


# VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

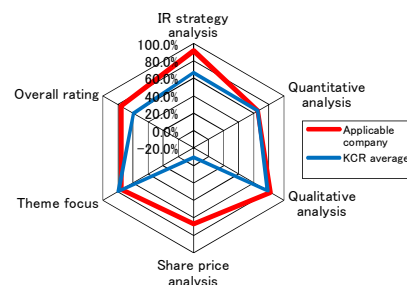
Publisher: KCR Inc. Telephone number +81-6-6965-6100

Supervision analyst Yojiro Kindaichi

	Date of Announcement	Zip Code	Address		Telephone Number	
Basic Information	07-Jan-19	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]	4.9 %			[Market Value (million yen)]	49,185
	[Shareholder Yield]	- %			[Interim Dividends]	YES
	[Real Yield]	4.9 %			[Up/Down Ratio (high price)]	-52.6
Company Features					[PER Estimate]	10.1
					[Up/Down Ratio (low price)]	21.2
					[PBR (x)]	1.30
Settlement of Accounts Information	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 Period	Net Sales (Growth Rate) (JPY 1 Million)	Ordinary Income (Growth Rate) (JPY 1 Million)		Earnings per Share (JPY)	Dividends per Share (JPY)
	FY3/15	136,376	7,434		39.4	14.0
	FY3/16	146,468 7.4%	7,603 2.3%		34.8	18.0
	FY3/17	169,560 15.8%	7,937 4.4%		37.6	17.0
	FY3/18	202,133 19.2%	7,173 -9.6%		32.0	18.0
	FY3/19* KCR	210,218 4.0%	7,568 5.5%		39.9	20.0
	FY3/20* KCR	231,240 10.0%	9,250 22.2%		47.9	20.0
Investment Opinion	*KCR Estimate					
	Overall Rating					
	+2 BUY					
	★★★★					
	Target Share Price					
	670 YEN			Current Share Price		412 YEN

Source for figures : KCR, One-year chart (¥)

KCR Inc. assigns an overall rating of +2 (BUY) to VT Holdings Co., Ltd. (TOKYO: 7593) and announces 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 as score as the KCR average in quantitative analysis and 3.3% above average in qualitative analysis. The company's share price has been hovering 75.9% below the average price while the company's IR strategy is 24.8% above average. Meanwhile, the company's theme focus is 4.1% below average. Considering that the company's overall rating is 16.4% above average, KCR Inc. sets a target price of 670 yen.



	IR strategy analysis	Quantitative analysis	Qualitative analysis	Share price analysis	Theme focus	Overall rating
Applicable company	91.3%	65.0%	81.7%	66.9%	75.0%	75.6%
KCR average	66.5%	65.0%	78.4%	-9.0%	79.1%	59.2%
Difference	24.8%	0.0%	3.3%	75.9%	-4.1%	16.4%

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07-Jan-19



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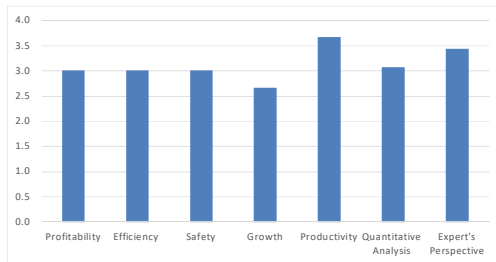
【Stock Code】 7593 【Industry】 Retail 【Market Division】 TOKYO 【Fiscal Year End】 Mar. 31 【Share Price】 412 YEN 【Market Value】 49,185 million yen

【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.

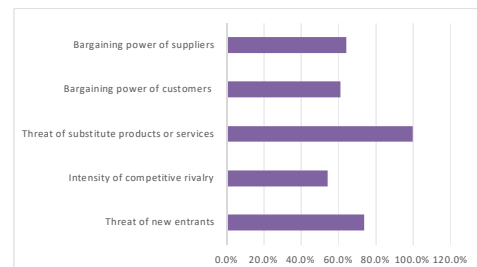
## Overall Rating

+2 BUY

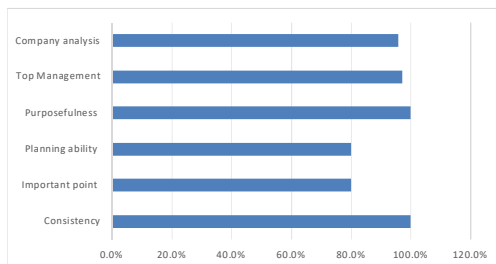
Last Rating	+2 BUY
Reference Stock Price	556 YEN



Quantitative Analysis Rating



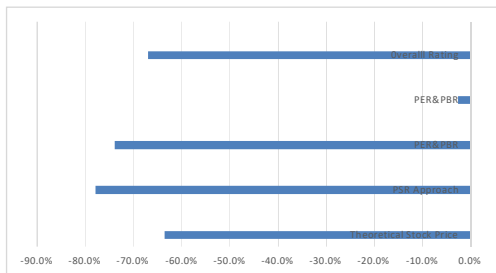
Porter five forces analysis



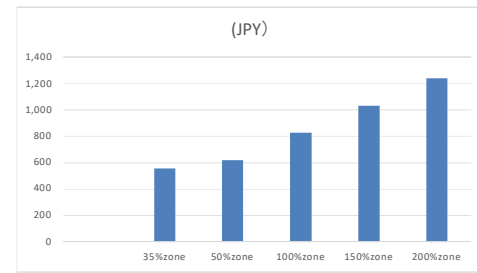
Strategy check



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	3.3	Evaluation Index	4 Index Overall Rating		Total Evaluation Index
★★★	★★★	★★★	★★★	★★★★	★★★	★★★	Evaluation Index	75.0%			
3.0	3.0	3.0	2.7	3.7	3.1	3.4	65.0%	★★★★			
Qualitative Analysis Rating											
Overall rating				81.7%			★★★★★				
Strategy rating				79.7%			★★★★★				
Threat of new entrants				73.8%			★★★★★	Consistency 100.0%★★★★★Cost leadership strategy 75.0%★★★★★			
Intensity of competitive rivalry				54.4%			★★★★★	Important point 80.0%★★★★★Differentiation strategy 72.7%★★★★★			
Threat of substitute products or services				100.0%			★★★★★	Planning ability 80.0%★★★★★Concentration strategy 87.5%★★★★★			
Bargaining power of customers				61.1%			★★★★★	Purposefulness 100.0%★★★★★Cost leadership strategy risk 80.0%★★★★★			
Bargaining power of suppliers				64.3%			★★★★★	Top Management 97.1%★★★★★Differentiation strategy risk 66.7%★★★★★			
								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	★★★★★	★★★★★	
-63.4%		-77.8%		-73.8%		-2.6%		-66.9%	
Reference Stock Prices	35%zone	50%zone	100%zone	150%zone	200%zone				
(JPY)	556	618	824	1,030	1,236				
Reference Market Value	20%zone	50%zone	100%zone	200%zone					
(JPY 1 Million)	59,022.0	73,777.5	98,370.0	147,555.0	-				

Viewpoint		Rating		Total Evaluation Index		Comments		IR Strategy Analysis		Total Score		Evaluation Index	
+1	Strong Buy			80%~100%		Upside potential is 20% or more within a year.	★★★★★	★★★★★		274		91.3%	
+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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## Report Summary

**Growing with the Goal of Becoming a Leading Global Mega Dealer. Focusing Efforts on Service Business. Expanding Rental Car Business to Include Car Sharing Service.**

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

VT Holdings' business model for growth consists of three strategies: aggressive M&A, a high base profit cover ratio and recurring-revenue businesses. In terms of profits, the company is focused on services rather than new car sales, with approximately 40% of gross profit coming from the service division. Their entry into car sharing services will be the core of the car rental business. The rental car business is expanding, characterized by a high level of gross profit margins around 40%.

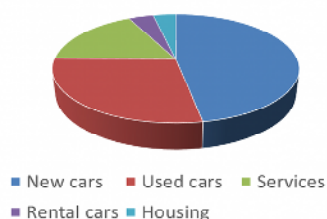
In the first six months of the fiscal year ending March 31, 2019, VT Holdings recorded consolidated net sales of ¥109,035 million (up 11.3% YoY), operating income of ¥2,930 million (down 8.1% YoY), ordinary income of ¥2,894 million (down 14.5% YoY) and profit attributable to owners of parent of ¥1,537 million (down 13.2% YoY). The company achieved record-high net sales for the seventh straight fiscal year, driven by an aggressive overseas M&A strategy. The overseas net sales ratio increases every year, growing to 40.04% in the first six months of the fiscal year ending March 31, 2019.

The Nissan faulty inspections scandal adversely affected profits. Recalls do not have a direct negative impact on dealers. Currency exchange rates are also a factor. If the yen weakens against the pound and euro, this will be a positive factor. Fallout from the scandal involving Carlos Ghosn will be limited to dealers. An increase in new models amid a Nissan recovery in Japan will be positive over the medium term. In the fiscal year ending March 31, 2020, the company plans to transition to IFRS, and at present, expects to add pre-tax profit of approximately ¥1.2 billion.

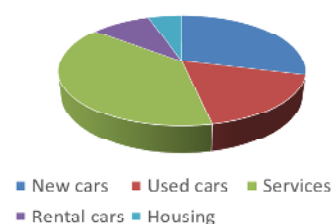
VT Holdings is proactive in its shareholder return initiatives, with a target consolidated dividend payout ratio of 40%. In addition to a high dividend yield over 4%, the company is also expected to engage in aggressive share buybacks. VT Holdings has a shareholder benefit plan in place.

KCR expects VT Holdings to grow steadily toward its goal of becoming a global mega dealer. We assign an overall rating of +2 (BUY) and maintain our buy recommendation with a target share price of ¥670.

Net Sales, by Segment



Gross Profit by Segment



【Source for figures 1 and 2: KCR, based on VT Holdings materials】

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



## Company Profile and History

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

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

VT Holdings' core growth strategy is M&A. Operations within the car-related business break down into the new car, used car, service, rental car and export segments. In addition to expanding its operations in Japan through M&A activities, recently the company has been aggressively developing its business through overseas M&A. Overseas business has grown to account for 40.4% of net sales, in such countries as the United Kingdom, Spain, Australia and South Africa.

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

## Features and Strengths

### Business Model Built on Three Strategies

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

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

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## Latest Performance

### New Consecutive All-Time High Net Sales; Overseas Net Sales Ratio Expands to 40%

In the first six months of the fiscal year ending March 31, 2019, VT Holdings recorded consolidated net sales of ¥109,035 million (up 11.3% YoY), operating income of ¥2,930 million (down 8.1% YoY), ordinary income of ¥2,894 million (down 14.5% YoY) and profit attributable to owners of parent of ¥1,537 million (down 13.2% YoY). The company achieved record-high net sales for the seventh straight fiscal year. In the first half of the fiscal year under review, in the core automotive business the impact of the faulty inspection scandal at Nissan Motors was mostly eradicated, while new Honda models had a positive effect, resulting in relative stability in the Japanese market. Overseas, from the previous fiscal year and into the first half of the current fiscal year, the company has been able to include sales results from three business companies in Spain and South Africa that have become subsidiaries. Total group car sales (new and used) amounted to 51,503 vehicles, a 9.1% increase over 4,227 vehicles in the previous fiscal year. In the new car segment of the automotive business, the number of new cars sold domestically and internationally was 21,950 (up 14.8% YoY). Profitability declined somewhat due to a rising sales distribution ratio from overseas dealers, but the Company secured an increase in sales. In the used car segment, the Company exported 4,108 units overseas (up 21.9% YoY). The number of second-hand cars sold for the entire Group was 29,553 (up 5.1% YoY), with used car sales rising year on year.

New and used car sales both achieved all-time highs. Sales also increased in the high-earning services and rental car divisions. The overseas net sales ratio increases every year, reaching 40.4% for the first time ever in the first half of the fiscal year ending March 31, 2019.

## Future Outlook

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

The company forecasts higher sales and profit in the fiscal year ending March 31, 2019, targeting net sales of ¥210.0 billion (up 3.9% YoY), operating income of ¥8.0 billion (up 18.0% YoY), ordinary income of ¥8.2 billion (up 14.3% YoY) and profit attributable to owners of parent of ¥4.8 billion (up 27.5% YoY).

The Nissan unauthorized inspections scandal adversely affected profits. The faulty inspections were uncovered in 2017, resulting in the recall of 42 models totaling 1.14 million vehicles as of June 2018. On December 13, new fraud was uncovered in the completed inspections of new cars, resulting in an additional recall affecting 11 models totaling 138,000 vehicles. This is the fourth instance of inspection fraud since September 2017. The recalls themselves are, if anything, a plus for dealers in terms of earnings, and have no directly negative impact. However, over the medium- to long-term, they may adversely affect the manufacturer's brand. The underreported income scandal involving former Nissan Chairman Carlo Ghosn is also expected to have little direct impact on dealers themselves, but it will require a bit of time before a resolution is reached.

At the same time, under the leadership of Ghosn, Nissan Motors has in recent years prioritized overseas markets in terms of product development and sales. Thus, Nissan's market share in Japan has steadily declined each year, with Japan sales accounting for just 10% of Nissan's global sales. Going forward, under new leadership, Nissan is expected to recover in Japan, which may be a positive development for VT Holdings, which has a Nissan sales network in Japan.

Exchange rates also affect performance. If the yen weakens against the pound and euro, this will have a positive impact. England and Spain have a significant influence. A ¥1 difference in the pound exchange rate translates into an additional ¥273 million in sales and 1.9 million in profit, while a ¥1 difference in the euro exchange rate translates into an additional ¥255 million in sales and 3.4 million in profit.

In the fiscal year ending March 31, 2020, the company plans to transition to International Financial Reporting Standards (IFRS). In the fiscal year ending March 31, 2019, the company plans to add reference information to their securities report indicating that, at present, it expects to add pre-tax profit of approximately ¥1.2 billion.

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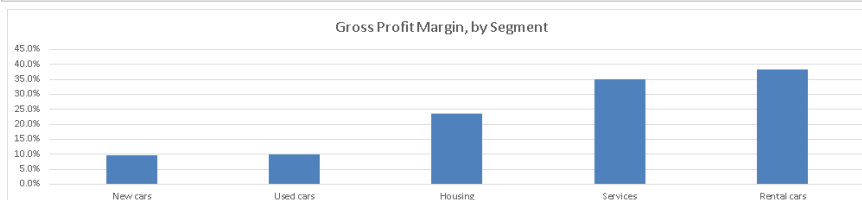
## Market Environment

### Concentrating on Highly Profitable Services, Rental Car Business Focused on Car Sharing Services

VT Holdings' basic strategy involves expanding through ongoing M&A, including the aggressive purchase of car dealers overseas, and growing earnings through profit structure improvements in Japan and overseas. Subsidiaries in Japan and overseas promote store openings to the extent possible and pursue sales growth.

Although registration of new and used cars in Japan are trending downward over the long-term, domestic car ownership and the number of years of ownership are increasing (up 17% since 2001). For VT Holdings, the Service Division has the highest profit margins, thus increasing service revenue by increasing the number of vehicles handled will raise profit overall.

Furthermore, in recent years, the concept of Mobility as a Service (MaaS), involving the use but not the ownership of cars, has been spreading throughout the automobile industry. An increasing number of services enable those who do not own a car to pay for the use of one amid growing momentum toward car sharing and other arrangements. VT Holdings sub-subsidiary J-net, with its core business in rental cars and car leasing, plans to enter the car sharing market, which may lead to a merger of the rental car and car sharing businesses in the future. In terms of rental car bases, the company has approximately 140 car dealers and 151 stores, some car rentals are available 24 hours a day. Services have been launched



【Source for figure 3: KCR, based on VT Holdings materials】

## Medium-term Management

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

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

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

## President's Biography

### 29-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. 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 29-fold increase in sales and a 33-fold increase in ordinary income.

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### IR Strategy and Shareholder Return

#### Expecting Dividend Payout Ratio Above 40%, Full-Year Dividend of ¥20

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

### Quantitative Analysis

#### Particularly Strong Productivity Per Employee

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

### Qualitative Analysis

#### Extremely Strategic with High Barriers to Entry

Unlike manufacturers, the auto dealer industry is not 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 65.1%, which is average, in an industry environment analysis within a five forces analysis. Furthermore, the company was rated 78.4%, exceptionally high, in a strategic model analysis. The future risk of VT Holdings' business model was 82.2%, exceptionally low. The company's qualitative overall rating was 81.7%, with its strategy level judged as exceptionally high. (See P. 9: KCR Qualitative Analysis Report)

### Share Price Analysis

#### Comprehensive Theoretical Stock Price of ¥1,245

According to a theoretical share price valuation carried out by KCR, VT Holdings' shares are undervalued at ¥1,347, which is below the theoretical price, calculated by a comparable peer company analysis, and also undervalued at ¥1,127, given the average theoretical stock price. Moreover, they are undervalued at ¥1,855, given the average PSR valuation of similar companies, undervalued at ¥1,575, given the average EPS & PBR valuation of similar companies, overvalued at ¥423, given the average EPS & PBR valuation of the market, and the company's shares are judged undervalued at ¥1,245, given the total average valuation of the four. Therefore, the company's current share price, ¥412, is undervalued. (See P. 8: KCR-Share Price Analysis Report)

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## KCR-SHARE PRICE ANALYSIS REPORT

## VT HOLDINGS CO., LTD.

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Transaction Number

7593SB190107

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	1,347 YEN	-69.4%	Current Share Price 07-Jan-19	412 YEN
Net Asset Approach (book value)	316 YEN	30.5%	Price Earnings Ratio	10.25 (X)
Earnings Return Method	2,116 YEN	-80.5%	Price Book-value Ratio	1.30 (X)
Price-to-Sales Ratio Approach	1,855 YEN	-77.8%	PER(JASDAQ estimate)	12.01 (X)
Discounted Cash Flow Method	- YEN	-	PER(Peer company estimate)	52.90 (X)
Theoretical Stock Price Average	1,127 YEN	-63.4%	PBR(JASDAQ estimate)	1.15 (X)
		KCR Average	PBR(Peer company estimate)	3.24 (X)
		2.00%	Stock Yield (estimate)	8.03 %
			Dividend Yield (JQ average estimate)	1.83 %

## Rate of divergence

Precondition (JPY 1 Million)	FY3/16 Actual	FY3/17 Actual	FY3/18 Actual	FY3/19* KCR *KCR Estimate	FY3/20* KCR *KCR Estimate	FY3/21* KCR *KCR Estimate
Net Sales	146,468	169,560	202,133	210,218	231,240	265,926
Ordinary Income	7,603	7,937	7,173	7,568	9,250	10,903
Net Income	4,090	4,421	3,765	4,768	5,827	7,087
Operational Cash Flows	9,640	11,017	13,189	9,600	12,000	13,000
Investment Cash Flows	-3,220	-13,103	-6,713	-8,000	-9,000	-10,000

## VT HOLDINGS CO., LTD.

## Three Similar and Competing Companies

Net Sales	210,000 (JPY 1 Million)	Estimate	NIDEC CORPORATION	(TSE First Section 6594) Consolidated
Ordinary Income	8,200 (JPY 1 Million)	Estimate	IDOM Inc.	(TSE First Section 7599) Consolidated
Net income	4,800 (JPY 1 Million)	Estimate	COLOWIDE CO.,LTD.	(TSE First Section 7616) Consolidated
Shareholders' Equity	37,704 (JPY 1 Million)	Current		
Number of Shares Issued	119,381,034 (thousand shares)	Current		
Share Price	412 YEN	Current		
Market Value	49,185 (JPY 1 Million)	Current		
Price to Sales Ratio	1,759 (JPY 1 Million)	Market Value (Peer company average)	1,322,630 (JPY 1 Million)	rate of divergence -96.3%
Earnings Per Share	40 YEN	Share Price/PSR (Peer company average)	1.05 (X)	-77.8%
Book-value Per Share	316 YEN	Calculated Price (※KCR Average-4.0%)	1,855 YEN	-77.8%
Share price/PSR	0.23 (X)	EPS x Peer company average	2,127 YEN	-80.6%
PER	10.25 (X)	PBR x Peer company average	1,024 YEN	-59.8%
PBR	1.30 (X)	Calculated Price (※KCR Average7.7%)	1,575 YEN	-73.8%
Stock Yield	9.76%	EPS x JASDAQ average	483 YEN	-14.7%
		PBR x JASDAQ average	363 YEN	13.4%
		Calculated Price (※KCR Average40.0%)	423 YEN	-2.6%
		Total Average (※KCR Average-9.0%)	1,245 YEN	-66.9%

## NIDEC CORPORATION

## A

## IDOM Inc.

## B

Net Sales	1,600,000 (JPY 1 Million)	Estimate	Net Sales	290,000 (JPY 1 Million)	Estimate
Ordinary Income	187,500 (JPY 1 Million)	Estimate	Ordinary Income	2,000 (JPY 1 Million)	Estimate
Net Income	147,000 (JPY 1 Million)	Estimate	Net Income	700 (JPY 1 Million)	Estimate
Shareholders' Equity	1,010,849 (JPY 1 Million)	Current	Shareholders' Equity	39,652 (JPY 1 Million)	Current
Number of Shares Issued	298,142,234 (thousand shares)	Current	Number of Shares Issued	106,888,000 (thousand shares)	Current
Share Price	12,585 YEN	Current	Share Price	367 YEN	Current
Market Value	3,752,120 (JPY 1 Million)	Current	Market Value	39,228 (JPY 1 Million)	Current
Price to Sales Ratio	5.367 (JPY 1 Million)		Price to Sales Ratio	2,713 (JPY 1 Million)	
Earnings Per Share	493 YEN		Earnings Per Share	7 YEN	
Book-value Per Share	3,390 YEN		Book-value Per Share	371 YEN	
Share price/PSR	2.35 (X)		Share Price/PSR	0.14 (X)	
PER	25.52 (X)		PER	56.04 (X)	
PBR	3.71 (X)		PBR	0.99 (X)	
Stock Yield	3.92%		Stock Yield	1.78%	

## COLOWIDE CO.,LTD.

## C

Net Sales	258,461 (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	6,267 (JPY 1 Million)	Estimate		
Net income	2,289 (JPY 1 Million)	Estimate		
Shareholders' Equity	35,154 (JPY 1 Million)	Current		
Number of Shares Issued	75,284,041 (thousand shares)	Current		
Share Price	2,345 YEN	Current		
Market Value	176,541 (JPY 1 Million)	Current		
Price to Sales Ratio	3,433 (JPY 1 Million)			
Earnings Per Share	30 YEN			
Book-value Per Share	467 YEN			
Share price/PSR	0.68 (X)			
PER	77.13 (X)		Comparable Peer Company Analysis	
PBR	5.02 (X)		Average	1,346.88
Stock Yield	1.30%		Maximum	1,986.49
			Minimum	1,064.93

Share Price*	EPS*	BPS*	Calculated Price
A	B	C	5,099
A	B	C	176.7
A	B	C	249.8
A	B	C	1,409
			1,152
			1,881
			1,811
			1,185
			1,986

This report is intended to provide information as reference for investment decisions, and not intended to solicit investment. Although figures and opinions in the report are based on data obtained from sources deemed reliable, KCR Inc. does not guarantee their accuracy. KCR will assume no responsibility for any loss and damage caused by using part or all of these materials. Investors are advised to make investment decisions based on their own judgment and responsibility. Opinions and forecasts described in the report were made as of its preparation date, and we do not make any guarantees about their accuracy and completeness. In addition, these opinions and forecasts may be changed in the future without prior notice. KCR reserves all rights concerning the contents. Copying or reproducing the contents without prior approval is prohibited.

## 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&amp;A activities and stock-type business model.

Overall rating	81.7% ★★★★★				
Strategy rating	79.7% ★★★★★	Consistency	100.0% ★★★★★	Cost leadership strategy	75.0% ★★★★★
Threat of new entrants	73.8% ★★★★★	Important point	80.0% ★★★★★	Differentiation strategy	72.7% ★★★★★
Intensity of competitive rivalry	54.4% ★★★	Planning ability	80.0% ★★★★★	Concentration strategy	87.5% ★★★★★
Threat of substitute products or services	100.0% ★★★★★	Purposefulness	100.0% ★★★★★	Cost leadership strategy risk	80.0% ★★★★★
Bargaining power of customers	61.1% ★★★★★	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	65.1% KCR Average	67.3%	78.4% KCR Average 80.6%

Target Sector Automobile dealer industry

Threat of New Entrants	Economies of scale	10
	Product differentiation	0
	Capital requirements	5
	Switching costs of suppliers	10
	Access to distribution channels	10
	Cost advantages independent of scale	4
	Governmental and legal barriers	10
	Expected retaliation	10
Subtotal	80	74% 59
Intensity of competitive rivalry	Number of rival companies	10
	Growth speed	5
	Scales of fixed and stock costs	10
	Differentiation	0
	Customer retention	10
	Expansion of supply capacity	5
	Heterogeneous strategy	0
	Fruit of strategic results	5
Subtotal	90	54% 49
Threat of substitute products or services	High profit company of Gulliver	10
	Low-priced with same performance	10
		100% 20
	Subtotal	20
Bargaining power of customers (buyers)	Force down prices	10
	Number of potential customers	10
	Percentage of customer costs	0
	Differentiation(buyer needs)	5
	Buyer switching costs	0
	Wealthiness	5
	Backward integration possibility	10
	Essentiality	10
Subtotal	90	61% 55
Bargaining power of suppliers	Oligopolization	5
	Possibility of substitutes and products' changes	10
	Importance of customers	10
	Essentiality	0
	Number of rival companies	5
	Supplier switching costs	10
	Possibility of forward integration	5
		64% 45
Subtotal	70	65% 228
Total	350	

Cost leadership strategy	Lowest price in the industry	5
	Low-cost structure	5
	Gross margin ratio	5
	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	75% 90

Differentiation strategy	Product design	0
	Brand image	10
	Technology	0
	Product features	10
	Customer service	10
	Distribution network	10
	Marketing capabilities	10
	R&D capabilities	0
	Experience level	10
	Imagination	10
Total	110	73% 80

Concentration strategy	Investment in specific targets	10
	Investment in specific products	10
	Investment in specific areas	5
	Investment in specific segments	10
Total	40	88% 35

Future inspection	analyzes risks for future threats
Risk analysis	82.2% KCR Average 66.1%

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
		80% 40

Differentiation strategy risk	Other companies' brand-name products	0
	Changes of customer needs	10
	Imitation	10
		67% 20

Concentration strategy risk	End of cost advantages	10
	End of specific needs	10
	Subdivision of specific targets	10
		100% 30

Other qualitative factors	check other different factors from the strategies
	96.4% KCR Average 92.5%

Top management	Management stance	165
Total	170	97%

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

Strategy check	analyzes the strategic level from the following four viewpoints
Management balance analysis	90.0% KCR Average 92.2%

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% 50

Important point analysis	Business domain, market & products	10
	Dynamic business resources	10
	Static business resources	10
	Company's strength	10
	Narrowing	0
Total	50	80% 40

Planning ability analysis	Goal achievement	10
	Planning from long-term viewpoints	5
	Short-term and long term planning	5
	Downward revision	10
	Planning flexibility	10
Total	50	80% 40


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% 50

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

The KCR qualitative analysis report converts qualitative information to figures through a matrix analysis using 132 unique judgement scores assessed by KCR Inc. and rates competitiveness of a company based on Michael Porter's theory of competitive advantage. The more starts 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: 67.3% in a industry environment analysis, 80.6% in a strategic model analysis, 66.1% in a risk analysis, 92.2% in a management balance analysis, and 92.5% in a top management and other analyses with a total rating of 78.4%.

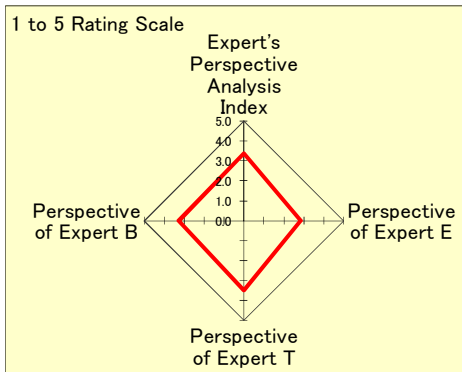
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VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated												[Current Share Price]		Analysis Overall																	
[Stock Code]		[Industry]	[Market Division]	[Fiscal Year End]	[IPO Date]	[BPS (yen)]	[PER(x)]	[PBR (x)]	[Trading Unit]	[Dividend Yield]	4.9 %		412 yen		★★★																
[Complimentary]		7593	Retail	TOKYO	Mar. 31	Sep-98	321.28	12.9	1.28	100	[Shareholder Yield]	-		[Market Value] 49,185 million yen		870 yen															
Goods for Shareholders		YES	Equivalent to		-		yen		(share)	[Real Yield]	4.9 %		[Highest Price within Five Years]		340 yen																
[Interim Dividends]		YES	[Representative]		[Date of Birth]		[Age]		[Capital]	4,297 million yen		[Lowest Price within Five Years]		[Overseas Ratio]																	
[Company features]		Kazuho Takahashi		January 18, 1953		65		[Accumulated Profit]	30,174 million yen		[Up/Down Ratio (high price) %]		-52.6		[Overseas Ratio]																
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.												[Accumulated Profit/Capital (x)]		7.0		[Up/Down Ratio (low price) %]		21.2		40.4											
												[Treasury Shares]		2,031.7 thousand shares		[Share Split]		[PER Estimate]		10.1											
												[Established]		March-83		[Number of Years since Established]		35.9		[Ratio]		1.70		[Shareholders' Equity ¥ million]		37,704		[Current PBR]		1.30	
Settlement Period	(JPY 1 Million)		(JPY 1 Million)		(JPY 1 Million)		(JPY 1 Million)		(JPY)		(JPY)		Dividend Payout Ratio	(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	Number of Shares Issued	Operational Cash Flows		Investment Cash Flows	Free Cash Flows	Financing Cash Flows	Cash and Cash Equivalents														
FY3/15	136,376		7,347	5.4%	7,434	5.5%	4,633	3.40%	39.4	14.00	35.6%																				
FY3/16	146,468	7.4%	7,619	5.2%	7,603	5.2%	4,090	2.7%	34.8	18.00	51.8%	119,381,034	9,640	-3,220	6,420	-5,041	7,454														
FY3/17	169,560	15.8%	7,592	4.5%	7,937	4.7%	4,421	2.61%	37.58	17.00	45.2%	119,381,034	11,017	-13,103	-2,086	1,102	6,499														
FY3/18	202,133	19.2%	6,780	3.4%	7,173	3.5%	3,765	1.86%	32.00	18.00	56.3%	119,381,034	13,189	-6,713	6,476	-5,206	7,820														
Current Estimate	210,000	3.9%	8,000	3.8%	8,200	3.9%	4,800	2.29%	40.90	20.00	48.9%																				
FY3/19* KCR	210,218	4.0%	7,358	3.5%	7,568	3.6%	4,768	2.27%	39.94	20.00	50.1%	119,381,034	9,600	-8,000	1,600	*KCR Estimate															
FY3/20* KCR	231,240	10.0%	9,250	4.0%	9,250	4.0%	5,827	2.52%	47.86	20.00	41.8%	121,768,655	12,000	-9,000	3,000	*KCR Estimate															
FY3/21* KCR	265,926	15.0%	10,637	4.0%	10,903	4.1%	7,087	2.67%	57.06	22.00	38.6%	124,204,028	13,000	-10,000	3,000	*KCR Estimate															
2 yearly average	17.5%	0	7,186	3.9%	7,555	4.1%	4,093	2.2%	34.8	3Y average	51.1%		11,282	-7,679	3,603	-3,048	7,258														
3 yearly average	13.0%	0	7,457	4.3%	7,770	4.5%	4,329	2.4%	36.3	4Y average	50.5%																				
4 yearly average	11.6%	0	7,498	4.2%	7,728	4.3%	4,269	2.4%	29.1	5Y average	40.4%																				
FY-2Q									Total	Total																					
Pre-FY-2Q	97,991		3,187		3,382		1,771		Total	Total																					
FY-3Q									Total	Total																					
Pre-FY-3Q	141,914		4,196		4,464		2,293		Total	Total																					
FY-2Q E	100,000		3,200		3,300		1,900		Total	Total																					
Quarterly Analysis																															
1Q	51,957		924	1.8%	827	1.6%	419	0.8%																							
Pre-1Q	46,907	10.8%	1,172	-21.2%	1,247	-33.7%	651	-35.6%																							
2Q	57,078		2,006	3.5%	2,067	3.6%	1,118	2.0%																							
Pre-2Q	51,084	11.7%	2,015	-0.4%	2,135	-3.2%	1,120	-0.2%																							
3Q E	50,483		2,535	5.0%	2,653	5.3%	1,632	3.2%																							
Pre-3Q	43,923	14.9%	1,009	151.2%	1,082	145.2%	522	212.5%																							
4Q E	50,453		2,535	5.0%	2,653	5.3%	1,632	3.2%																							
Pre-4Q	60,219	-16.2%	2,584	-1.9%	2,709	-2.1%	1,472	10.8%																							
FY									Total	Total																					
Pre-FY	97,991		3,187		3,382		1,771		Total	Total																					
FY (%)	51.9		36.6		35.3		32.0		Progress rate	Progress rate																					
Pre-FY (%)	48.5		47.0		47.1		47.0		Progress rate	Progress rate																					
(JPY 1 Million)	Total Assets	Current Assets	Total Non-Current Assets	Current Liabilities	Long-Term Liabilities	Total Equity※	Interest-Bearing Debt	Dependency	Number of Employees																						
FY3/16	94,979	38,419	56,559	44,935	15,346	32,716	22,128	23.30%	2,579																						
FY3/17	121,493	54,702	66,791	62,091	21,759	34,982	28,989	23.86%	3,258																						
FY3/18	136,757	66,103	70,653	75,369	20,637	37,425	29,649	21.68%	3,445																						
Current	136,454	65,381	71,073	75,470	19,870	37,704	32,292	23.67%	3,445																						
※Total net assets-minority interests (%)																															
Segment Information																															
Automobile Sales Related Business				FY3/18				FY3/17				Ratio of Shareholding																			
				95.5%				95.9%				Overseas																			
Housing Related Business				4.4%				4.0%				Before Last																			
The others				0.1%				0.1%				Last																			
				0.0%				0.0%				Current																			
Total				100.0%				100.0%				0.0%																			
Quantitative Analysis																															
Prev.		Actual		Current Estimate		KCR Estimate		Similar and Competing company average		Profitability Analysis		3.0		Actual					Actual		Actual		Reference Data (Other service industries)*								
ROA (Ordinary Income)		6.5%		5.2%		6.0%		5.5%		5.0%		0.3%		3.0		9.3%		4.5%		1.2%		8.2%		-3.0%		3.0					
ROE (Net Income)		12.6%		10.1%		12.7%		12.6%		8.7%		1.3%		3.0		14.1%		8.7%		3.4%		7.5%		2.6%		3.0					
Ordinary Income Margin		4.7%		3.5%		3.9%		3.6%		4.8%		-1.2%		3.0		11.1%		2.1%		1.1%		6.4%		-2.9%		3.0					
Efficiency Analysis												Efficiency Analysis		3.0		0.0		0.0		0.0		0.0		0.0		3.3					
Total Asset Turnover		1.4		1.5		1.5		1.5		1.3		0.1		3.0		0.8		2.1		1.1		1.3		0.2		3.0					
Current Asset Turnover		3.1		3.1		3.2		3.2		3.2		-0.2		3.0		1.6		3.6		4.5		2.4		0.7		4.0					
Total Non-Current Asset Turnover		2.5		2.9		3.0		3.0		2.8		0.1		3.0		1.7		5.2		1.4		2.7		0.2		3.0					
Safety Analysis												Safety Analysis		3.0		0.0		0.0		0.0		0.0		0.0		2.0					
Current Ratio		88.1%		87.7%		86.6%		0		173.7%		-86%		3.0		205.1%		241.2%		74.7%		148.6%		-60.9%		3.0					
Debt Ratio		239.7%		256.5%		252.9%		0		274.6%		18%		3.0		88.5%		216.6%		518.8%		101.3%		-155.2%		2.0					
Equity Ratio		28.8%		27.4%		27.6%		0		33.1%		-6%		3.0		52.8%		31.4%		15.1%		48.8%		-21.5%		1.0					
Growth Potential Analysis												Growth Potential Analysis		2.7		0.0		0.0		0.0		0.0		0.0		3.0					
Growth Rate		15.8%		19.2%		3.9%		4.0%		12.9%		6.3%		3.0		24.1%		9.8%		4.9%		-9.3%		28.5%		3.0					
Ordinary Income Growth Rate		4.4%		-9.6%		14.3%		5.5%		27.9%		-37.5%		3.0		16.4%		39.4%		0.0%		-7.6%		-2.1%		3.0					
Equity Growth Rate		6.9%		7.0%		-		-		5.7%		1.2%		2.0		10.2%		5.9%		1.1%		7.8%		-0.8%		3.0					
Productivity Analysis												Productivity Analysis		3.7		0.0		0.0		0.0		0.0		0.0		3.7					
Sales per Employee *		52,044		58,674		60,958		61,021		45,247.4		13,427		4.0		13,564		72,217		49,962		38,433		20,241		5.0					
Ordinary Income per Employee *		2,436		2,082		2,380		2,197		11,924		890		4.0		1,499		1,516		562		2,472		-389		3.0					
Net Income per Employee *		1,357		1,093		1,393		1,384		790.5		302		3.0		1,198		936		238		1,065		28		3.0					
* Thousand yen																			Quantitative Analysis		3.1								3.0		
Profitability	Efficiency	Safety	Growth	Productivity	Quantitative Analysis	Expert's Perspective	Total	Evaluation Index																							
★★★	★★★	★★★	★★★	★★★★	★★★	★★★	★★★	65.0%																							
3.0	3.0	3.0	2.7	3.7	3.1	3.4	3.3																								
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 3.0 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).																															

KCR-EXPERT'S PERSPECTIVE ANALYSIS REPORT			Transaction Number 7593TS190107		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		07-Jan-19		Total Score <b>13.1</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	30,174	412	37,704	119,381.0	321	13,189	-6,713								
Total Assets (JPY 1 Million)	Interest-Bearing Debt (JPY 1 Million)	Dividends Per Share (YEN)	Dividend Payout Ratio	Established	Highest Price within Five Years (YEN)	Lowest Price within Five Years (YEN)	Up/Down Ratio (High Price)(%)								
136,454	32,292	20	48.9%	March-83	870	340	-52.6								
*Net Sales (JPY 1 Million)	*Operating Income (JPY 1 Million)	*Ordinary Income (JPY 1 Million)	*Net Income (JPY 1 Million)	*EPS (YEN)	*ROE (Net Income)	*ROA (Ordinary Income)	Equity Ratio								
210,000	8,000	8,200	4,800	40.90	12.7%	6.0%	27.6%								

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)								
7.0	1.3	10.1	23.7%	4.9	36	21.2	6,476								
5.0	3.0	3.0	2.0	5.0	5.0	5.0	5.0								
Ordinary Income Margin	Industry	Simple Arithmetic Average (YEN)	Number of Shares Issued (thousand shares)	Market Value (JPY 1 Million)	Negative News	EPS	ROE								
3.9%	Retail	41.2	1,193,810	49,185	Increases both in sales and profits	Increasing trend	12.7%								
0.0	3.0	5.0	2.0	1.0	1.0	5.0	5.0								

Expert's Perspectives	Score	Rating	KCR Average	Radar Chart	
Perspective of Expert E	2.9	★★	3.1		
Perspective of Expert T	3.5	★★★	3.3		
Perspective of Expert B	3.3	★★	3.1		
Expert's Perspective Analysis Index	3.4	★★★	3.3		

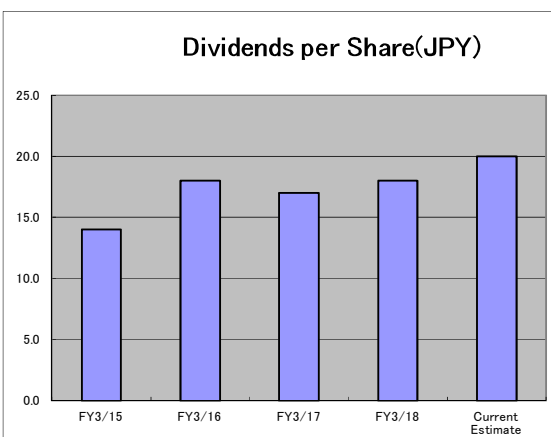
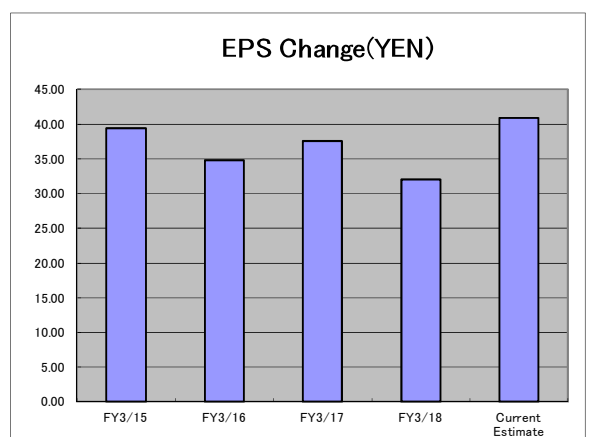
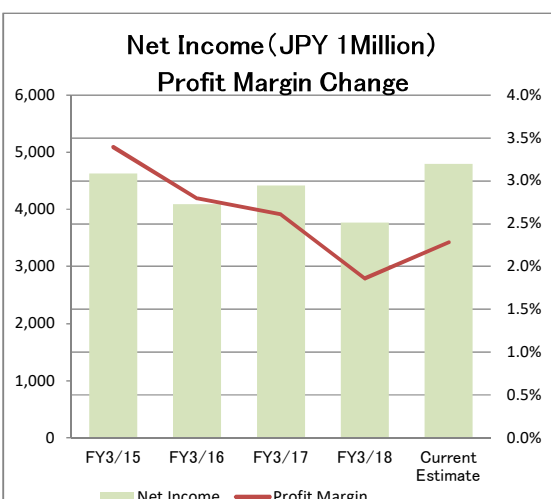
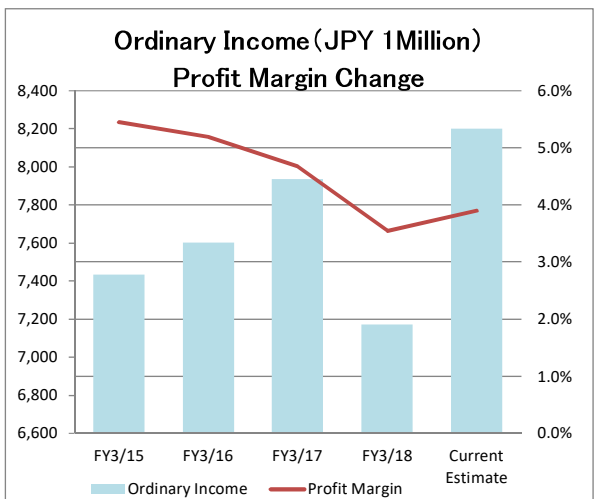
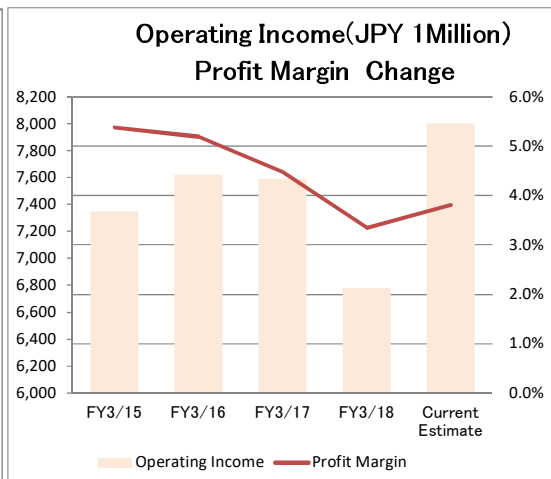
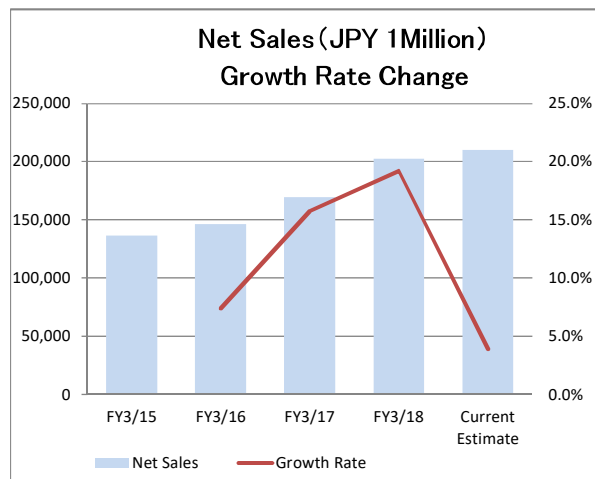
※Please note that there is no relation three masters that really exist.

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

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

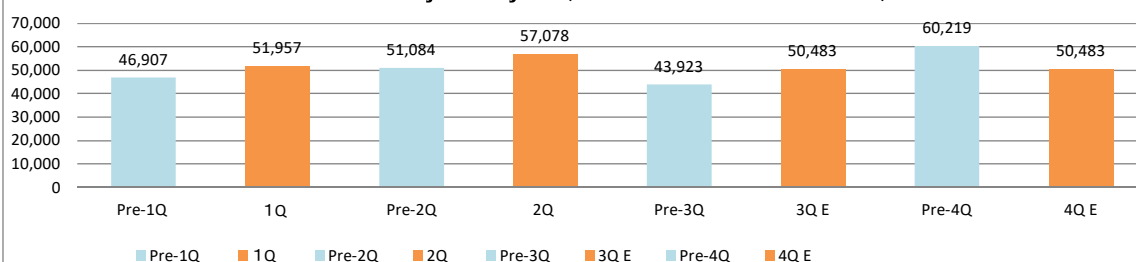
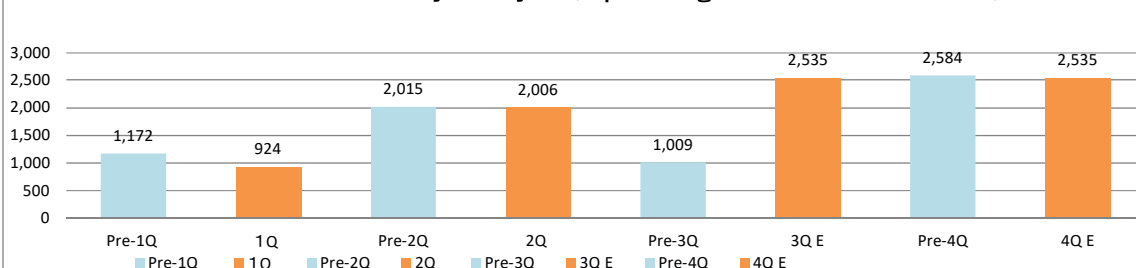
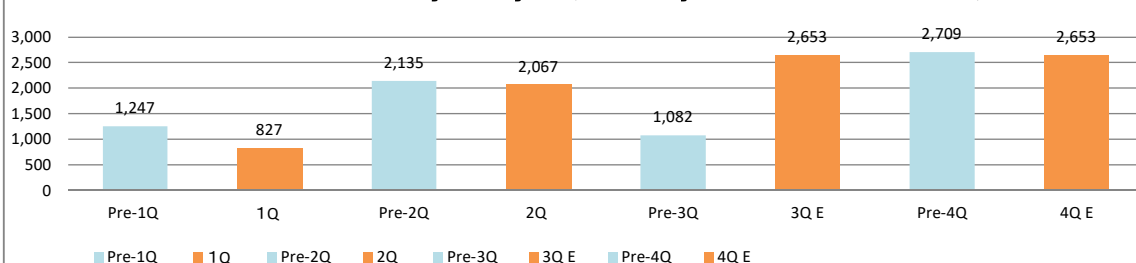
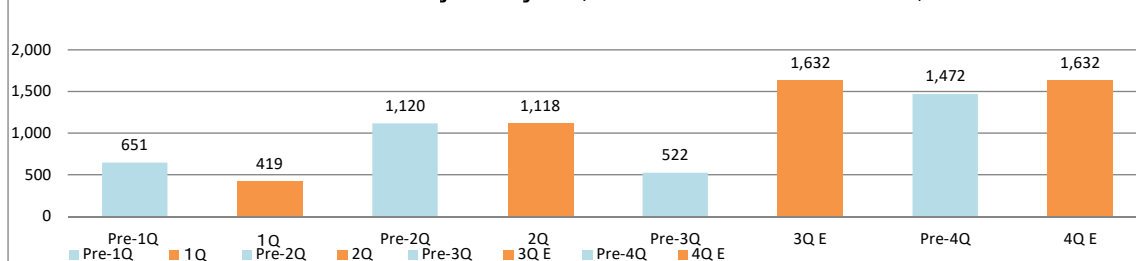
Elemental Analysis	Net Sales	Growth Rate	Operating Income	Profit Margin	Ordinary Income	Profit Margin	Net Income	Profit Margin	EPS	Dividends per Share
FY3/15	136,376		7,347	5.4%	7,434	5.5%	4,633	3.4%	39.38	14.0
FY3/16	146,468	7.4%	7,619	5.2%	7,603	5.2%	4,090	2.8%	34.77	18.0
FY3/17	169,560	15.8%	7,592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



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Quarterly Analysis	Net Sales	Growth Rate	Operating Income	Profit Margin	Ordinary Income	Profit Margin	Net Income	Profit Margin		
Pre-1Q	46,907	10.8%	1,172	2.5%	1,247	2.7%	651	1.4%		
1Q	51,957	0.0%	924	1.8%	827	1.6%	419	0.8%		
Pre-2Q	51,084	11.7%	2,015	3.9%	2,135	4.2%	1,120	2.2%		
2Q	57,078	0.0%	2,006	3.5%	2,067	3.6%	1,118	2.0%		
Pre-3Q	43,923	14.9%	1,009	2.3%	1,082	2.5%	522	1.2%		
3Q E	50,483	0.0%	2,535	5.0%	2,653	5.3%	1,632	3.2%		
Pre-4Q	60,219	-16.2%	2,584	4.3%	2,709	4.5%	1,472	2.4%		
4Q E	50,483	0.0%	2,535	5.0%	2,653	5.3%	1,632	3.2%		

**Quarterly Analysis (Net Sales JPY 1Million)****Quarterly Analysis (Operating Income JPY 1Million)****Quarterly Analysis (Ordinary Income JPY 1Million)****Quarterly Analysis (Net Income JPY 1Million)**

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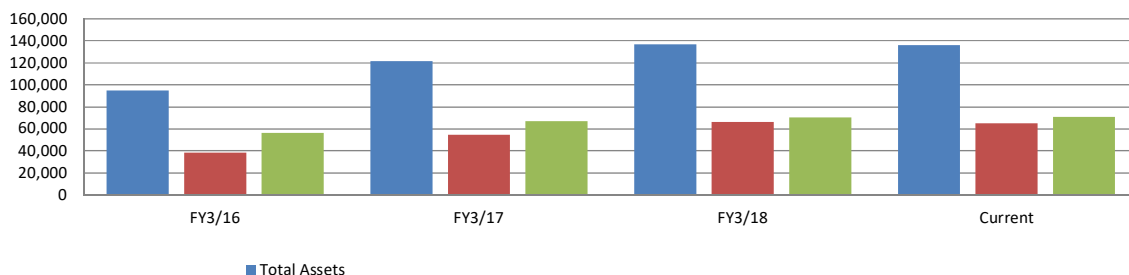
## VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

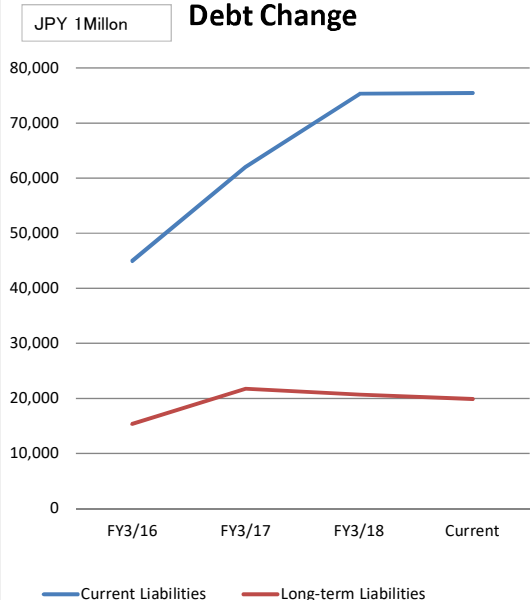
Asset Analysis	Total Assets	Current Assets	Total Non-Current Assets	Current Liabilities	Long-term	Total Equity *	Interest-Bearing Debt	Dependency	Number of Employees
FY3/16	94,979	38,419	56,559	44,935	15,346	32,716	22,128	23.30%	2,579
FY3/17	121,493	54,702	66,791	62,091	21,759	34,982	28,989	23.86%	3,258
FY3/18	136,757	66,103	70,653	75,369	20,637	37,425	29,649	21.68%	3,445
Current	136,454	65,381	71,073	75,470	19,870	37,704	32,292	23.67%	3,445

\*Total net assets – Minority interests

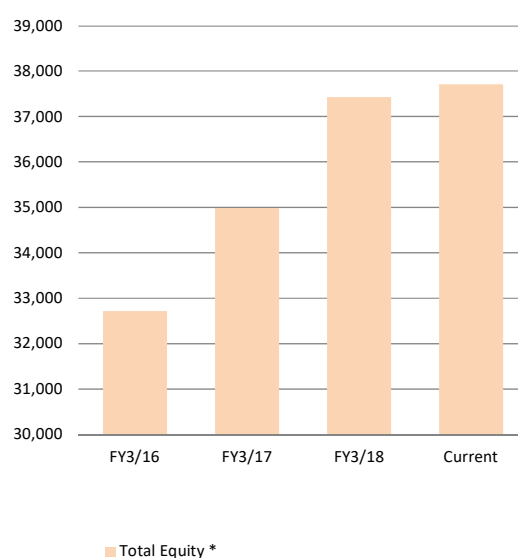
## Asset Change (JPY 1Million)



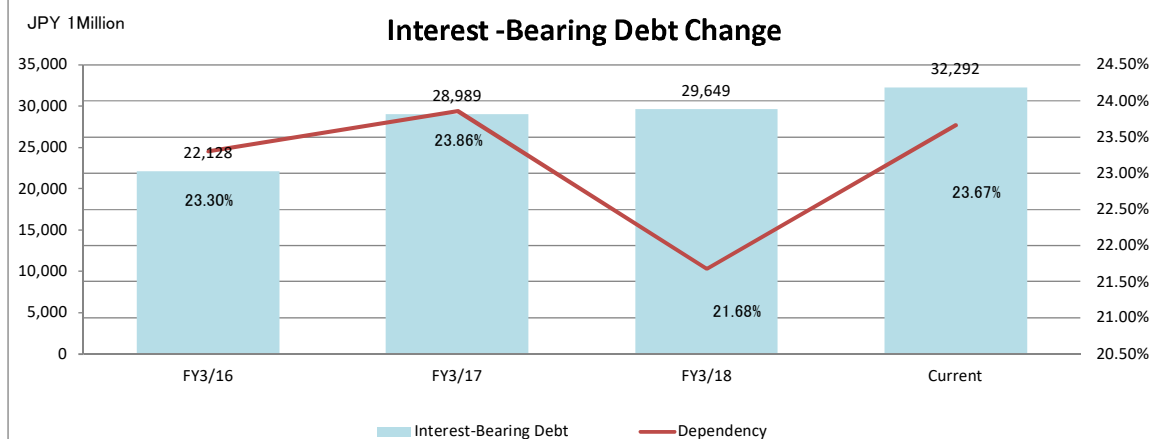
## Debt Change



## Total Equity Change



## Interest -Bearing Debt Change



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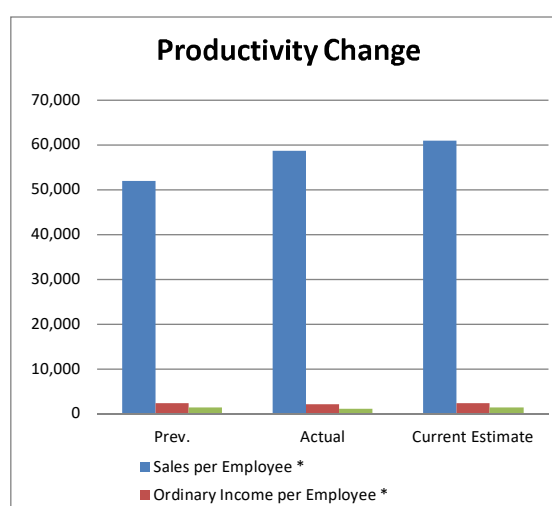
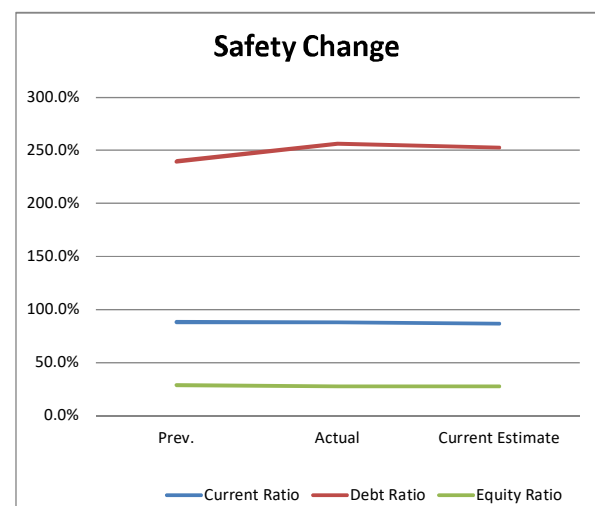
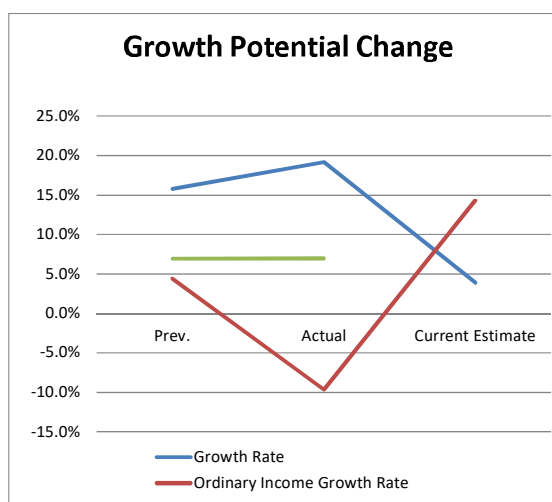
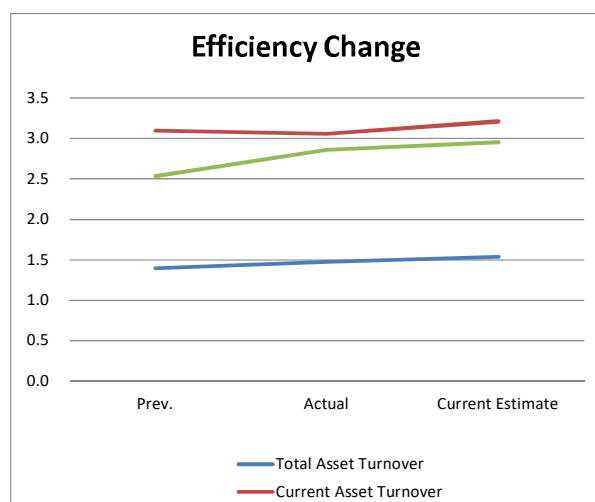
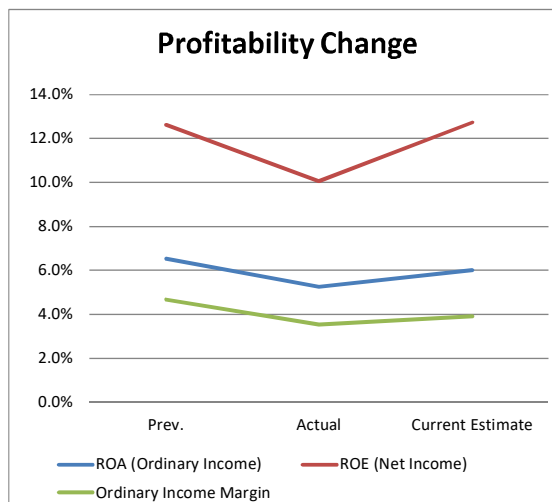
## VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

Financing Index Analysis			
Profitability Analysis			
	Prev.	Actual	Current Estimate
ROA (Ordinary Income)	6.5%	5.2%	6.0%
ROE (Net Income)	12.6%	10.1%	12.7%
Ordinary Income Margin	4.7%	3.5%	3.9%
Efficiency Analysis			
	Prev.	Actual	Current Estimate
Total Asset Turnover	1.4	1.5	1.5
Current Asset Turnover	3.1	3.1	3.2
Total Non-Current Asset Turnover	2.5	2.9	3.0
Safety Analysis			
	Prev.	Actual	Current Estimate
Current Ratio	88.1%	87.7%	86.6%
Debt Ratio	239.7%	256.5%	252.9%
Equity Ratio	28.8%	27.4%	27.6%
Growth Potential Analysis			
	Prev.	Actual	Current Estimate
Growth Rate	15.8%	19.2%	3.9%
Ordinary Income Growth Rate	4.4%	-9.6%	14.3%
Equity Growth Rate	6.9%	7.0%	
Productivity Analysis			
	Prev.	Actual	Current Estimate
Sales per Employee *	52,044	58,674	60,958
Ordinary Income per Employee *	2,436	2,082	2,380
Net Income per Employee *	1,357	1,093	1,393

\*Thousand yen

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



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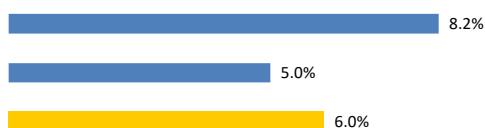
**VT HOLDINGS CO., LTD.****(TOKYO: 7593) Consolidated**

Profitability Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries)*	Three Similar and Competing Companies	
ROA (Ordinary Income)	6.0%	5.0%	8.2%	NIDEC CORPORATION	(TSE First Section 6594) Consolidated
ROE (Net Income)	12.7%	8.7%	7.5%	IDOM Inc.	(TSE First Section 7599) Consolidated
Ordinary Income Margin	3.9%	4.8%	6.4%	COLOWIDE CO.,LTD.	(TSE First Section 7616) Consolidated

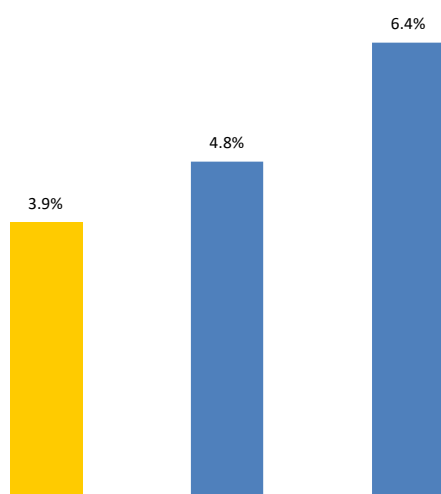
\*Market average in Japan

**ROA (Ordinary Income)**

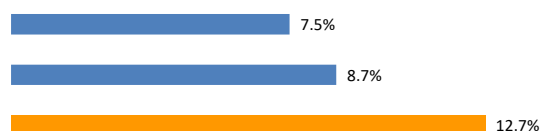
- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) \*

**Ordinary Income Margin**

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

**ROE (Net Income)**

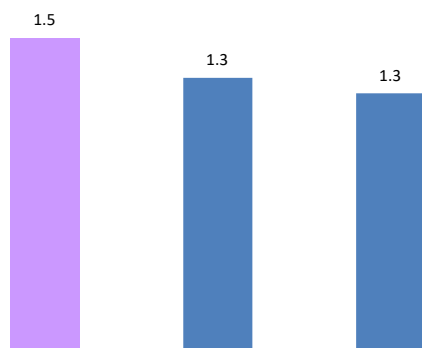
- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) \*

**Efficiency Analysis**

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

**Total Asset Turnover**

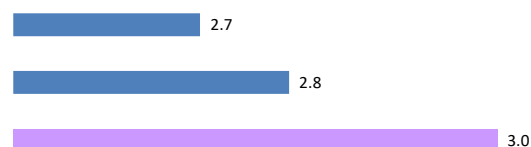
- Current Estimate
- Similar and Competing Company Average
- Reference Data (Other Service Industries) \*

**Current Asset Turnover**

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

**Total Non-Current Asset Turnover**

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



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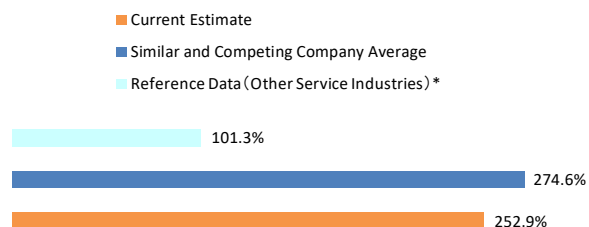
## VT HOLDINGS CO., LTD.

(TOKYO: 7593) Consolidated

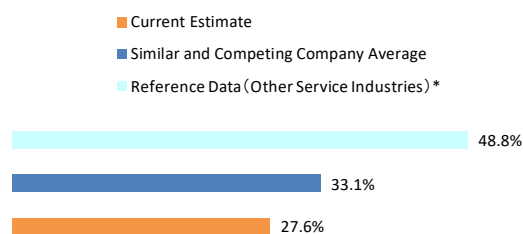
Safety Analysis	Current Estimate	Similar and Competing Company	Reference Data (Other Service)
Current Ratio	86.6%	173.7%	148.6%
Debt Ratio	252.9%	274.6%	101.3%
Equity Ratio	27.6%	33.1%	48.8%

\*Market average in Japan

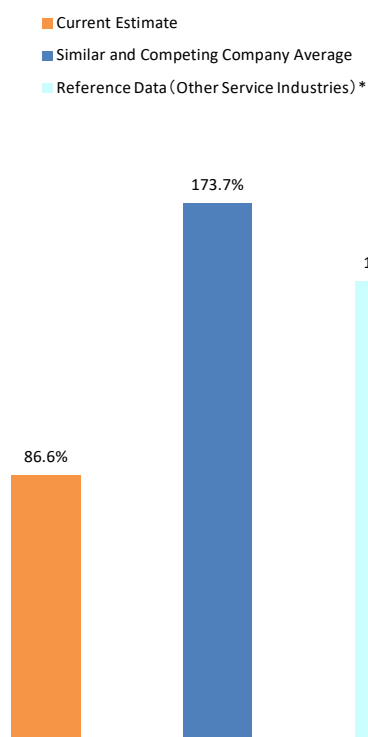
## Debt Ratio



## Equity Ratio



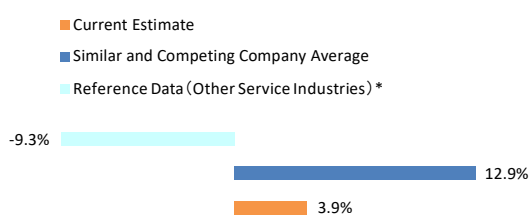
## Current Ratio



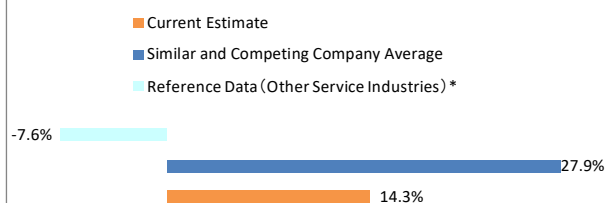
Growth Potential Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries)
Growth Rate	3.9%	12.9%	-9.3%
Ordinary Income Growth Rate	14.3%	27.9%	-7.6%
Equity Growth Rate	7.0%	5.7%	7.8%

※Preview

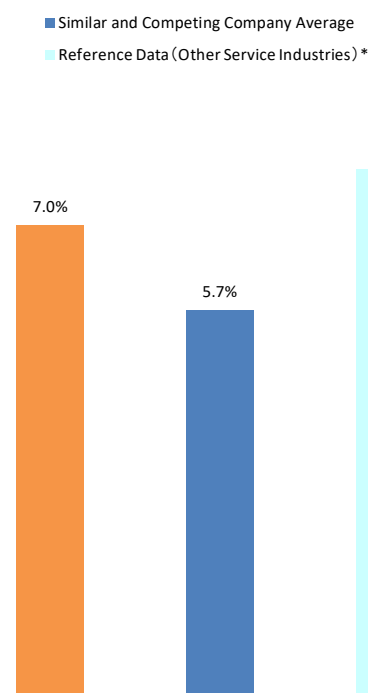
## Growth Rate



## Ordinary Income Growth Rate



## Equity Growth Rate



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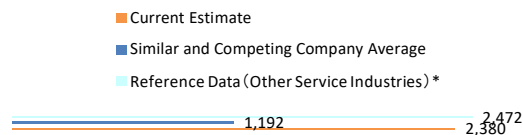
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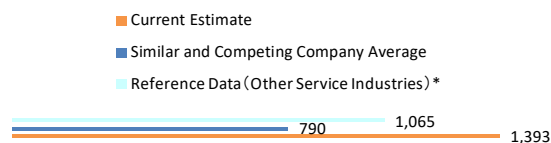
Productivity Analysis	Current Estimate	Similar and Competing Company	Reference Data (Other Service)
Sales per Employee *	60,958	45,247	38,433
Ordinary Income per Employee *	2,380	1,192	2,472
Net Income per Employee *	1,393	790	1,065

\*Market average in Japan

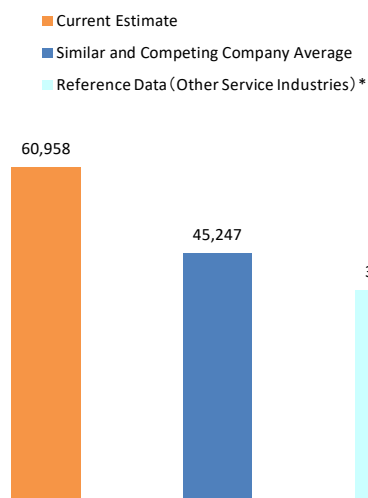
## Ordinary Income per Employee \*



## Net Income per Employee \*

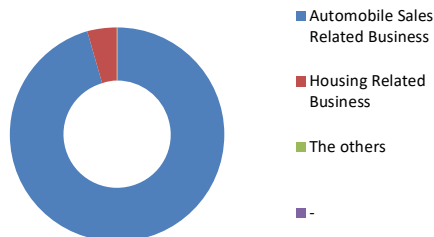


## Sales per Employee \*



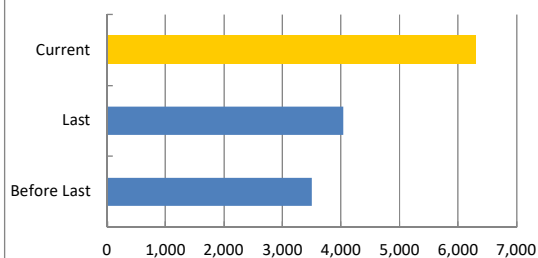
Segment Information	FY3/18
Automobile Sales Related Business	95.5%
Housing Related Business	4.4%
The others	0.1%
-	0.0%
Total	100.0%

## Segment Information

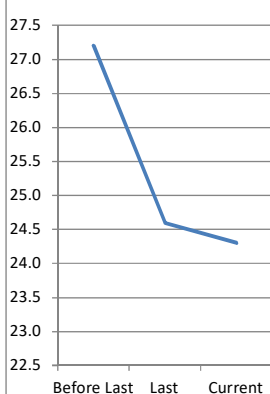


	Ratio of Shareholding				
	(%)	(%)	(%)	(%)	(people)
	Overseas	Investment Trust	Floating Stocks	Settled Stocks	Stockholders
Before Last	27.2	4.7	1.9	57.8	3,501
Last	24.6	5.8	2.3	54.2	4,034
Current	24.3	7.5	3.1	52.9	6,299

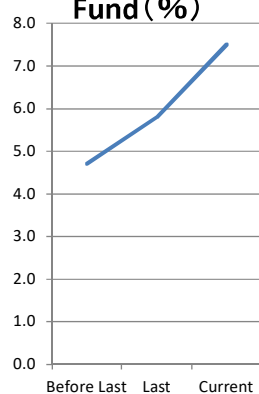
## Stockholders (People)



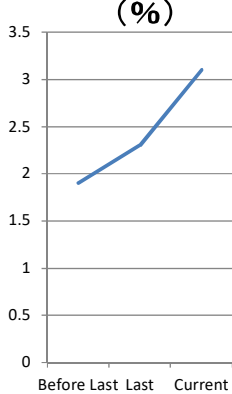
## Overseas (%)



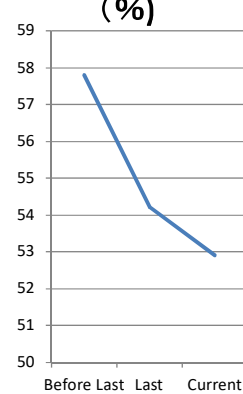
## Investment Fund (%)



## Floating Stocks (%)



## Settled Stocks (%)



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VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated						IR Overall Rating
【Stock Code】	7593	【Industry】	Retail	【Market Division】	TOKYO	★★★★★
【Fiscal Year End】	Mar. 31	【Zip Code】	460-0003	【Telephone Number】	+81-52-203-9500	
【Address】	3-10-32, Nishiki, Naka-ku, Nagoya, Aichi			【Established】	Mar-83	
【Representative】	Kazuho Takahashi			【Contact】	Managing Director Ichiro Yamauchi	
【Company Features】				【Share Price】	412 yen	

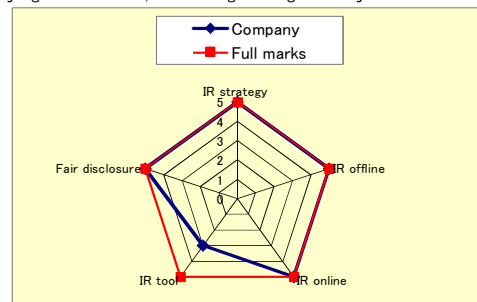
VT Holdings Co, Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.

Investor Relations Strategy Analysis	Reference Data	Point	VT HOLDINGS CO., LTD.
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1. IR activities (10 points)	89.3%	10	10
2. IR system (10 points)			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%	10	10
YES		10	
Activities			
Top management participates in briefing sessions for investor	81.8%	10	10
Top management gives individual interviews to analysts	67.6%	30	30
4. IR communication (80 points)		80	70
Financial settlement briefings	77.7%	10	10
Individual interviews	32.6%	10	10
Overseas briefing sessions	15.9%	10	0
For whom the above activities are conducted?			
Analysts and institutional investors	37.7%	10	10
Individual investors	13.4%	10	10
Is disclosure made fairly?	Priority point	20	20
IR roadshows	50.0%	10	10
5. IR tools (20 points)		30	20
Stockholder communication materials	89.6%	10	10
English materials (annual reports etc.)	42.8%	20	10
6. IR website (100 points)		100	96
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	6
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** 300 274

※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	200.7	Viewpoint
General rating	91.3%	66.5%	Very good 270~ ★★★★★
IR strategy	96.0%	64.0%	Good 230~ ★★★★★
IR offline	91.7%	66.9%	Standard 180~ ★★★
IR online	96.0%	67.8%	Below Standard 130~ ★★
IR tool	66.7%	45.5%	Inferior 80~ ★
Fair disclosure	100.0%	64.7%	Problematic 0~ -

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

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## STOCKS

'+1 Strong Buy' recommendation indicates that upside potential is 20% or more within a year.

'+2 Buy' recommendation indicates that upside potential is 10% or more within a year.

'+3 Neutral' recommendation indicates that upside potential is less than 10% or downside potential is less than 10% within a year.

'+4 Sell' recommendation indicates that downside potential is 10% or more within a year.

'+5 Strong Sell' recommendation indicates that downside potential is 20% or more within a year.

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

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

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

★★★★★ = 'Strong Buy' recommendation

★★★★ = 'Buy' recommendation

★★★ = 'Neutral' recommendation

★★ = 'Sell' recommendation

★ = 'Strong Sell' recommendation

## SECTORS

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

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

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

Viewpoint

※The term of validity: 1 year

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

## KCR's Target Prices

Individual stocks are rated according to a potential room for a stock price to rise or fall to a target price defined as “(target price – current price)/current price” due to certain discretion of the management. In many cases, a target price becomes equal to fair investment value calculated as potential valuation 12 months out, that is, calculated by the combination of the discounted cash flow (DCF) method and other valuation techniques.

When an analyst mentions a target price of a company in a report, the target price is based on the analyst's earnings forecast of the company. An actual stock price may not reach the target price due to the performance of the company and risk factors such as a market and an economic environment related to the company.

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

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

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

## Analysts' Testimony

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

## Disclosure on Conflict of Interes

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