

VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

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

Supervision analyst Yojiro Kindaichi

	Date of Announcement	Zip Code	Address		Telephone Number
Basic Information	27-Sep-16	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
	[Dividend Yield]	3.3 %	[Interim Dividends] YES		[Market Value (million yen)] 58,735
	[Shareholder Yield]	- %	[Up/Down Ratio (high price)] -43.4		[PER Estimate] 15.2
	[Real Yield]	- %	[Up/Down Ratio (low price)] 492.8		[PBR (x)] 1.84
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
	FY3/13	118,317	7,659		44.9
	FY3/14	132,682 12.1%	9,976 30.3%		46.3
	FY3/15	136,376 2.8%	7,434 -25.5%		39.4
	FY3/16	146,468 7.4%	7,603 2.3%		34.8
FY3/17* KCR	168,438 15.0%	7,580 -0.3%		38.1	
FY3/18* KCR	185,282 10.0%	10,191 34.4%		50.2	
	*KCR Estimate				
Investment Opinion	Overall Rating				
	+2 BUY				
	★★★★				
	Target Share Price				
	664 YEN				
	Current Share Price		492 YEN		

VT HOLDINGS CO.,LTD.

13-week MA

26-week MA

2015/10

2015/12

2016/2

2016/4

2016/6

2016/8

2016/9/23

Volume

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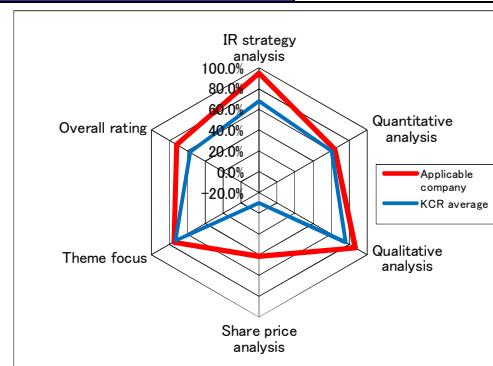
http://stocks.finance.yahoo.co.jp

One-year chart



One-year chart

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 3.9% above the KCR average in quantitative analysis and 10.9% above average in qualitative analysis. The company's share price has been hovering 51.7% below the average price while the company's IR strategy is 27.0% above average. Meanwhile, the company's theme focus is 2.0% above average. Considering that the company's overall rating is 15.0% above average, KCR Inc. sets a target price of 664 yen.



	IR strategy analysis	Quantitative analysis	Qualitative analysis	Share price analysis	Theme focus	Overall rating
Applicable company	95.0%	63.9%	86.8%	41.5%	75.0%	72.2%
KCR average	68.0%	60.0%	75.9%	-10.2%	73.0%	57.2%
Difference	27.0%	3.9%	10.9%	51.7%	2.0%	15.0%

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27-Sep-16



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

【Share Price】

492 YEN

【Market Value】

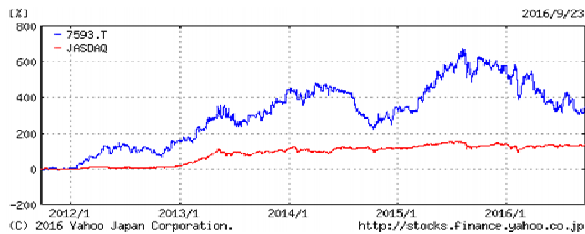
58,735 million yen

Overall Rating

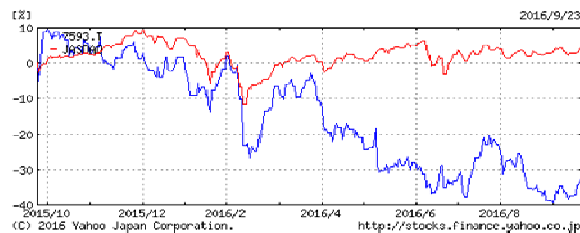
+2 BUY

【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.

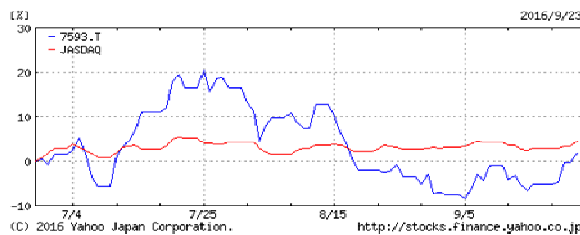
Last Rating	+2 BUY
Reference Stock Price	664 YEN



Five-year Index Comparison(JQ)



One-Year Index Comparison(JQ)



Three-Month Index Comparison(JQ)



Five-Year Chart



One-Year Chart



Three-Month Chart

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		Total Evaluation Index		
★★★	★★★	★★★	★★★	★★★★	★★★	★★★	Evaluation Index	75.0%					
3.0	3.0	3.0	2.7	4.3	3.2	3.2	63.9%						
Qualitative Analysis Rating													
Overall rating				86.8%	★★★★★								
Strategy rating				85.5%	★★★★★	Consistency		100.0%	★★★★★	Cost leadership strategy		83.3%	★★★★★
Threat of new entrants				82.5%	★★★★★	Important point		100.0%	★★★★★	Differentiation strategy		77.3%	★★★★★
Intensity of competitive rivalry				66.7%	★★★★★	Planning ability		90.0%	★★★★★	Concentration strategy		100.0%	★★★★★
Threat of substitute products or services				100.0%	★★★★★	Purposefulness		100.0%	★★★★★	Cost leadership strategy risk		80.0%	★★★★★
Bargaining power of customers				72.2%	★★★★★	Top Management		97.1%	★★★★★	Differentiation strategy risk		66.7%	★★★★★
Bargaining power of suppliers				64.3%	★★★★★	Company analysis		95.8%	★★★★★	Concentration strategy risk		100.0%	★★★★★

VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

Company Profile
and History

Ongoing Growth through M&A as an Auto Dealer Holding Company

VT Holdings Co., Ltd., is an auto dealer holding company located in Aichi Prefecture. Operating mainly as an auto dealer handling Nissan and Honda vehicles, the Group is engaged in auto-related businesses including used car exports and rental cars.

VT Holdings' core growth strategy is M&A. The goal of the company's listing was to engage in M&A to achieve growth. The year after listing and every year since, they have engaged in M&A boasting an extremely high growth rate.

Approximately 60% of overall net sales comes from VT Holdings' six main subsidiaries: Honda Cars Tokai, Nagano Nissan Auto Sales, Shizuoka Nissan Auto Sales, Mikawa Nissan Auto Sales, Nissan Satio Saitama, and Nissan Satio Nara, approximately 46% of which was from Nissan-affiliated dealers. In recent years, the company is focusing efforts on overseas M&A, acquiring Scotts Motors Artarmon (Australia) in October 2014 and Griffin Mill Garages (England) in December that same year. The company also acquired shares in Wessex Garages Holdings (England) in May 2016, with the most recent overseas net sales ratio indicating rapid growth up to approximately 25%. In April 2016, VT Holdings also began handling the BMW brand as the result of a business transfer of an official BMW dealership in Shizuoka Prefecture.

In addition to auto dealer businesses, VT Holdings operates Trust Co., Ltd. (3347, listed on TSE Mothers), as a subsidiary engaged in used car exports 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. MG Home subsidiary Archish Gallery Co., Ltd., is engaged in the custom-built luxury home business.

Features and
Strengths

Rapid Achievement of High Growth and Stable Profit

There are three major strategies for VT Holdings' business growth model. The first is an M&A strategy, which they have aggressively carried out since their stock listing. The second is a high base profit cover ratio. The third is a stock-type business model. They aim to rapidly achieve high growth and stable profit with these three strategies.

While the M&A strategy is the source of VT Holdings' growth, rapid monetization of acquired companies is another feature. Nissan Satio Saitama, which VT Holdings acquired in 2012, was on the verge of bankruptcy. After the acquisition, Nissan Satio Saitama became a top-class dealer among Nissan-affiliated dealers just half a year later.

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 is an index indicating how much the profit from divisions excluding new cars can cover the sales, general, and administrative expenses. When 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 previous fiscal year was 107.3%, indicating they are not greatly affected by new car sales.

Approximately 60% of gross profit is from the service division, and when gross profit from used car sales is added, the base profit cover ratio is already over 100%. Regarding the improvement of service-related revenue, the company adopts a stock business model where the source of earnings is derived from the number of cars owned, rather than new car sales. Thus, increasing the number of cars that the VT group deals with leads to a higher earnings ratio. As a result, there is a large gap between overall VT Group operating income margin and the industry average.

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Latest
Performance**Achieved Record Net Sales in First Half of Fiscal Year, Impacted by Mitsubishi Motors Scandal**

In the first half of the fiscal year ended March 31, 2016, VT Holdings achieved record consolidated net sales. Net sales, operating income and ordinary income increased year on year. The company's financial position has improved as a result of this strong performance. Shareholders' equity increased ¥1.8 billion compared to the previous fiscal year, to ¥32.7 billion, resulting in a capital adequacy ratio of 34.4%, a 1.1% improvement over the previous fiscal year.

In the first quarter of the fiscal year ending March 31, 2017, net sales were ¥31,856 million (-7.4% YoY), operating income was ¥964 million (-30.2% YoY), ordinary income was ¥892 million (-38.2% YoY) and net income was ¥436 million (-27.7% YoY).

The lackluster performance in the first quarter of the current fiscal year reflects the significant impact of the Mitsubishi Motors fuel efficiency data scandal, which caused the Nissan Motor Company, a destination for VT Holdings vehicles, to stop selling two of its light vehicle models from April to June. Also, as the purchase of Wessex Garages Holdings in May 2016 was booked as of June 30, this transaction was unable to be reflected in first quarter earnings.

As a result, the number of new and used cars sold was 16,062 (-9.4% YoY). Car-related business net sales were ¥31,097 million, (-7.1% YoY) and operating income was ¥1,193 million (-22.3% YoY). In the housing-related business, net sales were ¥724 million (-18.7% YoY) and operating income was ¥63 million, an operating loss of ¥20 million compared to the previous fiscal year.

Future Outlook

Full-Year Plans Unchanged, Impact of Fraud Comparatively Minor

In the fiscal year ending March 31, 2017, VT Holdings expects net sales of ¥167.0 billion (+14.0% YoY), operating income of ¥6.7 billion (-12.1% YoY), ordinary income of ¥6.7 billion (-11.9% YoY) and net income of ¥3.8 billion (-7.1% YoY).

In the first quarter of the current fiscal year, unforeseen circumstances arose due to the Mitsubishi scandal, but rapid relief from Nissan Motors promptly quelled vehicle fraud issues. Under VT Holdings' plan, sales of light vehicles affected by the fraud scandal were halted in the first half, and although second half estimates assume a 30% reduction in car sales, contributions from M&A are expected to drive net sales to another record-breaking high.

KCR is certain VT Holdings will achieve record-breaking full-year net sales. In terms of profit, the company will likely be able to promptly resolve the Mitsubishi scandal, and with respect to its core Nissan vehicle business, new model Serena equipped with the Pro Pilot auto-driving control device, which went on sale August 24, 2016, is gaining a strong reputation. Also, Honda's popular Freed, which underwent the first full model change in eight years, went on sale on September 16, 2016. These developments are expected to contribute to rapid earnings growth from the second half of the fiscal year. For this reason, KCR expects earnings substantially higher than company plans, with net sales of ¥168,438 million, ordinary income of ¥7,580 million and net sales of ¥4,548 million.

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VT HOLDINGS CO., LTD.**(TOKYO: 7593) Consolidated****Market Environment****Domestic Market Share About 1%, Significant Potential for Growth**

The market environment is extremely challenging. According to the Japan Automobile Manufacturers Association, domestic new car sales in fiscal 2016 are forecast at 4,845,200 vehicles, down 1.9% year on year. This announcement was made in March of this year, when they issued a downward revision of approximately 410,000 vehicles to their initial forecast.

This is thought to reflect the loss of last-minute demand due to the postponed consumption tax hike planned for spring 2017 as well as sluggish light vehicle sales caused by the Mitsubishi fuel efficiency data scandal. However, VT Holdings earnings structure is not dependent on new car sales, and since the number of car owners remains steady in the domestic market, it is important to note that more than new car sales, car ownership is basically indicative of a bigger impact to earnings. To compensate for this external environment, the company is proactively engaged in M&A for growth. Although there are no accurate statistics for the domestic car dealer market, the market size can be approximated by multiplying the average vehicle purchase cost by the number of vehicles sold. Based on various statistics, the new car dealer market is estimated to be worth approximately ¥11 trillion and the used car market is estimated at approximately ¥2 trillion, resulting in a domestic market scale of approximately ¥13 trillion. The company currently accounts for only 1% of market share, indicating sufficient room for finding growth

Medium-term Management Plan**Striking a Balance between Business Expansion and Financial Stability**

VT Holdings have not announced their medium-term management plan. This is because they have adopted a business model that pursues growth through an M&A strategy, which involves a number of uncertain elements. However, as a mid-term managerial goal, they aim for a recurring profit margin of 8% or higher and a capital adequacy ratio of 35% or higher. In terms of managerial goals, the company aims to strike a balance between business expansion and financial stability by enhancing revenue efficiency to achieve stable growth. They are continuously engaged in M&A within their cash flow to expand business and improve profitability.

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

Unlike manufacturers, the auto dealer industry is not subjected to technical innovation risks and will never 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 73.1%, considerably high, in an industry environment analysis within a five forces analysis, with 83% in the threat of new entrants category, 67% in the intensity of competitive rivalry category, 100% in the threat of substitute products or services category, 72% in the bargaining power of customers category, and 64% in the bargaining power of suppliers category. Furthermore, the company was rated 86.9%, exceptionally high, in a strategic model analysis, with 83% in the cost leadership strategy category, 77% in the differentiation strategy category, and 100% in the concentration strategy category. The future risk of VT Holdings' business model was 82.2%, exceptionally low. Meanwhile, VT Holdings was rated 97.5% in a management balance analysis and 96.4% in top management and company analyses. The company's qualitative strategy rating was 85.5% and qualitative overall rating was 86.8%, with its strategy level judged as exceptionally high. (See P. 9: KCR-Qualitative Analysis Report)

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VT HOLDINGS CO., LTD.**(TOKYO: 7593) Consolidated****President's Biography****20-Fold Sales Increase and 33-Fold Ordinary Income Increase in 16 Years**

Kazuho Takahashi, the current president, representative director, and founder of VT Holdings Co., Ltd., was born in January 18, 1953 and is now 63 years old. 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 1980, 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. From the period right before the stock listing to the fiscal year ended March 31, 2016, VT Holdings achieved a 20-fold increase in sales and a 33-fold increase in ordinary income.

Quantitative Analysis Scores**ROE at High Level Compared to Comparable Companies**

Although VT Holdings is accompany specializing in managing auto dealers, comparing the company with car dealers of the same business type in the capital market may inaccurately reflect their growth potential. This is because other car dealers do not focus on an M&A strategy, which is the core of VT Holdings in their business models, and dealers are mainly affiliated with manufacturers, many of whom accept low growth rates and revenue.

Therefore, it is better to compare VT Holdings with other companies that adopt an M&A strategy for their growth to analyze finance and stock prices of VT Holdings, even if their business types are different.

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 adopt an M&A strategy for their growth models: Nidec Corporation (6594, listed on the 1st section of TSE) and Colowide Co., Ltd. (7616, listed on the 1st section of TSE).

Companies that adopt M&A as their main growth strategies are generally likely to have a high debt ratio (safety index) and low capital adequacy ratio. VT Holdings had a debt ratio of 184.2% and a capital adequacy ratio of 34.4% in the last quarter, which might appear to be a level low of safety. However, this is common among companies that adopt M&A as a growth strategy. The three companies mentioned above have a debt ratio of 219.5% and a capital adequacy ratio of 37.1% on average in the last quarter, which indicates that VT Holdings' safety level is high. Furthermore, VT Holdings ROE last fiscal year was 12.5% compared to 8.0% average for the aforementioned three companies, indicating extremely high profitability. (See P. 10: KCR-Qualitative Analysis Report)

Share Price Analysis Scores**Comprehensive Theoretical Stock Price of ¥757, Continues to be Undervalued**

According to a theoretical share price valuation carried out by KCR, VT Holdings' shares are undervalued at 875 yen, which is well below the theoretical price, calculated by a comparable peer company analysis, and also undervalued at 757 yen, given the average theoretical stock price. Moreover, they are undervalued at 1,389 yen, given the average PSR valuation of similar companies, undervalued at 815 yen, given the average EPS & PBR valuation of similar companies, overvalued at 404 yen, given the average EPS & PBR valuation of the market, and the company's shares are judged undervalued at 841 yen, given the total average valuation of the four. Therefore, the company's current share price, 492 yen, is considerably undervalued. (See P. 8: KCR-Share Price Analysis Report)

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IR Strategy and
Shareholder
Return

Expecting Dividend Payout Ratio Above 40%, Full-Year Dividend of 16 Yen

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, 4 in IR tool score, 5 in IR fair disclosure score, and 5 in IR strategy score, totaling 95.0% with a general rating of 285 points. (See page 19: KCR-IR Strategy Analysis Report)

This indicates that the company implements a significantly high level of IR activities and that they attach weight to measures toward shareholders and investors.

The company is also proactive in its shareholder return initiatives and plans to continue providing dividends with a target consolidated dividend payout ratio 40% or higher. For the fiscal year ending March 31, 2017, the company plans to provide a regular full-year dividend of 16 yen per share.

Summary

Report Summary

○VT Holdings' core activities are in the automotive business, centered on auto dealers that handle mainly Nissan and Honda vehicles. The company is pursuing an aggressive M&A strategy.

○In recent years, the company has focused efforts on overseas M&A. In May 2016, they acquired Wessex Garages Holdings (England) and as of late, their overseas sales ratio has grown rapidly to nearly 25%.

○In the first quarter of the fiscal year ending March 31, 2017, net sales were ¥31,856 million (-7.4% YoY), operating income was ¥964 million (-30.2% YoY), ordinary income was ¥892 million (-38.2% YoY) and net income was ¥436 million (-27.7% YoY). This was due to the Mitsubishi fuel efficiency data scandal and the inability to include the Wessex Garages Holdings acquisition in quarterly earnings.

○The full-year plan for the fiscal year ended March 2016 remained unchanged. Prompt relief measures from Nissan and an early resolution to the Mitsubishi scandal are expected, while strong sales of the Nissan Serena and Honda Freed should boost results to outpace company forecasts.

○Stock price analysis indicates that the company's shares are undervalued at their current price. KCR Inc. assigns an overall rating of +2 (BUY) to VT Holdings and maintains its buy recommendation with an immediate target share price of 664 yen.

KCR-SHARE PRICE ANALYSIS REPORT

VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

Transaction Number 7593SB160927

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	875 YEN	-43.7%	Current Share Price	27-Sep-16	492 YEN
Net Asset Approach (book value)	267 YEN	84.1%	Price Earnings Ratio		15.46 (X)
Earnings Return Method	1,156 YEN	-57.4%	Price Book-value Ratio		1.84 (X)
Price-to-Sales Ratio Approach	1,389 YEN	-64.6%	PER(JASDAQ estimate)		15.57 (X)
Discounted Cash Flow Method	99 YEN	396.4%	PER(Peer company estimate)		25.48 (X)
Theoretical Stock Price Average	757 YEN	-35.0%	PBR(JASDAQ estimate)		1.17 (X)
		KCR Average -4.30%	PBR(Peer company estimate)		3.06 (X)
			Stock Yield (estimate)		6.61 %
			Dividend Yield (JQ average estima		1.91 %

Rate of divergence

Precondition (JPY 1 Million)	FY3/14 Actual	FY3/15 Actual	FY3/16 Actual	FY3/17* KCR *KCR Estimate	FY3/18* KCR *KCR Estimate	FY3/19* KCR *KCR Estimate
Net Sales	132,682	136,376	146,468	168,438	185,282	213,074
Ordinary Income	9,976	7,434	7,603	7,580	10,191	12,998
Net Income	5,126	4,633	4,090	4,548	6,114	7,799
Operational Cash Flows	13,929	4,259	9,640	7,000	9,000	10,000
Investment Cash Flows	-570	-5,017	-3,220	-1,500	-1,500	-2,000

VT HOLDINGS CO., LTD.

Three Similar and Competing Companies

Net Sales	167,000 (JPY 1 Million)	Estimate	NIDEC CORPORATION	(TSE First Section 6594) Consolidated
Ordinary Income	6,700 (JPY 1 Million)	Estimate	IDOM Inc.	(TSE First Section 7599) Consolidated
Net income	3,800 (JPY 1 Million)	Estimate	COLOWIDE CO.,LTD.	(TSE First Section 7616) Consolidated
Shareholders' Equity	31,904 (JPY 1 Million)	Current		
Number of Shares Issued	119,381,034 (thousand shares)	Current		
Share Price	492 YEN	Current		
Market Value	58,735 (JPY 1 Million)	Current		
Price to Sales Ratio	1,399 (JPY 1 Million)	Current	Market Value (Peer company average)	964,641 (JPY 1 Million)
Earnings Per Share	32 YEN	Current	Share Price/PSR (Peer company average)	0.99 (X)
Book-value Per Share	267 YEN	Current	Calculated Price (※KCR Average-6.6%)	1,389 YEN
Share price/PSR	0.35 (X)	Current	EPS x Peer company average	811 YEN
PER	15.46 (X)	Current	PBR x Peer company average	818 YEN
PBR	1.84 (X)	Current	Calculated Price (※KCR Average18.9%)	815 YEN
Stock Yield	6.47%	Current	EPS x JASDAQ average	496 YEN
		Current	PBR x JASDAQ average	313 YEN
		Current	Calculated Price (※KCR Average16.9%)	404 YEN
		Current	Total Average (※KCR Average-10.2%)	841 YEN
		Current		

NIDEC CORPORATION			Total Average (※KICK Average: 10.2%)		
A			B		
Net Sales	1,250,000 (JPY 1 Million)	Estimate	Net Sales	243,500 (JPY 1 Million)	Estimate
Ordinary Income	130,000 (JPY 1 Million)	Estimate	Ordinary Income	7,100 (JPY 1 Million)	Estimate
Net Income	98,000 (JPY 1 Million)	Estimate	Net Income	4,100 (JPY 1 Million)	Estimate
Shareholders' Equity	764,221 (JPY 1 Million)	Current	Shareholders' Equity	37,112 (JPY 1 Million)	Current
Number of Shares Issued	298,142,234 (thousand share)	Current	Number of Shares Issued	106,888,000 (thousand shares)	Current
Share Price	9,024 YEN	Current	Share Price	562 YEN	Current
Market Value	2,690,436 (JPY 1 Million)	Current	Market Value	60,071 (JPY 1 Million)	Current
Price to Sales Ratio	4,193 (JPY 1 Million)		Price to Sales Ratio	2,278 (JPY 1 Million)	
Earnings Per Share	329 YEN		Earnings Per Share	38 YEN	
Book-value Per Share	2,563 YEN		Book-value Per Share	347 YEN	
Share price/PSR	2.15 (X)		Share Price/PSR	0.25 (X)	
PER	27.45 (X)		PER	14.65 (X)	
PBR	3.52 (X)		PBR	1.62 (X)	
Stock Yield	3.64%		Stock Yield	6.83%	

COLOWIDE CO.,LTD.			C
Net Sales	247,495 (JPY 1 Million)	Estimate	<p>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.</p>
Ordinary Income	9,832 (JPY 1 Million)	Estimate	
Net income	4,177 (JPY 1 Million)	Estimate	
Shareholders' Equity	35,422 (JPY 1 Million)	Current	
Number of Shares Issued	75,284,041 (thousand share)	Current	
Share Price	1,905 YEN	Current	
Market Value	143,416 (JPY 1 Million)	Current	
Price to Sales Ratio	3,287 (JPY 1 Million)		
Earnings Per Share	55 YEN		
Book-value Per Share	471 YEN		
Share price/PSR	0.58 (X)		
PER	34.33 (X)		
PBR	4.05 (X)		
Stock Yield	2.91%		

Comparable Peer Company Analysis	
Average	874.59
Maximum	934.11
Minimum	821.53

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	874.59
Maximum	934.11
Minimum	821.53

Share Price*	EPS*	BPS*	Calculated Price
A	B	C	
3,830	140.8	1,127	887
4,793	183.5	1,455	856
5,465	192.1	1,517	934
1,234	47	409	822

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Viewpoint

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

(TOKYO: 7593) Consolidated

【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.

<p>Porter's five forces analysis</p> <p>determines the competitive intensity and therefore attractiveness of an industry</p>		<p>Strategic type analysis</p> <p>determines a strategic model and judges its balance</p>	
Industry environment analysis	73.1%	KCR Average	64.0%
		Strategic model analysis	86.9%
		KCR Average	78.9%

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	FY3/14	FY3/15	FY3/16	FY3/17* KCR	FY3/18* KCR
Net Sales	132,682	136,376	146,468	168,438	185,282
Ordinary Income	9,976	7,434	7,603	7,580	10,191
Profit Margin	7.6%	5.5%	5.2%	4.5%	5.5%

Quantitative Analysis	Prev.	Actual	Current Estimate	KCR Estimate	Similar and Competing company average	Profitability Analysis		3.0	Actual	Actual	Actual	Reference Data (Other service industries)*		3.0
Profitability Analysis														
ROA (Ordinary Income)	8.0%	8.0%	6.5%	7.3%	6.1%	1.9%	3.0	8.6%	7.3%	2.4%	8.2%	-0.2%	3.0	
ROE (Net Income)	15.0%	12.5%	11.9%	14.3%	8.0%	4.5%	3.0	12.0%	11.1%	0.9%	7.5%	5.0%	3.0	
Ordinary Income Margin	5.5%	5.2%	4.0%	4.5%	5.2%	0.0%	3.0	10.1%	3.3%	2.2%	6.4%	-1.2%	3.0	
Efficiency Analysis														
Total Asset Turnover	1.5	1.5	1.6	1.6	1.4	0.1	3.0	0.9	2.2	1.1	1.3	0.3	3.0	
Current Asset Turnover	3.7	3.8	3.8	3.9	3.4	0.4	3.0	1.5	4.3	4.3	2.4	1.4	5.0	
Total Non-Current Asset Turnover	2.4	2.6	2.8	2.8	2.7	-0.1	3.0	1.9	4.7	1.5	2.7	-0.1	3.0	
Safety Analysis														
Current Ratio	87.6%	85.5%	82.9%	0	146.7%	-61%	3.0	182.0%	171.6%	86.4%	148.6%	-63.1%	3.0	
Debt Ratio	194.6%	184.2%	218.4%	0	219.5%	35%	3.0	80.1%	150.8%	427.7%	101.3%	-82.9%	3.0	
Equity Ratio	33.3%	34.4%	30.8%	0	37.1%	-3%	3.0	55.2%	39.4%	16.7%	48.8%	-14.4%	2.0	
Growth Potential Analysis														
Growth Rate	2.8%	7.4%	14.0%	15.0%	27.1%	-19.7%	3.0	14.6%	34.9%	31.9%	-9.3%	16.7%	3.0	
Ordinary Income Growth Rate	-25.5%	2.3%	-11.9%	-0.3%	24.1%	-21.8%	3.0	11.1%	27.9%	33.2%	-7.6%	9.8%	3.0	
Equity Growth Rate	10.8%	5.8%	-	-	24.0%	-18.1%	2.0	2.6%	7.2%	62.2%	7.8%	-2.0%	3.0	
Productivity Analysis														
Sales per Employee *	54,225	56,573	64,754	65,311	43,769.5	12,804	4.0	12,197	59,700	59,411	38,433	18,140	4.0	
Ordinary Income per Employee *	2,956	2,937	2,598	2,939	1,486.4	1,450	5.0	1,235	1,942	1,282	2,472	465	3.0	
Net Income per Employee *	1,842	1,580	1,473	1,763	734.1	846	4.0	950	1,168	84	1,065	515	4.0	
* Thousand yen														
Quantitative Analysis														

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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KCR-EXPERT'S PERSPECTIVE ANALYSIS REPORT			Transaction Number 7593TS160927		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.						
VT HOLDINGS CO., LTD.					(TOKYO: 7593) Consolidated		27-Sep-16		Total Score		
									10.8		
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.									

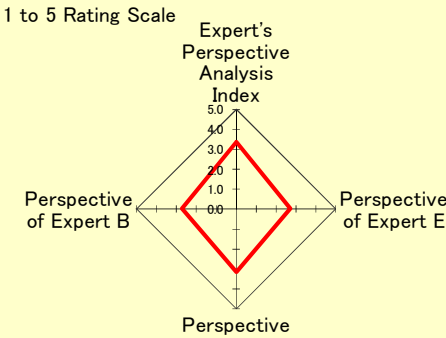
■ Main Basic Data ※ Estimate is basically a company plan. Asset is current.

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	25,498	492	31,904	119,381.0	278	9,640	-3,220
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)(%)
103,548	33,122	16	49.5%	March-83	870	83	-43.4
*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
167,000	6,700	6,700	3,800	32.30	11.9%	6.5%	30.8%

■ 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)
5.9	1.8	15.2	32.0%	3.3	34	492.8	6,420
5.0	2.0	2.0	1.0	5.0	5.0	1.0	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
4.0%	Retail	49.2	1,193,810	58,735	Increases both in sales and profits	Increasing trend	11.9%
0.0	3.0	5.0	2.0	1.0	4.0	5.0	5.0

Expert's Perspectives	Score	Rating	KCR Average	Radar Chart	
Perspective of Expert E	2.4	★★	3.1	<p>1 to 5 Rating Scale</p> 	
Perspective of Expert T	2.9	★★★	3.3		
Perspective of Expert B	2.3	★★	3.1		
Expert's Perspective Analysis Index	3.2	★★★	3.3		

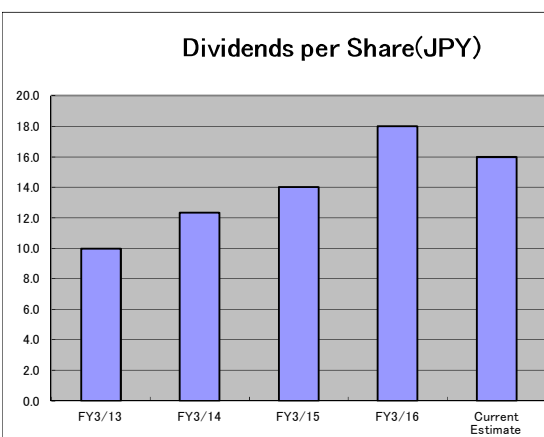
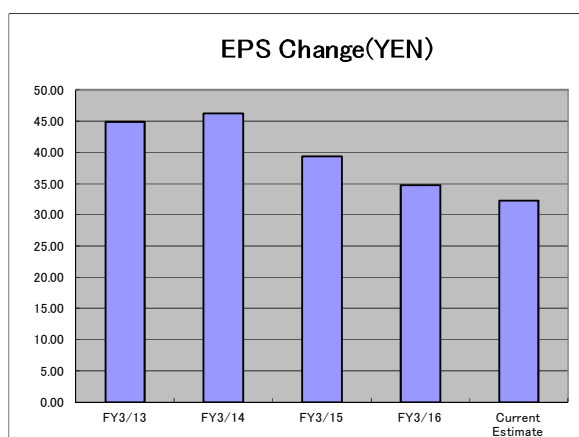
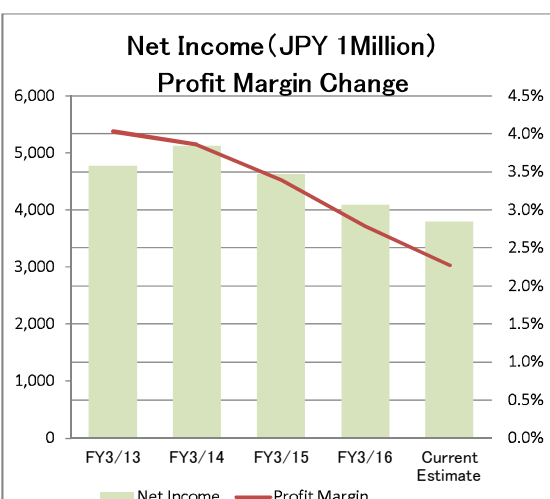
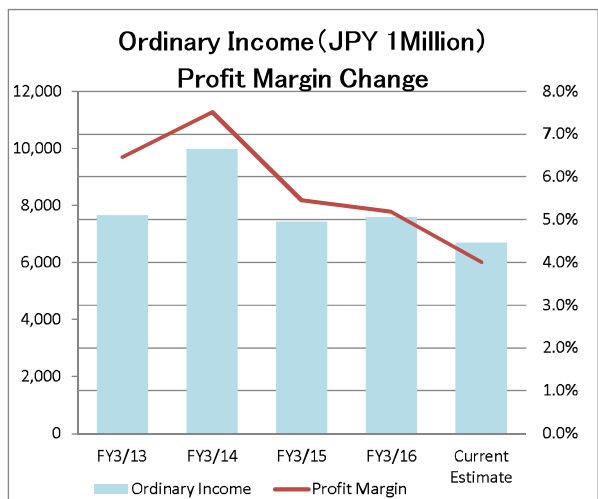
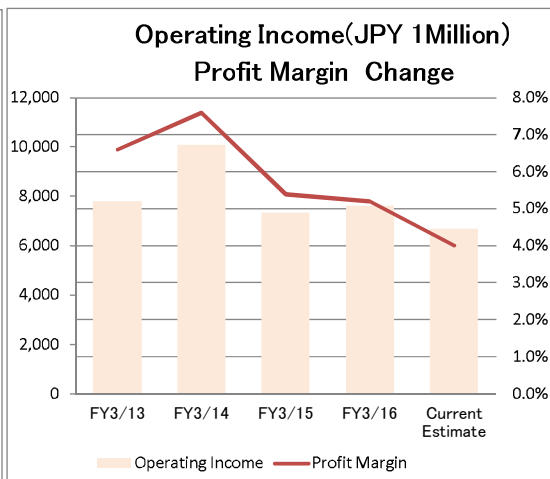
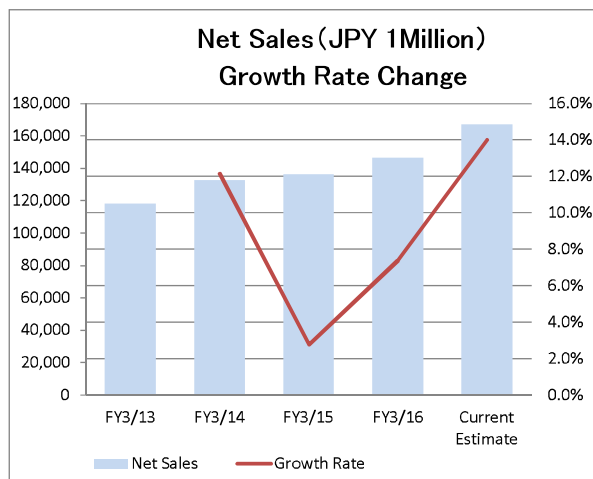
※Please note that there is no relation three masters that really exist.

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**

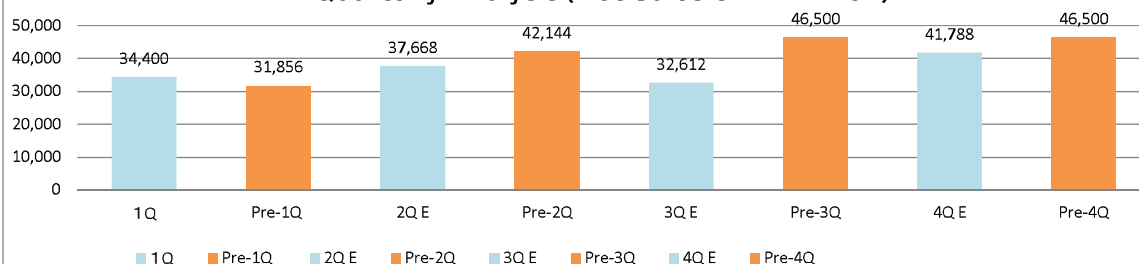
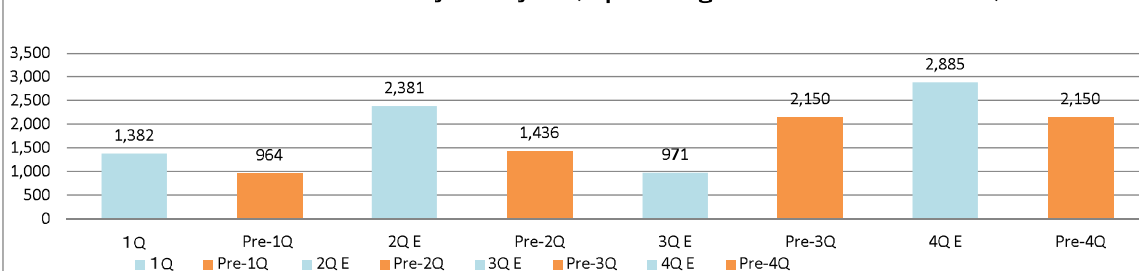
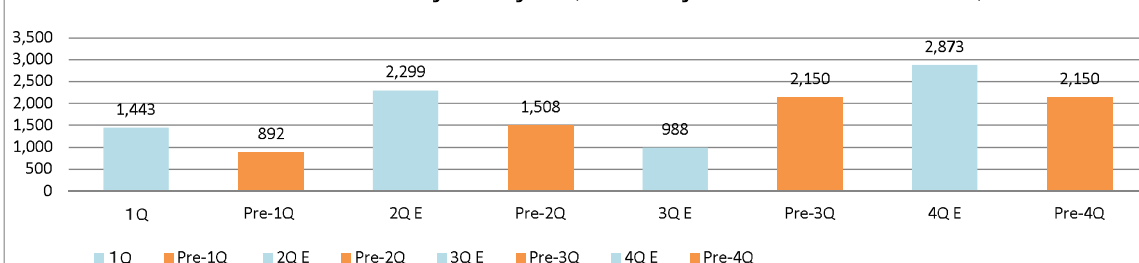
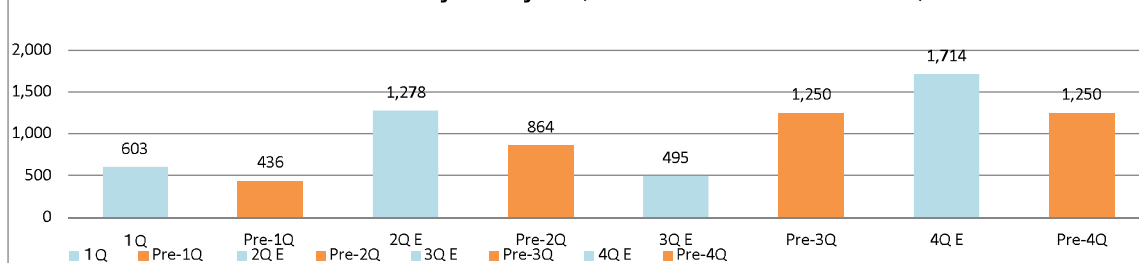
Elemental Analysis	Net Sales	Growth Rate	Operating Income	Profit Margin	Ordinary Income	Profit Margin	Net Income	Profit Margin	EPS	Dividends per Share
FY3/13	118,317		7,810	6.6%	7,659	6.5%	4,775	4.0%	44.93	10.0
FY3/14	132,682	12.1%	10,082	7.6%	9,976	7.5%	5,126	3.9%	46.29	12.3
FY3/15	136,376	2.8%	7,347	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
Current Estimate	167,000	14.0%	6,700	4.0%	6,700	4.0%	3,800	2.3%	32.30	16.0



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Quarterly Analysis	Net Sales	Growth Rate	Operating Income	Profit Margin	Ordinary Income	Profit Margin	Net Income	Profit Margin		
1 Q	34,400	-7.4%	1,382	4.0%	1,443	4.2%	603	1.8%		
Pre-1Q	31,856	0.0%	964	3.0%	892	2.8%	436	1.4%		
2 Q E	37,668	11.9%	2,381	6.3%	2,299	6.1%	1,278	3.4%		
Pre-2Q	42,144	0.0%	1,436	3.4%	1,508	3.6%	864	2.1%		
3 Q E	32,612	42.6%	971	3.0%	988	3.0%	495	1.5%		
Pre-3Q	46,500	0.0%	2,150	4.6%	2,150	4.6%	1,250	2.7%		
4 Q E	41,788	11.3%	2,885	6.9%	2,873	6.9%	1,714	4.1%		
Pre-4Q	46,500	0.0%	2,150	4.6%	2,150	4.6%	1,250	2.7%		

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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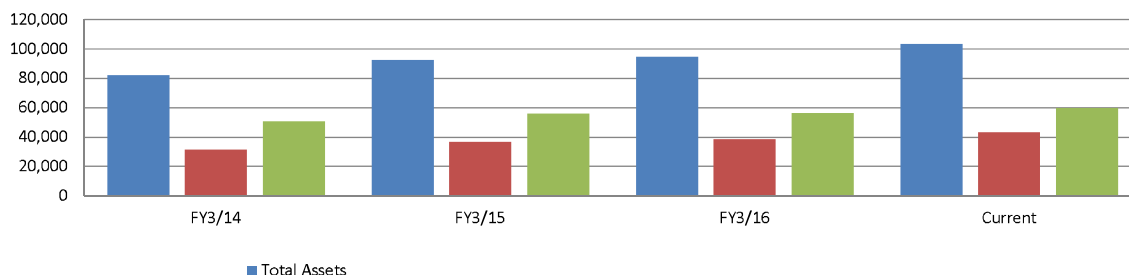
VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

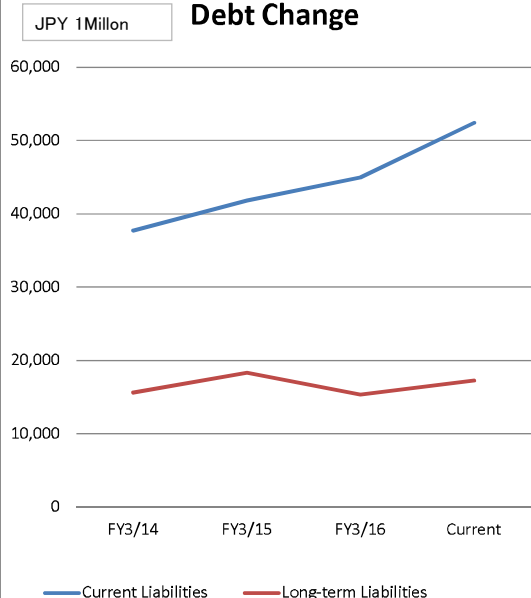
Asset Analysis	Total Assets	Current Assets	Non-Current Assets	Current Liabilities	Long-term Liabilities	Total Equity *	Interest-Bearing Debt	Dependency	Number of Employees
FY3/14	82,337	31,642	50,694	37,736	15,645	27,913	15,859	19.26%	2,295
FY3/15	92,722	36,647	56,125	41,817	18,350	30,915	21,727	23.43%	2,515
FY3/16	94,979	38,419	56,559	44,935	15,346	32,717	22,128	23.30%	2,589
Current	103,548	43,466	60,081	52,439	17,249	31,904	33,122	31.99%	2,579

*Total net assets – Minority interests

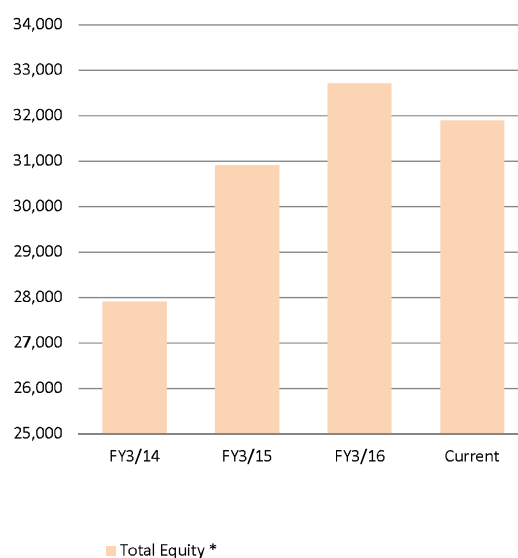
Asset Change (JPY 1Million)



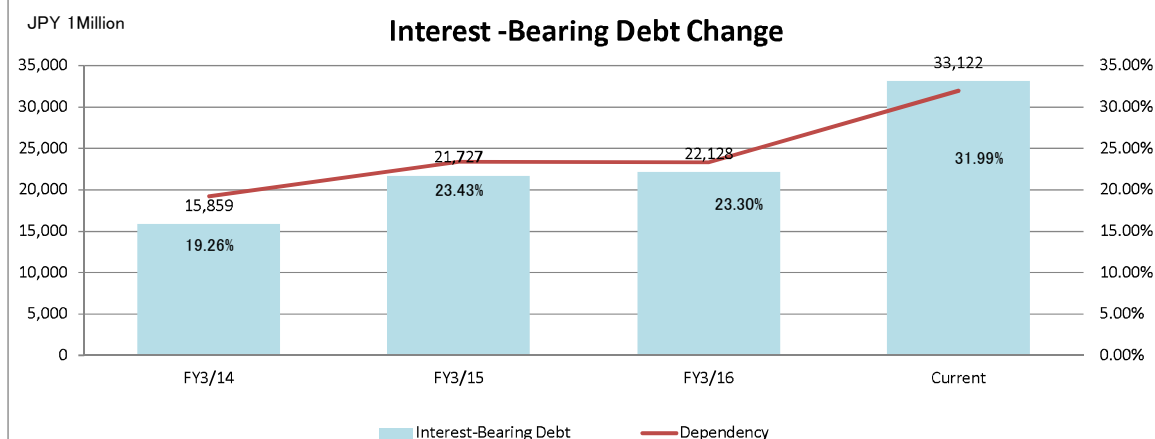
Debt Change



Total Equity Change



Interest -Bearing Debt Change



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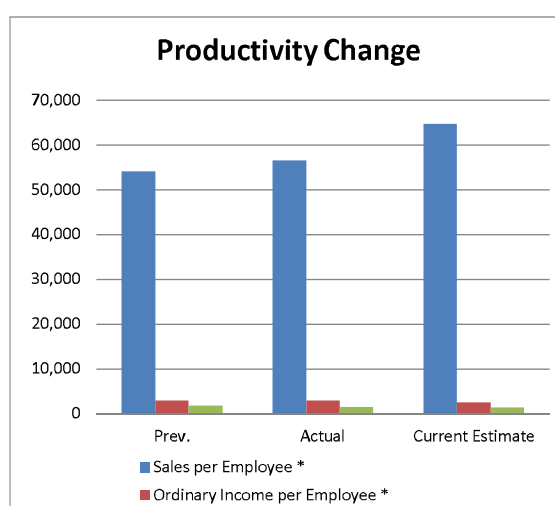
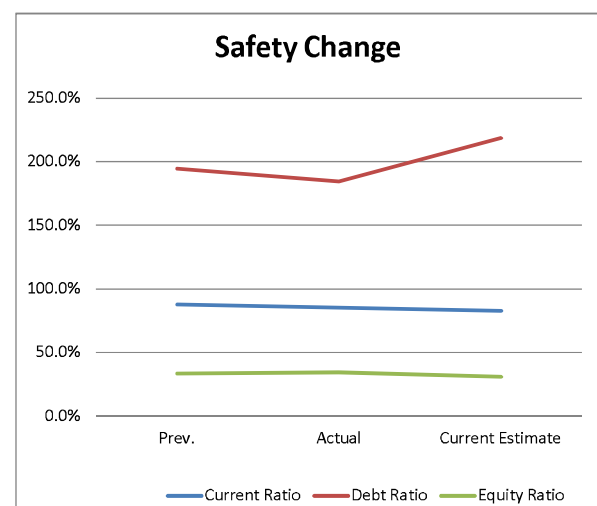
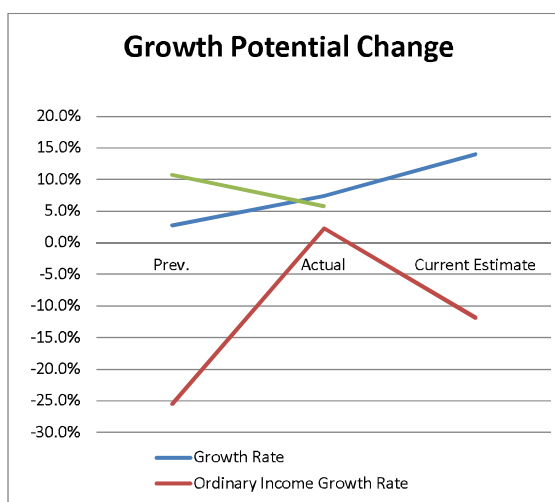
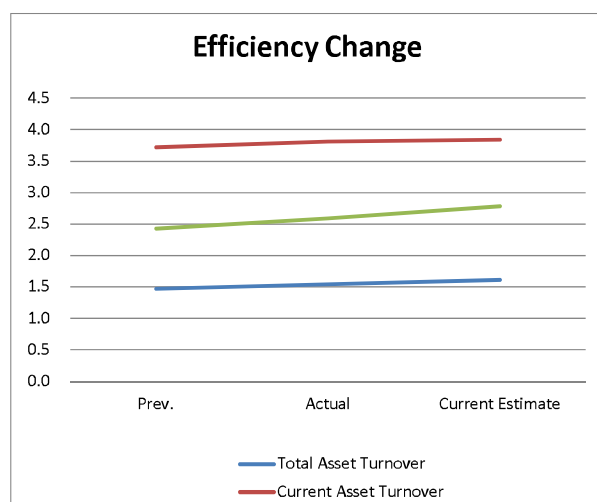
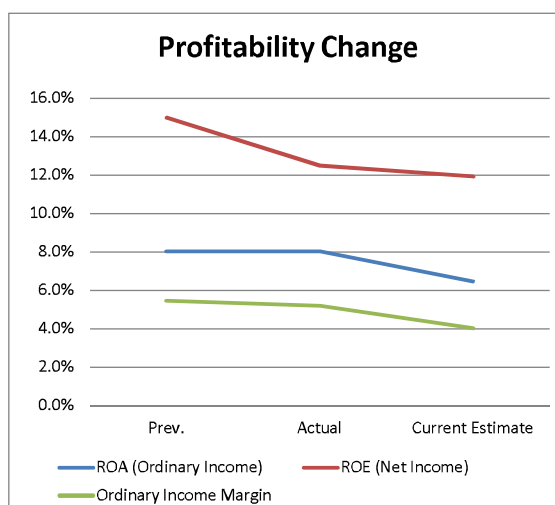
VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

Financing Index Analysis			
Profitability Analysis			
ROA (Ordinary Income)	Prev. 8.0%	Actual 8.0%	Current Estimate 6.5%
ROE (Net Income)	Prev. 15.0%	Actual 12.5%	Current Estimate 11.9%
Ordinary Income Margin	Prev. 5.5%	Actual 5.2%	Current Estimate 4.0%
Efficiency Analysis			
Total Asset Turnover	Prev. 1.5	Actual 1.5	Current Estimate 1.6
Current Asset Turnover	Prev. 3.7	Actual 3.8	Current Estimate 3.8
Total Non-Current Asset Turnover	Prev. 2.4	Actual 2.6	Current Estimate 2.8
Safety Analysis			
Current Ratio	Prev. 87.6%	Actual 85.5%	Current Estimate 82.9%
Debt Ratio	Prev. 194.6%	Actual 184.2%	Current Estimate 218.4%
Equity Ratio	Prev. 33.3%	Actual 34.4%	Current Estimate 30.8%
Growth Potential Analysis			
Growth Rate	Prev. 2.8%	Actual 7.4%	Current Estimate 14.0%
Ordinary Income Growth Rate	Prev. -25.5%	Actual 2.3%	Current Estimate -11.9%
Equity Growth Rate	Prev. 10.8%	Actual 5.8%	Current Estimate -
Productivity Analysis			
Sales per Employee *	Prev. 54,225	Actual 56,573	Current Estimate 64,754
Ordinary Income per Employee *	Prev. 2,956	Actual 2,937	Current Estimate 2,598
Net Income per Employee *	Prev. 1,842	Actual 1,580	Current Estimate 1,473

*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 Average	Reference Data (Other Service Industries) *	Three Similar and Competing Companies	
ROA (Ordinary Income)	6.5%	6.1%	8.2%	NIDEC CORPORATION	(TSE First Section 6594) Consolidated
ROE (Net Income)	11.9%	8.0%	7.5%	IDOM Inc.	(TSE First Section 7599) Consolidated
Ordinary Income Margin	4.0%	5.2%	6.4%	COLOWIDE CO.,LTD.	(TSE First Section 7616) Consolidated

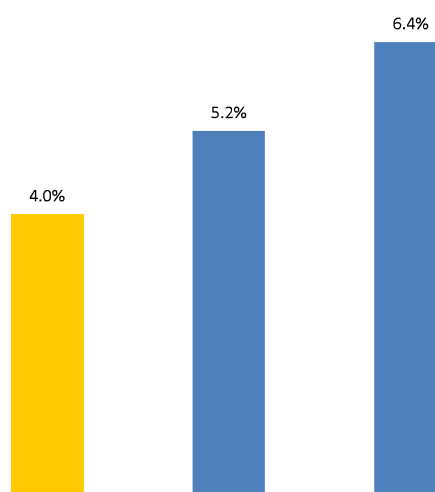
*Market average in Japan

ROA (Ordinary Income)

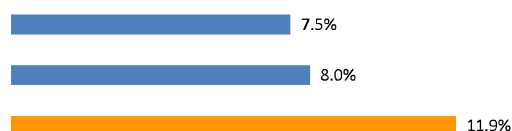
- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) *

**Ordinary Income Margin**

- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) *

**ROE (Net Income)**

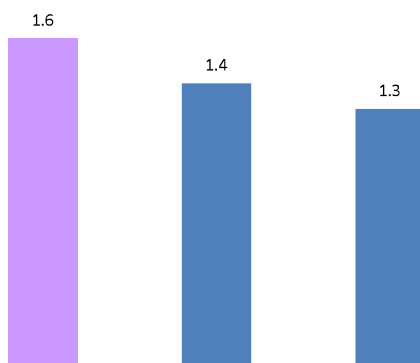
- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) *

**Efficiency Analysis**

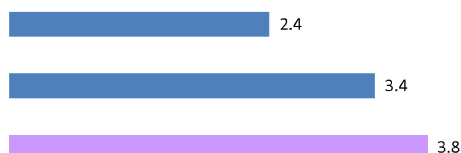
	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries) *
Total Asset Turnover	1.6	1.4	1.3
Current Asset Turnover	3.8	3.4	2.4
Total Non-Current Asset Turnover	2.8	2.7	2.7

Total Asset Turnover

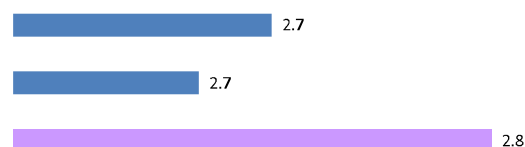
- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) *

**Current Asset Turnover**

- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) *

**Total Non-Current Asset Turnover**

- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) *



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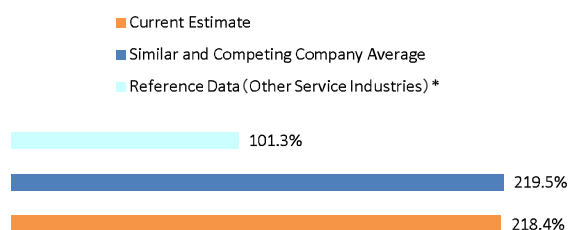
VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

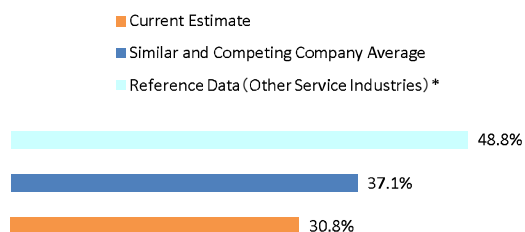
Safety Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries) *
Current Ratio	82.9%	146.7%	148.6%
Debt Ratio	218.4%	219.5%	101.3%
Equity Ratio	30.8%	37.1%	48.8%

*Market average in Japan

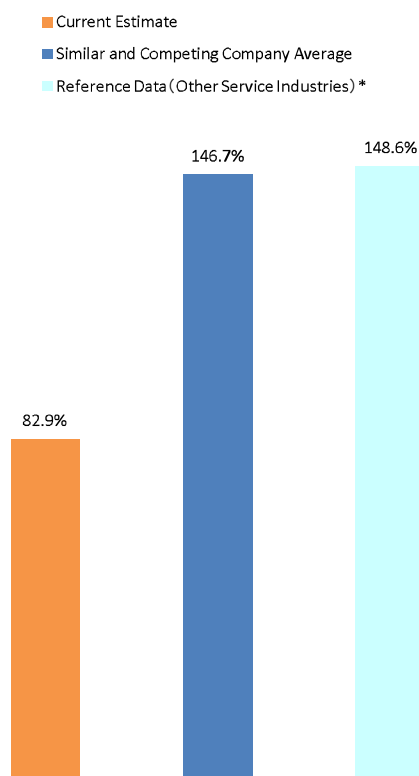
Debt Ratio



Equity Ratio



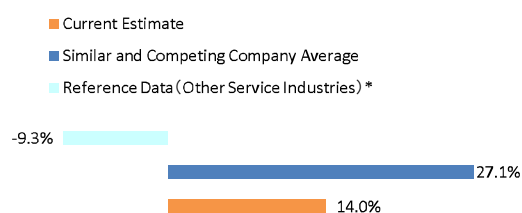
Current Ratio



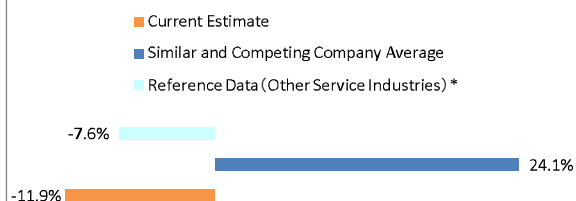
Growth Potential Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries) *
Growth Rate	14.0%	27.1%	-9.3%
Ordinary Income Growth Rate	-11.9%	24.1%	-7.6%
Equity Growth Rate	5.8%	24.0%	7.8%

※Preview

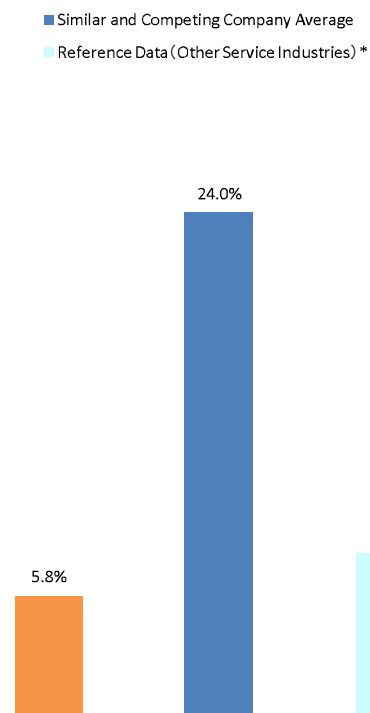
Growth Rate



Ordinary Income Growth Rate



Equity Growth Rate



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Productivity Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries) *
Sales per Employee *	64,754	43,769	38,433
Ordinary Income per Employee *	2,598	1,486	2,472
Net Income per Employee *	1,473	734	1,065

*Market average in Japan

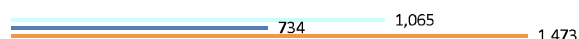
Ordinary Income per Employee *

- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) *



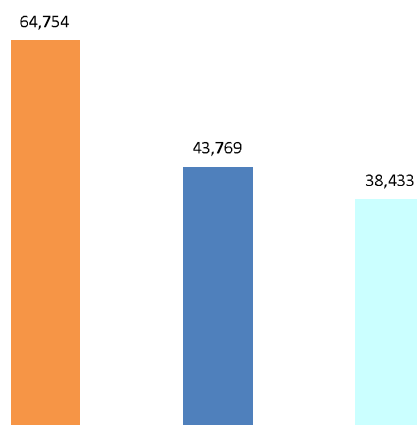
Net Income per Employee *

- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) *



Sales per Employee *

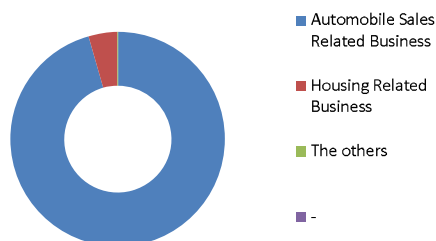
- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) *



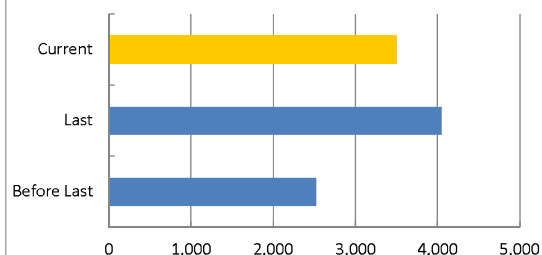
Segment Information	FY3/16
Automobile Sales Related Business	95.6%
Housing Related Business	4.3%
The others	0.1%
-	0.0%
Total	100.0%

	Ratio of Shareholding				
	(%)	(%)	(%)	(%)	(people)
	Overseas	Investment Trust	Floating Stocks	Settled Stocks	Stockholders
Before Last	22.2	9.7	3.1	48.8	2,526
Last	27.7	5.0	2.4	52.9	4,053
Current	27.2	4.7	1.9	57.8	3,501

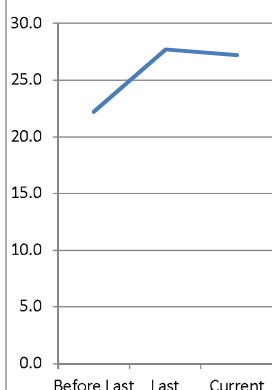
Segment Information



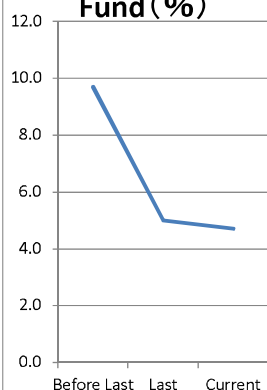
Stockholders (People)



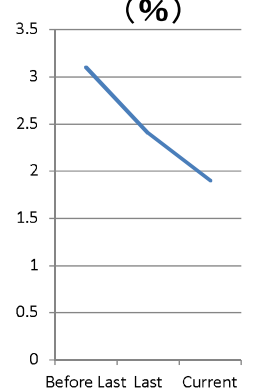
Overseas (%)



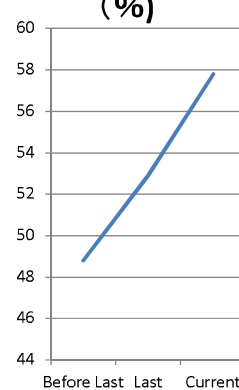
Investment Fund (%)



Floating Stocks (%)



Settled Stocks (%)



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VT HOLDINGS CO., LTD.
(TOKYO: 7593) Consolidated
IR Overall Rating

【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】	492 yen				

★★★★★

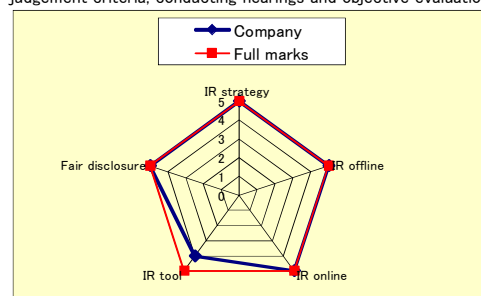
VT Holdings Co. Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.

Investor Relations Strategy Analysis	Reference Data	Point	VT HOLDINGS CO., LTD.
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1. IR activities (10 points)	89.3%	10	10
2. IR system (10 points)			
IR Dedicated department		10	8
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)			
Does top management perform IR activities?	83.6%	50	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	80
Financial settlement briefings	77.7%	10	10
Individual interviews	32.6%	10	10
Overseas briefing sessions	15.9%	10	10
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)		100	97
Is there a web page that clearly states IR?	97.5%	10	10
Top message	79.4%	10	10
Annual securities reports	45.9%	10	10
Statement of accounts	42.0%	10	10
Monthly reports, stockholder communication materials & hando	41.5%	10	10
IR calendar	36.2%	10	7
IR videos	28.5%	10	10
E-mail magazines about IR	23.8%	10	10
FAQ	19.5%	10	10
English IR web page	14.6%	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 300 285

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



		KCR Average	203.7	Viewpoint
General rating	95.0%	68.0%	Very good 270~	★★★★★
IR strategy	96.0%	69.4%	Good 230~	★★★★★
IR offline	100.0%	71.8%	Standard 180~	★★★
IR online	97.0%	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	★

KCR's Target Prices

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.

The target prices and ratings are those as of issue dates of reports of the companies. Therefore, the target prices and ratings are not necessarily those of issue date of this report. Please see the latest reports.

No target price or rating is presented for stocks not included in the KCR's continuous follow coverage.

Note that a reference target price in a report is different from a target price that an analyst expects.

Analysts' Testimony

The analysts whose names are on the cover guarantee that all the views in the report accurately reflect the analysts' views on all the stocks and all the companies that issued the stocks in the report.

Furthermore, the analysts whose names are on the cover guarantee that their rewards are never affected at any time by their recommendations and views presented directly or indirectly in the report, and there is no relationship with any consulting projects that KCR group businesses handled.

Disclosure on Conflict of Interest

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