



Term Ending March 2018 Results Briefing



VT Holdings Co., Ltd.
May 23 / 24, 2018

Market of listing: TSE 1st section, NSE 1st section (securities code: 7593)



● **We achieved record high sales**

- ✓ The 3 overseas M&A below contributed to increased revenue this term.
 - May 2016 Wessex Garages Holdings (9 ⇒ 12 months)
 - October 2016 Master Automocion Group (6 ⇒ 12 months)
 - June 2017 Peugeot Citroen South Africa (0 ⇒ 9 months)
- ✓ We have achieved 8 consecutive terms of increased revenue due to continuous M&A.

● **Ordinary profit decreased 700 million yen compared to the previous term**

- ✓ Factors including completion inspection problems, etc., had an impact.
- ✓ Our highest ever ordinary profit was 9.9 billion yen in the term ending March 2014, when there was a last minute rush in demand prior to the consumption tax increase.

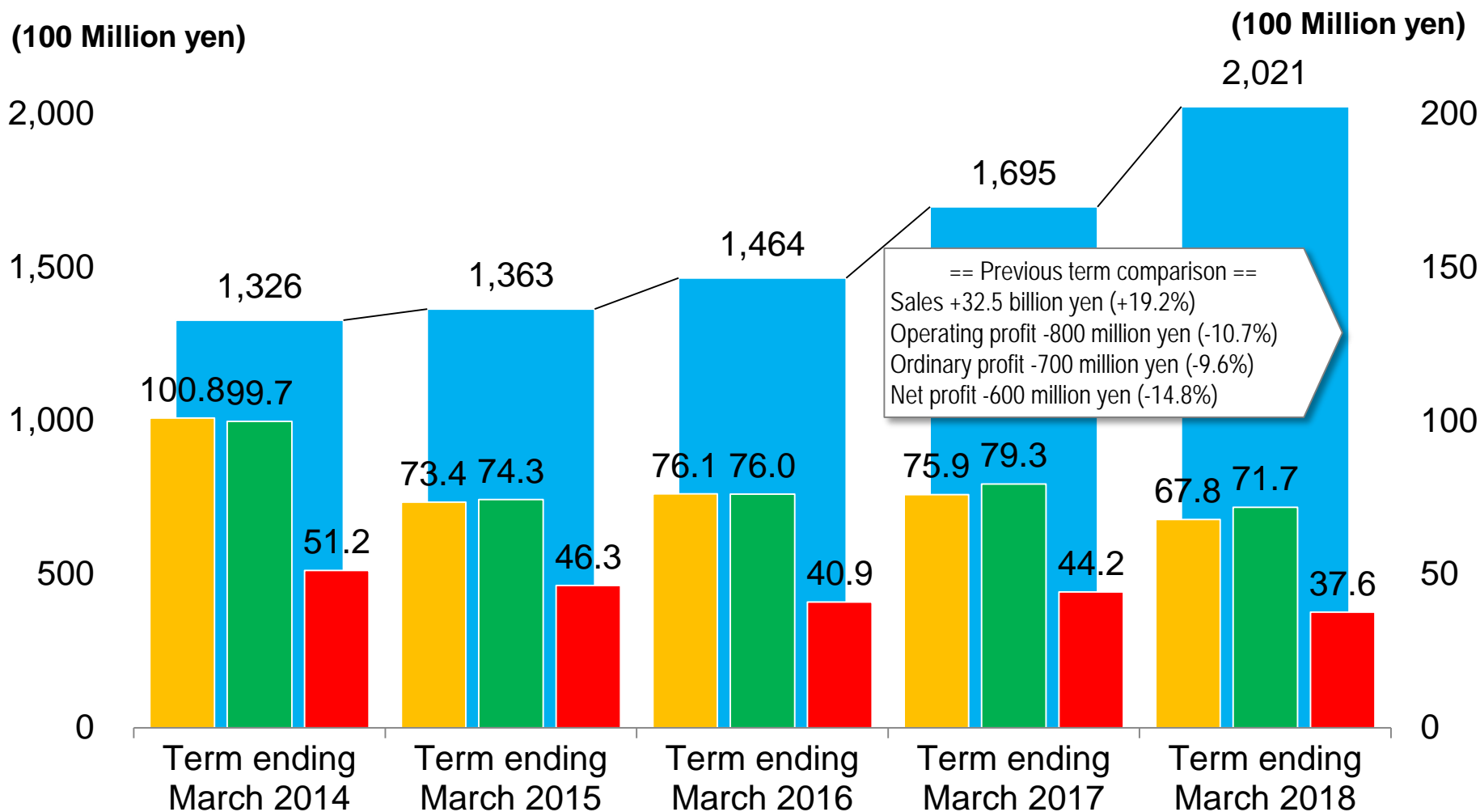
P/L for the term ending March 2018

Sales increased 19.2% compared to the previous term due to M&A

We have achieved 8 consecutive terms of increased revenue from the term ending March 2011.

■ Sales (left axis) ■ Operating profit (right axis) ■ Ordinary profit (right axis) ■ Net profit (right axis)

(100 Million yen)



Ratio of overseas sales

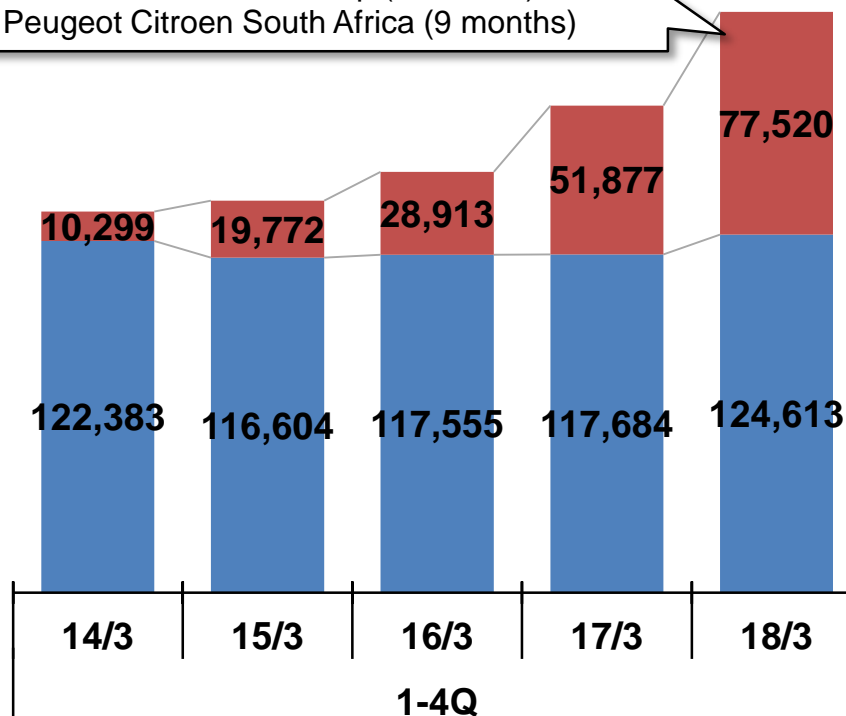
The ratio of overseas sales increased due to overseas M&A

This was because we converted Peugeot Citroen South Africa into a subsidiary in June 2017, and the results of companies turned into subsidiaries during the term ending March 2017 made a full contribution throughout the whole term

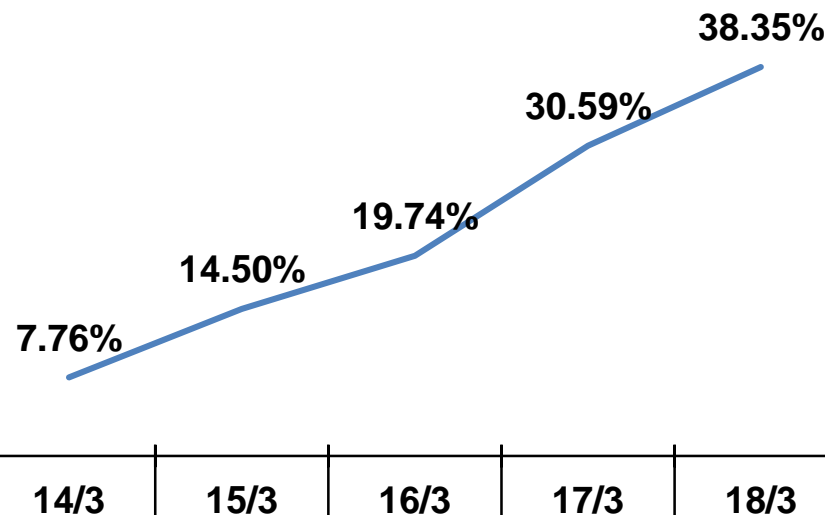
**Domestic and overseas specific -
Trend in sales (Million yen)**

■ Overseas

Wessex Garages Holdings (3 months)
Master Automocion Group (6 months)
Peugeot Citroen South Africa (9 months)



Ratio of overseas sales



14/3 | 15/3 | 16/3 | 17/3 | 18/3

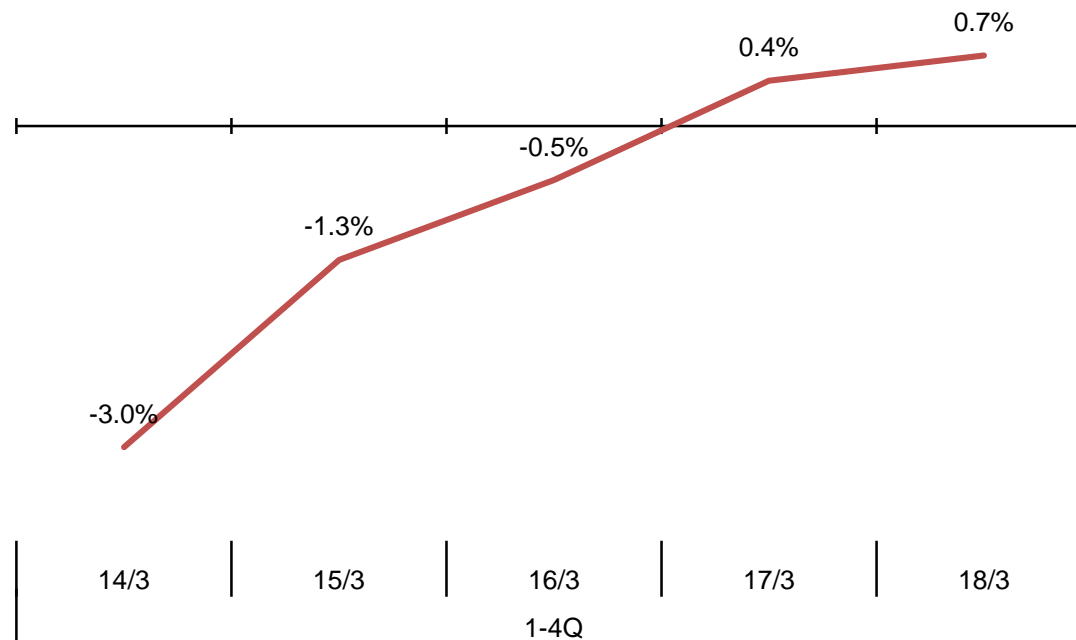
1-4Q

* The overseas sales in the figure above aggregate the sales of overseas dealers and do not include sales of secondhand vehicles exported overseas.

Ordinary profit rate of overseas dealers

We achieved both increased revenue and increased profits at overseas dealers overall.
The ongoing improvement of profit rates is an issue.

Ordinary profit rate of overseas dealers



Overseas dealers and Nissan-related dealers

(Million yen)

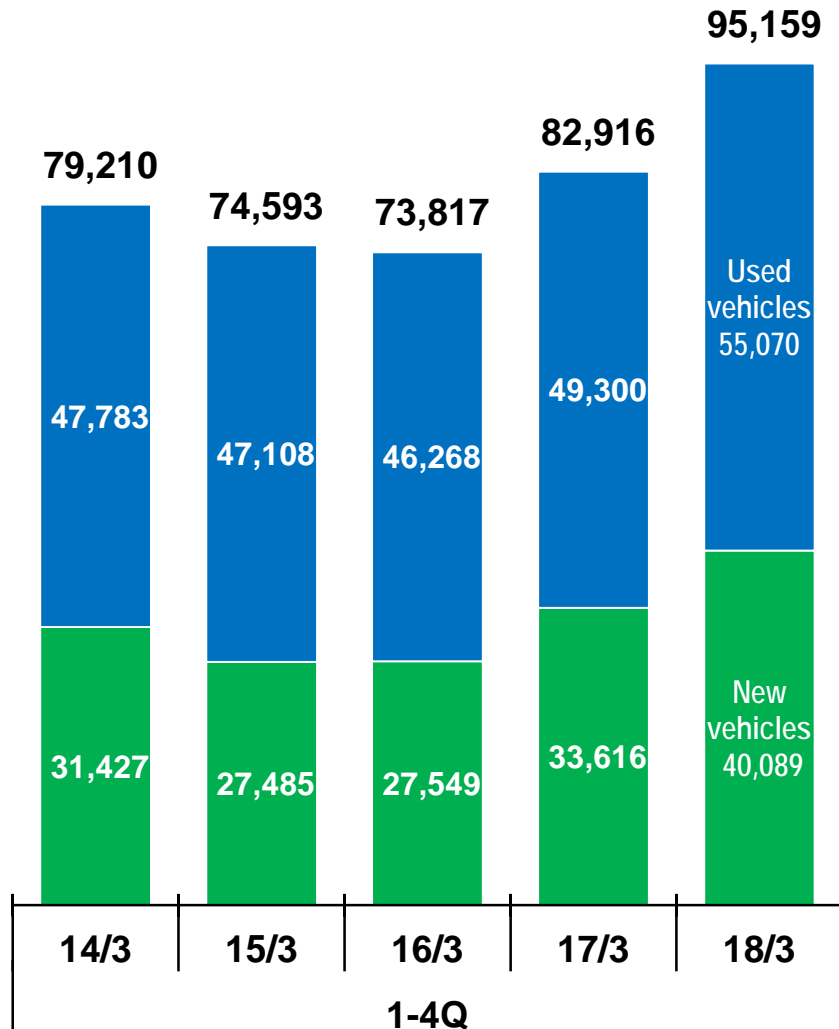
		Result for term ending March 2017	Plan for term ending March 2018	Result for term ending March 2018	Compared to previous term	Compared to plan
Consolidated total	Sales	169,560	196,000	202,133	32,572	+6,133
	Ordinary profit	7,937	8,500	7,173	△750	△1,327
	Ordinary profit rate	4.7%	4.3%	3.6%	△1.1%	△0.7%
Overseas dealers	Sales	51,876	76,046	77,520	+25,644	+1,474
	Ordinary profit	221	770	517	+296	△253
	Ordinary profit rate	0.4%	1.0%	0.7%	+0.3%	△0.3%
Domestic Nissan- related dealers	Sales	64,382	71,653	68,491	+4,109	△3,162
	Ordinary profit	5,684	5,638	4,966	△718	△672
	Ordinary profit rate	8.8%	7.9%	7.3%	△1.5%	△0.6%

* The overseas total and the total for the 5 domestic Nissan-related companies are figures calculated based on simple aggregation and because we have not processed deletions for intra-group transactions, etc., they do not strictly match the impacts in the consolidated settlement of accounts.

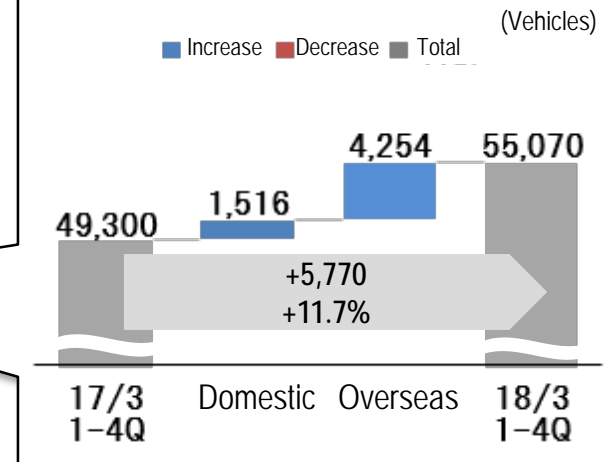
Number of vehicles sold

Overseas M&A made a significant contribution in both new and used vehicles

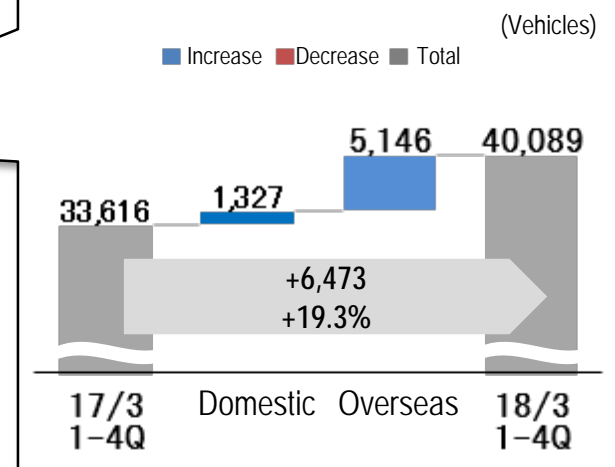
Number of vehicles sold (Vehicles)



Number of used vehicles sold (Vehicles)



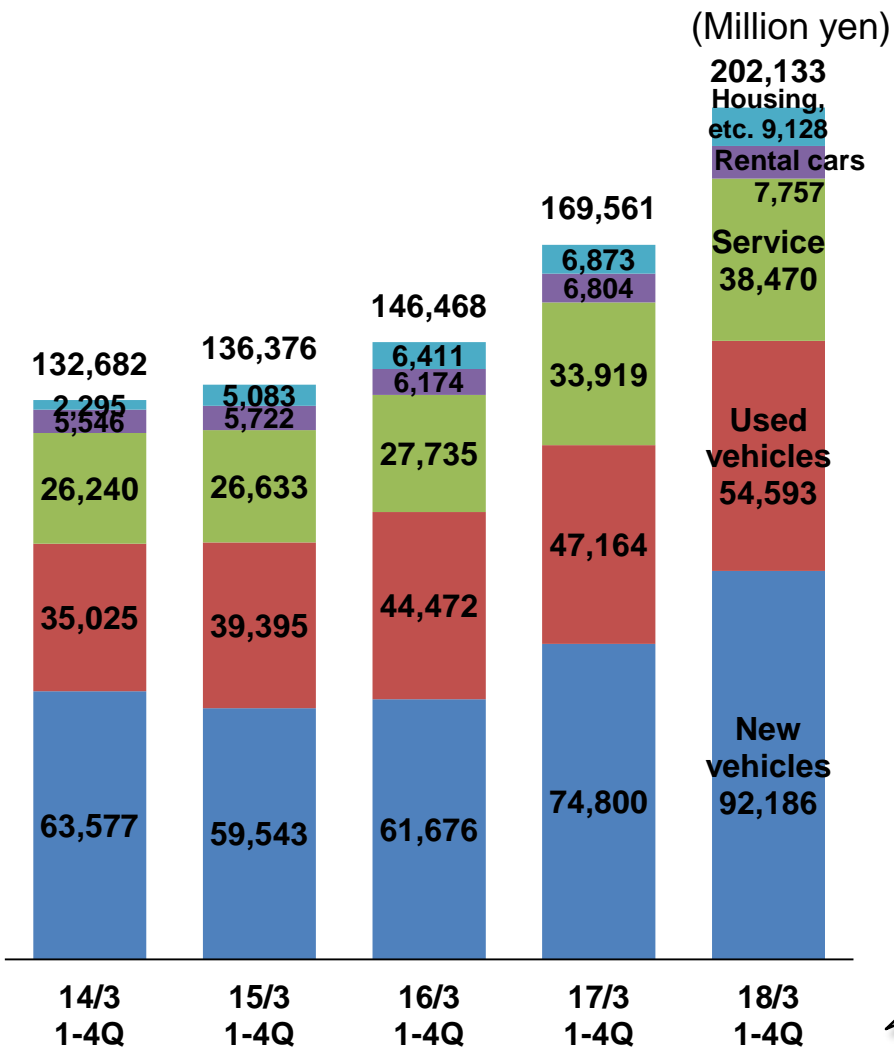
Number of new vehicles sold (Vehicles)



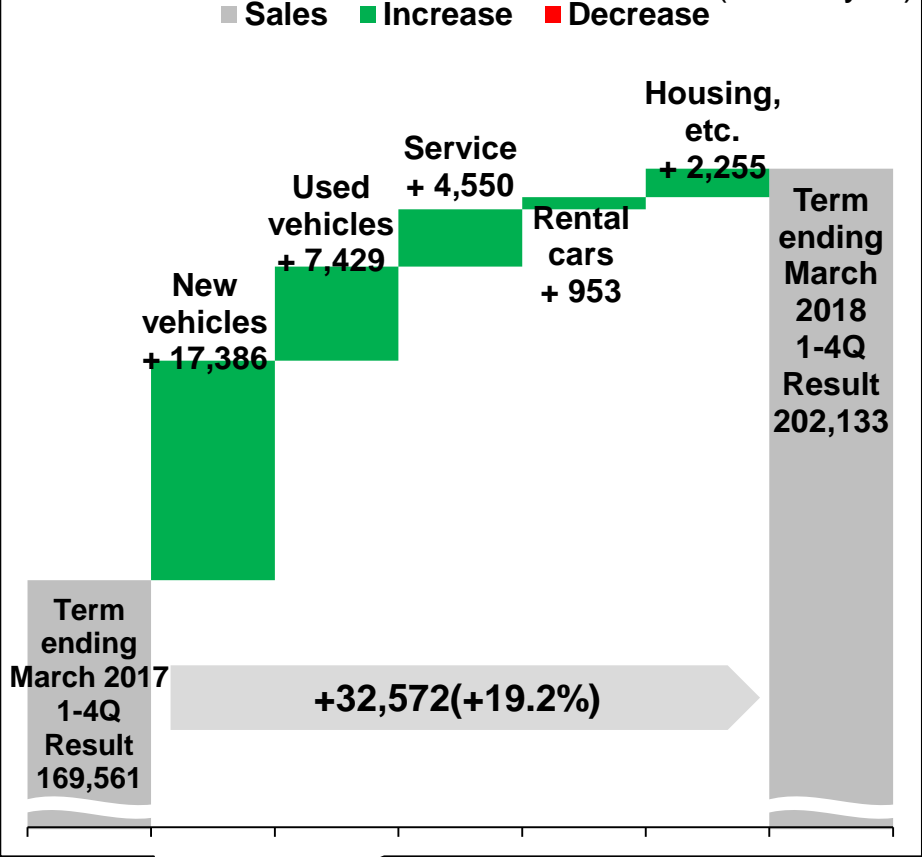
Division-specific sales

New Vehicle Division, Used Vehicle Division and Service Division contributed to increased revenue in association with M&A

Division-specific - Trend in sales



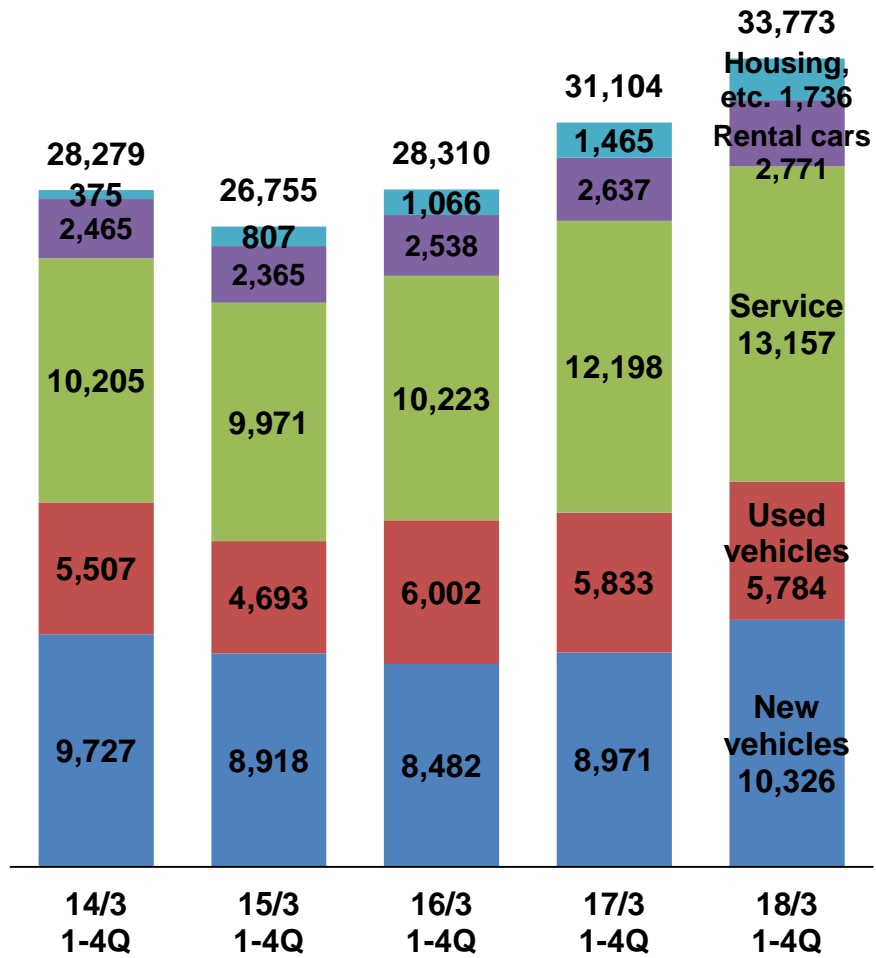
Change compared to previous term
(Million yen)



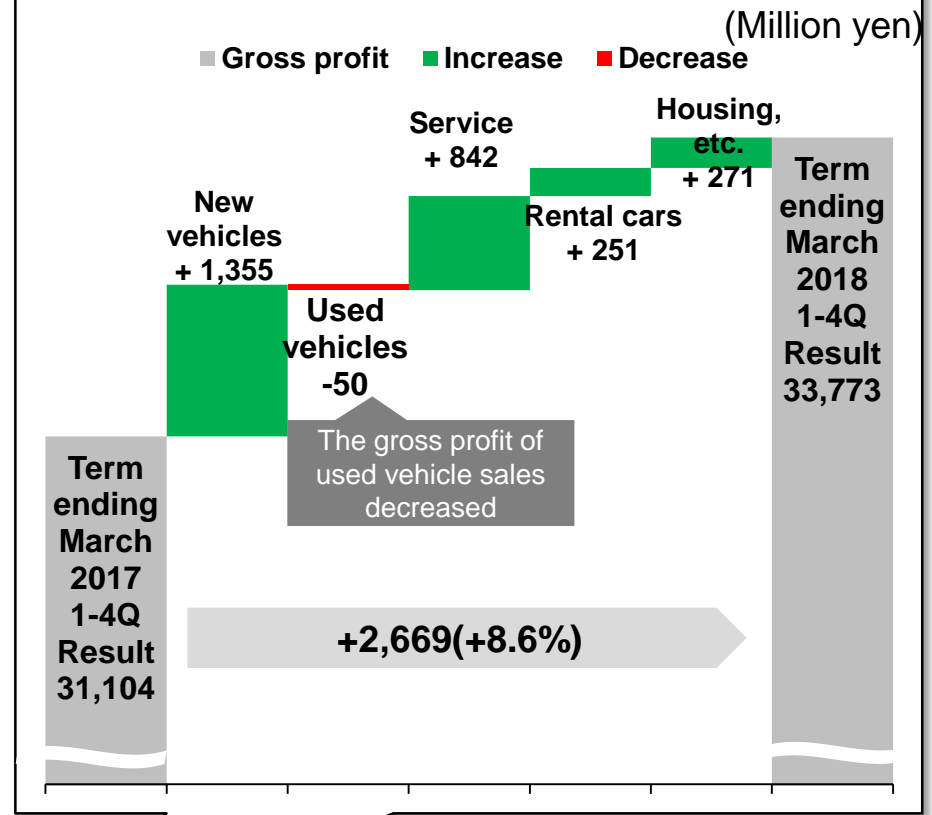
Division-specific gross profit

Compared to the previous term, New Vehicle Division and Service Division led an increase in profits

Division-specific - Trend in gross profit
(Million yen)

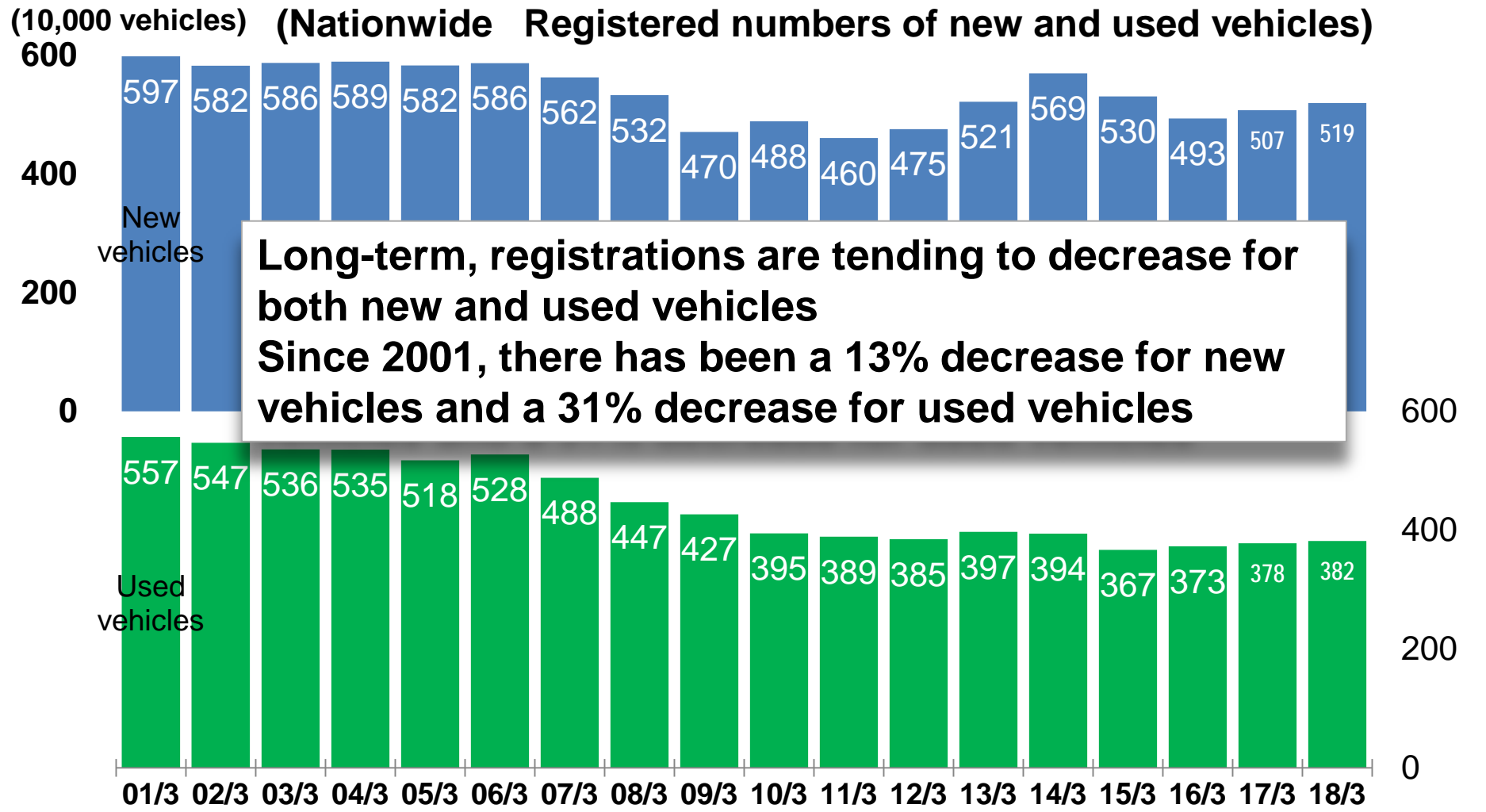


(Division specific - Gross profit - Comparison with previous term)
(Million yen)



Registered numbers of new and used vehicles

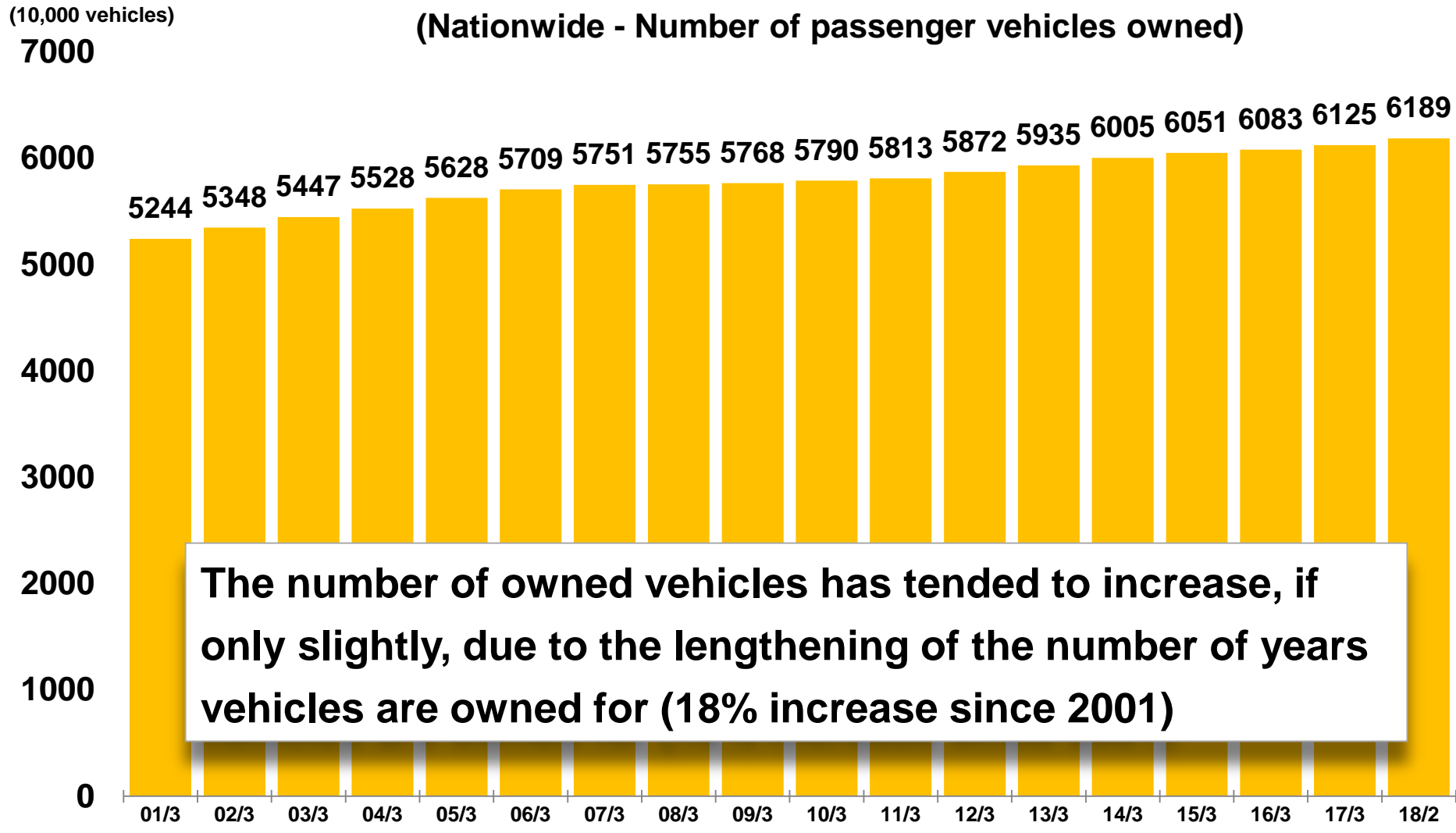
Although there are some temporary fluctuations due to the impact of economic fluctuations, tax reform and government subsidies, etc., registrations are tending to decrease long-term



* The numbers of registered vehicles are based on a survey by the Japan Automobile Dealers Association

Number of vehicles owned

Service Division has a stock business using owned vehicles as a source of revenue



The number of owned vehicles has tended to increase, if only slightly, due to the lengthening of the number of years vehicles are owned for (18% increase since 2001)

Based on a survey by the Automobile Inspection & Registration Information Association (AIRIA)

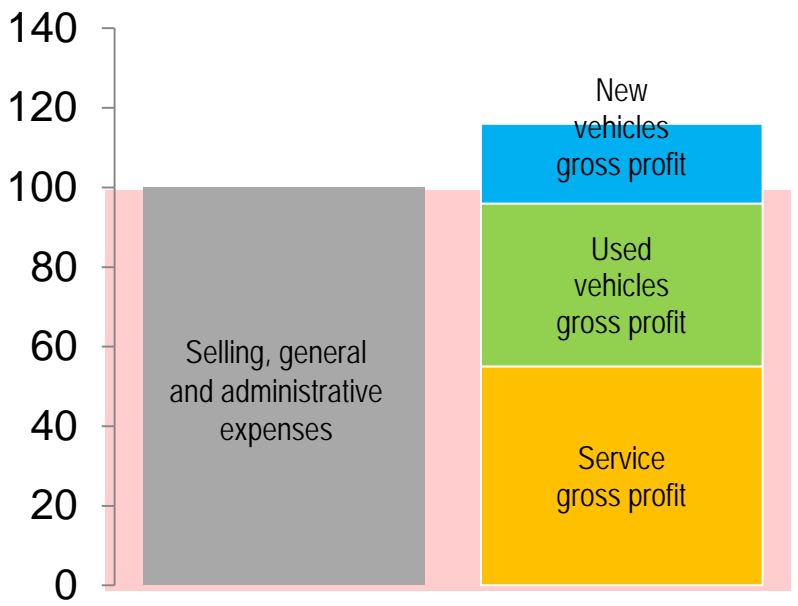
Foundational revenue cover ratio

On average the ratio is 96.0% among the main domestic dealers

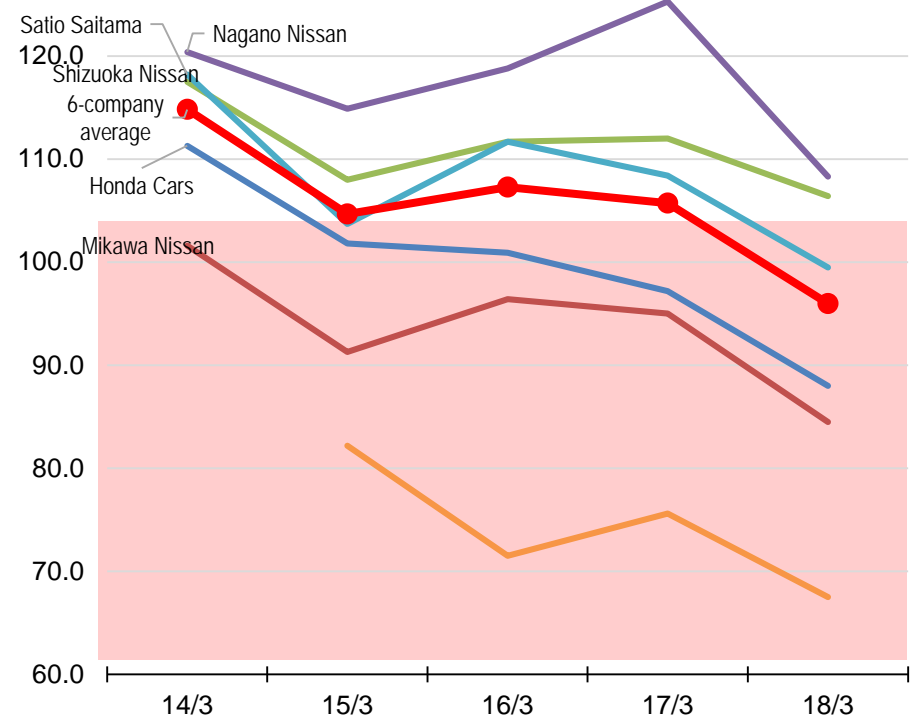
Aside from the New Vehicle Division, which is easily influenced by external factors such as the new vehicle launch cycle dependent on the manufacturer, etc., we have established a **“corporate character that will not go into the red even if we cannot sell new vehicles”** that covers costs

The main 6 companies take up 45% of the Group’s overall sales

Foundational revenue cover ratio = Gross profit excluding new vehicles / selling, general and administrative expenses



Trend in foundational revenue cover ratio



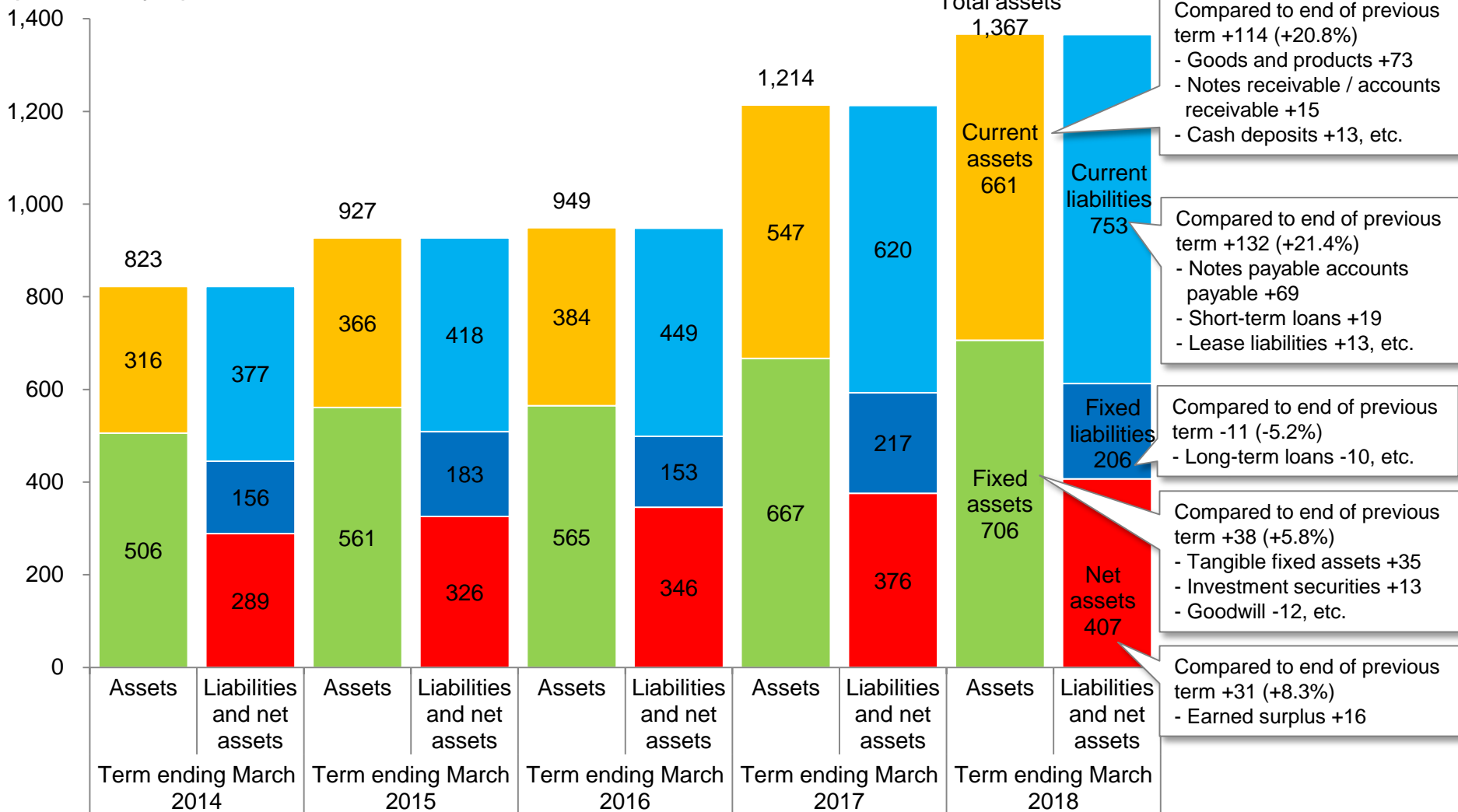
* While the foundational revenue cover ratio is based on results figures for each company prior to considerations such as consolidation adjustments, etc., some corrections have been made for comparisons of the 6 companies.

* The average is a weighted average in accordance with the sales of each company.

B/S for the term ending March 2018

In addition to positive M&A, total assets have increased by 15.3 billion yen due to investment for growth such as relocation renewal and work to remodel and refresh business premises, etc.

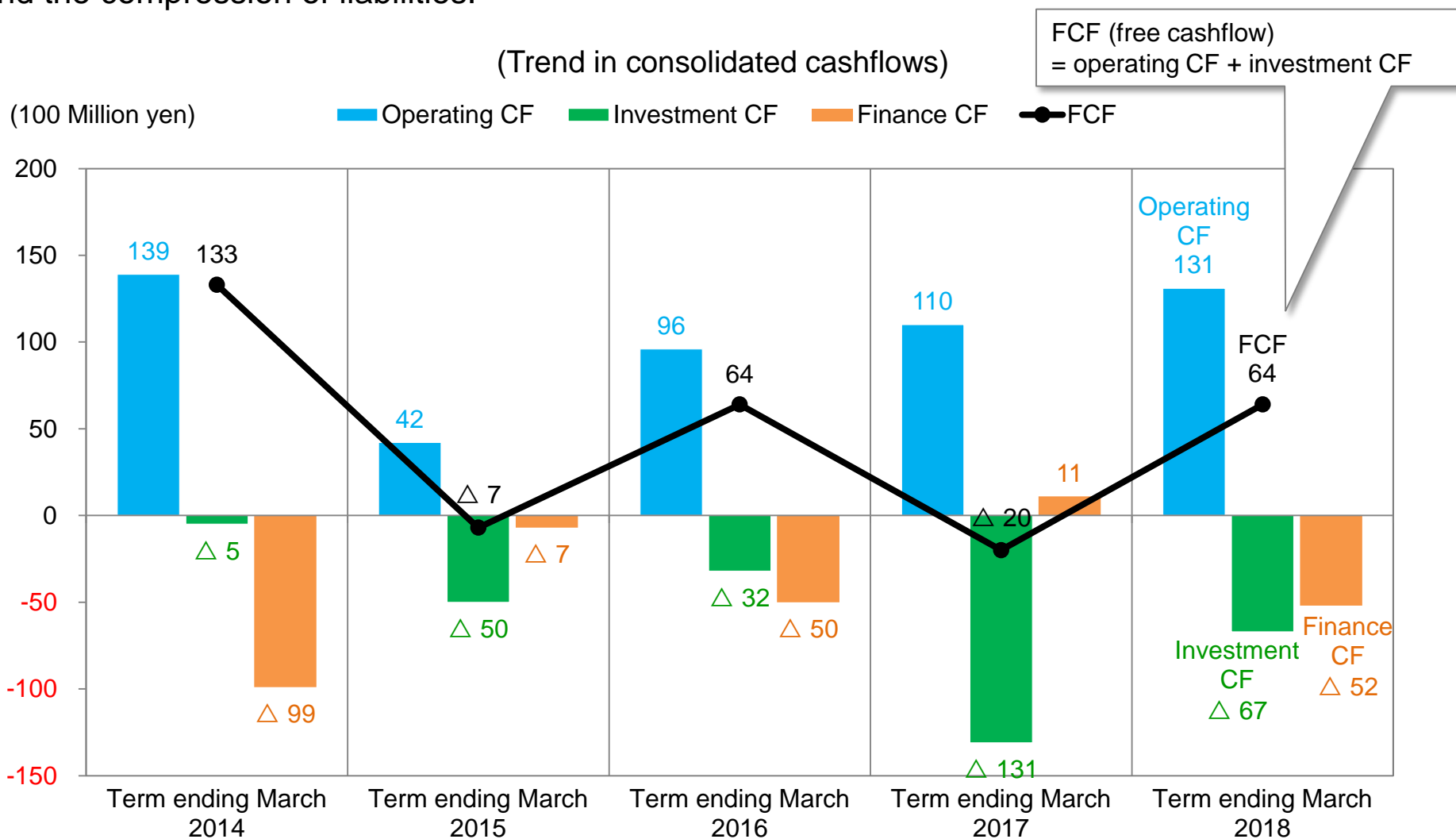
(100 Million yen)



CF for the term ending March 2018

Free cashflow recovered to 6.4 billion yen

Operating cashflow expanded. We will aim for stable growth while balancing long-term investments and the compression of liabilities.

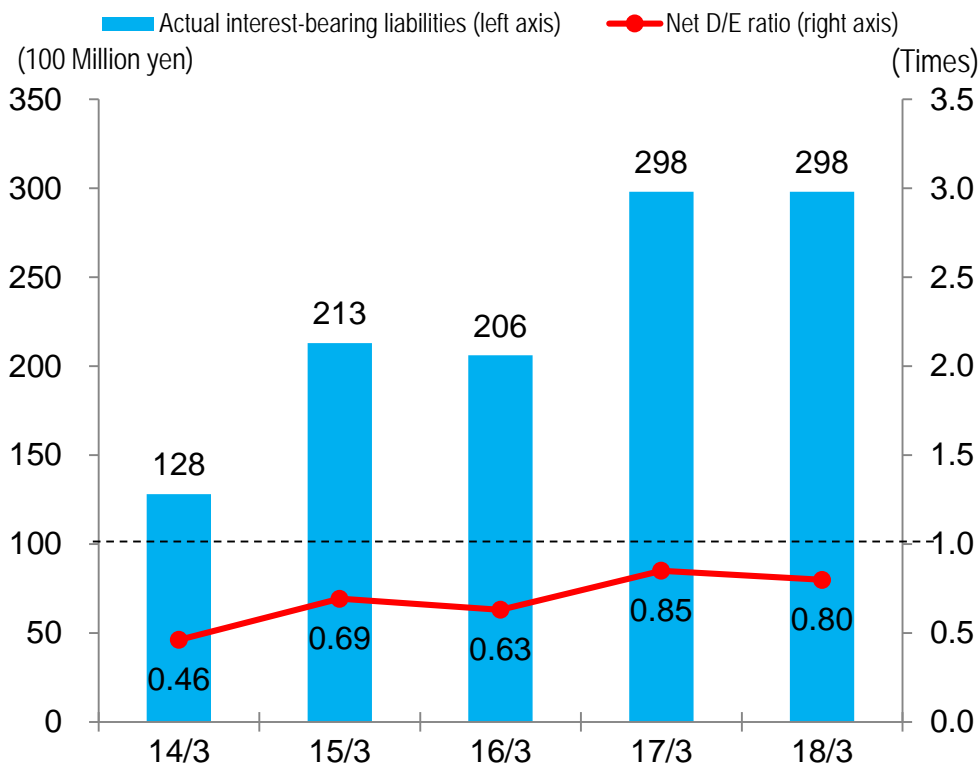


Actual interest-bearing liabilities

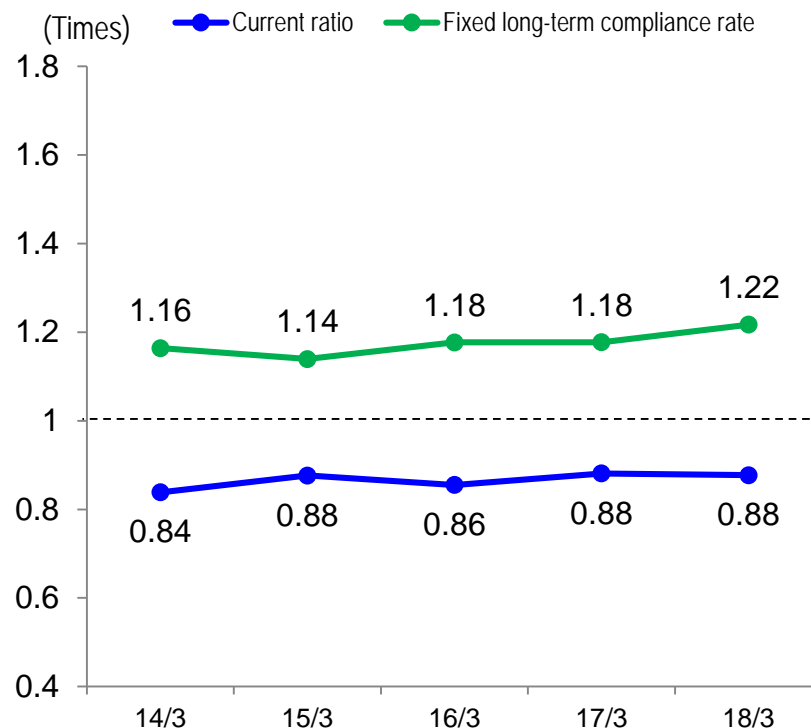
We kept the net D/E ratio to less than 1.0

Even while we implement long-term investments such as M&A and store renewals, etc., positively, we will promote the compression of interest-bearing liabilities based on the use of group finance, etc., and aim for a balanced long-term scenario.

(Actual interest-bearing liabilities)



(Current ratio and fixed long-term compliance rate)



* Actual interest-bearing liabilities = interest-bearing liabilities - cash and deposits
 * Net D/E ratio (actual debt-to-earnings ratio) = actual interest-bearing liabilities / owned capital

* Current ratio = current assets / current liabilities
 * Fixed long-term compliance rate = fixed assets / (fixed liabilities + owned capital)

Number of automobile sales bases

(As of March 2018)

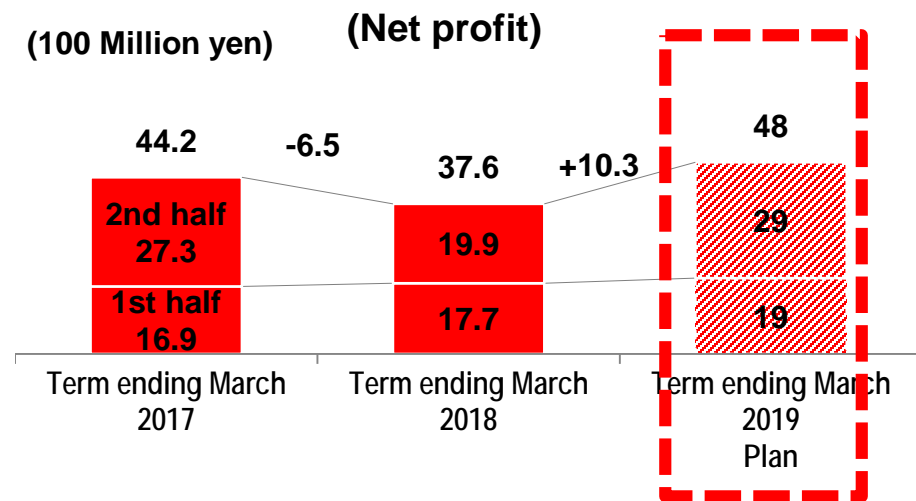
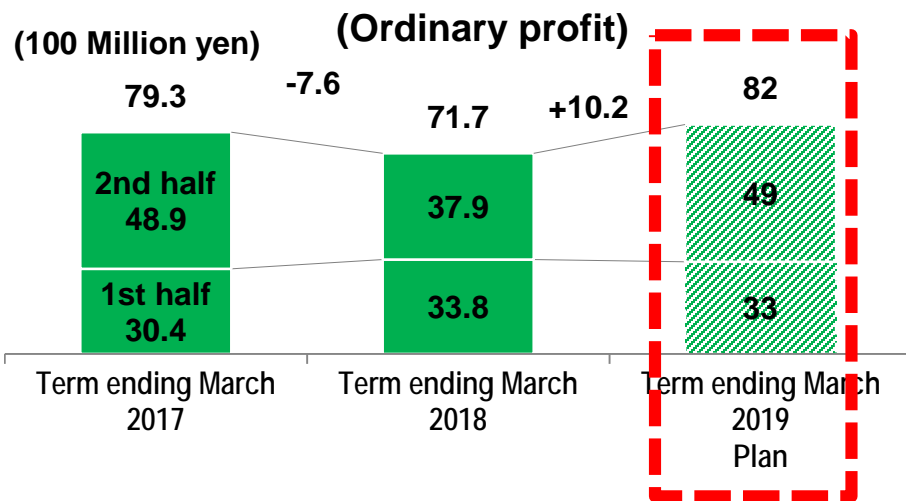
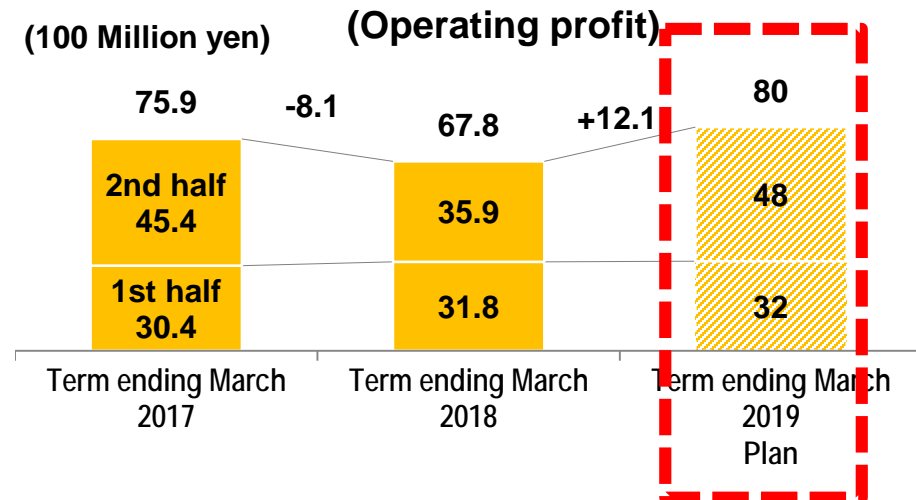
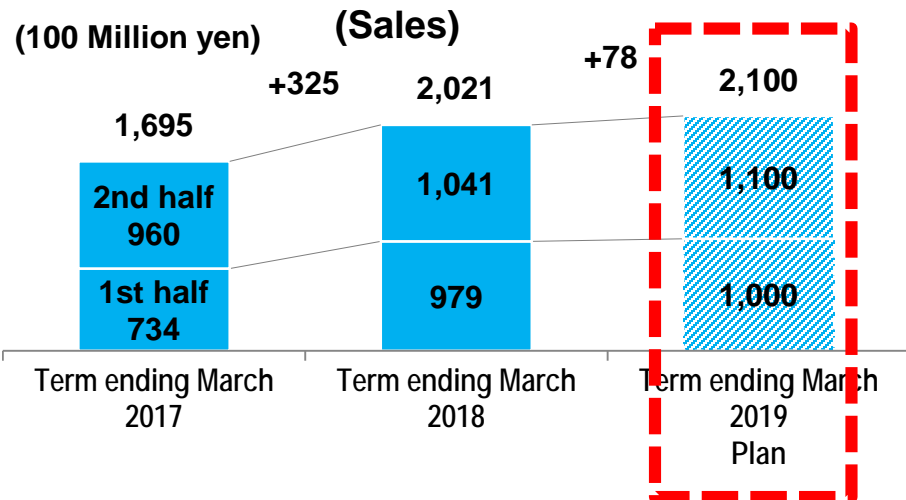
Aggregation category		Company name	Brand	New vehicles	Used vehicles	Total
Domestic	Honda	Honda Cars Tokai	Honda	27	0	27
	Nissan	Nagano Nissan Auto	Nissan	32	1	33
		Shizuoka Nissan Auto	Nissan	25	5	30
		Mikawa Nissan Auto	Nissan	11	2	13
		Nissan Satio Saitama	Nissan	17	1	18
		Nissan Satio Nara	Nissan	7	1	8
	Other dealers	FLC	Suzuki	5	5	13
			Ford	3		
			Motoren Shizuoka	BMW	3	
	Importer	LCI	Lotus	2	-	2
Rental cars	J-net Rental & Lease	-	-	1	1	
Sub-total				132	19	151
Overseas	Other dealers	CCR MOTOR	Mitsubishi / Renault / Dacia	4	-	4
		GRIFFIN MILL GARAGES	Nissan / Renault / Dacia / Kia / Fiat / Peugeot	2	-	2
		WESSEX GARAGES HOLDINGS	Nissan / Renault / Dacia / Fiat / Mazda / Kia / Hyundai	7	-	7
		TRUST ABSOLUT AUTO	Fiat / Alfa Romeo	1	-	5
			Peugeot	4		
		SKY ABSOLUT AUTO	Suzuki	3	-	3
		SCOTTS MOTORS ARTARMON	Honda	2	-	2
		MASTER AUTOMOCION GROUP (9 companies)	Toyota / Honda / Mazda / Subaru / Hyundai / SsangYong / Opel / Kia / Jaguar Land Rover	27	1	28
Sub-total				50	1	51
Total				182	20	202

Kia and Jaguar Land Rover were added during the term due to M&A.

Full-term results forecast for the term ending March 2019

The forecast is that we will achieve record high sales

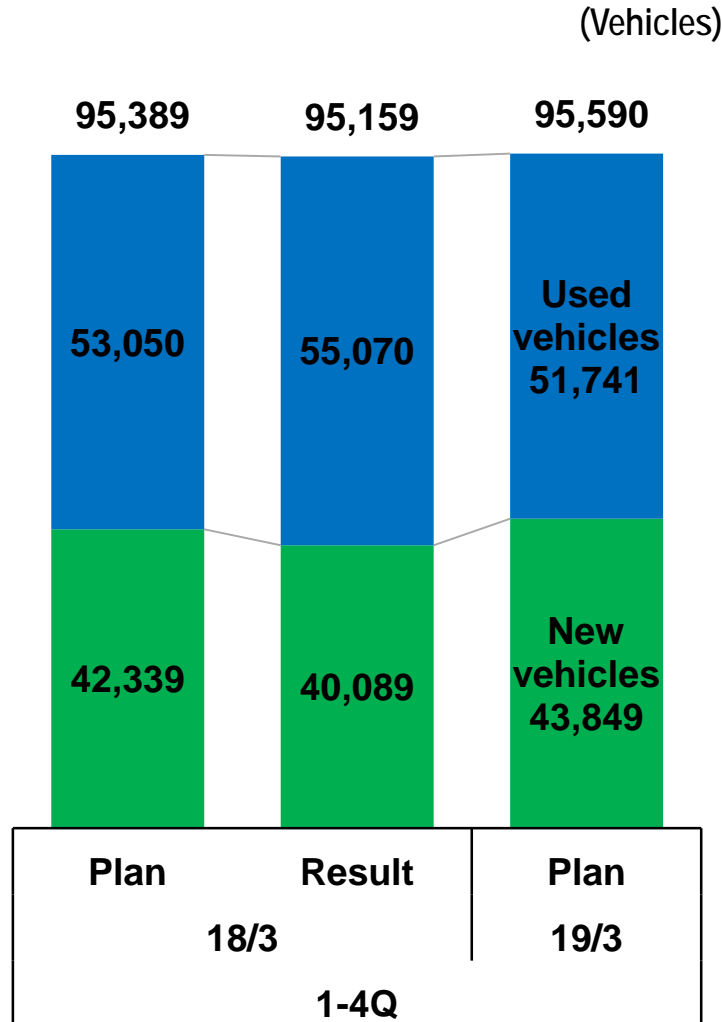
Negative factors in new vehicle sales due to the unqualified inspection problem will disappear and increased revenue and profits are anticipated.



Planned number of vehicles to be sold in the term ending March 2019

The number of Nissan vehicles to be sold domestically is forecast to recover

Number of vehicles sold



	18/3		19/3
	Plan	Result	Plan
Total new vehicles	42,339	40,089	43,849
Domestic	22,509	21,751	23,118
Nissan	14,540	14,018	14,794
Honda	6,200	6,212	6,630
Other	1,769	1,521	1,694
Overseas	19,830	18,338	20,731
Total used vehicles	53,050	55,070	51,741
Domestic	35,858	36,637	36,155
Nissan	19,523	20,324	19,399
Honda	4,862	6,508	6,000
Other	11,473	9,805	10,756
Overseas	17,192	18,433	15,586

Estimated foreign exchange rates in the term ending March 2019

The plan for the term ending March 2019 has been calculated based on the rates at the end of March.

Region	Currency	Exchange rate planned for the term ending March 2019
UK	Pound	148.87 yen / pound
Spain	Euro	134.95 yen / euro

Amount of impact if the estimated rate falls by 1 yen

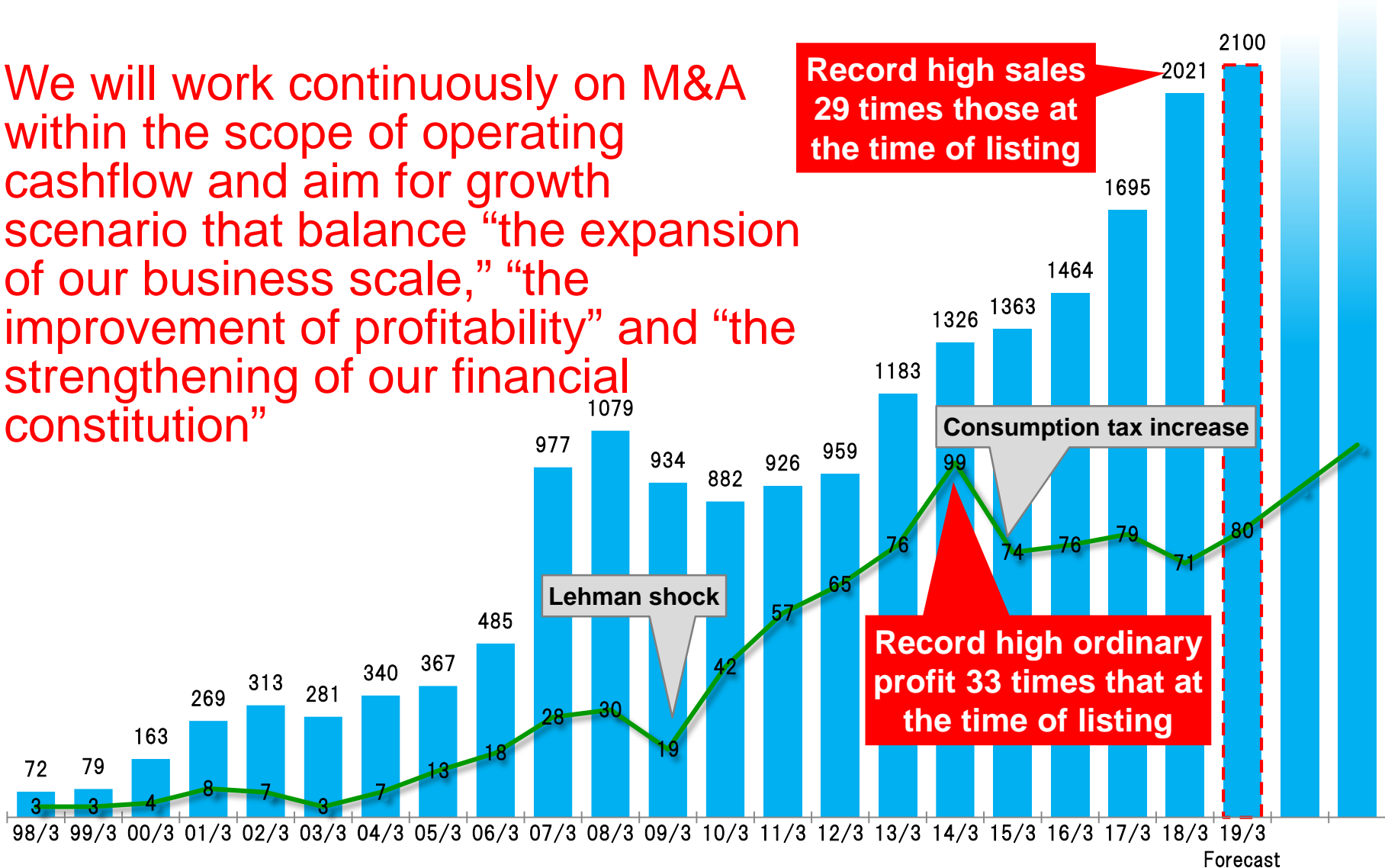
Currency	Sales	Ordinary profit
Pound	+275 million yen	+2.0 million yen
Euro	+239 million yen	+4.0 million yen

* The impact amounts above have been calculated by applying an estimated rate 1 yen lower to the foreign currency-denominated figures

Sales and ordinary profit since public listing

■ Sales (left axis) — Ordinary profit (right axis) (100 Million yen)

We will work continuously on M&A within the scope of operating cashflow and aim for growth scenario that balance “the expansion of our business scale,” “the improvement of profitability” and “the strengthening of our financial constitution”



Record high sales 29 times those at the time of listing

Record high ordinary profit 33 times that at the time of listing

Lehman shock

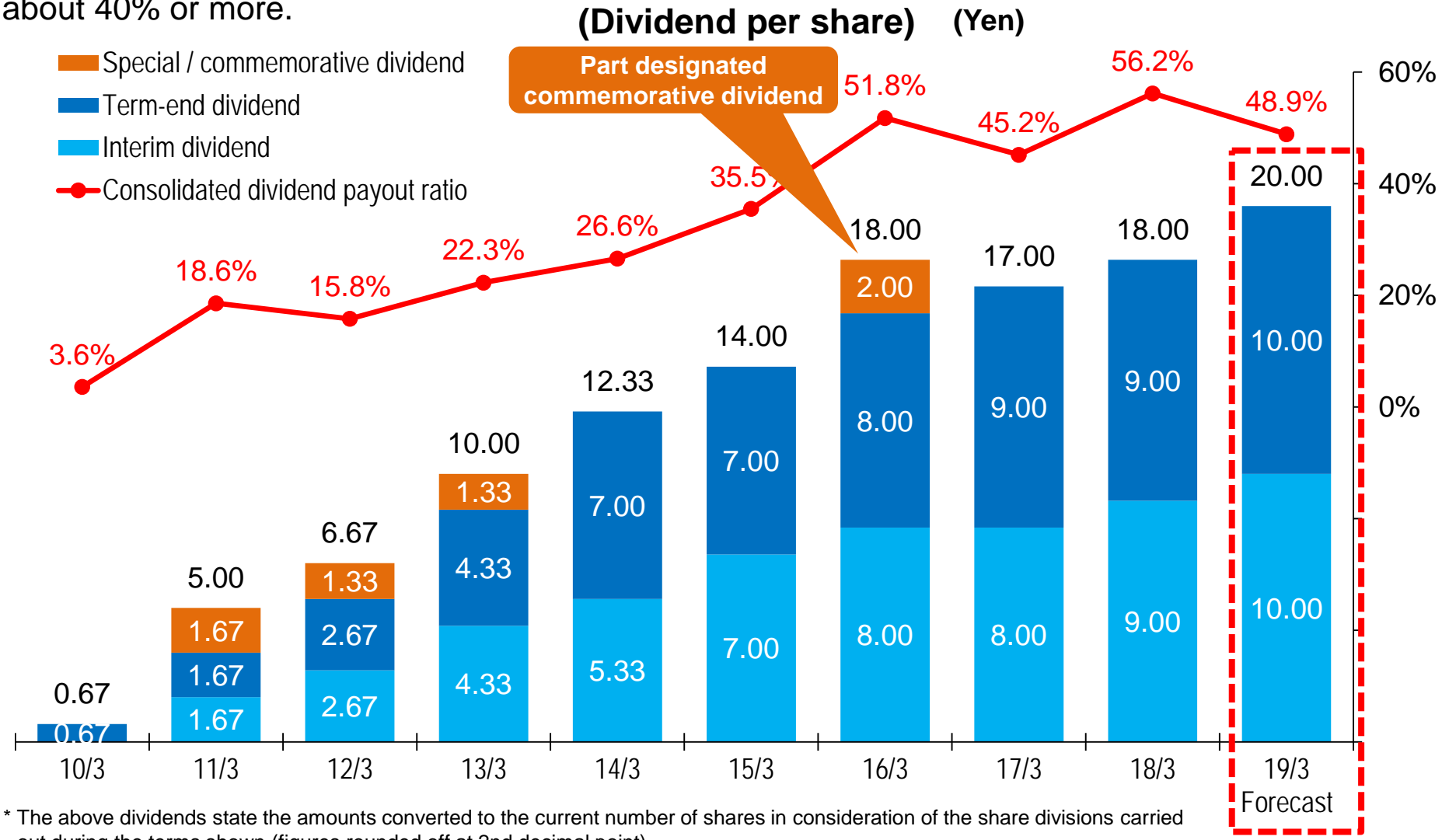
Consumption tax increase

Forecast

Dividend policy

Forecast of an annual dividend of 20 yen for the term ending March 2019 (increase of 2 yen compared to previous term)

We are planning to implement ongoing dividends aiming for a consolidated dividend payout ratio of about 40% or more.



* The above dividends state the amounts converted to the current number of shares in consideration of the share divisions carried out during the terms shown (figures rounded off at 2nd decimal point).

A dealer beyond all others

VT Holdings Co., Ltd. (hereinafter referred to as the “Company”) prepared this document as a reference for investors aimed at having investors understand the current circumstances of the Company.

The information stated in this document has been prepared based on the generally recognized state of the economy and society and certain assumptions that the Company judged to be reasonable as of May 22, 2018, but it is possible that this document will be revised without notice due to reasons such as changes in the management environment, etc.

Investors are asked to please make investments at their own judgment.

Enquiries concerning this document

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HP **<http://www.vt-holdings.co.jp/eng/>**

TEL **052-203-9500**

Reference: Company overview

As of May 2018

Company name	VT Holdings Co., Ltd.
Head Office location	Nishiki 3-chome, Naka-ku, Nagoya-shi, Aichi 460-0003
Established	March 1983 (predecessor: Honda Verno Tokai)
Representative	Kazuho Takahashi, President & CEO
Capital	4.2973 billion yen
Number of shares outstanding	119,381,034 shares
Description of main business	<p>Automobile sales-related business (ratio of sales: 95%) Automobile dealers, importers, used car exports, rental cars</p> <p>Housing-related business (ratio of sales: 5%) Condominium sales, detached housing sales, building contracting, etc.</p>
Number of employees	Consolidated: 4,068 people Non-consolidated: 19 people * Including 623 temporary employees
Group composition	Consolidated companies: 44, Affiliated companies by application of the equity method: 4

Reference:

Business description and main subsidiaries

We have 44 consolidated subsidiaries. VT Holdings is a holding company As of March 2018

VT Holdings

Automobile sales-related business

Automobile dealers

Overseas

Honda Cars Tokai

Nissan Satio Nara

CCR MOTOR

Nagano Nissan Auto

FLC

GRIFFIN MILL GARAGES

Shizuoka Nissan Auto

Motoren Shizuoka

SCOTTS MOTORS ARTARMON

Mikawa Nissan Auto

TRUST ABSOLUT AUTO

WESSEX GARAGES HOLDINGS

Nissan Satio Saitama

SKY ABSOLUT AUTO

MASTER AUTOMOCION GROUP

* Total: 15 companies

Importer

Acquired shares
in June 2017

LCI

Used vehicle exports

Trust

PCI

Rental cars

PEUGEOT CITROEN SOUTH AFRICA

J-net Rental & Lease

Housing-related business

MG Home

Archish Gallery

MIRAIZ

Reference: M&A-based growth strategy

March 1999	Honda Motor Sales Meinan Co., Ltd.	Honda dealer (5 stores)	Stock acquisition	Currently Honda Cars Tokai
March 1999	Ford Life Chubu Co., Ltd.	Ford dealer (9 stores)	Stock acquisition	
June 1999	ORIX Rent-A-Car Chubu Corporation	Rental car company (2 stores)	Business acquisition	Currently J-net Rental & Lease
April 2000	Honda Verno Gifu Co., Ltd. Chukyo Honda Co., Ltd.	Honda dealer (2 stores) Honda dealer (3 stores)	Business acquisition Stock acquisition	Currently Honda Cars Tokai
June 2000	ORIX Rent-A-Car Osaka Corporation	Rental car company (4 stores)	Business acquisition	Currently J-net Rental & Lease
May 2001	Archish Gallery Co., Ltd.	Custom-built home sales (2 stores)	Business acquisition	
March 2003	Trust Co., Ltd.	Used vehicle exports	Stock acquisition	
April 2005	LCI Ltd.	General agent for Lotus imports (1 store)	Underwriting of capital increase	
January 2006	Nagano Nissan Auto Co., Ltd.	Nissan dealer (41 stores)	Stock acquisition	
July 2006	Shizuoka Nissan Auto Co., Ltd. Mikawa Nissan Auto Co., Ltd.	Nissan dealer (39 stores) Nissan dealer (13 stores)	Stock acquisition Stock acquisition	
February 2011	Western Breeze Trading 23 (Pty) Ltd	Republic of South Africa Peugeot, Fiat and Alfa Romeo dealer (2 stores)	Underwriting of capital increase	Currently TRUST ABSOLUT AUTO (PTY) LTD
October 2011	SOJITZ ABSOLUT AUTO(PTY)LTD	Republic of South Africa Suzuki dealer (3 stores)	Underwriting of capital increase	Currently SKY ABSOLUT AUTO (PTY) LTD
April 2012	Nissan Satio Saitama Co., Ltd.	Nissan dealer (21 stores)	Stock acquisition	
	COLT CAR RETAIL LIMITED	UK Mitsubishi dealer (11 stores)	Stock acquisition	Currently CCR MOTOR CO., LTD.
April 2014	Nissan Satio Nara Co., Ltd.	Nissan dealer (7 stores)	Stock acquisition	
August 2014	MG Home Co., Ltd.	Condominium developer in the area centered on Nagoya	Share exchange	
October 2014	Scotts Motors Artarmon Pty Ltd	Australian Honda dealer (2 stores)	Stock acquisition	
December 2014	Griffin Mill Garages Limited	UK Nissan, Kia, Fiat and Peugeot dealer (2 stores)	Stock acquisition	
April 2016	Sansei Automobile Sales Co., Ltd.	BMW dealer (6 stores)	Business acquisition	Currently Motoren Shizuoka Co., Ltd.
May 2016	Wessex Garages Holdings Limited	UK multi-brand automobile dealer (7 stores)	Stock acquisition	
October 2016	Master Automocion Group	Spanish multi-brand automobile dealer (20 bases)	Stock acquisition	Total of 12 companies including holding company
June 2017	PEUGEOT CITROEN SOUTH AFRICA(PTY)LTD	Republic of South Africa Peugeot and Citroen importer	Stock acquisition	Joint venture with Peugeot

Reference: Number of group employees

(As of March 2018)

Segment	Region	Company name	Number of employees	Number of temporary employees	Total number of employees
Automobile sales	Domestic	Honda Cars Tokai Co., Ltd.	330	10	340
		Nagano Nissan Auto Co., Ltd.	452	17	469
		Shizuoka Nissan Auto Co., Ltd.	345	22	367
		Mikawa Nissan Auto Co., Ltd.	210	11	221
		Nissan Satio Saitama Co., Ltd.	206	1	207
		Nissan Satio Nara Co., Ltd.	91	5	96
		FLC Co. Ltd.	77	17	94
		Motoren Shizuoka Co., Ltd.	71	0	71
		LCI Limited	21	0	21
		PCI Co., Ltd.	9	0	9
		Trust Co., Ltd.	36	0	36
		J-net Rental & Lease Co., Ltd.	160	349	509
		Other	105	16	121
	Overseas	TRUST ABSOLUT AUTO(PTY)LTD.	103	0	103
		SKY ABSOLUT AUTO(PTY)LTD.	89	0	89
		CCR MOTOR CO.LTD.	72	2	74
		Griffin Mill Garages Limited	129	5	134
		Scotts Motors Artarmon PTY LTD	55	22	77
		Wessex Garages Holdings Limited	330	8	338
		M Automocion Group	431	126	557
PEUGEOT CITOROEN SOUTH AFRICA	28	0	28		
Sub-total			3,350	611	3,961
Housing-related	Domestic	MG Home Co., Ltd.	25	1	26
		MG General Service Co., Ltd.	22	7	29
		Archish Gallery Co., Ltd.	23	3	26
		Miraiz Co., Ltd.	6	1	7
Sub-total			76	12	88
Other	Domestic	VT Holdings Co., Ltd.	19	0	19
		Sub-total	19	0	19
Total			3,445	623	4,068

* The number of employees is the number of regular employees. Also, the numbers of temporary employees are the figures calculated matched to the working hours of regular employees.