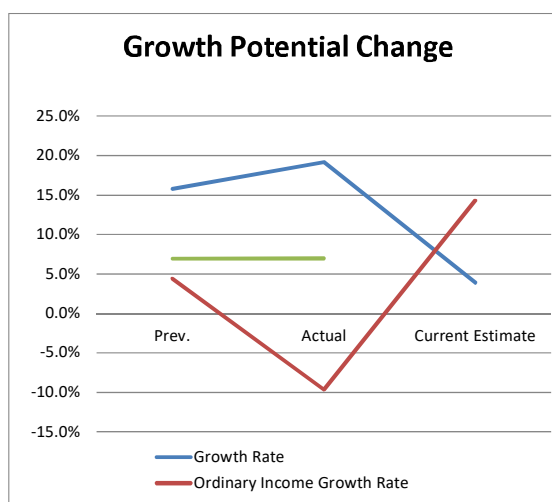
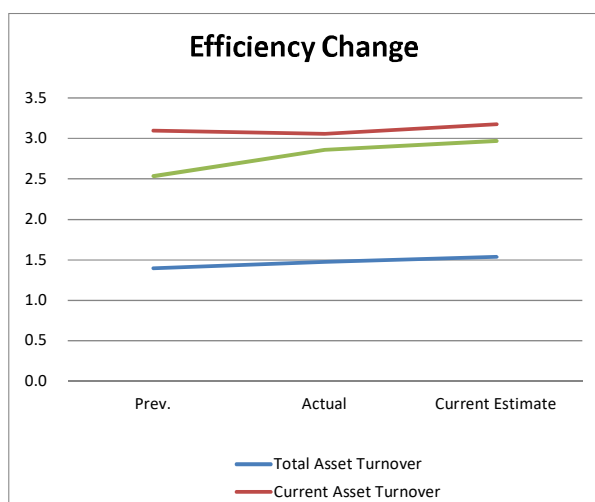
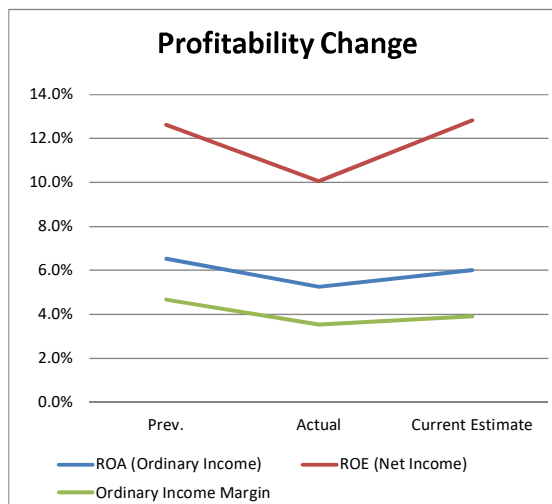
**VT HOLDINGS CO., LTD.**

**(TOKYO: 7593) Consolidated**

Financing Index Analysis			
<b>Profitability Analysis</b>			
ROA (Ordinary Income)	Prev. 6.5%	Actual 5.2%	Current Estimate 6.0%
ROE (Net Income)	12.6%	10.1%	12.8%
Ordinary Income Margin	4.7%	3.5%	3.9%
<b>Efficiency Analysis</b>			
Total Asset Turnover	Prev. 1.4	Actual 1.5	Current Estimate 1.5
Current Asset Turnover	3.1	3.1	3.2
Total Non-Current Asset Turnover	2.5	2.9	3.0
<b>Safety Analysis</b>			
Current Ratio	Prev. 88.1%	Actual 87.7%	Current Estimate 87.7%
Debt Ratio	239.7%	256.5%	256.5%
Equity Ratio	28.8%	27.4%	27.4%
<b>Growth Potential Analysis</b>			
Growth Rate	Prev. 15.8%	Actual 19.2%	Current Estimate 3.9%
Ordinary Income Growth Rate	4.4%	-9.6%	14.3%
Equity Growth Rate	6.9%	7.0%	
<b>Productivity Analysis</b>			
Sales per Employee *	Prev. 52,044	Actual 58,657	Current Estimate 60,940
Ordinary Income per Employee *	2,436	2,082	2,380
Net Income per Employee *	1,357	1,093	1,393

\*Thousand yen

※The assets are calculated, using the most recent value.

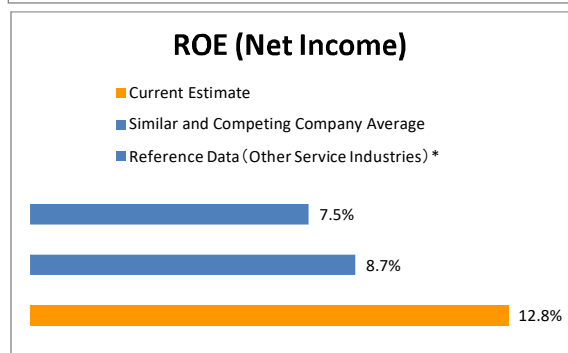
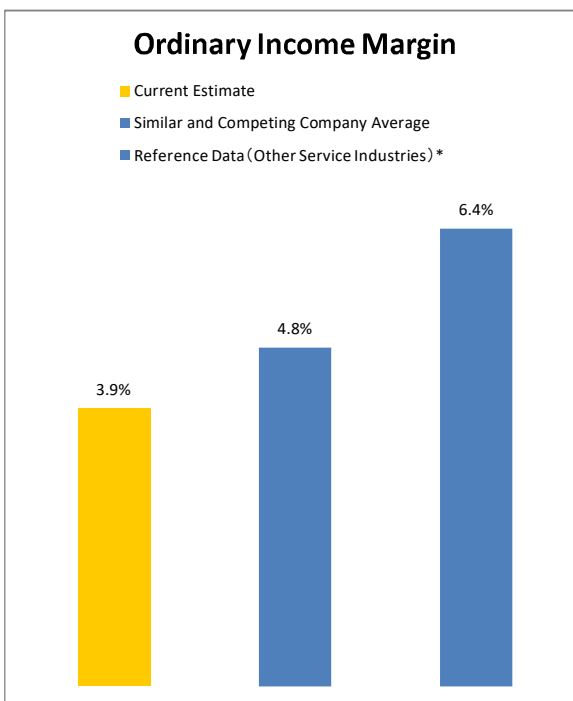
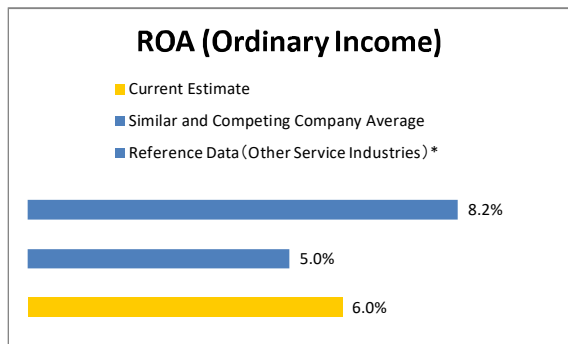


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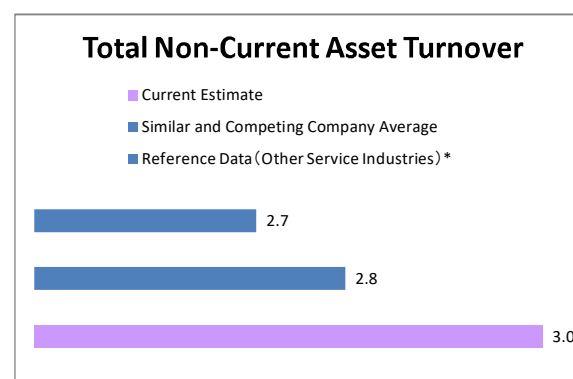
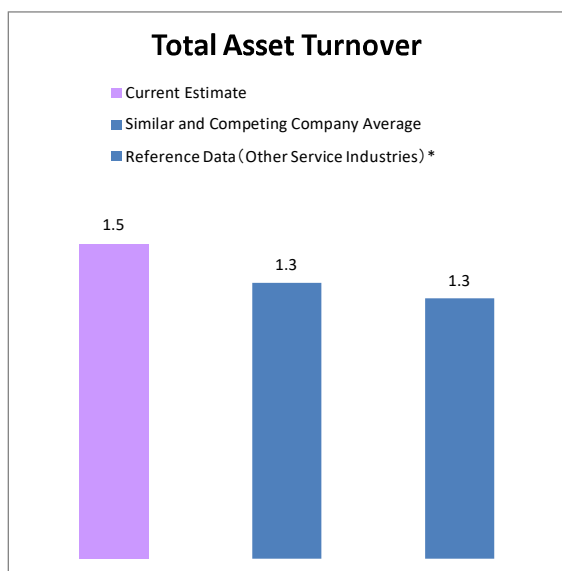
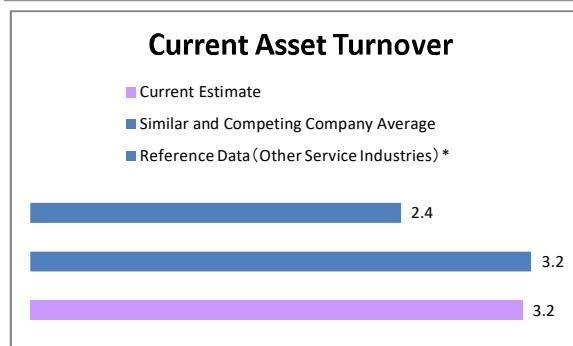
**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

Profitability Analysis	Current Estimate	Similar and Competing Company	Reference Data (Other Service Industries)*	Three Similar and Competing Companies	
		Average			
ROA (Ordinary Income)	6.0%	5.0%	8.2%	NIDEC CORPORATION	(TSE First Section 6594) Consolidated
ROE (Net Income)	12.8%	8.7%	7.5%	IDOM Inc.	(TSE First Section 7599) Consolidated
Ordinary Income Margin	3.9%	4.8%	6.4%	COLOWIDE CO.,LTD.	(TSE First Section 7616) Consolidated

\*Market average in Japan



Efficiency Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries)*
Total Asset Turnover	1.5	1.3	1.3
Current Asset Turnover	3.2	3.2	2.4
Total Non-Current Asset Turnover	3.0	2.8	2.7

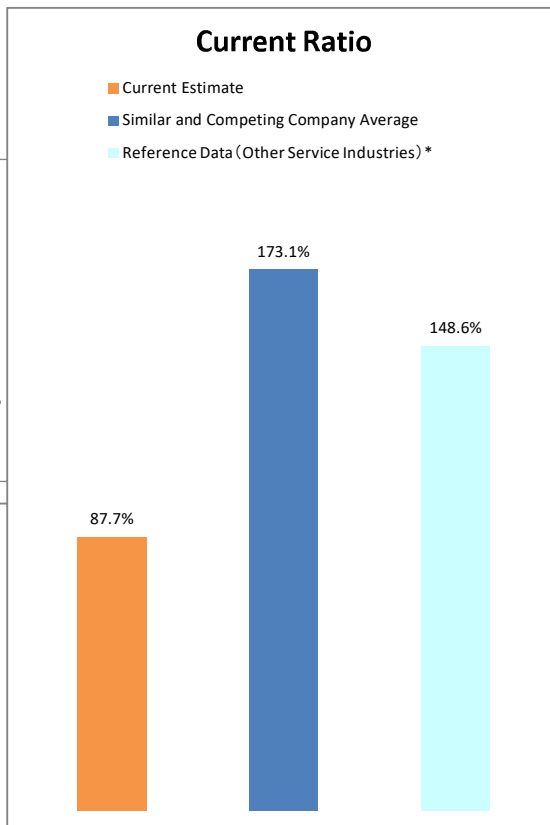
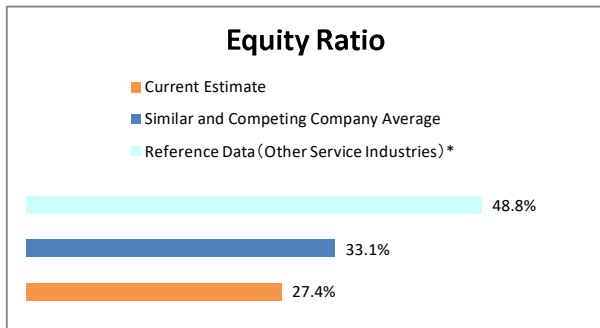
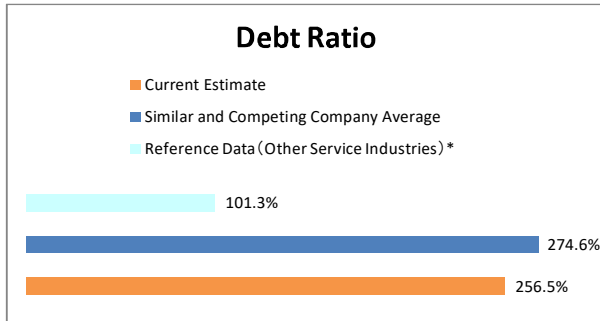


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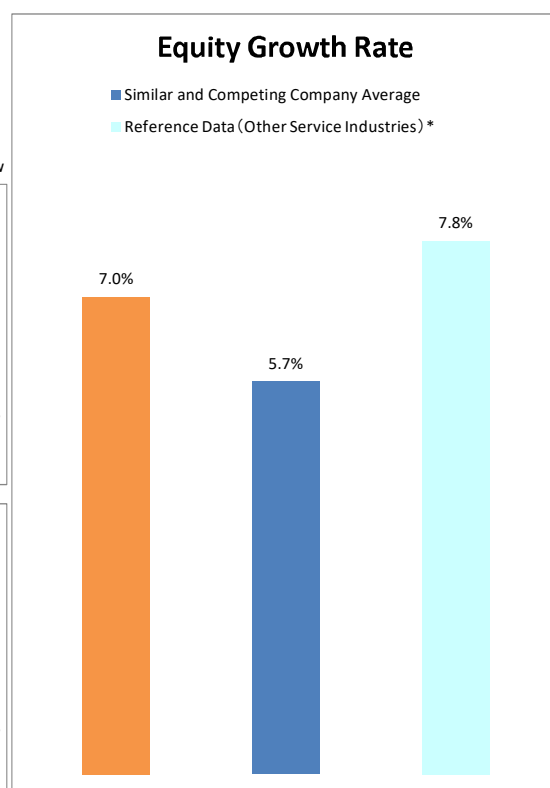
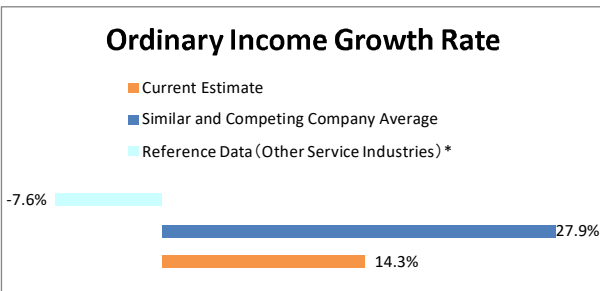
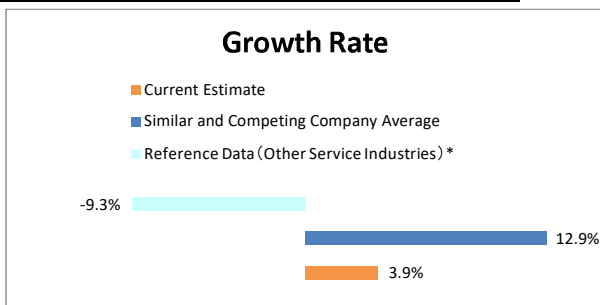
Safety Analysis	Current Estimate	Similar and Competing Company	Reference Data (Other Service)
Current Ratio	87.7%	173.1%	148.6%
Debt Ratio	256.5%	274.6%	101.3%
Equity Ratio	27.4%	33.1%	48.8%

\*Market average in Japan



Growth Potential Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries)
Growth Rate	3.9%	12.9%	-9.3%
Ordinary Income Growth Rate	14.3%	27.9%	-7.6%
Equity Growth Rate	7.0%	5.7%	7.8%

※Preview

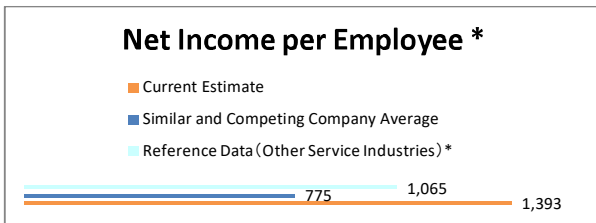
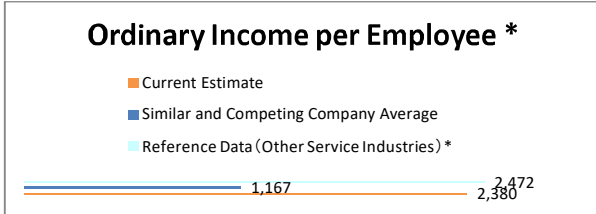
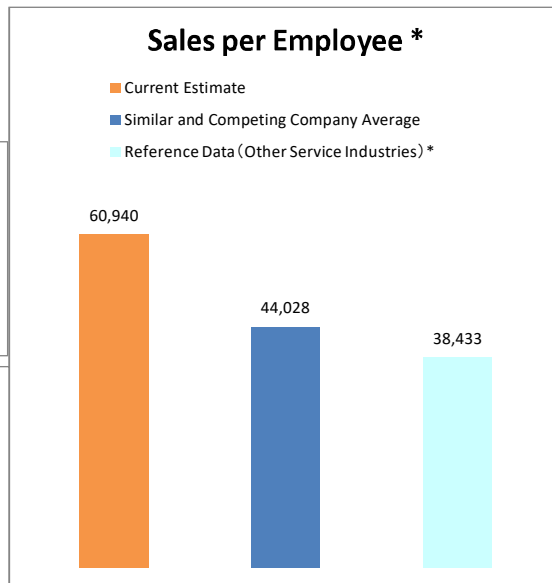


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**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

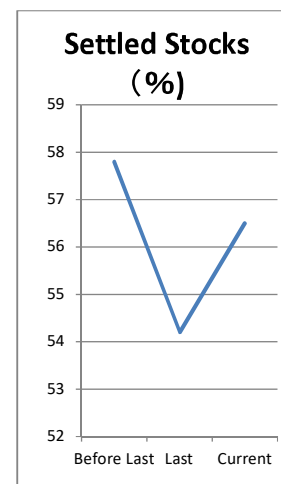
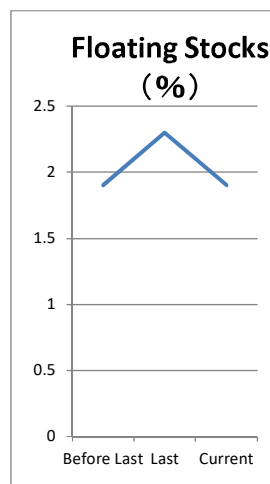
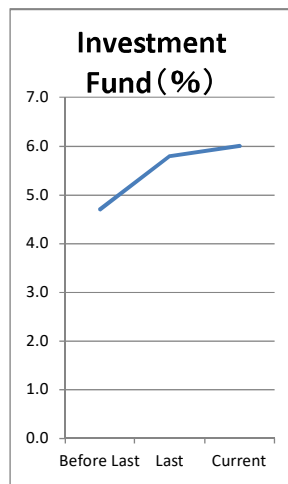
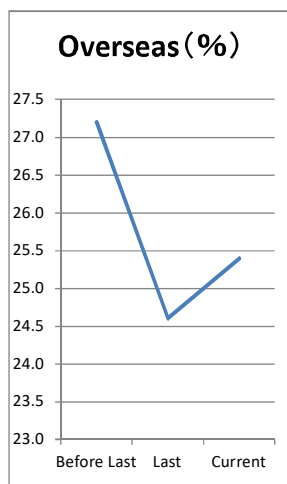
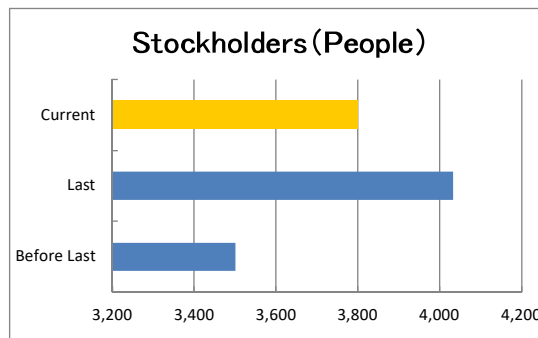
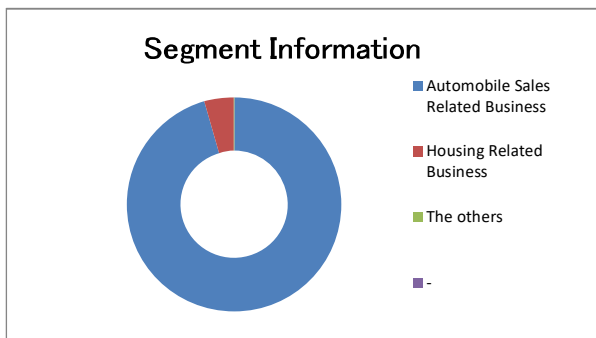
Productivity Analysis	Current Estimate	Similar and Competing Company	Reference Data (Other Service)
Sales per Employee *	60,940	44,028	38,433
Ordinary Income per Employee *	2,380	1,167	2,472
Net Income per Employee *	1,393	775	1,065

\*Market average in Japan



Segment Information	FY3/18
Automobile Sales Related Busin	95.5%
Housing Related Business	4.4%
The others	0.1%
-	0.0%
Total	100.0%

	Ratio of Shareholding				
	(%)	(%)	(%)	(%)	(people)
	Overseas	Investment Trust	Floating Stocks	Settled Stocks	Stockholders
Before Last	27.2	4.7	1.9	57.8	3,501
Last	24.6	5.8	2.3	54.2	4,034
Current	25.4	6.0	1.9	56.5	3,799



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<b>VT HOLDINGS CO., LTD.</b>		<b>(TOKYO: 7593) Consolidated</b>		<b>IR Overall Rating</b>	
★ ★ ★ ★ ★					
【Stock Code】	7593	【Industry】	Retail	【Market Division】	TOKYO
【Fiscal Year End】	Mar. 31	【Zip Code】	460-0003	【Telephone Number】	+81-52-203-9500
【Address】	3-10-32, Nishiki, Naka-ku, Nagoya, Aichi			【Established】	Mar-83
【Representative】	Kazuho Takahashi			【Contact】	Managing Director Ichiro Yamauchi
【Company Features】				【Share Price】	544 yen

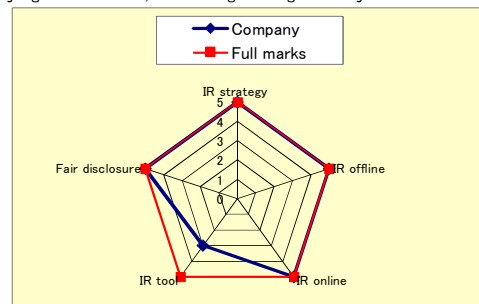
VT Holdings Co, Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.

Investor Relations Strategy Analysis Reference Data Point VT HOLDINGS CO., LTD.

1. IR activities (10 points)	89.3%	10	10
2. IR system (10 points)			8
IR Dedicated department		10	
General affairs department	24.0%	4	
Planning department	23.0%	8	
Public relations department	17.0%	3	
Finance department		5	
Accounting department		3	
President's office		6	
The others		2	
3. Management philosophy and operating style (50 points)			50
Does top management perform IR activities?	83.6%	50	
YES		10	10
Activities			
Top management participates in briefing sessions for investor	81.8%	10	10
Top management gives individual interviews to analysts	67.6%	30	30
4. IR communication (80 points)		80	70
Financial settlement briefings	77.7%	10	10
Individual interviews	32.6%	10	10
Overseas briefing sessions	15.9%	10	0
For whom the above activities are conducted?			
Analysts and institutional investors	37.7%	10	10
Individual investors	13.4%	10	10
Is disclosure made fairly?	Priority point	20	20
IR roadshows	50.0%	10	10
5. IR tools (20 points)		30	20
Stockholder communication materials	89.6%	10	10
English materials (annual reports etc.)	42.8%	20	10
6. IR website (100 points)	97.5%	100	96
Is there a web page that clearly states IR?	79.4%	10	10
Top message	45.9%	10	10
Annual securities reports	42.0%	10	10
Statement of accounts	41.5%	10	10
Monthly reports, stockholder communication materials & handouts	36.2%	10	6
IR calendar	28.5%	10	10
IR videos	23.8%	10	10
E-mail magazines about IR	19.5%	10	10
FAQ	14.6%	10	10
English IR web page	19.4%	10	10
7. IR effect measurement (10 points)			0
Conducting	84.3%	10	10
8. IR annual expenses (10 points)			0
More than 5 million yen	24.0%	10	10

**Total 300 274**

※In carrying out this analysis, KCR Inc. places importance on fair disclosure and uses its unique judgement criteria, conducting hearings and objective evaluation.



	Company	KCR Average	203.7	Viewpoint
General rating	91.3%	68.0%	Very good 270~	★★★★★
IR strategy	96.0%	69.4%	Good 230~	★★★★★
IR offline	91.7%	71.8%	Standard 180~	★★★★
IR online	96.0%	65.4%	Below Standard 130~	★★★
IR tool	66.7%	45.6%	Inferior 80~	★
Fair disclosure	100.0%	70.3%	Problematic 0~	-

The KCR IR analysis report analyzes and evaluates IR activities of the company covered from 5 viewpoints: IR offline, IR online, IR tool, IR website and IR strategy. KCR Inc. rates the company's IR activities, believing that strategic IR activities have big effects on its stock performance.

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**STOCKS**

- '+1 Strong Buy' recommendation indicates that upside potential is 20% or more within a year.
- '+2 Buy' recommendation indicates that upside potential is 10% or more within a year.
- '+3 Neutral' recommendation indicates that upside potential is less than 10% or downside potential is less than 10% within a year.
- '+4 Sell' recommendation indicates that downside potential is 10% or more within a year.
- '+5 Strong Sell' recommendation indicates that downside potential is 20% or more within a year.

Rating change (Changed) = KCR alters its rating and target share prices due to changes in account settlement, market conditions, economic environment, etc.

Rating of 'Suspended' (Suspended) = KCR suspends its rating and target share prices temporarily due to laws and ordinances, and company rules.

'Not rated' or 'No rating' = Companies that are labelled as 'Not rated' or shown as 'No rating' are not covered by regular KCR research.

★★★★★ = 'Strong Buy' recommendation

★★★★ = 'Buy' recommendation

★★★ = 'Neutral' recommendation

★★ = 'Sell' recommendation

★ = 'Strong Sell' recommendation

**SECTORS**

'Bullish' rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a positive absolute recommendation.

Neutral rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a neutral absolute recommendation.

'Bearish' rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a negative absolute recommendation.

Viewpoint ※The term of validity: 1 year

Rating	Total evaluation index		
+1 Strong Buy	80%~100%~	Upside potential is 20% or more within a year.	★★★★★
+2 Buy	60%~80%	Upside potential is 10% or more within a year.	★★★★
+3 Neutral	40%~60%	Upside potential is less than 10% or downside is less than 10% within a year	★★★
+4 Sell	20%~40%	DownsideUpside potential is 20% or more within a year	★★
+5 Strong Sell	~0%~20%	DownsideUpside potential is 11% or more within a year	★

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Individual stocks are rated according to a potential room for a stock price to rise or fall to a target price defined as “(target price – current price)/current price” due to certain discretion of the management. In many cases, a target price becomes equal to fair investment value calculated as potential valuation 12 months out, that is, calculated by the combination of the discounted cash flow (DCF) method and other valuation techniques. When an analyst mentions a target price of a company in a report, the target price is based on the analyst's earnings forecast of the company. An actual stock price may not reach the target price due to the performance of the company and risk factors such as a market and an economic environment related to the company.

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