

# 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
17-Jan-17	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]	2.9 %	[Market Value (million yen)] 66,973		[Interim Dividends] YES
[Shareholder Yield]	- %	[Up/Down Ratio (high price)] -35.5		[PER Estimate] 16.5
[Real Yield]	- %	[Up/Down Ratio (low price)] 444.7		[PBR (x)] 2.03

## 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	10.0	6.5%
FY3/14	132,682 12.1%	9,976 30.3%	46.3	12.3	7.5%
FY3/15	136,376 2.8%	7,434 -25.5%	39.4	14.0	5.5%
FY3/16	146,468 7.4%	7,603 2.3%	34.8	18.0	5.2%
FY3/17* KCR	174,297 19.0%	8,018 5.5%	40.3	18.0	4.6%
FY3/18* KCR	209,156 20.0%	10,458 30.4%	51.5	21.0	5.0%

\*KCR Estimate

## Investment Opinion

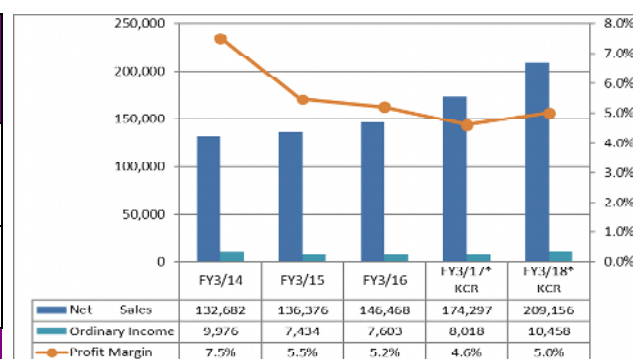
### Overall Rating

# +2 BUY



### Target Share Price

## 778 YEN

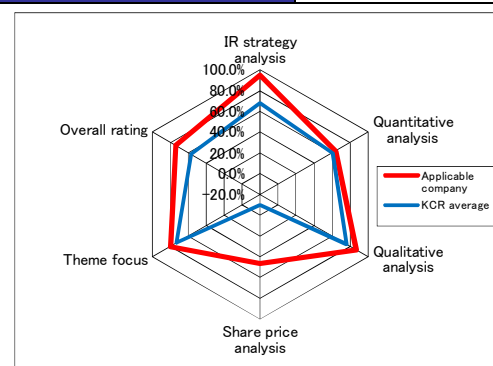


One-year chart

Current Share Price

561 YEN

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 56.7% 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 17.0% above average, KCR Inc. sets a target price of 778 yen.



	IR strategy analysis	Quantitative analysis	Qualitative analysis	Share price analysis	Theme focus	Overall rating
Applicable company	95.0%	63.9%	86.8%	46.5%	80.0%	74.2%
KCR average	68.0%	60.0%	75.9%	-10.2%	73.0%	57.2%
Difference	27.0%	3.9%	10.9%	56.7%	7.0%	17.0%

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**VT HOLDINGS CO., LTD.**

(TOKYO: 7593) Consolidated

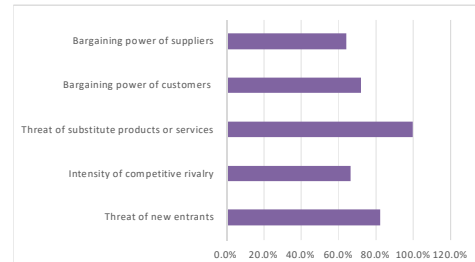
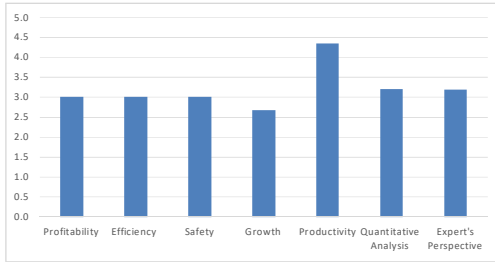
**Overall Rating**

[Stock Code] 7593 [Industry] Retail [Market Division] TOKYO [Fiscal Year End] Mar. 31 [Share Price] 561 YEN [Market Value] 66,973 million yen

**+2 BUY**

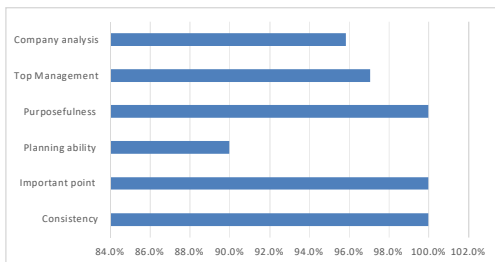
[Company Features] VT Holdings Co, Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.

Last Rating	+2 BUY
Reference Stock Price	757 YEN



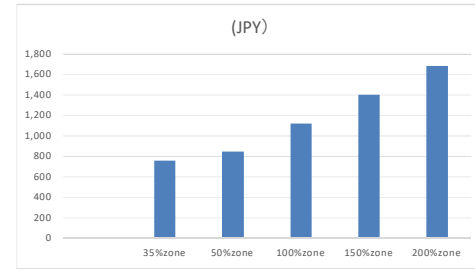
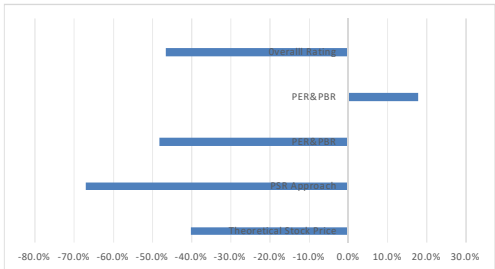
**Quantitative Analysis Rating**

**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	80.0%
★★★	★★★	★★★	★★★	★★★★	★★★	★★★	3.2		
3.0	3.0	3.0	2.7	4.3	3.2	3.2	63.9%	4 Index Overall Rating	Total Evaluation Index
							★★★		

Qualitative Analysis Rating		Overall Rating
Overall rating	86.8%	★★★★★
Strategy rating	85.5%	★★★★★
Threat of new entrants	82.5%	★★★★★
Intensity of competitive rivalry	66.7%	★★★★★
Threat of substitute products or services	100.0%	★★★★★
Bargaining power of customers	72.2%	★★★★★
Bargaining power of suppliers	64.3%	★★★★★

Share price rating		(Peer company estimate)		(JASDAQ estimate)		Overall Rating
Theoretical Stock Price	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
PSR Approach	-40.2%	-67.0%	-48.2%	17.9%	-46.5%	
Reference Stock Prices (JPY)	35%zone: 757	50%zone: 842	100%zone: 1,122	150%zone: 1,403	200%zone: 1,683	
Reference Market Value (JPY 1 Million)	20%zone: 80,367.3	50%zone: 100,459.1	100%zone: 133,945.5	200%zone: 200,918.3	-	

IR Strategy Analysis	Total Score	Evaluation Index
★★★★★	285	95.0%

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

**Company Profile and History**

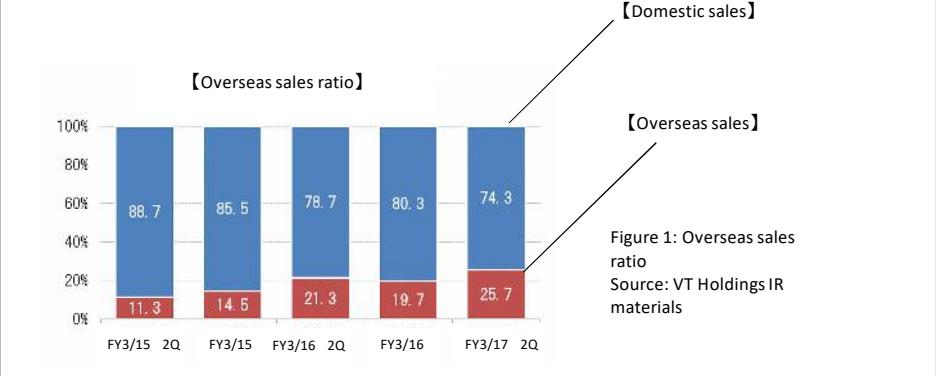
**Features and Strengths**

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

VT Holdings Co., Ltd., is an auto dealership 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 54% 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 39% of which was from Nissan-affiliated dealers. In recent years, the company is focusing efforts on overseas M&A amid the rapid advance of globalization, increasing the ratio of overseas dealers. [See Figure 1] In addition to auto dealer businesses, VT Holdings operates Trust Co., Ltd. (3347, listed on the 2nd section of TSE), 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.



**A Business Model with Three Strategies**

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. 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 second quarter of the fiscal year ending in March 31, 2017 was 109.8%, indicating they are not greatly affected by new car sales. Also, approximately 40% of gross profit is from the service division. 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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## VT HOLDINGS CO., LTD.

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Latest  
Performance**Achieved New Record High Net Sales in Second Quarter, Revised Earnings Forecast**

In the second quarter of the fiscal year ending March 31, 2017, VT Holdings achieved new record high net sales. M&A involving Shizuoka BMW (commenced sales in April 2016) and Wessex Garage Holdings (became a subsidiary in May 2016) contributed substantially to this achievement. In terms of the earnings forecast announced on June 13, 2016, reflecting the impact of the Mitsubishi fuel efficiency data scandal, the suspension on sales of Nissan DAYZ and DAYZ ROOX was lifted earlier than expected, which along with other factors led to an upward revision to profit forecasts. At the same time, net sales remained nearly the same due to a decline caused by the yen conversion of overseas sales, which were affected by the stronger yen.

In the second quarter of the fiscal year ending March 31, 2017, net sales were ¥73,469 million (+1.9% YoY), operating income was ¥3,042 million (-19.2% YoY), ordinary income was ¥3,046 million (-18.6% YoY) and net income was ¥1,690 million (-10.2% YoY).

The main cause of the decline in income was the substantial 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. As a result, the number of new and used cars sold was 36,753 (+1.3% YoY). Car-related business net sales were ¥71,072 million, (+2.7% YoY) and operating income was ¥3,205 million (-17.2% YoY). In the housing-related business, net sales were lower at ¥2,325 million (-16.3% YoY), however, operating income increased to ¥94 million (+49.0% YoY).

## Future Outlook

**Full-Year Plans Revised Upwards, Early Resolution of Fraud Impact**

On November 9, 2016, an upward revision was made to the full-year earnings forecast for the fiscal year ending March 31, 2017. VT Holdings expects net sales of ¥174.0 billion (+18.7% YoY), operating income of ¥7.5 billion (-1.5% YoY), ordinary income of ¥7.5 billion (-1.3% YoY) and net income of ¥4.0 billion (-2.2% YoY). Net sales are expected to increase 4.2% and operating income is expected to be 11.9% higher than the initial forecast.

In addition to the contribution to full-year earnings from M&A involving the acquisition of auto dealer group holding company Master Automocion, S.L. (Spain) on October 3, 2016, the suspension of sales in the first half of the fiscal year due to the Mitsubishi Motors fuel efficiency data scandal, for which VT Holdings had estimated a 30% drop in sales in the second half of the fiscal year, was resolved earlier than expected when sales resumed in July.

KCR is certain VT Holdings will achieve record-breaking full-year consolidated net sales amid accelerating overseas M&A. In terms of profit, the early resolution of the Mitsubishi scandal, along with strong sales of new model Selena in its core Nissan business and the popular Honda Freed, which is a new model anticipated to be highly profitable, underpin expectations that VT Holdings will be able to achieve profit levels exceeding company forecasts. For these reasons, KCR expects net sales of ¥174,297 million, operating income of ¥8,018 million, ordinary income of ¥8,018 million and net sales of ¥4,811 million. KCR also suggests a dividend increase given these strong earnings expectations.

## VT HOLDINGS CO., LTD.

## (TOKYO: 7593) Consolidated

## Market Environment

**Domestic Sales Decline as Car Owners Increase, Overseas Development Accelerates**

According to a domestic auto dealer industry group, compared to 2015, the number of new cars sold in 2016 declined 1.5% to 4,970,260 cars falling short of the 5,000,000 mark for the first time in five years. Although a high number of new models with engine displacement over 660cc were registered, they were unable to compensate for the drop in light vehicle sales. Light vehicles accounted for 34.7% of new vehicle sales, the lowest level in the past ten years.

However, passenger car ownership in the domestic market rose, increasing 16.5% since 2011 due to increasing long-term vehicle ownership and other factors.

VT Holdings is building an earnings structure that is not dependent on new car sales, so it is important to focus on the fact that more than new car sales, car ownership is basically indicative of a bigger impact to earnings.

To compensate for the domestic market 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,

## Medium-term Management Plan

**Emphasizing Growth to Quickly Achieve Targeted Consolidated Net Sales of ¥200.0 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 ¥200.0 billion in consolidated net sales as quickly as possible.

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.

## 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)

## VT HOLDINGS CO., LTD.

## (TOKYO: 7593) Consolidated

President's  
Biography**20-Fold Sales Increase and 33-Fold Ordinary Income Increase since Public Listing**

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 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. From its public listing until now, VT Holdings has achieved a 20-fold increase in sales and a 33-fold increase in ordinary income.

Quantitative  
Analysis Scores**ROE and Productivity 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 ¥1,049, Continues to be Undervalued**

According to a theoretical share price valuation carried out by KCR, VT Holdings' shares are undervalued at 1,089 yen, which is below the theoretical price, calculated by a comparable peer company analysis, and also undervalued at 937 yen, given the average theoretical stock price. Moreover, they are undervalued at 1,698 yen, given the average PSR valuation of similar companies, undervalued at 1,082 yen, given the average EPS & PBR valuation of similar companies, overvalued at 476 yen, given the average EPS & PBR valuation of the market, and the company's shares are judged undervalued at 1,049 yen, given the total average valuation of the four. Therefore, the company's current share price, 561 yen, is considerably undervalued.

(See P. 8: KCR-Share Price Analysis Report)

## VT HOLDINGS CO., LTD.

## (TOKYO: 7593) Consolidated

## 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 is planning to provide a regular full-year dividend of 16 yen per share.

## Report Summary

## Summary

○VT Holdings' core activities are in the automotive business, centered on auto dealers that handle mainly Nissan and Honda vehicles. In recent years, the company has aggressively engaged in overseas M&A and is accelerating global development.

○ In October 2016, the company acquired the M Automocion Group (approximately ¥19.5 billion in annual sales), an auto dealer in Spain also engaged in auto-related businesses, as a subsidiary through M&A.

○ In the second quarter of the fiscal year ending March 31, 2017, the company achieved record high net sales of ¥73,469 million (+1.9% YoY), operating income was ¥3,042 million (-19.2% YoY), ordinary income was ¥3,046 million (-18.6% YoY) and net income was ¥1,690 million (-10.2% YoY).

○ An upward revision was made to the full-year earnings forecast for the fiscal year ending March 31, 2017. The forecast calls for net sales of ¥174.0 billion (+18.7% YoY), operating income of ¥7.5 billion (-1.5% YoY), ordinary income of ¥7.5 billion (-1.3% YoY) and net income of ¥4.0 billion (-2.2% YoY). Net sales are expected to increase 4.2% and operating income is expected to increase 11.9%.

○ KCR is certain VT Holdings will achieve record-breaking full-year consolidated net sales amid accelerating overseas M&A. KCR assigns an overall rating of +2 (BUY) to VT Holdings and maintains its buy recommendation with a target share price between 664 yen and 778 yen.

## KCR-SHARE PRICE ANALYSIS REPORT

## VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

Transaction Number 7593SB170117

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	1,089 YEN	-48.5%		Current Share Price	17-Jan-17	561 YEN
Net Asset Approach (book value)	276 YEN	103.1%		Price Earnings Ratio		16.74 (X)
Earnings Return Method	1,524 YEN	-63.2%		Price Book-value Ratio		2.03 (X)
Price-to-Sales Ratio Approach	1,698 YEN	-67.0%		PER(JASDAQ estimate)		17.86 (X)
Discounted Cash Flow Method	99 YEN	466.0%	KCR Average	PER(Peer company estimate)		36.17 (X)
Theoretical Stock Price Average	937 YEN	-40.2%	-4.30%	PBR(JASDAQ estimate)		1.28 (X)
				PBR(Peer company estimate)		3.45 (X)
				Stock Yield (estimate)		5.84 %
				Dividend Yield (JQ average estima		1.71 %

## Rate of divergence

Precondition	FY3/14	FY3/15	FY3/16	FY3/17* KCR	FY3/18* KCR	FY3/19* KCR
(JPY 1 Million)	Actual	Actual	Actual	*KCR Estimate	*KCR Estimate	*KCR Estimate
Net Sales	132,682	136,376	146,468	174,297	209,156	250,988
Ordinary Income	9,976	7,434	7,603	8,018	10,458	13,804
Net Income	5,126	4,633	4,090	4,811	6,275	8,283
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	174,000 (JPY 1 Million)	Estimate	NIDEC CORPORATION	(TSE First Section 6594) Consolidated
Ordinary Income	7,500 (JPY 1 Million)	Estimate	IDOM Inc.	(TSE First Section 7599) Consolidated
Net income	4,000 (JPY 1 Million)	Estimate	COLOWIDE CO.,LTD.	(TSE First Section 7616) Consolidated
Shareholders' Equity	32,982 (JPY 1 Million)	Current		
Number of Shares Issued	119,381,034 (thousand shares)	Current		
Share Price	561 YEN	Current		
Market Value	66,973 (JPY 1 Million)	Current		rate of divergence
Price to Sales Ratio	1,458 (JPY 1 Million)	Market Value (Peer company average)	1,114,439 (JPY 1 Million)	-94.0%
Earnings Per Share	34 YEN	Share Price/PSR (Peer company average)	1.17 (X)	-67.0%
Book-value Per Share	276 YEN	Calculated Price (※KCR Average-6.6%)	1,698 YEN	-67.0%
Share price/PSR	0.38 (X)	EPS x Peer company average	1,212 YEN	-53.7%
PER	16.74 (X)	PBR x Peer company average	953 YEN	-41.1%
PBR	2.03 (X)	Calculated Price (※KCR Average18.9%)	1,082 YEN	-48.2%
Stock Yield	5.97%	EPS x JASDAQ average	598 YEN	-6.3%
		PBR x JASDAQ average	354 YEN	58.6%
		Calculated Price (※KCR Average16.9%)	476 YEN	17.9%
		Total Average (※KCR Average-10.2%)	1,049 YEN	-46.5%

## NIDEC CORPORATION

## A

## IDOM Inc.

## B

Net Sales	1,200,000 (JPY 1 Million)	Estimate	Net Sales	243,500 (JPY 1 Million)	Estimate
Ordinary Income	133,000 (JPY 1 Million)	Estimate	Ordinary Income	7,100 (JPY 1 Million)	Estimate
Net Income	100,000 (JPY 1 Million)	Estimate	Net Income	4,100 (JPY 1 Million)	Estimate
Shareholders' Equity	725,437 (JPY 1 Million)	Current	Shareholders' Equity	38,304 (JPY 1 Million)	Current
Number of Shares Issued	298,142,234 (thousand share)	Current	Number of Shares Issu	106,888,000 (thousand shares)	Current
Share Price	10,495 YEN	Current	Share Price	664 YEN	Current
Market Value	3,129,003 (JPY 1 Million)	Current	Market Value	70,974 (JPY 1 Million)	Current
Price to Sales Ratio	4,025 (JPY 1 Million)		Price to Sales Ratio	2,278 (JPY 1 Million)	
Earnings Per Share	335 YEN		Earnings Per Share	38 YEN	
Book-value Per Share	2,433 YEN		Book-value Per Share	358 YEN	
Share price/PSR	2.61 (X)		Share Price/PSR	0.29 (X)	
PER	31.29 (X)		PER	17.31 (X)	
PBR	4.31 (X)		PBR	1.85 (X)	
Stock Yield	3.20%		Stock Yield	5.78%	

## COLOWIDE CO.,LTD.

## C

Net Sales	240,310 (JPY 1 Million)	Estimate	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.		
Ordinary Income	6,547 (JPY 1 Million)	Estimate			
Net income	2,393 (JPY 1 Million)	Estimate			
Shareholders' Equity	34,261 (JPY 1 Million)	Current			
Number of Shares Issued	75,284,041 (thousand share)	Current			
Share Price	1,904 YEN	Current			
Market Value	143,341 (JPY 1 Million)	Current			
Price to Sales Ratio	3,192 (JPY 1 Million)				
Earnings Per Share	32 YEN				
Book-value Per Share	455 YEN				
Share price/PSR	0.60 (X)		Comparable Peer Company Analysis		
PER	59.90 (X)		Average	1,088.98	
PBR	4.18 (X)		Maximum	1,158.70	
Stock Yield	1.67%		Minimum	1,049.43	

	Share Price*	EPS*	BPS*	Calculated Price
A	B	C		
	4,354	135.2	1,082	1,095
A	B	C		
	5,580	186.9	1,396	1,052
A	B	C		
	6,200	183.6	1,444	1,159
	B	C		
	1,284	35	407	1,049

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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	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%
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	73.1%	KCR Average	64.0%	Strategic model analysis	86.9%	KCR Average	78.9%

Target Sector Automobile dealer industry

Threat of New Entrants	Economies of scale	10
	Product differentiation	5
	Capital requirements	5
	Switching costs of suppliers	10
	Access to distribution channels	10
	Cost advantages independent of scale	6
	Governmental and legal barriers	10
Expected retaliation	10	
Subtotal	80	83%
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	10
	Heterogeneous strategy	0
Fruit of strategic results	5	
Exit barriers	10	
Subtotal	90	67%
Threat of substitute products or services	High profit company of Gulliver	10
	Low-priced with same performance	10
	Subtotal	20
Bargaining power of customers (buyers)	Force down prices	10
	Number of potential customers	10
	Percentage of customer costs	5
	Differentiation(buyer needs)	5
	Buyer switching costs	0
	Wealthiness	5
	Backward integration possibility	10
Essentiality	10	
Buyer information availability	10	
Subtotal	90	72%
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	
Subtotal	70	64%
Total	350	73%
Total		256

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	83%
Total		100

Differentiation strategy	Product design	0
	Brand image	10
	Technology	5
	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	77%
Total		85

Concentration strategy	Investment in specific targets	10
	Investment in specific products	10
	Investment in specific areas	10
	Investment in specific segments	10
Total	40	100%
Total		40

Future inspection	analyzes risks for future threats	
Risk analysis	82.2%	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	0
Total	50	80%
Total		40

Differentiation strategy risk	Other companies' brand-name products	0
	Changes of customer needs	10
	Imitation	10
	Subtotal	20
Total	30	

Concentration strategy risk	End of cost advantages	10
	End of specific needs	10
	Subdivision of specific targets	10
	Subtotal	30
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	97%
Total		165

Company analysis	Head office, corporate culture	115
Total	120	96%
Total		115

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%.

Strategy check	analyzes the strategic level from the following four viewpoints	
Management balance analysis	97.5%	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%
Total		50

Important point analysis	Business domain, market & products	10
	Dynamic business resources	10
	Static business resources	10
	Company's strength	10
	Narrowing	10
Total	50	100%
Total		50

Planning ability analysis	Goal achievement	10
	Planning from long-term viewpoints	5
	Short-term and long term planning	10
	Downward revision	10
	Planning flexibility	10
Total	50	90%
Total		45

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%
Total		50

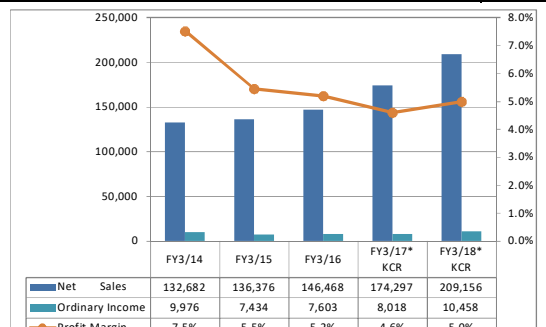
Viewpoint		
Strategic level		
Exceptionally strategic	80~100%	★★★★★
Considerably strategic	60~80%	★★★★
Strategic	40~60%	★★★
Strategically weak	20~40%	★★
Lacking strategy	0~20%	★

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<b>VT HOLDINGS CO., LTD.</b> (TOKYO: 7593) Consolidated										[Current Share Price]		★★★		
[Stock Code]	[Industry]	[Market Division]	[Fiscal Year End]	[IPO Date]	[BPS (yen)]	[PER(x)]	[PBR(x)]	[Trading Unit]	[Dividend Yield]	2.9 %	[Market Value]	561 yen	★★★	
[Complimentary Goods for Shareholders]	7593 Retail TOKYO	Mar. 31	Sep-98	280.33	16.1	2.00	100	[Shareholder Yield]	- %	[Market Value]	66,973 million yen	★★★		
[Company features]	Kazuho Takahashi January 18, 1953 63										[Highest Price within Five Years]	870 yen	[Overseas Ratio]	25.0
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]	33.9			[Ratio]	1.45	[Shareholders' Equity ¥ million]	32,982	[PER Estimate]	16.5	[Current PBR]	2.03	

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	
FY3/13	118,317		7,810	6.6%	7,659	6.5%	4,775	4.04%	44.9	10.00	22.3%							
FY3/14	132,682	12.1%	10,082	7.6%	9,976	7.5%	5,126	3.86%	46.3	12.33	26.6%	119,381,034	13,929	-570	13,359	-9,939	7,597	
FY3/15	136,376	2.8%	7,347	5.4%	7,434	5.5%	4,633	3.40%	39.38	14.00	35.6%	119,381,034	4,259	-5,017	-758	-778	6,056	
FY3/16	146,468	7.4%	7,619	5.2%	7,603	5.2%	4,090	2.79%	34.77	18.00	51.8%	119,381,034	9,640	-3,220	6,420	-5,041	7,454	
Current Estimate	174,000	18.8%	7,500	4.3%	7,500	4.3%	4,000	2.30%	34.00	16.00	47.1%							
FY3/17* KCR	174,297	19.0%	8,018	4.6%	8,018	4.6%	4,811	2.78%	40.30	18.00	44.7%	119,381,034	7,000	-1,500	5,500	*KCR Estimate		
FY3/18* KCR	209,156	20.0%	10,458	5.0%	10,458	5.0%	6,275	3.00%	51.53	21.00	40.8%	121,768,655	9,000	-1,500	7,500	*KCR Estimate		
FY3/19* KCR	250,988	20.0%	13,804	5.5%	13,804	5.5%	8,283	3.30%	66.69	27.00	40.5%	124,204,028	10,000	-2,000	8,000	*KCR Estimate		
2 year average	5.1%	0	7,483	5.3%	7,519	5.3%	4,362	3.1%	40.1	3Y average	38.0%		9,276	-2,936	6,340	-5,253	7,036	
3 year average	9.7%	0	7,489	6.1%	7,512	6.1%	4,241	3.4%	38.6	4Y average	40.3%							
4 year average	10.3%	0	8,137	5.6%	8,128	5.6%	4,462	3.1%	30.9	5Y average	32.2%							
FY-2Q									Total									
Pre-FY-2Q	72,068		3,763		3,742		1,881		Total									
FY-3Q									Total									
Pre-FY-3Q	104,680		4,734		4,730		2,376		Total									
FY-2Q E	74,000		2,400		2,400		1,300		Total									

Quarterly Analysis	1Q	2Q	3Q	4Q	FY	Pre-FY	FY (%)	Pre-FY (%)
Net Sales	31,856	41,813	50,266	50,266	73,469	72,068	42.2	49.2
Operating Income	964	2,078	2,229	2,229	3,042	3,763	40.6	49.4
Profit Margin	3.0%	5.0%	4.4%	4.4%	4.1%	5.2%	46.0	
Ordinary Income	892	2,154	2,227	2,227	3,046	3,742	42.3	46.0
Profit Margin	2.8%	5.2%	4.4%	4.4%	4.1%	5.2%	46.0	
Net Income	436	1,254	1,155	1,155	1,690	1,881	42.3	46.0
Profit Margin	1.4%	3.0%	2.3%	2.3%	2.3%	2.6%	46.0	




Segment Information	FY3/16	FY3/15	Ratio of Shareholding	Overseas	Investment	Floating Stocks	Settled Stocks	Stockholders	(JPY 1 Million)
Automobile Sales Related Business	95.6%	96.3%	-0.6%						Capital Investment
Housing Related Business	4.3%	3.6%	0.7%	27.7	5.0	2.4	52.9	4,053	8,925
The others	0.1%	0.1%	0.0%	27.2	4.7	1.9	57.8	3,501	3,701
-	0.0%	0.0%	0.0%	26.3	5.3	1.8	58.5	3,277	0
Total	100.0%	100.0%	0.0%	(%)	(%)	(%)	(%)	(people)	R&D

Quantitative Analysis	Prev.	Actual	Current Estimate	KCR Estimate	Similar and Competing company average	Profitability Analysis	Efficiency Analysis	Safety Analysis	Growth Potential Analysis	Productivity Analysis
ROA (Ordinary Income)	8.0%	8.0%	7.2%	7.7%	6.1%	3.0	3.0	3.0	3.0	4.0
ROE (Net Income)	15.0%	12.5%	12.1%	14.6%	8.0%	3.0	3.0	3.0	3.0	4.0
Ordinary Income Margin	5.5%	5.2%	4.3%	4.6%	5.2%	3.0	3.0	3.0	3.0	4.0
Total Asset Turnover	1.5	1.5	1.7	1.7	1.4	3.0	3.0	3.0	3.0	4.0
Current Asset Turnover	3.7	3.8	4.0	4.0	3.4	3.0	3.0	3.0	3.0	4.0
Total Non-Current Asset Turnover	2.4	2.6	2.8	2.8	2.7	3.0	3.0	3.0	3.0	4.0
Current Ratio	87.6%	85.5%	85.8%	0	146.7%	3.0	3.0	3.0	3.0	4.0
Debt Ratio	194.6%	184.2%	212.9%	0	219.5%	3.0	3.0	3.0	3.0	4.0
Equity Ratio	33.3%	34.4%	31.9%	0	37.1%	3.0	3.0	3.0	3.0	4.0
Growth Rate	2.8%	7.4%	18.8%	19.0%	27.1%	3.0	3.0	3.0	3.0	4.0
Ordinary Income Growth Rate	-25.5%	2.3%	-1.4%	5.5%	24.1%	3.0	3.0	3.0	3.0	4.0
Equity Growth Rate	10.8%	5.8%	-	-	24.0%	3.0	3.0	3.0	3.0	4.0
Sales per Employee *	54,225	56,573	57,711	57,810	43,769.5	3.0	3.0	3.0	3.0	4.0
Ordinary Income per Employee *	2,956	2,937	2,488	2,659	1,486.4	3.0	3.0	3.0	3.0	4.0
Net Income per Employee *	1,842	1,580	1,327	1,596	734.1	3.0	3.0	3.0	3.0	4.0

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, 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 7593TS170117	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	17-Jan-17	<b>Total Score</b> <b>10.7</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.				

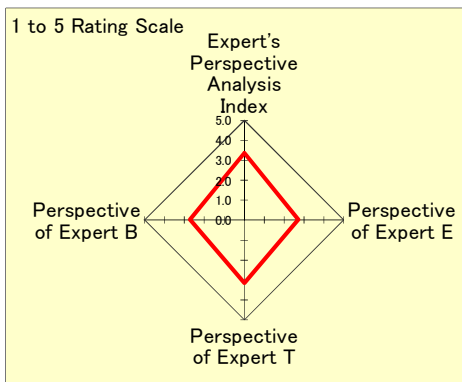
■ Main Basic Data ※ Estimate is basically a company plan. Asset is current.

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	26,247	561	32,982	119,381.0	280	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	29,735	16	47.1%	March-83	870	103	-35.5
*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
174,000	7,500	7,500	4,000	34.00	12.1%	7.2%	31.9%

■ 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)
6.1	2.0	16.5	28.7%	2.9	34	444.7	6,420
5.0	1.0	2.0	2.0	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
4.3%	Retail	56.1	1,193,810	66,973	Increases both in sales and profits	Increasing trend	12.1%
0.0	3.0	5.0	2.0	1.0	4.0	5.0	5.0

Expert's Perspectives	Score	Rating	KCR Average	Radars Chart
Perspective of Expert E	2.3	★★	3.1	
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	

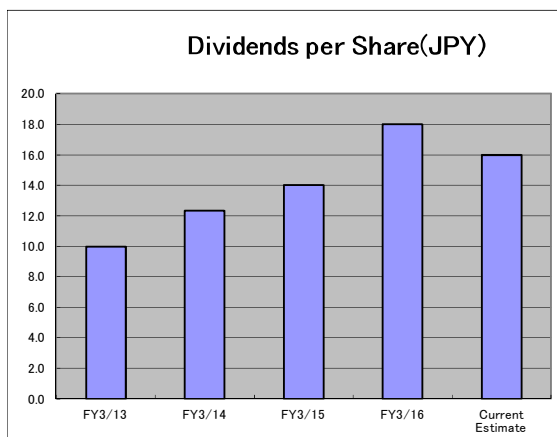
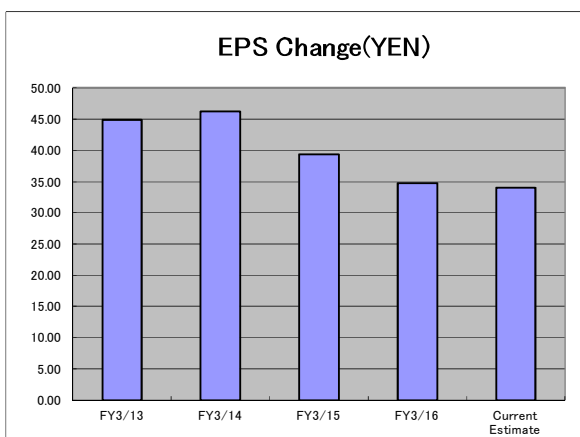
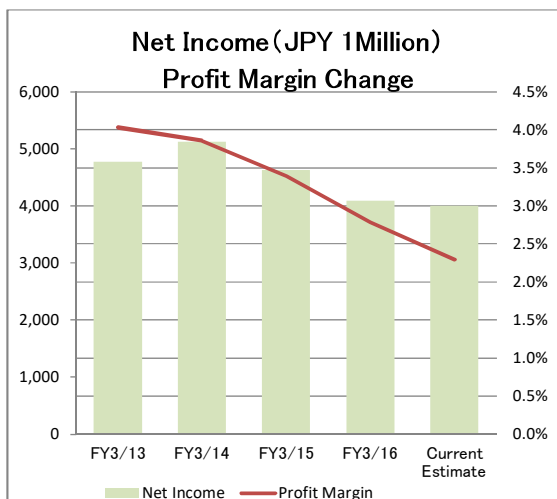
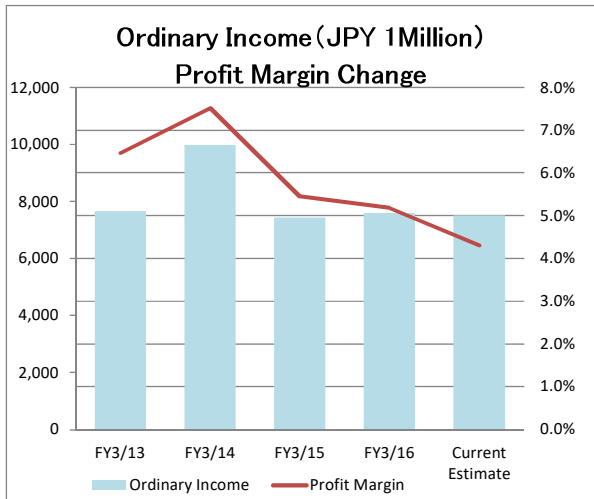
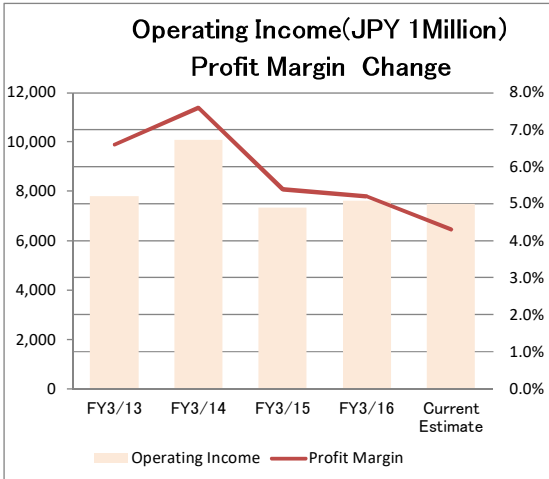
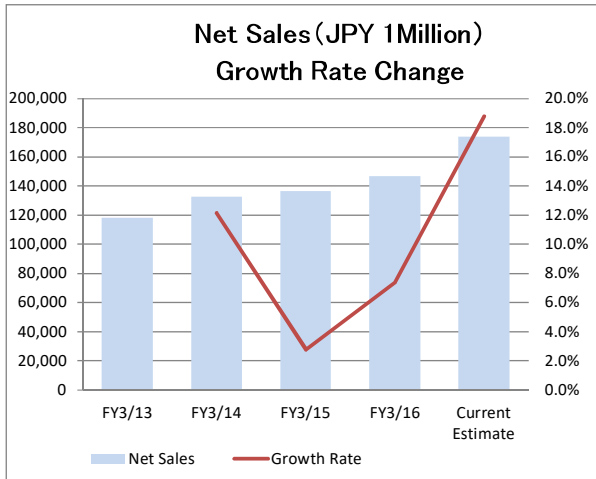
※Please note that there is no relation three masters that really exist.

Rating	Score	Expert E	Expert T	Expert B
★★★★★	4.5~5.0	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	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.	An internationally well-known investor who earned 5 trillion yen through stock investment. This expert tends to place importance on value investing and revenue
★★★★	3.4~4.4			
★★★	2.5~3.4			
★★	1.5~2.4			
★	0~1~1.4			

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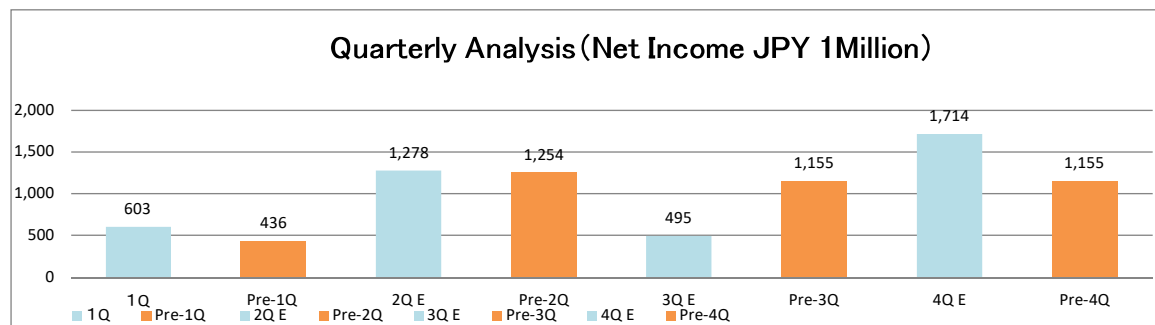
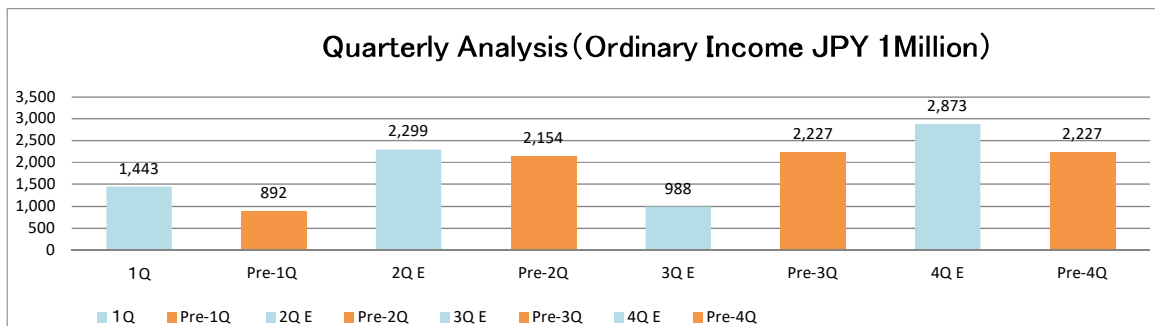
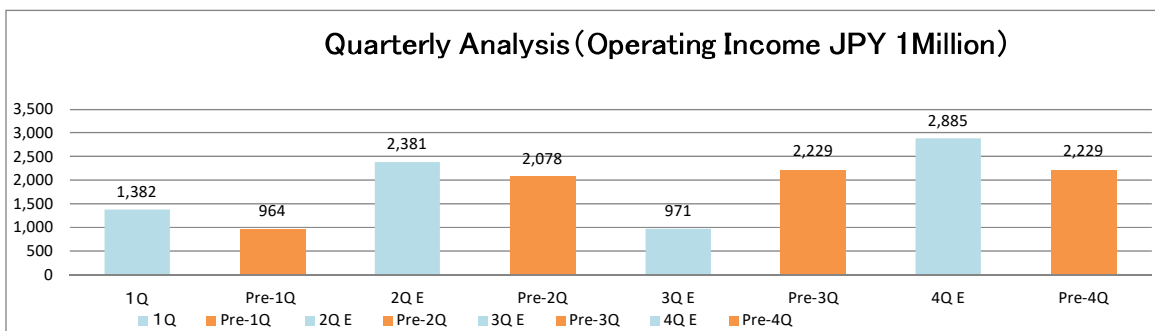
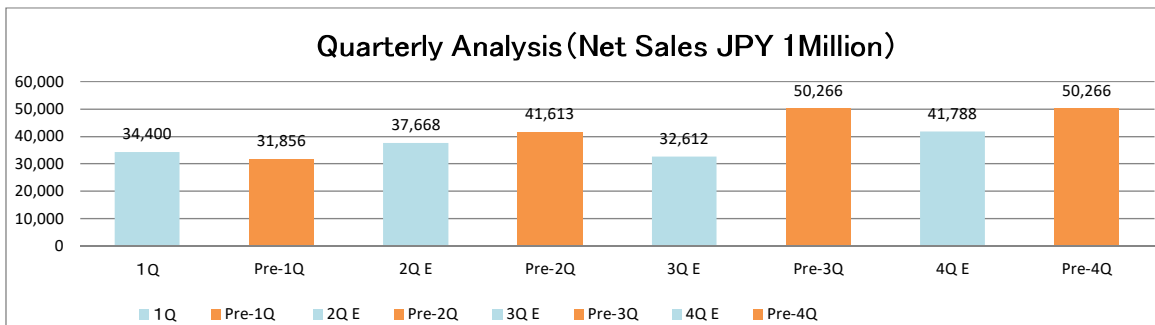
**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

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	174,000	18.8%	7,500	4.3%	7,500	4.3%	4,000	2.3%	34.00	16.0



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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		
1Q	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%		
2Q E	37,668	10.5%	2,381	6.3%	2,299	6.1%	1,278	3.4%		
Pre-2Q	41,613	0.0%	2,078	5.0%	2,154	5.2%	1,254	3.0%		
3Q E	32,612	54.1%	971	3.0%	988	3.0%	495	1.5%		
Pre-3Q	50,266	0.0%	2,229	4.4%	2,227	4.4%	1,155	2.3%		
4Q E	41,788	20.3%	2,885	6.9%	2,873	6.9%	1,714	4.1%		
Pre-4Q	50,266	0.0%	2,229	4.4%	2,227	4.4%	1,155	2.3%		

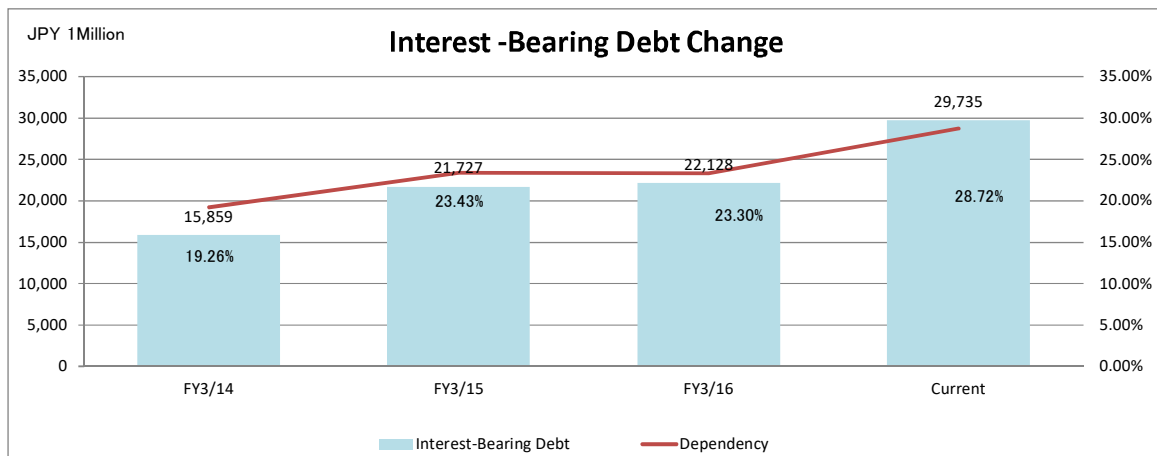
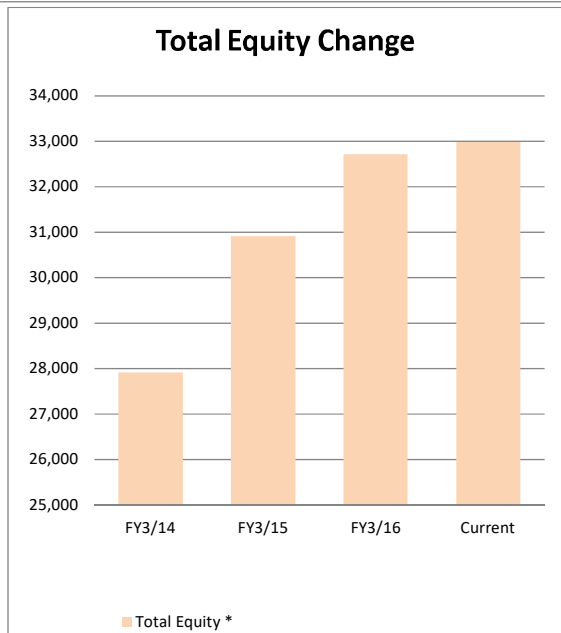
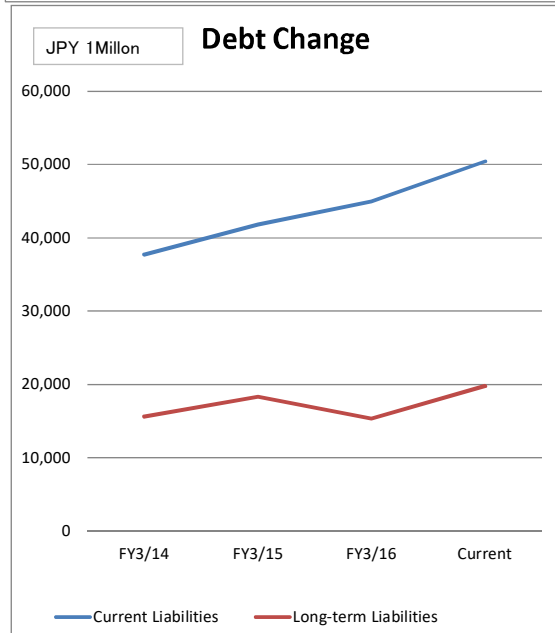
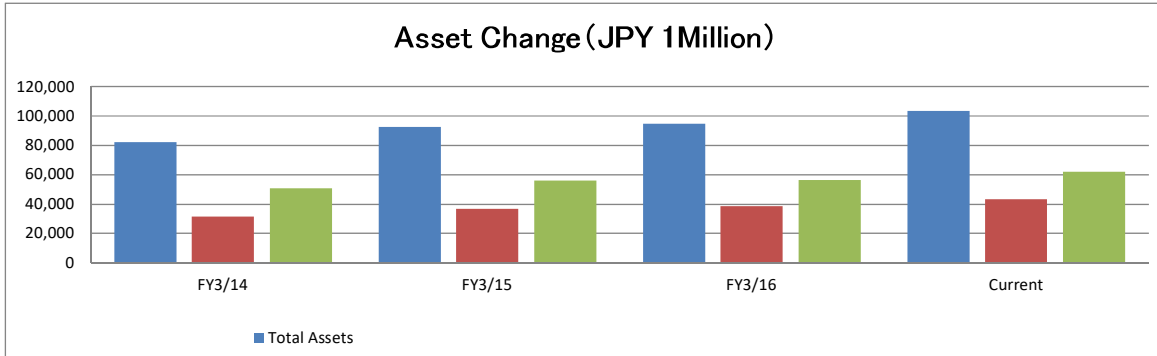


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**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

Asset Analysis	Total Assets	Current Assets	Non-Current Assets	Current Liabilities	Long-term	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	43,297	61,982	50,434	19,795	32,982	29,735	28.72%	3,015

\*Total net assets – Minority interests

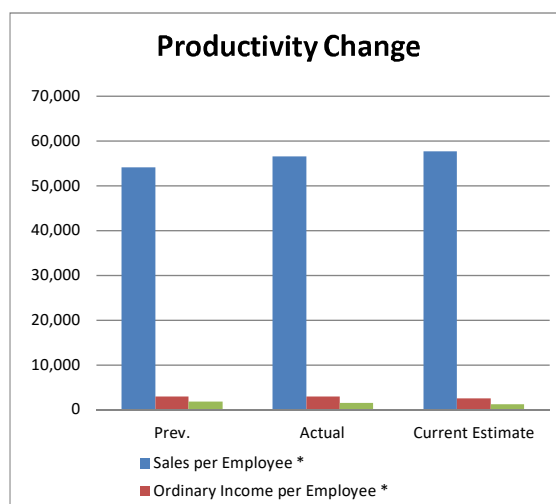
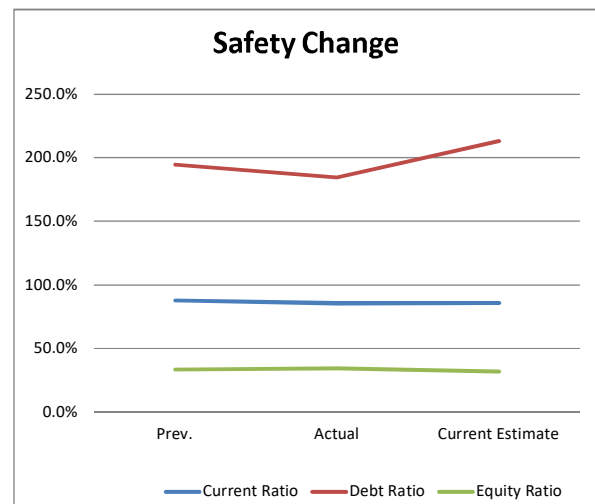
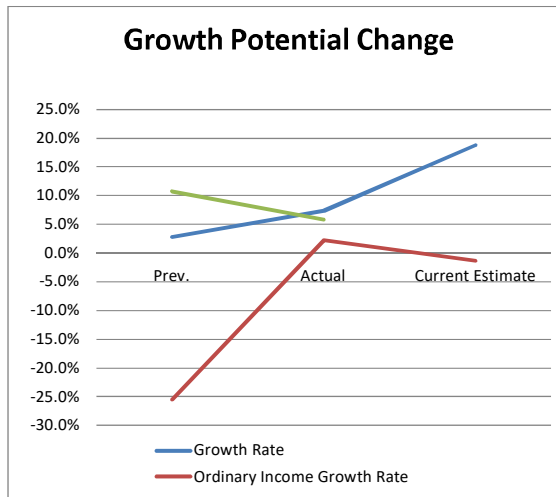
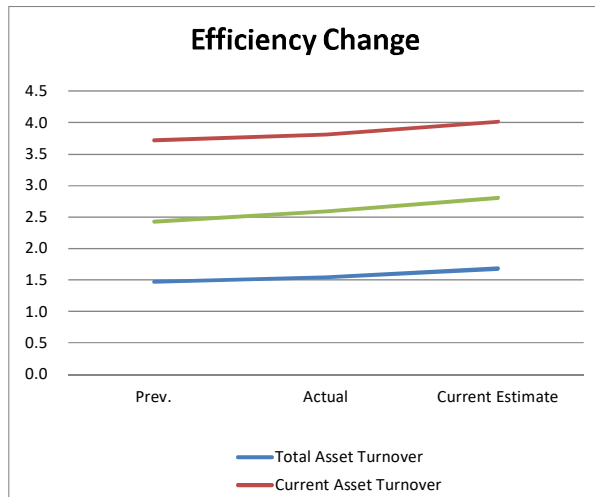
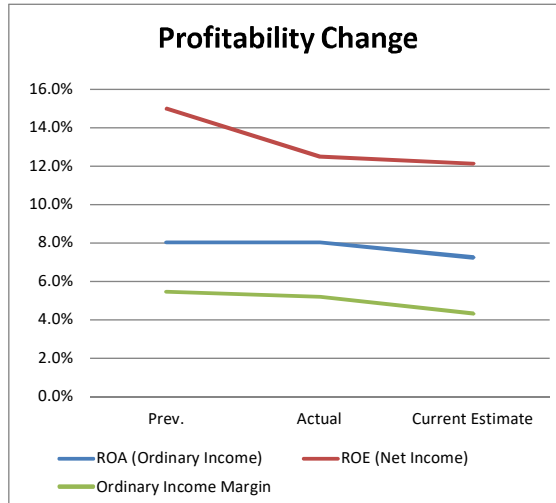


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Financing Index Analysis			
<b>Profitability Analysis</b>			
ROA (Ordinary Income)	Prev. 8.0%	Actual 8.0%	Current Estimate 7.2%
ROE (Net Income)	15.0%	12.5%	12.1%
Ordinary Income Margin	5.5%	5.2%	4.3%
<b>Efficiency Analysis</b>			
Total Asset Turnover	Prev. 1.5	Actual 1.5	Current Estimate 1.7
Current Asset Turnover	3.7	3.8	4.0
Total Non-Current Asset Turnover	2.4	2.6	2.8
<b>Safety Analysis</b>			
Current Ratio	Prev. 87.6%	Actual 85.5%	Current Estimate 85.8%
Debt Ratio	194.6%	184.2%	212.9%
Equity Ratio	33.3%	34.4%	31.9%
<b>Growth Potential Analysis</b>			
Growth Rate	Prev. 2.8%	Actual 7.4%	Current Estimate 18.8%
Ordinary Income Growth Rate	-25.5%	2.3%	-1.4%
Equity Growth Rate	10.8%	5.8%	
<b>Productivity Analysis</b>			
Sales per Employee *	Prev. 54,225	Actual 56,573	Current Estimate 57,711
Ordinary Income per Employee *	2,956	2,937	2,488
Net Income per Employee *	1,842	1,580	1,327

\*Thousand yen

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

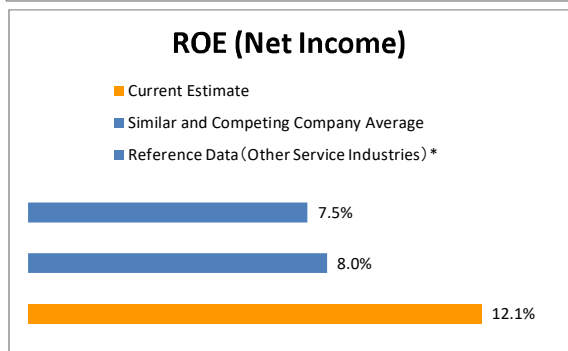
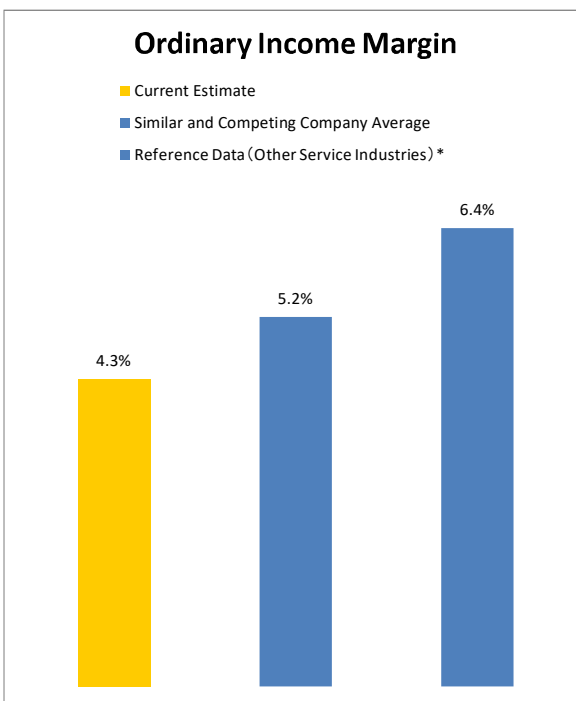
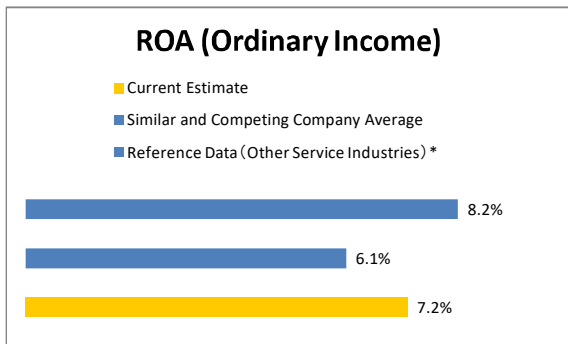


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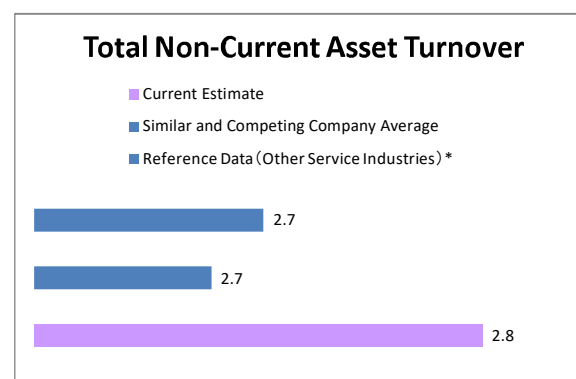
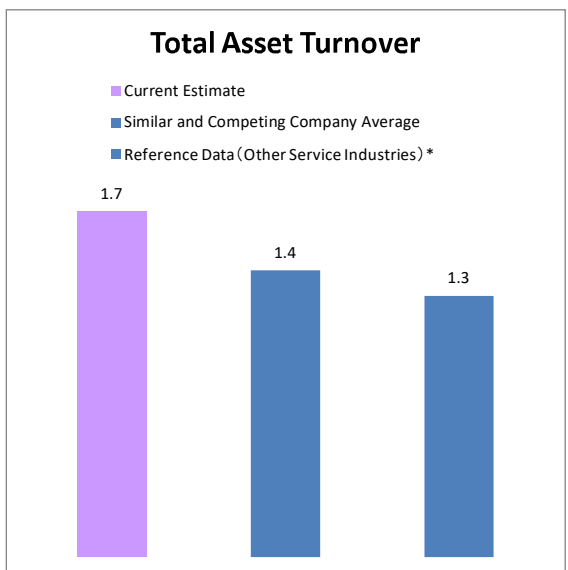
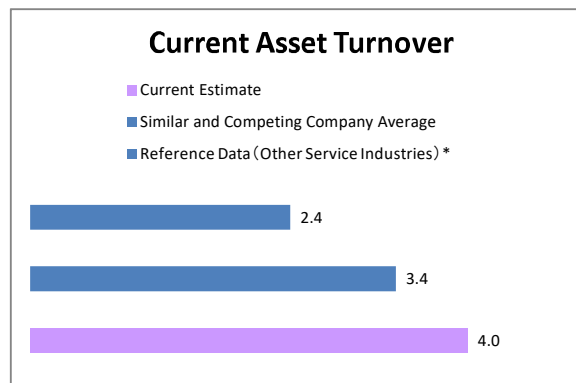
**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

Profitability Analysis	Current Estimate	Similar and Competing Company	Reference Data (Other Service Industries)*	Three Similar and Competing Companies	
		Average			
ROA (Ordinary Income)	7.2%	6.1%	8.2%	NIDEC CORPORATION	(TSE First Section 6594) Consolidated
ROE (Net Income)	12.1%	8.0%	7.5%	IDOM Inc.	(TSE First Section 7599) Consolidated
Ordinary Income Margin	4.3%	5.2%	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	1.7	1.4	1.3
Current Asset Turnover	4.0	3.4	2.4
Total Non-Current Asset Turnover	2.8	2.7	2.7



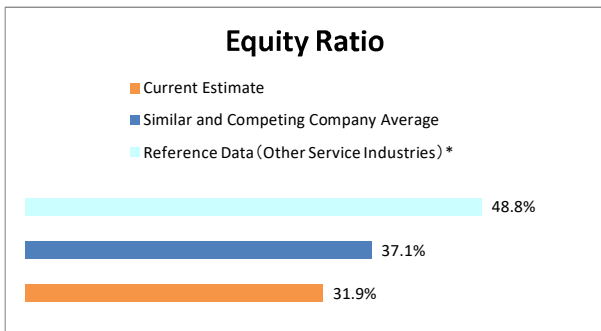
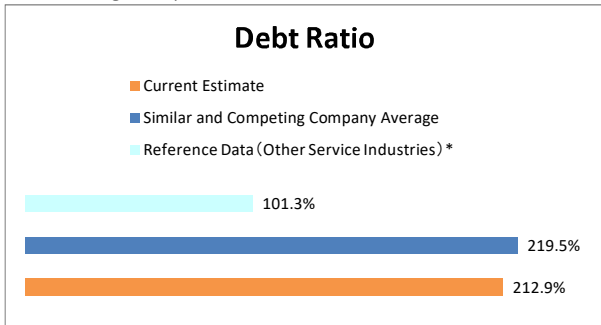
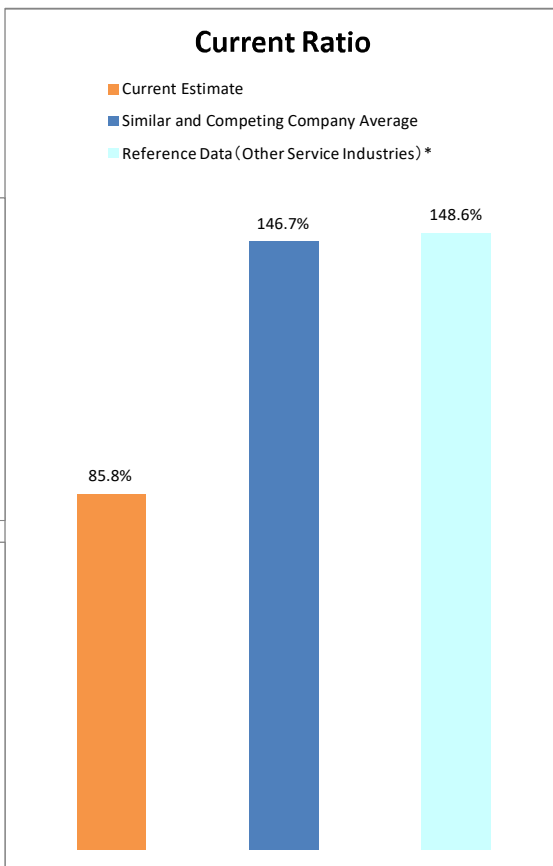
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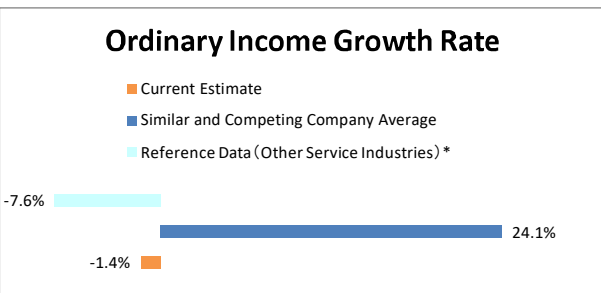
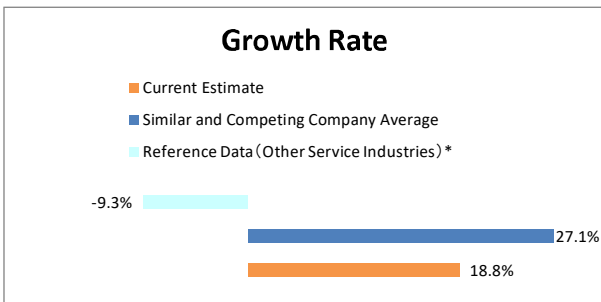
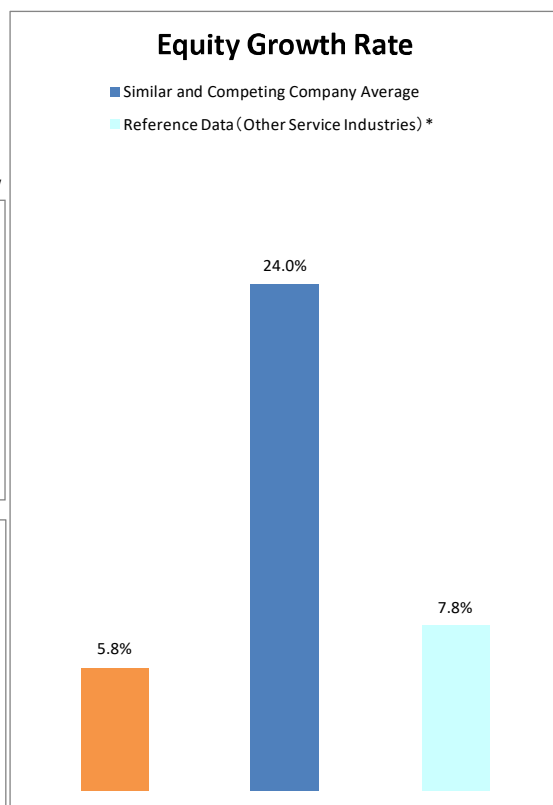
**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

Safety Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries) *
Current Ratio	85.8%	146.7%	148.6%
Debt Ratio	212.9%	219.5%	101.3%
Equity Ratio	31.9%	37.1%	48.8%

\*Market average in Japan



Growth Potential Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries) *
Growth Rate	18.8%	27.1%	-9.3%
Ordinary Income Growth Rate	-1.4%	24.1%	-7.6%
Equity Growth Rate	5.8%	24.0%	7.8%

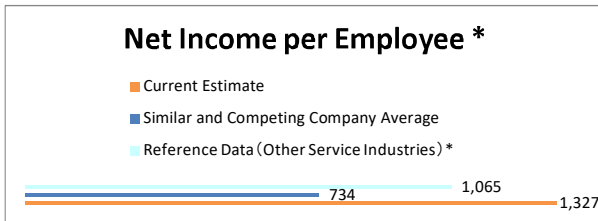
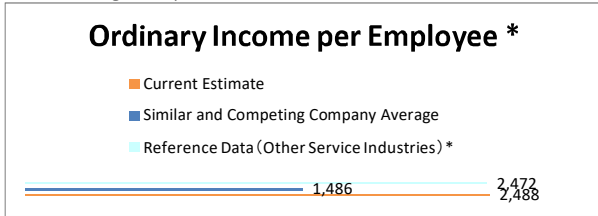
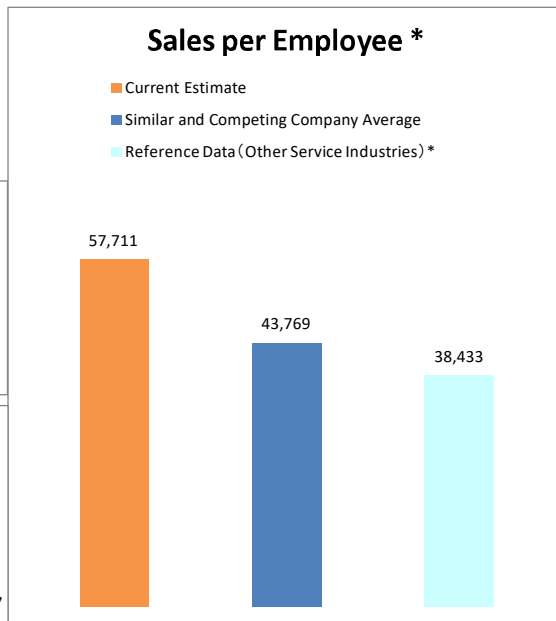


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**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

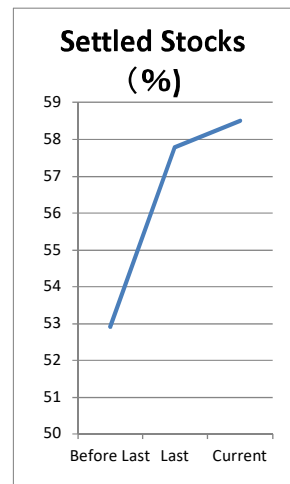
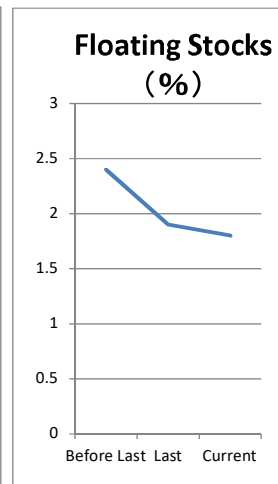
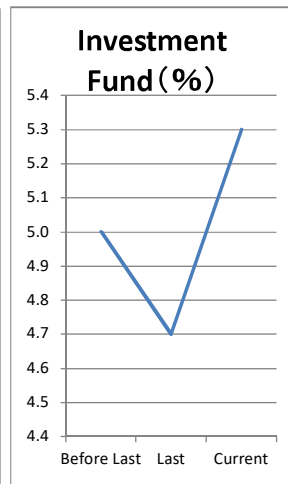
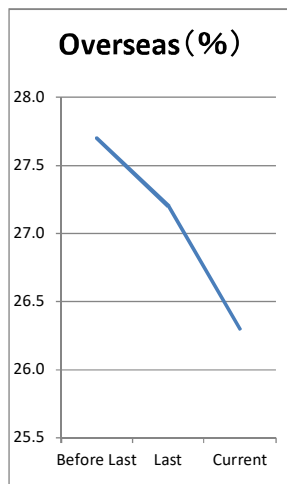
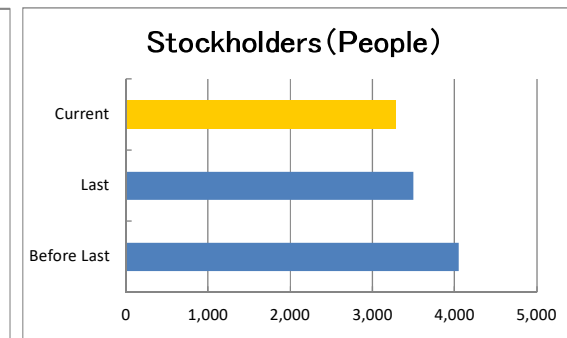
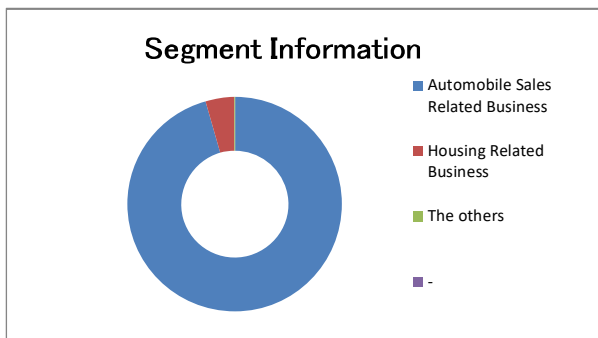
Productivity Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries) *
Sales per Employee *	57,711	43,769	38,433
Ordinary Income per Employee *	2,488	1,486	2,472
Net Income per Employee *	1,327	734	1,065

\*Market average in Japan



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	27.7	5.0	2.4	52.9	4,053
Last	27.2	4.7	1.9	57.8	3,501
Current	26.3	5.3	1.8	58.5	3,277



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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】	561 yen

★★★★★

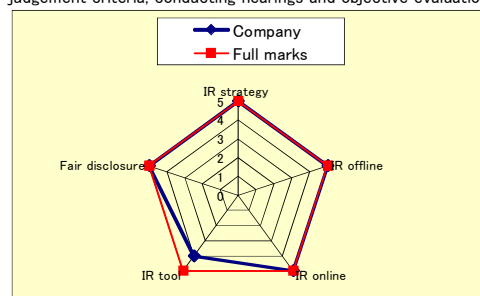
VT Holdings Co, Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.

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	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: 1year

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. 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.

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