

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
05-Jun-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]	3.2 %			[Market Value (million yen)] 67,689
[Shareholder Yield]	- %			[Interim Dividends] YES
[Real Yield]	- %			[Up/Down Ratio (high price)] -34.8
				[Up/Down Ratio (low price)] 278.0
				[PER Estimate] 13.9
				[PBR (x)] 1.93

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
FY3/14	132,682	9,976	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	169,560 15.8%	7,937 4.4%	37.6	17.0	4.7%
FY3/18* KCR	196,690 16.0%	8,654 9.0%	43.5	19.0	4.4%
FY3/19* KCR	230,127 17.0%	9,895 14.3%	48.8	20.0	4.3%

*KCR Estimate

Investment Opinion

Overall Rating

+2 BUY

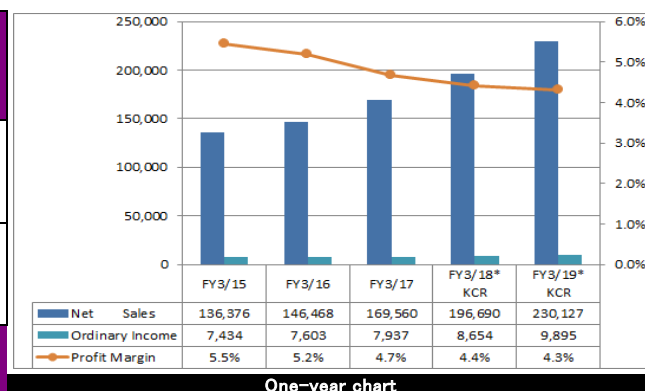


Target Share Price

814 YEN

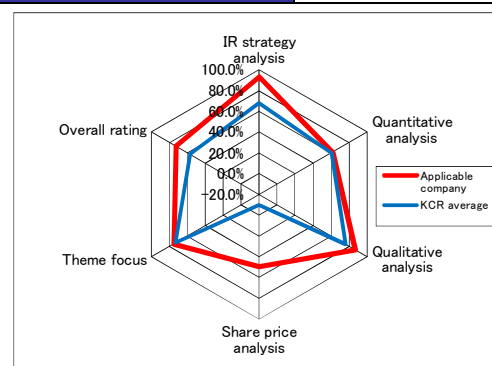
Current Share Price

567 YEN



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 1.5% above the KCR average in quantitative analysis and 10.9% above average in qualitative analysis. The company's share price has been hovering 59.5% below the average price while the company's IR strategy is 25.3% above average. Meanwhile, the company's theme focus is 2.0% above average. Considering that the company's overall rating is 15.7% above average, KCR Inc. sets a target price of 814 yen.



	IR strategy analysis	Quantitative analysis	Qualitative analysis	Share price analysis	Theme focus	Overall rating
Applicable company	93.3%	61.5%	86.8%	49.3%	75.0%	72.9%
KCR average	68.0%	60.0%	75.9%	-10.2%	73.0%	57.2%
Difference	25.3%	1.5%	10.9%	59.5%	2.0%	15.7%

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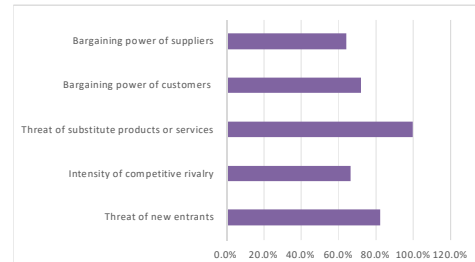
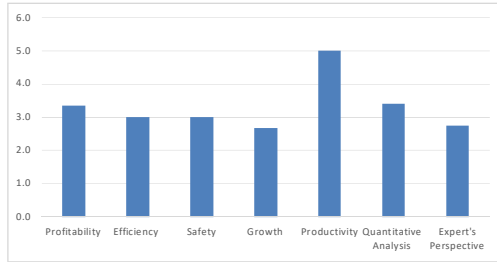
Overall Rating

[Stock Code] 7593 [Industry] Retail [Market Division] TOKYO [Fiscal Year End] Mar. 31 [Share Price] 567 YEN [Market Value] 67,689 million yen

+2 BUY

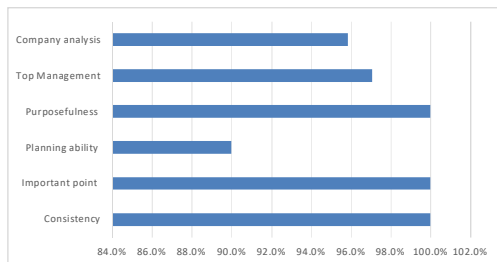
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Last Rating	+2 BUY
Reference Stock Price	765 YEN



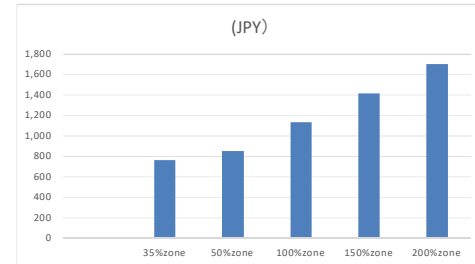
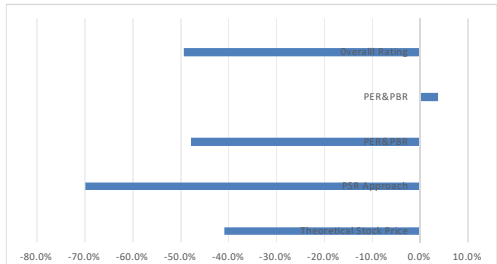
Quantitative Analysis Rating

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	3.1	Evaluation Index	4 Index Overall Rating
★★★	★★★	★★★	★★★	★★★★★	★★★	★★★	75.0%		
3.3	3.0	3.0	2.7	5.0	3.4	2.8	61.5%	75.0%	★★★★
Qualitative Analysis Rating							Total Evaluation Index		
Overall rating							86.8%	★★★★★	72.9%

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%	★★★★★

Share price rating		(Peer company estimate)		(Peer company estimate)		(JASDAQ estimate)		Overall Rating
Theoretical Stock Price	★★★★★	PSR Approach	★★★★★	PER&PBR	★★★★★	PER&PBR	★★★★★	★★★★★
	-40.8%		-69.9%		-47.8%		3.9%	-49.3%
Reference Stock Prices (JPY)	35%zone: 765	50%zone: 851	100%zone: 1,134	150%zone: 1,418	200%zone: 1,701			
Reference Market Value (JPY 1 Million)	20%zone: 81,226.9	50%zone: 101,533.6	100%zone: 135,378.1	200%zone: 203,067.1				

IR Strategy Analysis	Total Score	Evaluation Index
★★★★★	280	93.3%

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	※The term of validity: 1 year	
Rating	Total Evaluation Index	Upside potential
+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
Ongoing Growth through M&A as a Global Auto Dealer

VT Holdings Co., Ltd., is an auto dealership holding company located in Aichi Prefecture, comprising 43 subsidiaries and eight affiliated companies. Operations in the auto dealership business mainly involve sales of new and second-hand cars and auto repair at its Honda dealerships, Nissan dealerships, import car dealerships, auto importers and overseas car dealerships. Car-related business accounts for 96% of net sales, with housing-related business making up the remaining 4%.

VT Holdings' core growth strategy is M&A. Operations within the car-related business break down into the new car, used car, service, rental car and export segments. In addition to expanding its operations in Japan through M&A activities, recently the company has been aggressively developing its business through overseas M&A. Overseas business has grown to account for 30.6% of net sales, in such countries as the United Kingdom, Spain, Australia and South Africa.

Around half of net sales come from VT Holdings' seven main subsidiaries, including Honda Cars Tokai, Nagano Nissan Auto Sales, Shizuoka Nissan Auto Sales, Mikawa Nissan Auto Sales and Nissan Satio Saitama, with sales from Nissan-affiliated dealers accounting for a high percentage. 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 and whose subsidiary, J-net, is engaged in the rental car and lease business. The company also owns MG Home Co., Ltd. (8891, listed on the 2nd section of TSE), which markets condominiums mainly in the Tokai area.

Features and Strengths
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 the company has aggressively carried out since its stock listing. The second is a high base profit cover ratio. The third is a recurring-revenue business model. The company aims to rapidly achieve high growth and stable profit with these three strategies.

While its 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 from all sales except new car sales, divided by selling, general and administrative (SGA) expenses. This ratio indicates the percentage of SG&A expenses covered by profit from divisions excluding new cars. 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 fiscal year ended March 31, 2017, was 105.7%, 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 employs a recurring-revenue business model in which earnings derive 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 the VT Group's operating margin and the industry average.

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Latest Performance

Record-High Net Sales for Seventh Consecutive Fiscal Year, with Overseas Sales Comprising a Growing Percentage

In the fiscal year ended March 31, 2017, the company recorded net sales of ¥169,560 million (+15.8% YoY), a record high, and up for the seventh straight fiscal year. Operating income was ¥7,592 million (-0.4%), ordinary income was ¥7,937 million (+4.4%) and net income was ¥4,421 million (+8.1%). Due to growing overseas M&A activity, the overseas sales ratio has grown to around 30%. Profits reached the second-highest levels to date, lower only than the period of rush demand ahead of Japan's consumption tax increase.

Of M&A activities in Japan, Shizuoka BMW (commenced sales in April 2016) contributed to sales for the full fiscal year. Two overseas acquisitions also contributed substantially to consolidated net sales: Wessex Garage Holdings of the United Kingdom (became a subsidiary in May 2016) contributed for nine months, and Master Automocion, S.L., of Spain (became a subsidiary in October 2016) contributed for half of the fiscal year. However, the impact of yen appreciation caused overseas sales to decline on a yen basis, so these sales fell short of the company's initial projections. The number of new and used cars sold was 82,916 (+12.3% YoY). Sales from the car-related business were ¥162,687 million (+16.2% YoY), and operating income was ¥7,529 million (-2.4%). In the housing-related business, sales were ¥6,731 million (+7.4% YoY), with operating income growing to ¥541 million (+86.2%).

Company Forecasts Higher Sales and Profit, Commences Overseas Importer Business

Future Outlook

For the fiscal year ending March 31, 2018, VT Holdings expects sales and profit growth to continue, with net sales again reaching a new record high. The company forecasts net sales of ¥196.0 billion (+15.6% YoY), operating income of ¥8.5 billion (+12.0%), ordinary income of ¥8.5 billion (+7.1%) and net income of ¥4.8 billion (+8.5%).

In domestic car sales, the company anticipates a temporary surge in demand ahead of a consumption tax hike that has been delayed to 2019, but fears further market shrinkage once the tax increase has gone into effect. To achieve growth, VT Holdings plans to further augment its base of earnings in the used car and service segments of group companies and work to improve customer satisfaction. The company is also seeking to expand new businesses through M&A activity. One example is the importer business in South Africa, from June 1, 2017.

VT Holdings plans to convert Peugeot Citroen South Africa (Pty) Ltd. to a subsidiary in June 2017, with the company continuing as a venture with Peugeot, the automaker. VT Holdings anticipates synergies with subsidiaries that are developing the dealership business in South Africa: Trust Absolut Auto (Proprietary) Limited and Sky Absolut Auto (Proprietary) Limited. Peugeot Citroen South Africa generated losses in the previous fiscal year, which will lower the acquisition price. VT Holdings plans to acquire the company after restructuring is complete—including a staff reduction from 80 people to 20—and expects the new subsidiary to quickly begin contributing to profits.

KCR expects net sales of ¥196,669 million, operating income of ¥8,654 million, ordinary income of ¥8,654 million and net income of ¥5,193 million. KCR also suggests a ¥1 per share increase in dividends beyond VT Holdings' forecast level.

Market Environment

Unit Sales of New Cars Favorable in Japan, Overseas Development Accelerating

According to a domestic auto dealer industry group, the number of new cars sold in fiscal 2016 rose for the first time in three years, growing 2.8% year on year, to 5,077,904 vehicles. Sales of registered vehicles with engine displacement over 660cc rose, recovering to above the 5-million-vehicle mark. The industry group believes that this rise demonstrates a consumer tendency to purchase small vehicles (over 600cc) rather than light vehicles (under 660cc) when changing over to new compact cars. The increase was partly due to an upswing following the Mitsubishi Motors fuel efficiency data scandal in the previous fiscal year, and new car sales have remained favorable even since the beginning of 2017. In April 2017, new car sales were up 9.2% year on year on a unit basis. This represents the sixth consecutive month of year-on-year increases, and conditions are currently positive.

Passenger car ownership in the domestic market has been trending upward, as owners have been holding on to vehicles for longer. 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.

In addition, in recent years VT Holdings has focused on overseas M&A activity, causing the ratio of overseas sales to net sales to increase rapidly. Growth is particularly pronounced because the company is becoming involved not only in the dealer business, but in the importer business as well.

Medium-term Management

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 subject to technical innovation risks and is unlikely to disappear in the future. According to unique judgment scores by KCR Inc., based on Michael Porter's theory of competitive advantage, VT Holdings was rated 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.

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President's
Biography**Business Expansion through M&A Since Listing, Now Focused on Overseas M&A**

Kazuho Takahashi, the current president, representative director, and founder of VT Holdings Co., Ltd., was born on January 18, 1953. In 1972, he started working for Aichi Hino Motors Co., Ltd. In 1978, he left his previous company and founded a used car sales company. In 1983, he founded VT Holdings as its president to start an auto dealer business. Since the company's public listing in 1998, the business has expanded through aggressive M&A. In recent years, the company has been focusing in particular on overseas M&A activities.

Quantitative
Analysis Scores**ROE and Productivity at High Level vis-à-vis Comparable Companies**

Although VT Holdings specializes in managing auto dealers, comparing the company other car dealers in the capital markets may inaccurately reflect its growth potential. This is because other car dealers do not focus on M&A, which is core to VT Holdings' business models. Also, other dealers are mainly affiliated with manufacturers, many of whom accept low growth rates and revenue levels. To analyze VT Holdings' finances and stock prices, it is therefore more useful to compare VT Holdings with other companies that target growth from M&A strategies, even if the peer companies operate in different types of business.

In conducting VT Holdings' financial analysis, KCR Inc., chose to compare the company with IDOM Inc. (7599, listed on the 1st section of TSE) in the auto-related industry and two enterprises that employ M&A strategies for growth: Nidec Corporation (6594, listed on the 1st section of TSE) and Colowide Co., Ltd. (7616, listed on the 1st section of TSE).

Companies that use M&A as their main growth strategies are likely to have high debt ratios (safety indexes) and low capital adequacy ratios. VT Holdings had a debt ratio of 239.2% and an equity ratio of 28.8% in the previous period, which might appear to be a level low of safety. However, this trend is common among companies that employ M&A-based growth strategies. The three companies mentioned above had an average debt ratio of 274.3% and an equity ratio of 33.1% in the previous quarter; by comparison, VT Holdings' safety level is high. Furthermore, VT Holdings' ROE last fiscal year was high at 12.6%, and productivity per employee is particularly strong.

(See P. 10: KCR-Quantitative Analysis Report)

Share Price
Analysis Scores**Undervalued, with Comprehensive Theoretical Stock Price of ¥1,068**

According to a theoretical share price valuation carried out by KCR, VT Holdings' shares are undervalued at ¥1,144, which is below the theoretical price, calculated by a comparable peer company analysis, and also undervalued at ¥958, given the average theoretical stock price. Moreover, they are undervalued at ¥1,882, given the average PSR valuation of similar companies, undervalued at ¥1,086, given the average EPS & PBR valuation of similar companies, overvalued at ¥546, given the average EPS & PBR valuation of the market, and the company's shares are judged undervalued at ¥1,118, given the total average valuation of the four. Therefore, the company's current share price, ¥567, 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

VT Holdings' IR activities were rated on a scale of one to five as follows: 5 in IR offline score, 5 in IR online score, 3 in IR tool score, 5 in IR fair disclosure score, and 5 in IR strategy score, totaling 93.3% with a general rating of 280 points. (See page 19: KCR-IR Strategy Analysis Report.)

This indicates that the company conducts IR activities at a significantly high level and attaches importance to measures targeting shareholders and investors. The company is also proactive in its shareholder return initiatives and plans to continue providing dividends with a target consolidated dividend payout ratio 40% or higher.

For the fiscal year ending March 31, 2018, the company is planning to provide a regular full-year dividend of ¥18 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. In recent years, the company has aggressively engaged in overseas M&A and is accelerating global development.
- In the fiscal year ended March 31, 2017, net sales grew for the seventh consecutive year, reaching a historic high, and the overseas sales ratio increased to 30%. VT Holdings recorded net sales of ¥169,560 million (+15.8% YoY), operating income of ¥7,592 million (-0.4%), ordinary income of ¥7,937 million (+4.4%) and net income of ¥4,421 million (+8.1%).
- In the fiscal year ending March 31, 2018, VT Holdings forecasts net sales of ¥196.0 billion (+15.6% YoY), operating income of ¥8.5 billion (+12.0%), ordinary income of ¥8.5 billion (+7.1%) and net income of ¥4.8 billion (+8.5%). The company thus expects to continue posting record-high levels of net sales and aims to bolster both sales and profit. VT Holdings is converting Peugeot Citroen South Africa (Pty) Ltd. to a subsidiary, and will commence the importer business overseas.
- In fiscal 2016, new car sales in Japan rose for the first time in three years, growing 2.8% to 5,077,904 units, and the current market environment is favorable. As well as new car sales, it is important to focus on the number of vehicles owned, as this number is more indicative of VT Holdings' fundamental earnings.
- KCR believes VT Holdings will again post record-high net sales in the fiscal year ending March 31, 2018, and believes the company will make favorable progress on the profit front. KCR assigns an overall rating of +2 (BUY) to VT Holdings and maintains its buy recommendation with a target share price of ¥814.

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KCR-SHARE PRICE ANALYSIS REPORT

VT HOLDINGS CO., LTD.

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Transaction Number 7593SB170605

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	1,144 YEN	-50.5%	Current Share Price	05-Jun-17	567 YEN
Net Asset Approach (book value)	293 YEN	93.5%	Price Earnings Ratio		14.10 (X)
Earnings Return Method	1,439 YEN	-60.6%	Price Book-value Ratio		1.93 (X)
Price-to-Sales Ratio Approach	1,882 YEN	-69.9%	PER(JASDAQ estimate)		17.17 (X)
Discounted Cash Flow Method	34 YEN	1585.3%	PER(Peer company estimate)		29.57 (X)
Theoretical Stock Price Average	958 YEN	-40.8%	PBR(JASDAQ estimate)		1.37 (X)
		KCR Average -4.30%	PBR(Peer company estimate)		3.35 (X)
			Stock Yield (estimate)		6.33 %
			Dividend Yield (JQ average estima)		1.64 %

Rate of divergence

Precondition (JPY 1 Million)	FY3/15 Actual	FY3/16 Actual	FY3/17 Actual	FY3/18* KCR *KCR Estimate	FY3/19* KCR *KCR Estimate	FY3/20* KCR *KCR Estimate
Net Sales	136,376	146,468	169,560	196,690	230,127	271,550
Ordinary Income	7,434	7,603	7,937	8,654	9,895	11,405
Net Income	4,633	4,090	4,421	5,193	5,937	6,843
Operational Cash Flows	4,259	9,640	11,017	7,000	9,000	10,000
Investment Cash Flows	-5,017	-3,220	-13,103	-1,500	-1,500	-2,000

VT HOLDINGS CO., LTD.

Three Similar and Competing Companies

Net Sales	196,000 (JPY 1 Million) Estimate	NIDEC CORPORATION (TSE First Section 6594) Consolidated
Ordinary Income	8,500 (JPY 1 Million) Estimate	IDOM Inc. (TSE First Section 7599) Consolidated
Net income	4,800 (JPY 1 Million) Estimate	COLOWIDE CO.,LTD. (TSE First Section 7616) Consolidated
Shareholders' Equity	34,983 (JPY 1 Million) Current	
Number of Shares Issued	119,381,034 (thousand shares) Current	
Share Price	567 YEN Current	
Market Value	67,689 (JPY 1 Million) Current	

Price to Sales Ratio	1,642 (JPY 1 Million)	Market Value (Peer company average)	1,241,387 (JPY 1 Million)	rate of divergence	-94.5%
Earnings Per Share	40 YEN	Share Price/PSR (Peer company average)	1.15 (X)		-69.9%
Book-value Per Share	293 YEN	Calculated Price (※KCR Average-6.6%)	1,882 YEN		-69.9%
Share price/PSR	0.35 (X)	EPS x Peer company average	1,189 YEN		-52.3%
PER	14.10 (X)	PBR x Peer company average	983 YEN		-42.3%
PBR	1.93 (X)	Calculated Price (※KCR Average18.9%)	1,086 YEN		-47.8%
Stock Yield	7.09%	EPS x JASDAQ average	690 YEN		-17.9%
		PBR x JASDAQ average	401 YEN		41.2%
		Calculated Price (※KCR Average16.9%)	546 YEN		3.9%
		Total Average (※KCR Average-10.2%)	1,118 YEN		-49.3%

NIDEC CORPORATION

A

IDOM Inc.

B

Net Sales	1,350,000 (JPY 1 Million) Estimate	Net Sales	259,500 (JPY 1 Million) Estimate
Ordinary Income	158,000 (JPY 1 Million) Estimate	Ordinary Income	4,900 (JPY 1 Million) Estimate
Net Income	125,000 (JPY 1 Million) Estimate	Net Income	2,800 (JPY 1 Million) Estimate
Shareholders' Equity	847,285 (JPY 1 Million) Current	Shareholders' Equity	38,728 (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	11,785 YEN Current	Share Price	626 YEN Current
Market Value	3,513,606 (JPY 1 Million) Current	Market Value	66,912 (JPY 1 Million) Current
Price to Sales Ratio	4,528 (JPY 1 Million)	Price to Sales Ratio	2,428 (JPY 1 Million)
Earnings Per Share	419 YEN	Earnings Per Share	26 YEN
Book-value Per Share	2,842 YEN	Book-value Per Share	362 YEN
Share price/PSR	2.60 (X)	Share Price/PSR	0.26 (X)
PER	28.11 (X)	PER	23.90 (X)
PBR	4.15 (X)	PBR	1.73 (X)
Stock Yield	3.56%	Stock Yield	4.18%

COLOWIDE CO.,LTD.

C

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.

Net Sales	248,537 (JPY 1 Million) Estimate
Ordinary Income	6,353 (JPY 1 Million) Estimate
Net income	3,912 (JPY 1 Million) Estimate
Shareholders' Equity	34,304 (JPY 1 Million) Current
Number of Shares Issued	75,284,041 (thousand share) Current
Share Price	1,908 YEN Current
Market Value	143,642 (JPY 1 Million) Current
Price to Sales Ratio	3,301 (JPY 1 Million)
Earnings Per Share	52 YEN
Book-value Per Share	456 YEN
Share price/PSR	0.58 (X)
PER	36.72 (X)
PBR	4.19 (X)
Stock Yield	2.72%

Comparable Peer Company Analysis

Average	1,144.46
Maximum	1,192.59
Minimum	1,105.68

	Share Price*	EPS*	BPS*	Calculated Price
A	B	C		
	4,773	165.8	1,220	1,152
A	B	C		
	6,206	222.7	1,602	1,128
A	B	C		
	6,847	235.6	1,649	1,193
	B	C		
	1,267	39	409	1,106

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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%	66
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%	60
Threat of substitute products or services	High profit company of Gulliver	10	
	Low-priced with same performance	10	
	Subtotal	20	100%
Bargaining power of customers (buyers)	Force down prices	10	
	Number of potential customers	10	
	Percentage of customer costs	5	
	Differentiation(buyer needs)	5	
	Buyer switching costs	0	
	Wealthiness	5	
	Backward integration possibility	10	
	Essentiality	10	
Subtotal	90	72%	65
Bargaining power of suppliers	Oligopolization	5	
	Possibility of substitutes and products' changes	10	
	Importance of customers	10	
	Essentiality	0	
	Subtotal	70	64%
Total	350	73%	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%

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%

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%

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%

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

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

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

Top management	Management stance	165
Total	170	97%

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

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%

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%

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%

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

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

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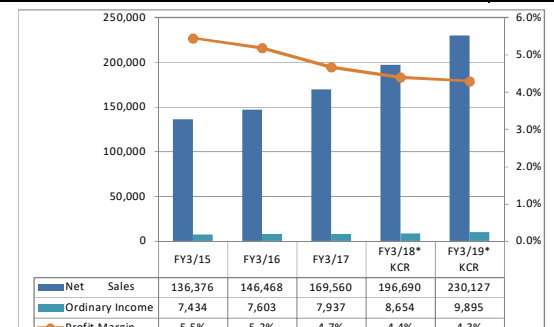
VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated

[Stock Code]	[Industry]	[Market Division]	[Fiscal Year End]	[IPO Date]	[BPS (yen)]	[PER(x)]	[PBR]	[Trading Unit]	[Dividend Yield]	[Current Share Price]	[Market Value]	[Highest Price within Five Years]	[Lowest Price within Five Years]	[Up/Down Ratio (high price %)]	[Up/Down Ratio (low price %)]	[PER Estimate]	[Current PBR]
7593	Retail	TOKYO	Mar. 31	Sep-98	297.33	15.1	1.91	100	3.2 %	567 yen	67,689 million yen	870 yen	150 yen	-34.8	30.6	13.9	1.93
[Complimentary Goods for Shareholders]	YES	Equivalent to	-	yen	[Real Yield]	[Shareholder Yield]	[Real Yield]	[Capital]	[Accumulated Profit/Capital (x)]	[Treasury Shares]	[Share Split]	[Overseas Ratio]	[Shareholders' Equity (¥ million)]	[Ratio]	[Ratio]	[Ratio]	[Ratio]
[Company features]	Kazuho Takahashi January 18, 1953 64																
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]	34.3														

Settlement Period	(JPY 1 Million)		(JPY 1 Million)		(JPY 1 Million)		(JPY 1 Million)		(JPY)		(JPY)		(thousand shares)		(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		
FY3/14	132,682		10,082	7.6%	9,976	7.5%	5,126	3.86%	46.3	12.33	26.6%								
FY3/15	136,376	2.8%	7,347	5.4%	7,434	5.5%	4,633	3.40%	39.4	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		
FY3/17	169,560	15.8%	7,592	4.5%	7,937	4.7%	4,421	2.61%	37.58	17.00	45.2%	119,381,034	11,017	-13,103	-2,086	1,102	6,499		
Current Estimate	196,000	15.6%	8,500	4.3%	8,500	4.3%	4,800	2.45%	40.80	18.00	44.1%								
FY3/18* KCR	196,690	16.0%	8,654	4.4%	8,654	4.4%	5,193	2.64%	43.50	19.00	43.7%	119,381,034	7,000	-1,500	5,500	*KCR Estimate			
FY3/19* KCR	230,127	17.0%	9,895	4.3%	9,895	4.3%	5,937	2.58%	48.76	20.00	41.0%	121,768,655	9,000	-1,500	7,500	*KCR Estimate			
FY3/20* KCR	271,550	18.0%	11,405	4.2%	11,405	4.2%	6,843	2.52%	55.10	22.00	39.9%	124,204,028	10,000	-2,000	8,000	*KCR Estimate			
2 yearly average	11.6%	0	7,606	4.8%	7,770	4.9%	4,256	2.7%	37.2	3Y average	44.2%		8,305	-7,113	1,192	-1,572	6,670		
3 yearly average	12.9%	0	7,904	5.0%	8,013	5.1%	4,437	2.9%	38.1	4Y average	44.2%								
4 yearly average	10.4%	0	7,765	4.9%	7,869	4.9%	4,486	2.8%	30.5	5Y average	35.3%								
FY-2Q									Total										
Pre-FY-2Q	73,469		3,042		3,046		1,690		Total										
FY-3Q									Total										
Pre-FY-3Q	113,980		4,162		4,349		2,263		Total										
FY-2Q E	95,000		3,500		3,500		1,900		Total										

Quarterly Analysis

Period	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
1Q E	47,500		1,750	3.7%	1,750	3.7%	950	2.0%									
Pre-1Q	31,856	49.1%	964	81.5%	892	96.2%	436	117.9%									
2Q E	47,500		1,750	3.7%	1,750	3.7%	950	2.0%									
Pre-2Q	41,613	14.1%	2,078	-15.8%	2,154	-18.8%	1,254	-24.2%									
3Q E	50,500		2,500	5.0%	2,500	5.0%	1,450	2.9%									
Pre-3Q	40,511	24.7%	1,120	123.2%	1,303	91.8%	573	153.1%									
4Q E	50,500		2,500	5.0%	2,500	5.0%	1,450	2.9%									
Pre-4Q	55,580	-9.1%	3,438	-27.1%	3,588	-30.3%	2,158	-32.8%									
FY									Total								
Pre-FY	169,560		7,592		7,937		4,421		Total								
FY (%)	0.0		0.0		0.0		0.0		Progress rate								
Pre-FY (%)	100.0		100.0		100.0		100.0		Progress rate								



※ Total net assets-minority interests (%)


Segment Information	FY3/17	FY3/16	Ratio of Shareholding	Overseas	Investment	Floating Stocks	Settled Stocks	Stockholders	(JPY 1 Million)
Automobile Sales Related Business	95.9%	95.6%	0.3%						Actual
Housing Related Business	4.0%	4.3%	-0.3%	27.7	5.0	2.4	52.9	4,053	Capital Investment
The others	0.1%	0.1%	0.0%	27.2	4.7	1.9	57.8	3,501	Depreciation
-	0.0%	0.0%	0.0%	26.3	5.3	1.8	58.5	3,277	R & D
Total	100.0%	100.0%	0.0%	(%)	(%)	(%)	(%)	(people)	*Market average in Japan

Quantitative Analysis	Prev.	Actual	Current Estimate	KCR Estimate	Similar and Competing company average	Profitability Analysis	Efficiency Analysis	Safety Analysis	Growth Potential Analysis	Productivity Analysis	Quantitative Analysis
Profitability Analysis						3.3	3.0	3.0	2.7	5.0	3.4
ROA (Ordinary Income)	8.0%	6.5%	7.0%	7.1%	4.4%	2.1%	3.0	3.0	3.0	5.0	3.0
ROE (Net Income)	12.5%	12.6%	13.7%	14.8%	2.2%	10.4%	4.0	4.0	4.0	5.0	4.0
Ordinary Income Margin	5.2%	4.7%	4.3%	4.4%	4.8%	-0.2%	3.0	3.0	3.0	5.0	3.0
Efficiency Analysis						3.0	3.0	3.0	3.0	5.0	3.0
Total Asset Turnover	1.5	1.4	1.6	1.6	1.3	0.1	3.0	3.0	3.0	5.0	3.0
Current Asset Turnover	3.8	3.1	3.6	3.6	3.2	-0.1	3.0	3.0	3.0	5.0	3.0
Total Non-Current Asset Turnover	2.6	2.5	2.9	2.9	2.6	-0.1	3.0	3.0	3.0	5.0	3.0
Safety Analysis						3.0	3.0	3.0	3.0	5.0	3.0
Current Ratio	85.5%	88.1%	88.1%	0	144.7%	-57%	3.0	3.0	3.0	5.0	3.0
Debt Ratio	184.2%	239.7%	239.7%	0	274.3%	35%	3.0	3.0	3.0	5.0	3.0
Equity Ratio	34.4%	28.8%	28.8%	0	33.1%	-4%	3.0	3.0	3.0	5.0	3.0
Growth Potential Analysis						2.7	2.7	2.7	2.7	5.0	3.0
Growth Rate	7.4%	15.8%	15.6%	16.0%	7.2%	8.5%	3.0	3.0	3.0	5.0	3.0
Ordinary Income Growth Rate	2.3%	4.4%	7.1%	9.0%	-31.4%	35.8%	3.0	3.0	3.0	5.0	3.0
Equity Growth Rate	5.8%	6.9%	-	-	4.2%	2.7%	3.0	3.0	3.0	5.0	3.0
Productivity Analysis						5.0	5.0	5.0	5.0	5.0	4.3
Sales per Employee *	56,573	65,492	65,008	65,237	42,862.0	22,630	5.0	5.0	5.0	5.0	5.0
Ordinary Income per Employee *	2,937	3,066	2,819	2,870	1,004.1	2,062	5.0	5.0	5.0	5.0	4.0
Net Income per Employee *	1,580	1,708	1,592	1,722	241.9	1,466	5.0	5.0	5.0	5.0	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, 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 7593TS170605	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	05-Jun-17	Total Score 9.8	
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.					

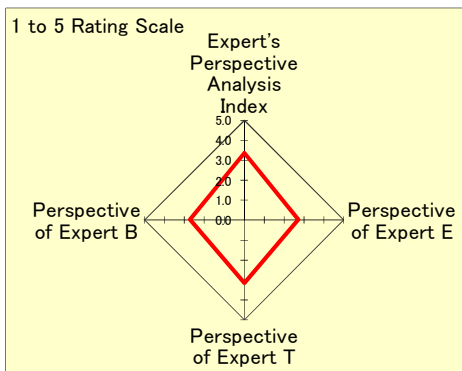
■ Main Basic Data ※ Estimate is basically a company plan. Asset is current.

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	28,038	567	34,983	119,381.0	297	11,017	-13,103
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)(%)
121,493	29,735	18	44.1%	March-83	870	150	-34.8
*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
196,000	8,500	8,500	4,800	40.80	13.7%	7.0%	28.8%

■ 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)
6.5	1.9	13.9	24.5%	3.2	34	278.0	-2,086
5.0	1.0	3.0	2.0	5.0	5.0	1.0	0.0
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	56.7	1,193,810	67,689	Increases both in sales and profits	Increasing trend	13.7%
0.0	3.0	5.0	2.0	1.0	1.0	5.0	5.0

Expert's Perspectives	Score	Rating	KCR Average	Radars Chart
Perspective of Expert E	2.0	★★	3.1	
Perspective of Expert T	2.6	★★★	3.3	
Perspective of Expert B	2.4	★★	3.1	
Expert's Perspective Analysis Index	2.8	★★★	3.3	

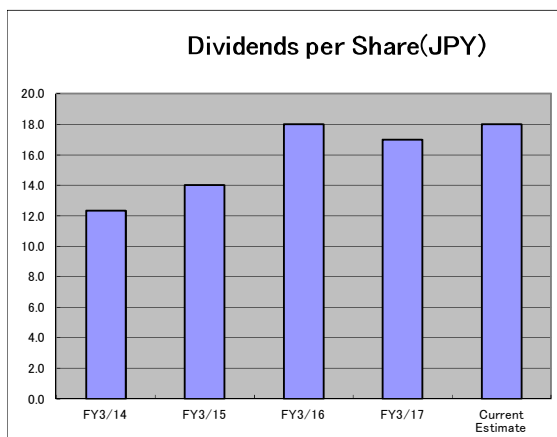
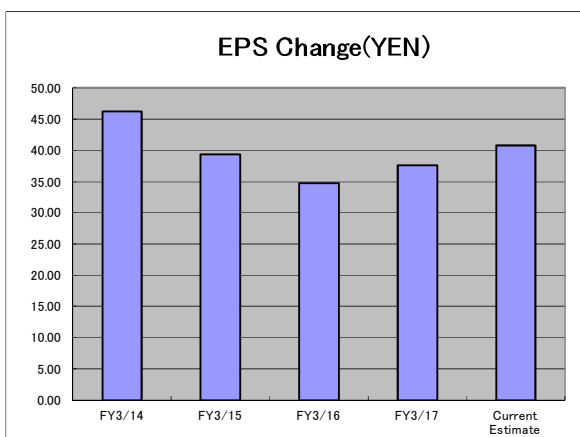
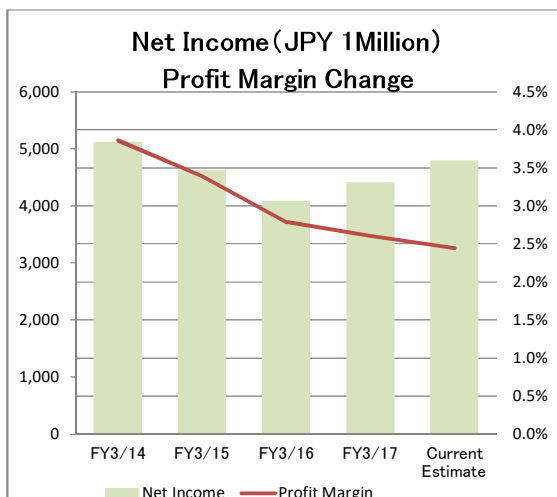
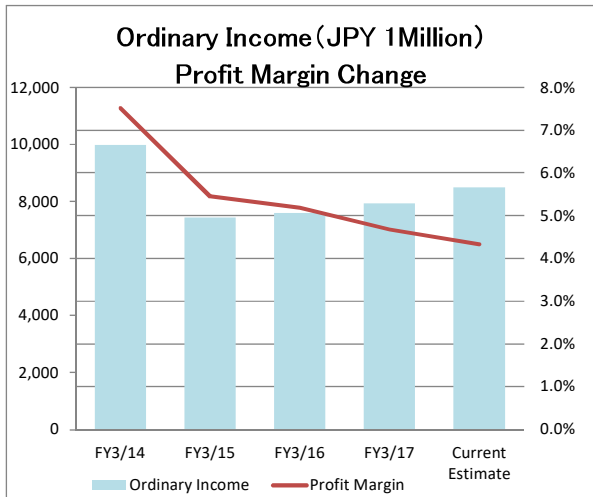
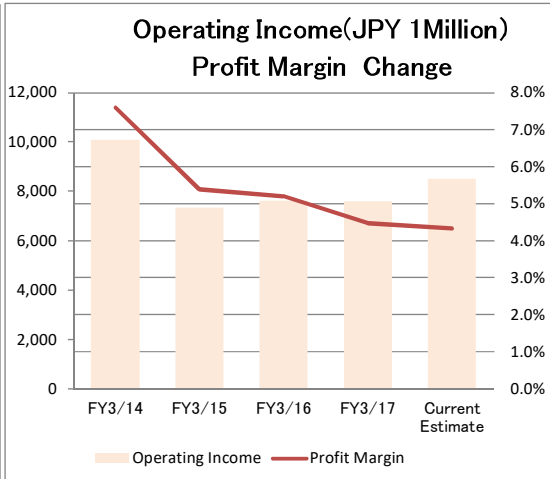
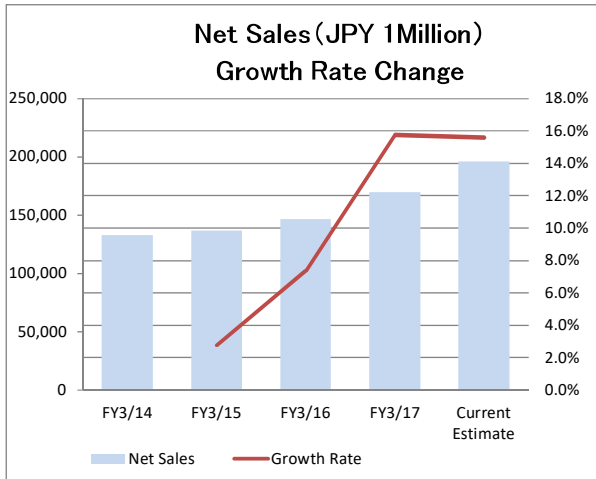
※Please note that there is no relation three masters that really exist.

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		
★★★★	3.4~4.4		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			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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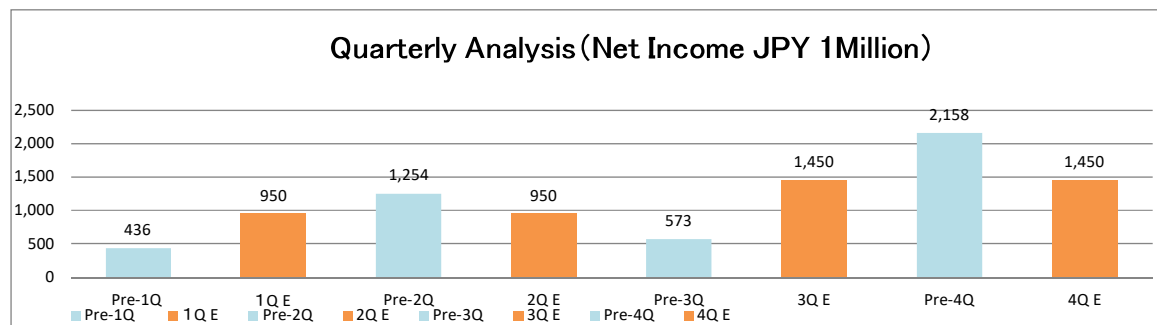
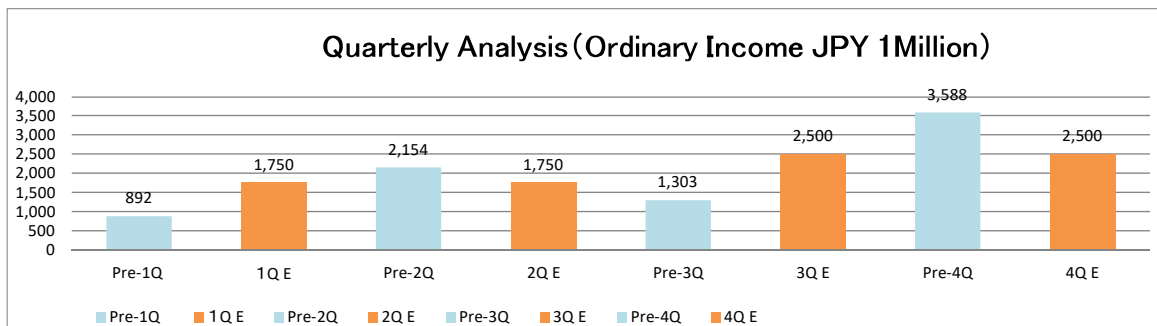
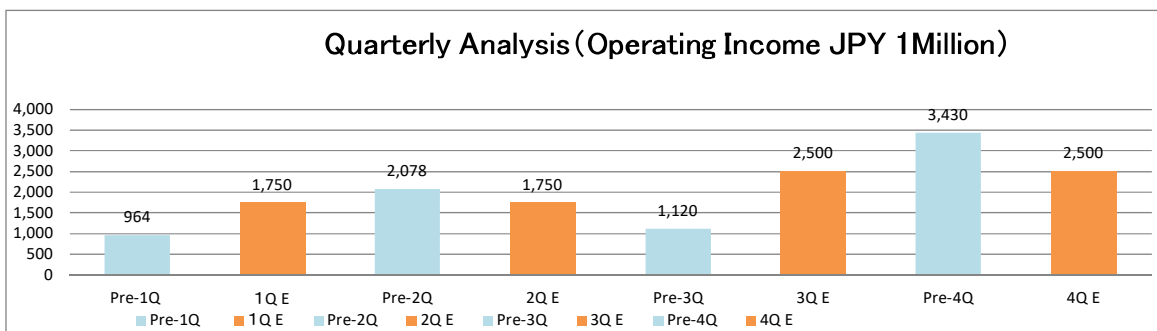
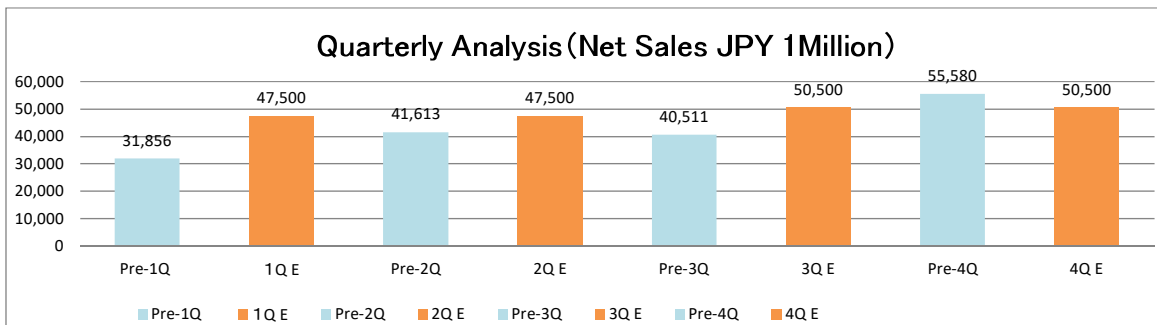
VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated

Elemental Analysis	Net Sales	Growth Rate	Operating Income	Profit Margin	Ordinary Income	Profit Margin	Net Income	Profit Margin	EPS	Dividends per Share
FY3/14	132,682		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
FY3/17	169,560	15.8%	7,592	4.5%	7,937	4.7%	4,421	2.6%	37.58	17.0
Current Estimate	196,000	15.6%	8,500	4.3%	8,500	4.3%	4,800	2.4%	40.80	18.0



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VT HOLDINGS CO., LTD.							(TOKYO: 7593) Consolidated			
Quarterly Analysis	Net Sales	Growth Rate	Operating Income	Profit Margin	Ordinary Income	Profit Margin	Net Income	Profit Margin		
Pre-1Q	31,856	49.1%	964	3.0%	892	2.8%	436	1.4%		
1 Q E	47,500	0.0%	1,750	3.7%	1,750	3.7%	950	2.0%		
Pre-2Q	41,613	14.1%	2,078	5.0%	2,154	5.2%	1,254	3.0%		
2Q E	47,500	0.0%	1,750	3.7%	1,750	3.7%	950	2.0%		
Pre-3Q	40,511	24.7%	1,120	2.8%	1,303	3.2%	573	1.4%		
3Q E	50,500	0.0%	2,500	5.0%	2,500	5.0%	1,450	2.9%		
Pre-4Q	55,580	-9.1%	3,430	6.2%	3,588	6.5%	2,158	3.9%		
4Q E	50,500	0.0%	2,500	5.0%	2,500	5.0%	1,450	2.9%		

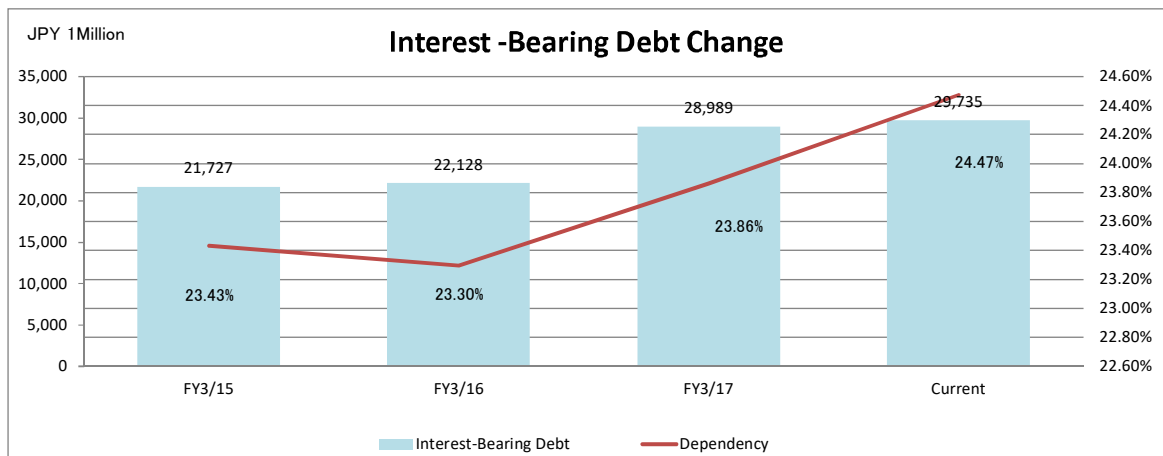
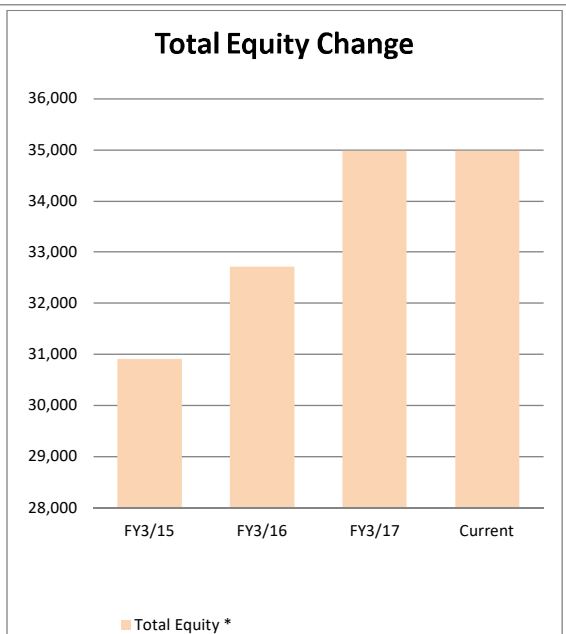
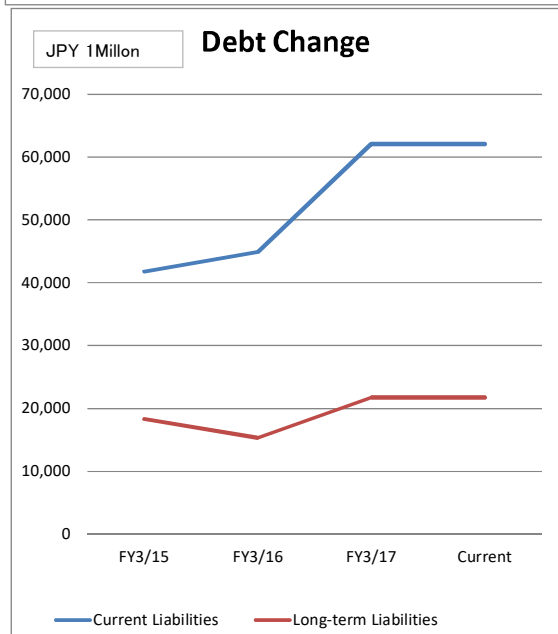
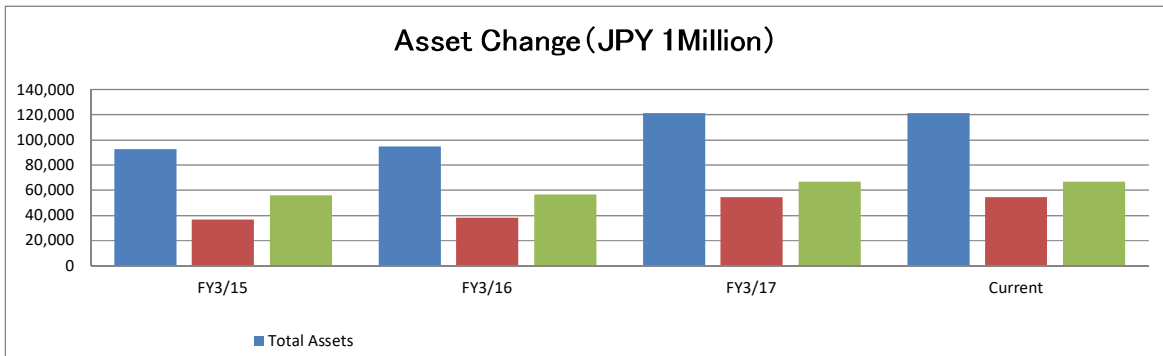


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VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated

Asset Analysis	Total Assets	Current Assets	Non-current Assets	Current Liabilities	Long-term	Total Equity *	Interest-Bearing Debt	Dependency	Number of Employees
FY3/15	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
FY3/17	121,493	54,702	66,791	62,091	21,759	34,983	28,989	23.86%	2,589
Current	121,493	54,702	66,791	62,091	21,759	34,983	29,735	24.47%	3,015

*Total net assets – Minority interests



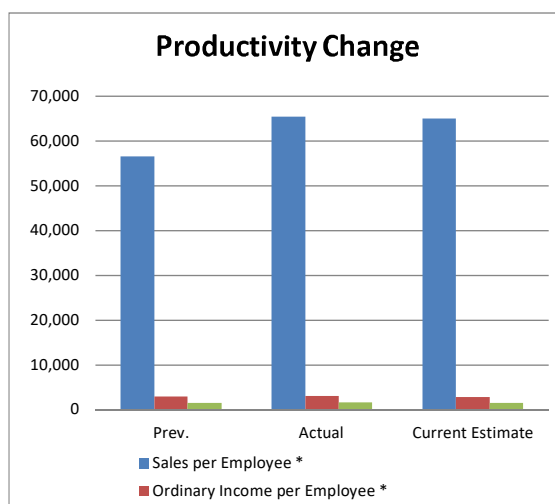
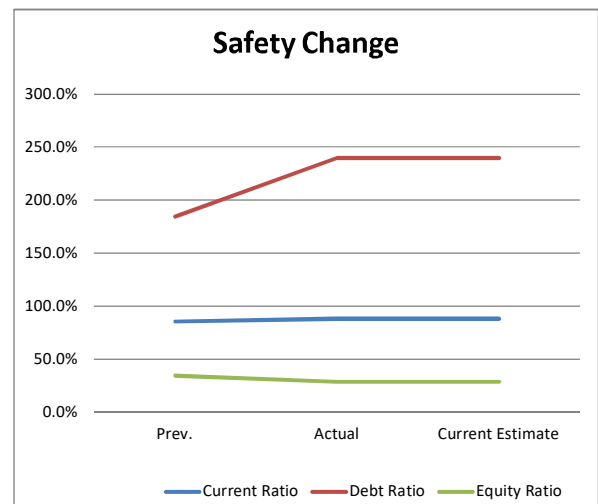
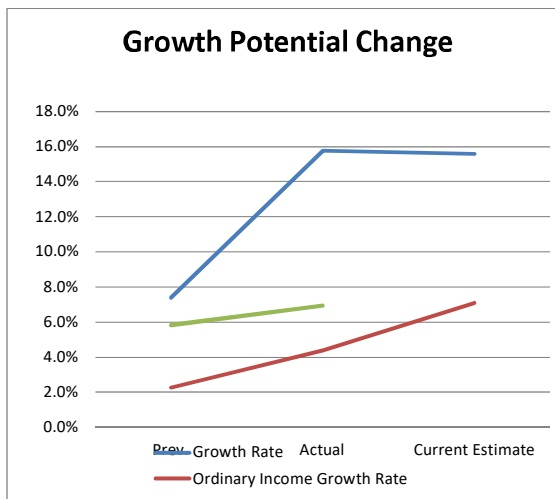
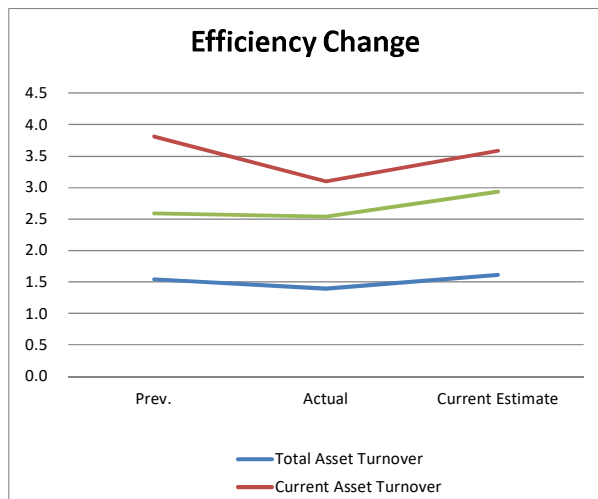
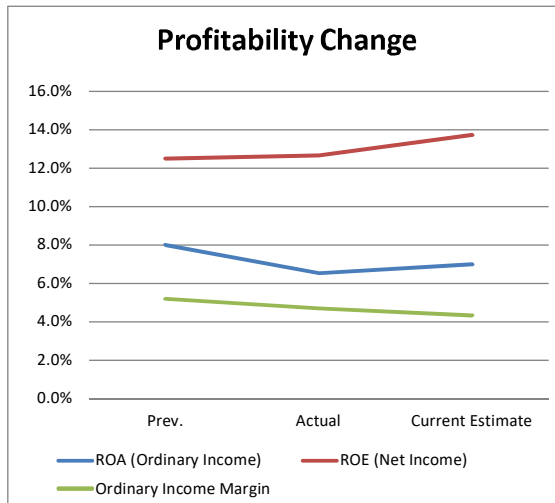
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VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated

Financing Index Analysis			
Profitability Analysis			
	Prev.	Actual	Current Estimate
ROA (Ordinary Income)	8.0%	6.5%	7.0%
ROE (Net Income)	12.5%	12.6%	13.7%
Ordinary Income Margin	5.2%	4.7%	4.3%
Efficiency Analysis			
	Prev.	Actual	Current Estimate
Total Asset Turnover	1.5	1.4	1.6
Current Asset Turnover	3.8	3.1	3.6
Total Non-Current Asset Turnover	2.6	2.5	2.9
Safety Analysis			
	Prev.	Actual	Current Estimate
Current Ratio	85.5%	88.1%	88.1%
Debt Ratio	184.2%	239.7%	239.7%
Equity Ratio	34.4%	28.8%	28.8%
Growth Potential Analysis			
	Prev.	Actual	Current Estimate
Growth Rate	7.4%	15.8%	15.6%
Ordinary Income Growth Rate	2.3%	4.4%	7.1%
Equity Growth Rate	5.8%	6.9%	
Productivity Analysis			
	Prev.	Actual	Current Estimate
Sales per Employee *	56,573	65,492	65,008
Ordinary Income per Employee *	2,937	3,066	2,819
Net Income per Employee *	1,580	1,708	1,592

*Thousand yen

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

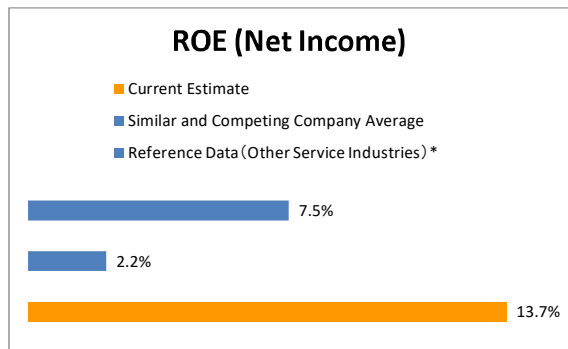
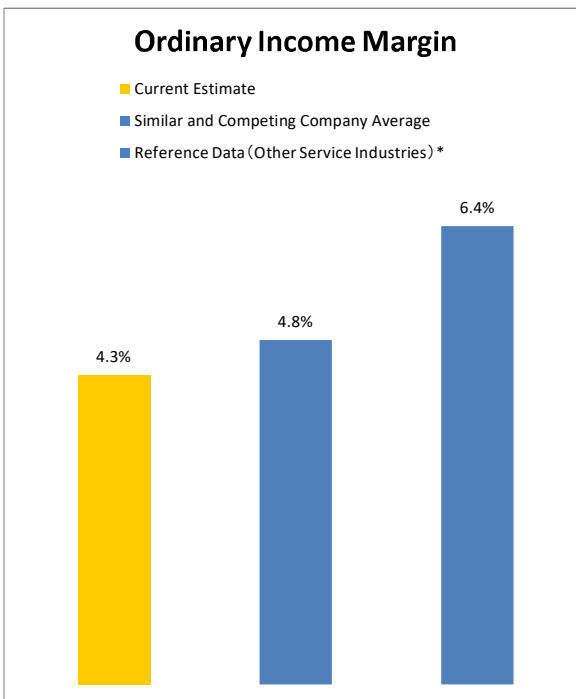
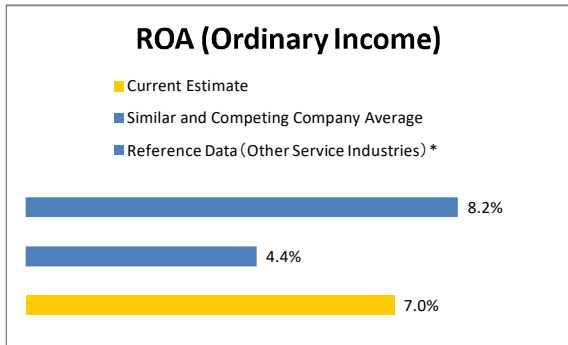


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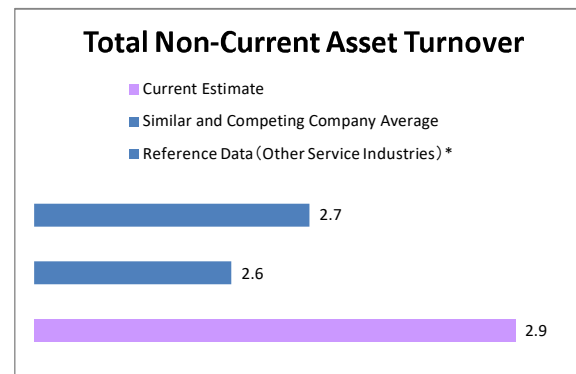
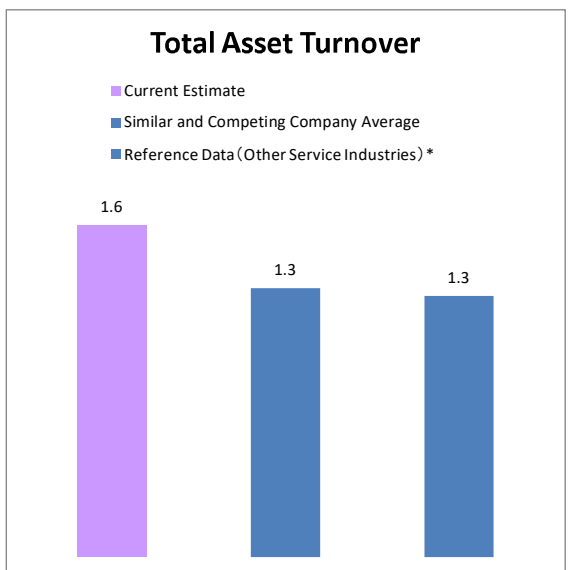
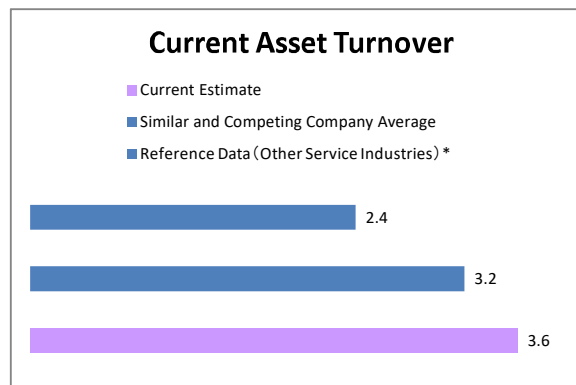
VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated

Profitability Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries)*	Three Similar and Competing Companies	
ROA (Ordinary Income)	7.0%	4.4%	8.2%	NIDEC CORPORATION	(TSE First Section 6594) Consolidated
ROE (Net Income)	13.7%	2.2%	7.5%	IDOM Inc.	(TSE First Section 7599) Consolidated
Ordinary Income Margin	4.3%	4.8%	6.4%	COLOWIDE CO.,LTD.	(TSE First Section 7616) Consolidated

*Market average in Japan



Efficiency Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries)*
Total Asset Turnover	1.6	1.3	1.3
Current Asset Turnover	3.6	3.2	2.4
Total Non-Current Asset Turnover	2.9	2.6	2.7

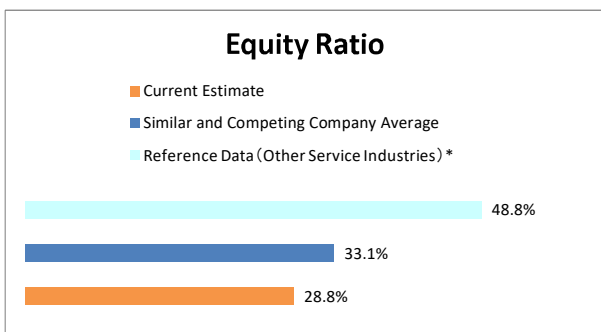
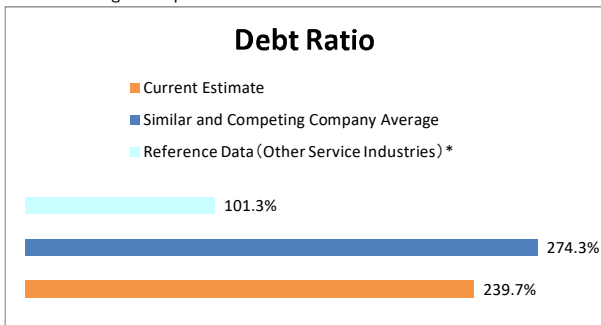
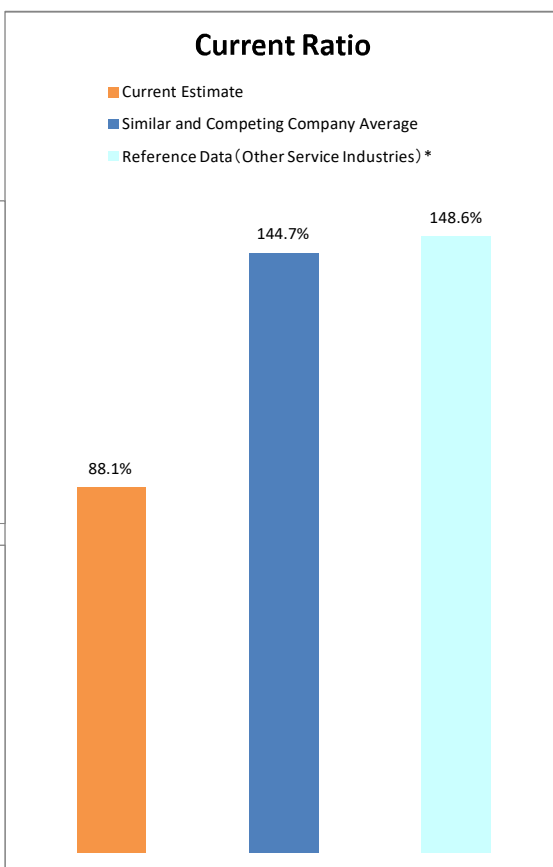


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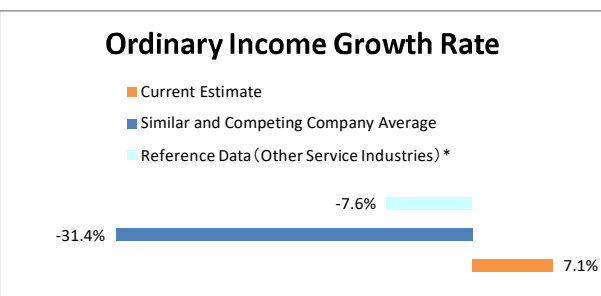
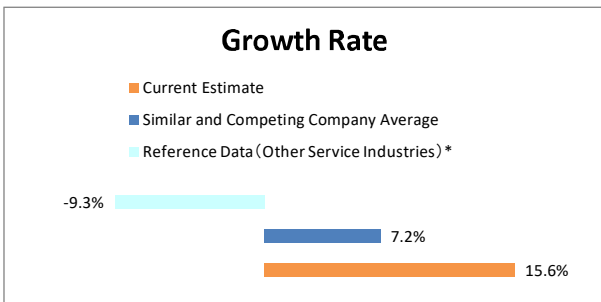
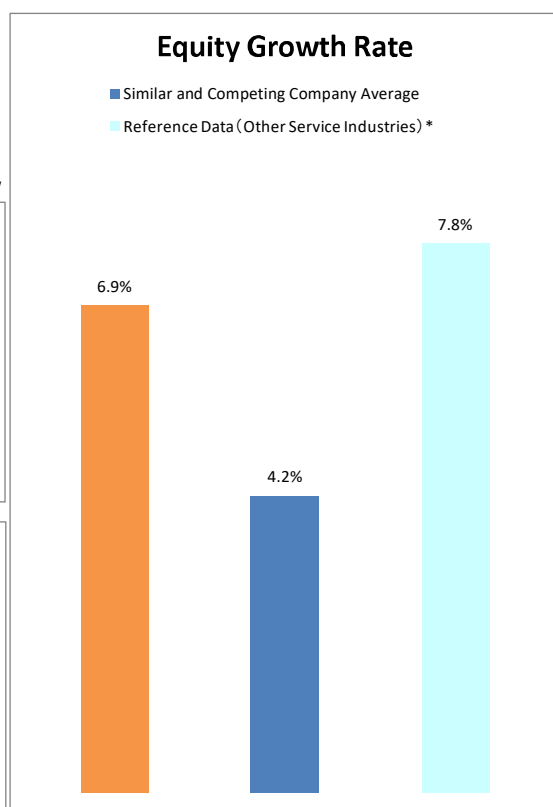
VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated

Safety Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries) *
Current Ratio	88.1%	144.7%	148.6%
Debt Ratio	239.7%	274.3%	101.3%
Equity Ratio	28.8%	33.1%	48.8%

*Market average in Japan



Growth Potential Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries) *
Growth Rate	15.6%	7.2%	-9.3%
Ordinary Income Growth Rate	7.1%	-31.4%	-7.6%
Equity Growth Rate	6.9%	4.2%	7.8%

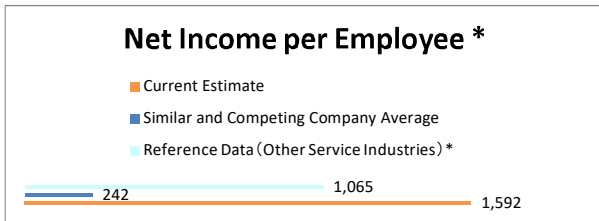
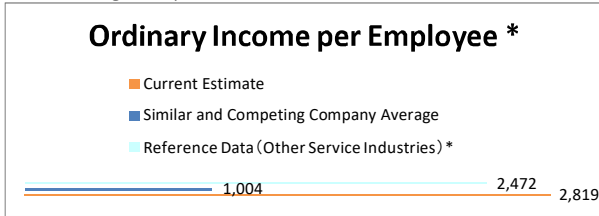
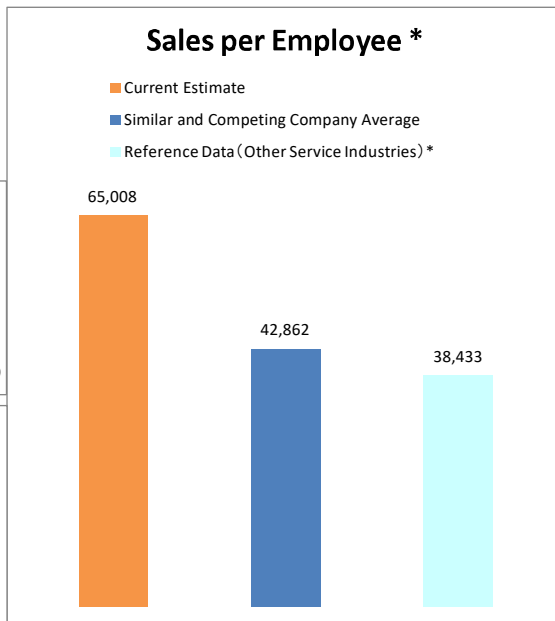


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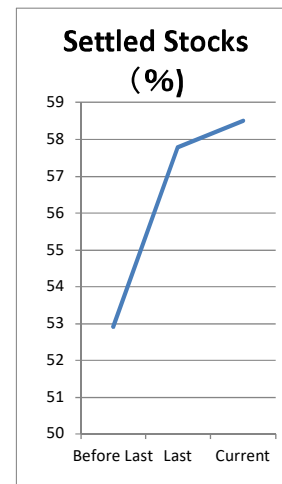
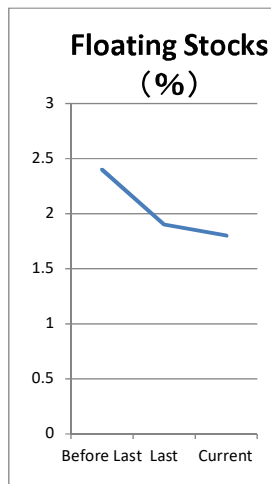
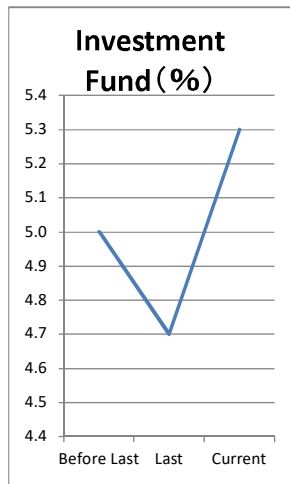
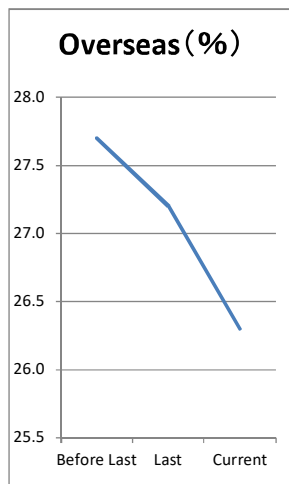
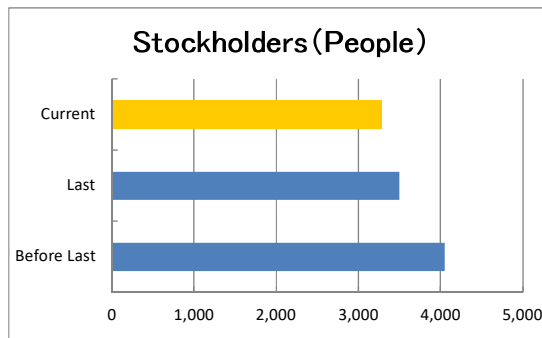
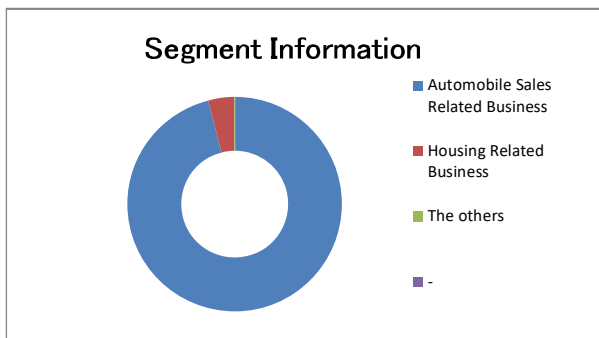
Productivity Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries) *
Sales per Employee *	65,008	42,862	38,433
Ordinary Income per Employee *	2,819	1,004	2,472
Net Income per Employee *	1,592	242	1,065

*Market average in Japan



Segment Information	FY3/17
Automobile Sales Related Business	95.9%
Housing Related Business	4.0%
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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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】	567 yen	

★★★★★

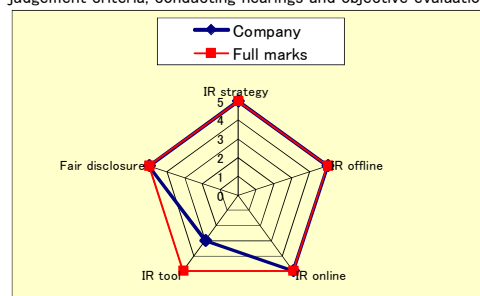
VT Holdings Co, Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.

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	75
Financial settlement briefings	77.7%	10	10
Individual interviews	32.6%	10	10
Overseas briefing sessions	15.9%	10	5
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 300 280

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



	Company	KCR Average	203.7	Viewpoint
General rating	93.3%	68.0%	Very good 270~	★★★★★
IR strategy	96.0%	69.4%	Good 230~	★★★★★
IR offline	95.8%	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	★

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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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