

# 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
04-Oct-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]	4.6 %	[Interim Dividends]		YES
[Shareholder Yield]	- %	[Up/Down Ratio (high price)]		-49.8
[Real Yield]	4.6 %	[Up/Down Ratio (low price)]		28.5
		[Market Value (million yen)]		52,170
		[PER Estimate]		10.9
		[PBR (x)]		1.39

## 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
FY3/16	146,468	7,603	34.8	18.0	5.2%
FY3/17	169,560 15.8%	7,937 4.4%	37.6	17.0	4.7%
FY3/18	202,133 19.2%	7,173 -9.6%	32.0	18.0	3.5%
FY3/19	218,634 8.2%	6,385 -11.0%	22.8	20.0	2.9%
FY3/20* KCR	227,379 4.0%	8,186 28.2%	44.6	20.0	3.6%
FY3/21* KCR	250,117 10.0%	10,005 22.2%	53.4	20.0	4.0%

\*KCR Estimate

## Investment Opinion

### Overall Rating

# +2 BUY



### Target Share Price

## 670 YEN

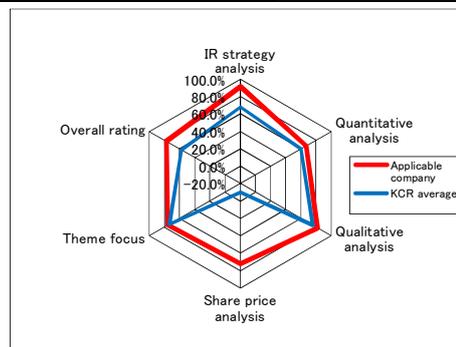


One-year chart

Current Share Price

437 YEN

KCR Inc. assigns an overall rating of +2 (BUY) to VT Holdings Co., Ltd. (TOKYO: 7593) and continues its buy recommendation (which is given to a share whose price is expected to outperform the current one by 10% within a year). KCR Inc. made the overall rating decision considering that the company is rated 7.0% above the KCR average in quantitative analysis and 5.8% above average in qualitative analysis. The company's share price has been hovering 82.2% below the average price while the company's IR strategy is 23.3% above average. Meanwhile, the company's theme focus is 2.0% above average. Considering that the company's overall rating is 19.8% 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%	67.0%	81.7%	72.0%	75.0%	77.0%
KCR average	68.0%	60.0%	75.9%	-10.2%	73.0%	57.2%
Difference	23.3%	7.0%	5.8%	82.2%	2.0%	19.8%

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**VT HOLDINGS CO., LTD.**

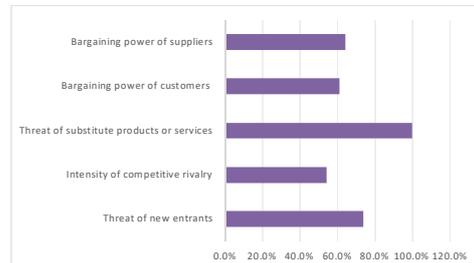
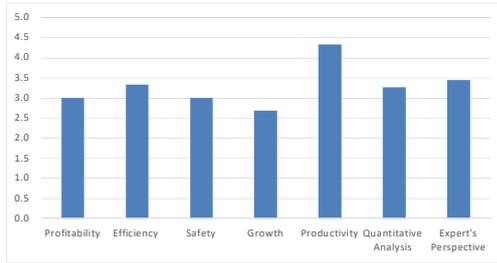
(TOKYO: 7593) Consolidated

**Overall Rating**  
**+2 BUY**

【Stock Code】 7593 【Industry】 Retail 【Market Division】 TOKYO 【Fiscal Year End】 Mar. 31 【Share Price】 437 YEN 【Market Value】 52,170 million yen

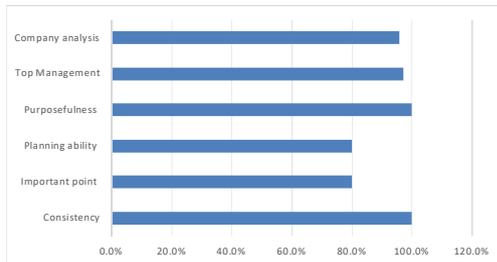
【Company Features】 VT Holdings Co. Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.

Last Rating	+2 BUY
Reference Stock Price	590 YEN



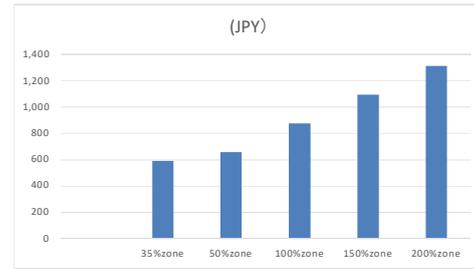
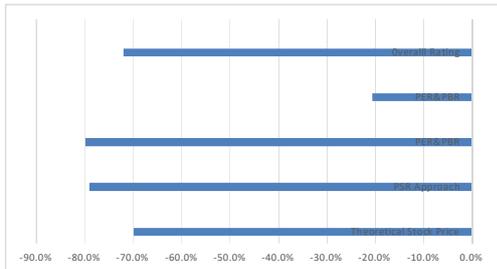
**Quantitative Analysis Rating**

**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	3.4	Evaluation Index	<b>4 Index Overall Rating</b>	<b>Total Evaluation Index</b>
★★★	★★★	★★★	★★★	★★★★	★★★	★★★	Evaluation Index	75.0%		
3.0	3.3	3.0	2.7	4.3	3.3	3.4	67.0%	★★★★		
Qualitative Analysis Rating										
Overall rating	81.7%★★★★★						Consistency	100.0%★★★★★	Cost leadership strategy	75.0%★★★★★
Strategy rating	79.7%★★★★★						Important point	80.0%★★★★★	Differentiation strategy	72.7%★★★★★
Threat of new entrants	73.8%★★★★★						Planning ability	80.0%★★★★★	Concentration strategy	87.5%★★★★★
Intensity of competitive rivalry	54.4%★★★★						Purposefulness	100.0%★★★★★	Cost leadership strategy risk	80.0%★★★★★
Threat of substitute products or services	100.0%★★★★★						Top Management	97.1%★★★★★	Differentiation strategy risk	66.7%★★★★★
Bargaining power of customers	61.1%★★★★★						Company analysis	95.8%★★★★★	Concentration strategy risk	100.0%★★★★★
Bargaining power of suppliers	64.3%★★★★★									

Share price rating (Peer company estimate)		Share price rating (Peer company estimate)		Share price rating (JASDAQ estimate)		Overall Rating	
Theoretical Stock Price	★★★★★	PSR Approach	★★★★★	PER&PBR	★★★★★	PER&PBR	★★★★★
-69.9%		-79.0%		-79.8%		-20.6%	
Reference Stock Prices	35%zone	50%zone	100%zone	150%zone	200%zone		
(JPY)	590	656	874	1,093	1,311		
Reference Market Value	20%zone	50%zone	100%zone	200%zone			
(JPY 1 Million)	62,603.4	78,254.3	104,339.0	156,508.5	-		

IR Strategy Analysis	Total Score	Evaluation Index
★★★★★	274	91.3%

Comments  
The KOR 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. KOR Inc. sets target share prices of companies in an investment opinion report.

Viewpoint	Rating	Total Evaluation Index	Upside/Downside Potential	Overall Rating
+1	Strong Buy	80%~100%~	Upside potential is 20% or more within a year.	★★★★★
+2	Buy	60%~80%~	Upside potential is 10% or more within a year.	★★★★
+3	Neutral	40%~60%~	Upside potential is less than 10% or downside is less than 10% within a year.	★★★
+4	Sell	20%~40%~	Downside potential is 20% or more within a year.	★★
+5	Strong Sell	~0%~20%~	Downside potential is 11% or more within a year.	★

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



## Report Summary

## Growing with the Aim of Becoming One of the World's Best Megadealers. In the First Quarter, Profits Reached Record Highs, and the Inclusion of Keeper Technical Laboratory Co., Ltd. as an Equity-method Affiliated Contributed to Bottom-line Profit.

VT Holdings Co., Ltd. is an auto dealership holding company located in Aichi Prefecture, comprising as of March 31, 2019, consolidated subsidiaries numbered 42 and equity-method affiliates totaled four. 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.

During the period under review, VT Holdings posted record-high income, recording consolidated net sales of JPY53,723 million (down 1.2% YoY), operating profit of JPY1,868 million (up 26.3% YoY), ordinary profit of JPY1,624 million (up 22.6% YoY) and profit attributable to owners of parent of JPY961 million (up 12.1% YoY).

The August 6, 2019 acquisition of KOYO jidosha. inc was a newsworthy topic following the settlement of accounts for the period under review. KOYO jidosha is operating authorized dealerships for Volkswagen (3) and Audi (2) in the cities of Kitami, Asahikawa and Sapporo in Hokkaido. On September 20, the company announced a capital and business alliance (conversion to an equity-method affiliate) with KeePer Technical Laboratory Co., Ltd. KeePer, listed on the First Section of the Tokyo Stock Exchange, develops, manufactures, and sells car coatings and chemicals and machinery for washing vehicles. The company acquired approximately 20% of KeePer's shares, which is expected to contribute to bottom-line profit.

VT Holdings' business growth model has three major strategies. The first is an M&A strategy, which the company has aggressively carried out. The second is a high base profit cover ratio. The third is a recurring-revenue business model. 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 fiscal year ending March 31, 2020, the Japanese government is planning to raise the consumption tax rate. Domestic automobile sales are likely to see a temporary demand surge ahead of the tax hike, falling off and causing the market to shrink once the higher taxes are in place. These fluctuations make the future difficult to forecast. Nevertheless, the Company will continue to concentrate on expanding new car sales, improving customer satisfaction, improving core sales and profits in the used-car and service segments, and striving to expand operations through M&A. For the fiscal year ending March 31, 2020, the company forecasts consolidated net sales of JPY225.0 billion, operating profit of JPY8.3 billion, profit before tax of JPY8.0 billion and profit attributable to owners of parent of JPY4.7 billion. Consolidated performance forecasts for the fiscal year ending March 31, 2020, are calculated in accordance with IFRS rather than conventional Japanese accounting standards.

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 JPY670.

## 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 as of March 31, 2019, consolidated subsidiaries numbered 42 and equity-method affiliates totaled four. 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 38.15% 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.

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



### Latest Performance

#### In the First Quarter, Profits Reached Record Highs

During the first three months of the consolidated fiscal year ending March 31, 2020, the volume of new cars sold domestically rose 2.8% year on year, thanks to steady performance in both registered and reported vehicles. In the core automotive business, domestic results were relatively strong due to favorable sales of new Honda models, Nissan vehicles equipped with e-POWER, electric vehicles and new light vehicle models. Overseas, European subsidiaries have been primarily impacted by worldwide harmonized light vehicles test procedures (WLTP; international testing procedures for gas emissions and fuel consumption) since the final half of the consolidated fiscal year ended March 31, 2019. As a result, the Group's total of new and second-hand cars sold in the period under review was 24,670, down 533 (2.1%) year on year. Meanwhile, performance was favorable in the housing-related business as the Company received orders for condominium construction projects.

During the period under review, VT Holdings posted record-high income, recording consolidated net sales of JPY53,723 million (down 1.2% YoY), operating profit of JPY1,868 million (up 26.3% YoY), ordinary profit of JPY1,624 million (up 22.6% YoY) and profit attributable to owners of parent of JPY961 million (up 12.1% YoY). In the automotive business, sales were JPY50,113 million (down 6.8% YoY) and operating profit was JPY1,400 million (up 1.5% YoY). In the new car segment of the automotive business, the number of new cars sold groupwide domestically and internationally was 11,523 (up 3.5% YoY). However, both sales and income decreased slightly due to a higher share of light cars sold and the Company's prioritization of efforts aimed at increasing the number of cars sold, which brought income per new vehicle sold. In the used car segment, the number of second-hand cars sold for the entire Group was 13,147 (down 6.5% YoY), with declines in both sales and income. In the service segment, both existing and newly consolidated subsidiaries concentrated on boosting orders for routine and officially mandated checks, repairs and commission revenue. Despite these efforts, both sales and income dropped slightly year on year. In the rent-a-car segment, sales and income both rose year on year thanks to solid operations at new and existing agencies alike. Sales in the housing-related business were JPY3,562 million (up 549.9% YoY) and operating profit was JPY353 million (versus operating loss of JPY66 million in the first three months of the previous fiscal year).

### Future Outlook

#### Company Forecasts Higher Sales and Profit, Plans Switch to IFRS and The Inclusion of Keeper Technical Laboratory Co., Ltd. as an Equity-method Affiliated Contributed to Bottom-line Profit.

The August 6, 2019 acquisition of KOYO jidosha, inc was a newsworthy topic following the settlement of accounts for the period under review. KOYO jidosha is operating authorized dealerships for Volkswagen (3) and Audi (2) in the cities of Kitami, Asahikawa and Sapporo in Hokkaido. On September 20, the company announced a capital and business alliance (conversion to an equity-method affiliate) with KeePer Technical Laboratory Co., Ltd. KeePer, listed on the First Section of the Tokyo Stock Exchange, develops, manufactures, and sells car coatings and chemicals and machinery for washing vehicles. The company acquired approximately 20% of KeePer's shares, which is expected to contribute to bottom-line profit.

In the fiscal year ending March 31, 2020, the Japanese government is planning to raise the consumption tax rate. Domestic automobile sales are likely to see a temporary demand surge ahead of the tax hike, falling off and causing the market to shrink once the higher taxes are in place. These fluctuations make the future difficult to forecast. Nevertheless, the Company will continue to concentrate on expanding new car sales, improving customer satisfaction, improving core sales and profits in the used-car and service segments, and striving to expand operations through M&A. For the fiscal year ending March 31, 2020, the company forecasts consolidated net sales of JPY225.0 billion, operating profit of JPY8.3 billion, profit before tax of JPY8.0 billion and profit attributable to owners of parent of JPY4.7 billion. Consolidated performance forecasts for the fiscal year ending March 31, 2020, are calculated in accordance with IFRS rather than conventional Japanese accounting standards.

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



## 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 18% 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 enabling users to rent cars at night using a smartphone.



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

## Medium-term Management Plan

### 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

### Growing Sales to Reach 31 Times Since Listing

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. Net sales for the fiscal year ending on March 31, 2019 reach 31 times since they were at the time of the company's listing.

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



### 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, 2020, 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 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 65.1%, average, in the industry environment analysis and 78.4%, exceptionally high, in the strategic model analysis. The future risk of VT Holdings' business model was 82.2%, exceptionally low, and 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 ¥1,562

According to a theoretical share price valuation carried out by KCR, VT Holdings' shares are undervalued at ¥1,617, which is below the theoretical price, calculated by a comparable peer company analysis, and also undervalued at ¥1,452, given the average theoretical stock price. Moreover, they are undervalued at ¥2,083, given the average PSR valuation of similar companies, undervalued at ¥2,174, given the average EPS & PBR valuation of similar companies, overvalued at ¥550, given the average EPS & PBR valuation of the market, and the company's shares are judged undervalued at ¥1,562, given the total average valuation of the four. Therefore, the company's current share price, ¥437, is undervalued. (See p. 8: KCR-Share Price Analysis Report)

KCR-SHARE PRICE ANALYSIS REPORT

**VT HOLDINGS CO., LTD.**

(TOKYO: 7593) Consolidated

Transaction Number 7593SB191004

**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	1,617 YEN	-73.0%	Current Share Price	04-Oct-19	437 YEN
Net Asset Approach (book value)	314 YEN	39.3%	Price Earnings Ratio		11.10 (X)
Earnings Return Method	3,245 YEN	-86.5%	Price Book-value Ratio		1.39 (X)
Price-to-Sales Ratio Approach	2,083 YEN	-79.0%	PER(JASDAQ estimate)		17.75 (X)
Discounted Cash Flow Method	- YEN		PER(Peer company estimate)		81.54 (X)
Theoretical Stock Price Average	1,452 YEN	-69.9%	PBR(JASDAQ estimate)		1.28 (X)
			PBR(Peer company estimate)		3.55 (X)
		KCR Average	Stock Yield (estimate)		7.14 %
		-4.30%	Dividend Yield (JQ average estimate)		1.90 %

**Rate of divergence**

Precondition (JPY 1 Million)	FY3/17 Actual	FY3/18 Actual	FY3/19 Actual	FY3/20* KCR *KCR Estimate	FY3/21* KCR *KCR Estimate	FY3/22* KCR *KCR Estimate
Net Sales	169,560	202,133	218,634	227,379	250,117	287,635
Ordinary Income	7,937	7,173	6,385	8,186	10,005	11,793
Net Income	4,421	3,765	2,674	5,321	6,503	7,901
Operational Cash Flows	11,017	13,189	13,654	10,000	12,000	13,000
Investment Cash Flows	-13,103	-6,713	-6,220	-8,000	-9,000	-10,000

**VT HOLDINGS CO., LTD.**

**Three Similar and Competing Companies**

Net Sales	225,000 (JPY 1 Million)	Estimate	NIDEC CORPORATION	(TSE First Section 6594) Consolidated
Ordinary Income	8,000 (JPY 1 Million)	Estimate	IDOM Inc.	(TSE First Section 7599) Consolidated
Net income	4,700 (JPY 1 Million)	Estimate	COLOWIDE CO.,LTD.	(TSE First Section 7616) Consolidated
Shareholders' Equity	37,455 (JPY 1 Million)	Current		
Number of Shares Issued	119,381,034 (thousand shares)	Current		
Share Price	437 YEN	Current		
Market Value	52,170 (JPY 1 Million)	Current		rate of divergence
Price to Sales Ratio	1,885 (JPY 1 Million)	Market Value (Peer company average)	1,474,864 (JPY 1 Million)	-96.5%
Earnings Per Share	39 YEN	Share Price/PSR (Peer company average)	1.11 (X)	-79.0%
Book-value Per Share	314 YEN	Calculated Price (※KCR Average-6.6%)	2,083 YEN	-79.0%
Share price/PSR	0.23 (X)	EPS x Peer company average	3,210 YEN	-86.4%
PER	11.10 (X)	PBR x Peer company average	1,113 YEN	-60.7%
PBR	1.39 (X)	Calculated Price (※KCR Average18.9%)	2,162 YEN	-79.8%
Stock Yield	9.01%	EPS x JASDAQ average	699 YEN	-37.5%
		PBR x JASDAQ average	402 YEN	8.8%
		Calculated Price (※KCR Average16.9%)	550 YEN	-20.6%
		Total Average (※KCR Average-10.2%)	1,562 YEN	-72.0%

**NIDEC CORPORATION**

**A**

**IDOM Inc.**

**B**

Net Sales	1,650,000 (JPY 1 Million)	Estimate	Net Sales	324,000 (JPY 1 Million)	Estimate
Ordinary Income	170,000 (JPY 1 Million)	Estimate	Ordinary Income	2,200 (JPY 1 Million)	Estimate
Net Income	135,000 (JPY 1 Million)	Estimate	Net Income	420 (JPY 1 Million)	Estimate
Shareholders' Equity	949,709 (JPY 1 Million)	Current	Shareholders' Equity	39,215 (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	14,150 YEN	Current	Share Price	459 YEN	Current
Market Value	4,218,713 (JPY 1 Million)	Current	Market Value	49,062 (JPY 1 Million)	Current
Price to Sales Ratio	5,534 (JPY 1 Million)		Price to Sales Ratio	3,031 (JPY 1 Million)	
Earnings Per Share	453 YEN		Earnings Per Share	4 YEN	
Book-value Per Share	3,185 YEN		Book-value Per Share	367 YEN	
Share price/PSR	2.56 (X)		Share Price/PSR	0.15 (X)	
PER	31.25 (X)		PER	116.81 (X)	
PBR	4.44 (X)		PBR	1.25 (X)	
Stock Yield	3.20%		Stock Yield	0.86%	

**COLOWIDE CO.,LTD.**

**C**

Net Sales	257,993 (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	5,167 (JPY 1 Million)	Estimate	
Net income	1,624 (JPY 1 Million)	Estimate	
Shareholders' Equity	31,665 (JPY 1 Million)	Current	
Number of Shares Issued	75,284,041 (thousand shares)	Current	
Share Price	2,083 YEN	Current	
Market Value	156,817 (JPY 1 Million)	Current	
Price to Sales Ratio	3,427 (JPY 1 Million)		
Earnings Per Share	22 YEN		
Book-value Per Share	421 YEN		
Share price/PSR	0.61 (X)		
PER	96.56 (X)		
PBR	4.95 (X)		
Stock Yield	1.04%		

**Comparable Peer Company Analysis**

Average	1,617.31
Maximum	2,468.62
Minimum	1,274.78

**Share Price\* EPS\* BPS\* Calculated Price**

A	B	C	5,564	159.4	1,324	1,346
A	B	C	7,305	228.4	1,776	1,275
A	B	C	8,117	237.2	1,803	1,380
	B	C	1,271	13	394	2,469

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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	81.7%	★★★★★			
Strategy rating	79.7%	★★★★	Consistency	100.0%	★★★★★
Threat of new entrants	73.8%	★★★★	Important point	80.0%	★★★★★
Intensity of competitive rivalry	54.4%	★★★	Planning ability	80.0%	★★★★★
Threat of substitute products or services	100.0%	★★★★★	Purposefulness	100.0%	★★★★★
Bargaining power of customers	61.1%	★★★★	Top Management	97.1%	★★★★★
Bargaining power of suppliers	64.3%	★★★★	Company analysis	95.8%	★★★★★
■ 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	64.0%	Strategic model analysis	78.4%
Target Sector Automobile dealer industry			KCR Average 78.9%		

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%
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
Exit barriers	4	
Subtotal	90	54%
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	0
	Differentiation(buyer needs)	5
	Buyer switching costs	0
	Wealthiness	5
	Backward integration possibility	10
	Essentiality	10
Buyer information availability	5	
Subtotal	90	61%
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%
Subtotal	70	65%
Total	350	65%

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%

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
Talent matching system	10	
Total	110	73%

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%

■ 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	67%

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

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

Top management	Management stance	165
	Total	170

Company analysis	Head office, corporate culture	115
	Total	120

■ Strategy check analyzes the strategic level from the following four viewpoints	
Management balance analysis	90.0%
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	0
Total	50	80%

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%

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%	★

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 a 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%.

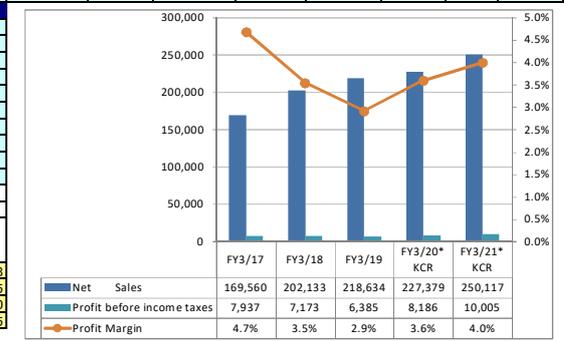
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**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

[Stock Code]	7593	[Industry]	Retail	[Market Division]	TOKYO	[Fiscal Year End]	Mar. 31	[IPO Date]	Sep-98	[BPS (yen)]	319.16	[PER(x)]	19.2	[PBR (x)]	1.37	[Trading Unit]	100	[Dividend Yield]	4.6 %	[Current Share Price]	437 yen	[Market Value]	52,170 million yen	[Highest Price within Five Years]	870 yen	[Lowest Price within Five Years]	340 yen	[Overseas Ratio]	38.2
[Complimentary Goods for Shareholders]	YES	[Equivalent to Interim Dividends]	YES	[Representative]	Kazuho Takahashi	[Date of Birth]	January 18, 1953	[Age]	66	[Capital]	4,297 million yen	[Accumulated Profit]	30,545 million yen	[Treasury Shares]	2,026.6 thousand shares	[Share Split]	1.70	[Shareholders' Equity]	37,455 million yen	[Up/Down Ratio (high price) %]	-49.8	[Up/Down Ratio (low price) %]	28.5	[PER Estimate]	10.9	[Current PBR]	1.39		

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	Profit before income taxes	Profit Margin	Net Income	Profit Margin	Earnings per Share	Dividends per Share	Dividend Payout Ratio	Number of Shares Issued	Operating Cash Flows	Investment Cash Flows	Free Cash Flows	Financing Cash Flows	Cash and Cash Equivalents		
FY3/16	146,468		7,619	5.2%	7,603	5.2%	4,090	2.79%	34.8	18.00	51.8%								
FY3/17	169,560	15.8%	7,592	4.5%	7,937	4.7%	4,421	2.61%	37.6	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		
FY3/19	218,634	8.2%	6,130	2.8%	6,385	2.9%	2,674	1.22%	22.80	20.00	87.7%	119,381,034	13,654	-6,220	7,434	-7,846	7,388		
Current Estimate	225,000	2.9%	8,300	3.7%	8,000	3.6%	4,700	2.09%	40.05	20.00	49.9%								
FY3/20* KCR	227,379	4.0%	7,958	3.5%	8,186	3.6%	5,321	2.34%	44.57	20.00	44.9%	119,381,034	10,000	-8,000	2,000	*KCR Estimate			
FY3/21* KCR	250,117	10.0%	10,005	4.0%	10,005	4.0%	6,503	2.60%	53.40	20.00	37.4%	121,768,655	12,000	-9,000	3,000	*KCR Estimate			
FY3/22* KCR	287,635	15.0%	11,505	4.0%	11,793	4.1%	7,901	2.75%	63.62	22.00	34.6%	124,204,028	13,000	-10,000	3,000	*KCR Estimate			
2 year average	13.7%	0	6,455	3.1%	6,779	3.2%	3,220	1.5%	30.8	3Y average	63.1%		12,620	-8,679	3,941	-3,983	7,236		
3 year average	10.1%	0	7,070	3.5%	7,186	3.7%	3,713	1.9%	33.1	4Y average	59.8%								
4 year average	11.5%	0	7,201	3.6%	7,374	3.7%	3,890	1.9%	26.5	5Y average	47.8%								
FY-2Q																			
Pre-FY-2Q	109,035		2,930		2,894		1,537		Total										
FY-3Q									Total										
Pre-FY-3Q	156,422		3,504		3,634		1,842		Total										
FY-2Q E	110,000		3,900		3,800		2,200		Total										

Quarterly Analysis									
	1Q	2Q	3Q	4Q	FY	Pre-FY	FY (%)	Pre-FY (%)	
1Q	53,723		1,868	0.0%	1,624	0.0%	961	1.8%	
Pre-1Q	51,957	3.4%	924	102.2%	827	96.4%	419	129.4%	
2Q E	56,277		2,032	3.6%	2,176	3.9%	1,239	2.2%	
Pre-2Q	57,078	-1.4%	2,006	1.3%	2,067	5.3%	1,118	10.8%	
3Q E	57,500		2,200	3.8%	2,100	3.7%	1,250	2.2%	
Pre-3Q	47,387	21.3%	574	283.3%	740	183.8%	305	309.8%	
4Q E	57,500		2,200	3.8%	2,100	3.7%	1,250	2.2%	
Pre-4Q	62,212	-7.6%	2,626	-16.2%	2,751	-23.7%	832	50.2%	
FY	53,723		1,868		1,624		961		Total
Pre-FY	51,957		924		827		419		Total
FY (%)	23.9		22.5		20.3		20.4		Progress rate
Pre-FY (%)	23.8		15.1		13.0		15.7		Progress rate



Segment Information		FY3/19	FY3/18	Ratio of Shareholding	Overseas	Investment Trust	Floating Stocks	Settled Stocks	Stockholders	(JPY 1 Million)	
										Capital Investment	Actual
Automobile Sales Related Business		95.6%	95.5%	0.1%	24.6	5.8	2.3	54.2	4,034	14,700	
Housing Related Business		4.3%	4.4%	-0.1%	24.3	7.5	3.1	52.9	6,299	Depreciation	6,100
The others		0.1%	0.1%	0.0%	18.5	9.9	4.8	53.6	9,509	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	3.0	Actual	Actual	Actual	Reference Data (Other service industries)*	3.0	
<b>Profitability Analysis</b>							Profitability Analysis	3.0	Actual	Actual	Actual	Reference Data (Other service industries)*	3.0	
ROA (Ordinary Income)		5.2%	4.8%	5.2%	5.3%	3.3%	1.5%	3.0	7.4%	1.2%	1.2%	8.2%	-3.4%	3.0
ROE (Net Income)		10.1%	7.2%	12.5%	14.2%	4.6%	2.5%	3.0	11.1%	1.0%	1.8%	7.5%	-0.3%	3.0
Profit before income taxes Margin		3.5%	2.9%	3.6%	3.6%	3.6%	-0.7%	3.0	9.2%	0.7%	1.1%	6.4%	-3.5%	3.0
<b>Efficiency Analysis</b>							Efficiency Analysis	3.3	0.0	0.0	0.0	0.0	0.0	3.7
Total Asset Turnover		1.5	1.6	1.5	1.5	1.2	0.4	3.0	0.8	1.8	1.1	1.3	0.4	3.0
Current Asset Turnover		3.1	3.5	3.3	3.3	3.0	0.5	4.0	1.7	2.7	4.5	2.4	1.1	5.0
Total Non-Current Asset Turnover		2.9	3.1	2.6	2.6	2.7	0.4	3.0	1.6	5.1	1.5	2.7	0.4	3.0
<b>Safety Analysis</b>							Safety Analysis	3.0	0.0	0.0	0.0	0.0	0.0	2.0
Current Ratio		87.7%	84.4%	83.3%	0	141.3%	-57%	3.0	173.5%	187.9%	62.6%	148.8%	-64.2%	3.0
Debt Ratio		256.5%	248.2%	304.7%	0	304.8%	57%	3.0	86.2%	335.5%	492.8%	101.3%	-146.9%	2.0
Equity Ratio		27.4%	28.0%	24.1%	0	30.6%	-3%	3.0	53.2%	22.9%	15.7%	48.8%	-20.9%	1.0
<b>Growth Potential Analysis</b>							Growth Potential Analysis	2.7	0.0	0.0	0.0	0.0	0.0	3.0
Growth Rate		19.2%	8.2%	2.9%	4.0%	4.5%	3.7%	3.0	2.0%	12.0%	-0.6%	-9.3%	17.5%	3.0
Profit before income taxes Growth Rate		-9.6%	-11.0%	25.3%	28.2%	-39.9%	28.9%	3.0	-15.5%	-64.3%	0.0%	-7.6%	-3.4%	3.0
Equity Growth Rate		7.0%	-0.2%	-	-	1.6%	-1.8%	2.0	6.9%	-2.7%	0.7%	7.8%	-8.0%	3.0
<b>Productivity Analysis</b>							Productivity Analysis	4.3	0.0	0.0	0.0	0.0	0.0	3.3
Sales per Employee*		58,674	62,646	63,114	63,781	42,644.4	20,001	5.0	13,942	69,530	44,461	38,433	24,213	5.0
Profit before income taxes per Employee *		2,082	1,830	2,244	2,296	745.4	1,084	5.0	1,276	466	494	2,472	-642	2.0
Net Income per Employee *		1,093	766	1,318	1,492	406.0	360	3.0	1,017	86	115	1,065	-299	3.0
* Thousand yen														
<b>Quantitative Analysis</b>							Quantitative Analysis	3.3						3.0

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 evaluated by an expert's perspective analysis uniquely developed by KCR Inc.. These 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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<b>KCR-EXPERT'S PERSPECTIVE ANALYSIS REPORT</b>		Transaction Number 7593TS191004	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.			
<b>VT HOLDINGS CO., LTD.</b>		(TOKYO: 7593) Consolidated	04-Oct-19	<b>Total Score</b> <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.					

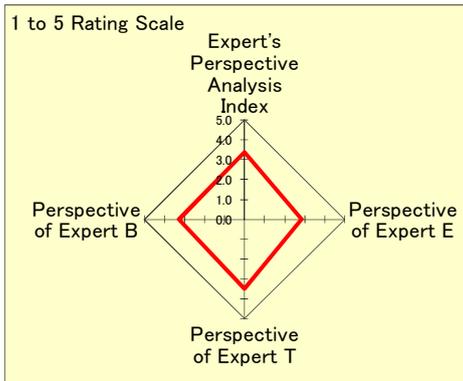
■ Main Basic Data ※Estimate is basically a company plan. Asset is current.

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	30,545	437	37,455	119,381.0	319	13,654	-6,220
Total Assets (JPY 1 Million)	Interest-Bearing Debt (JPY 1 Million)	Dividends Per Share (YEN)	Dividend Payout Ratio	Established	Highest Price within Five Years (YEN)	Lowest Price within Five Years (YEN)	Up/Down Ratio (High Price)(%)
155,170	37,320	20	49.9%	March-83	870	340	-49.8
*Net Sales (JPY 1 Million)	*Operating Income (JPY 1 Million)	*Profit before income taxes (JPY 1 Million)	*Net Income (JPY 1 Million)	*EPS (YEN)	*ROE (Net Income)	*ROA (Ordinary Income)	Equity Ratio
225,000	8,300	8,000	4,700	40.05	12.5%	5.2%	24.1%

■ 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)
7.1	1.4	10.9	24.1%	4.6	37	28.5	7,434
5.0	3.0	3.0	2.0	5.0	5.0	5.0	5.0
Profit before income taxese Margin	Industry	Simple Share Price (YEN)	Number of Shares Issued (thousand shares)	Market Value (JPY 1 Million)	Negative News	EPS	ROE
3.6%	Retail	43.7	1,193,810	52,170	Increases both in sales and profits	Increasing trend	12.5%
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	2.9	★★★	2.9		
Perspective of Expert T	3.5	★★★★	3.1		
Perspective of Expert B	3.3	★★★	2.9		
Expert's Perspective Analysis Index	3.4	★★★	3.2		

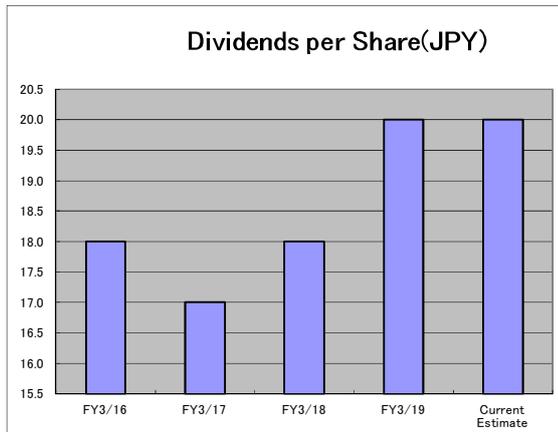
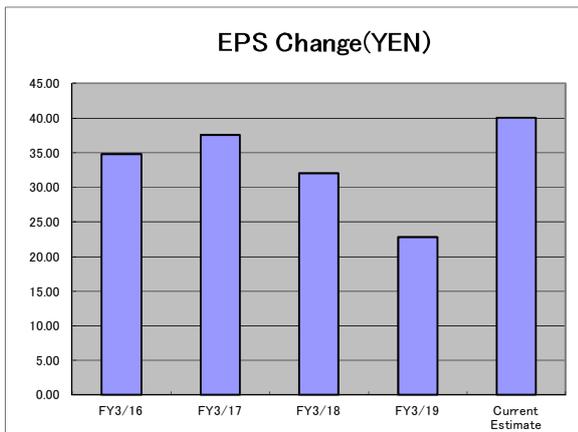
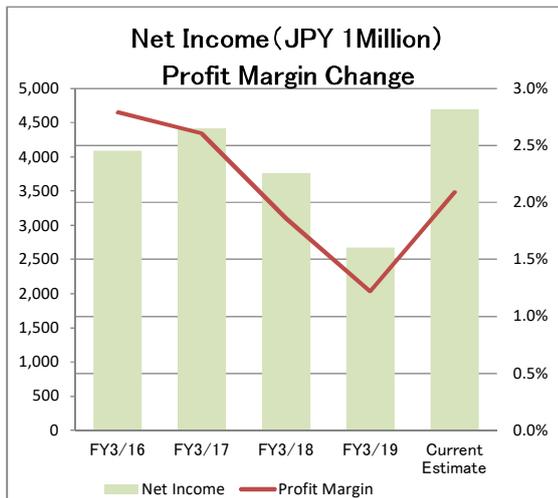
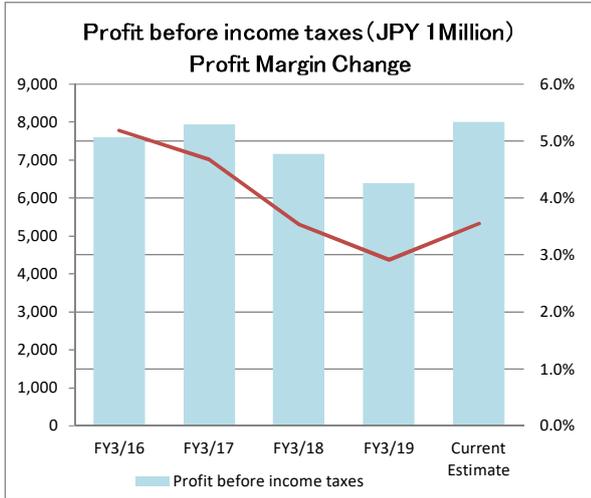
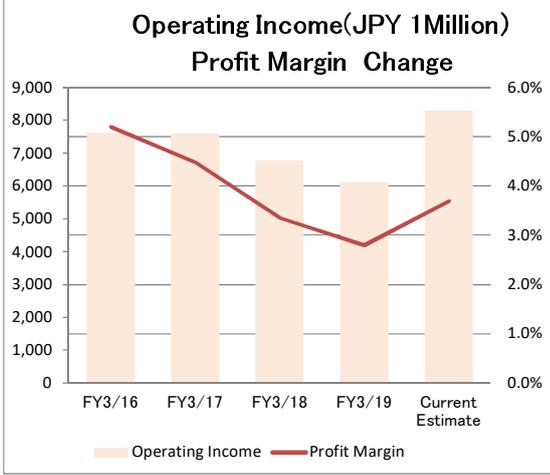
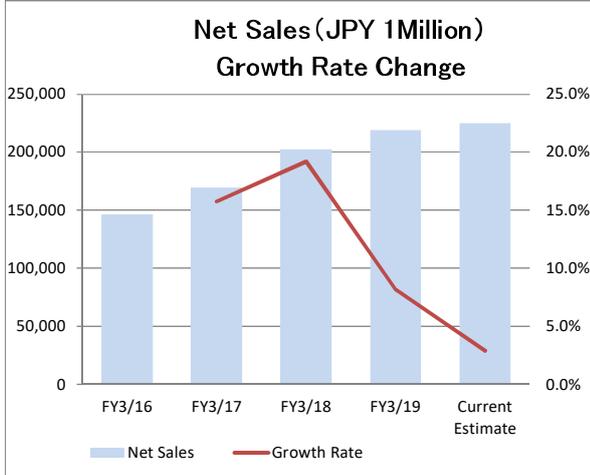
※Please note that there is no relation three masters that really exist.

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
★★★★	3.5~4.4	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	Profit before income taxes	Profit Margin	Net Income	Profit Margin	EPS	Dividends per Share
FY3/16	146,468		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
FY3/19	218,634	8.2%	6,130	2.8%	6,385	2.9%	2,674	1.2%	22.80	20.0
Current Estimate	225,000	2.9%	8,300	3.7%	8,000	3.6%	4,700	2.1%	40.05	20.0



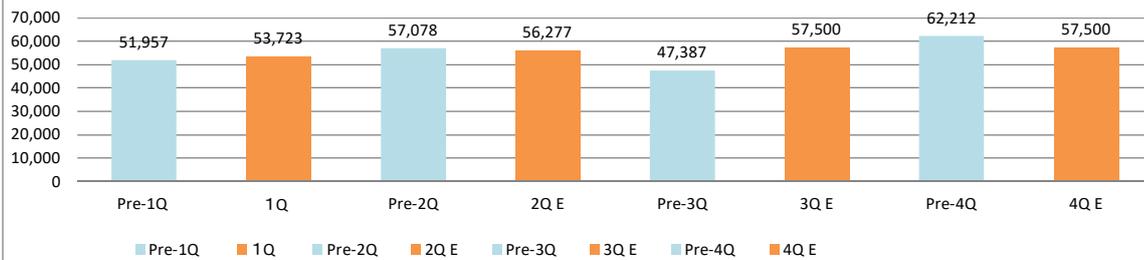
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## VT HOLDINGS CO., LTD.

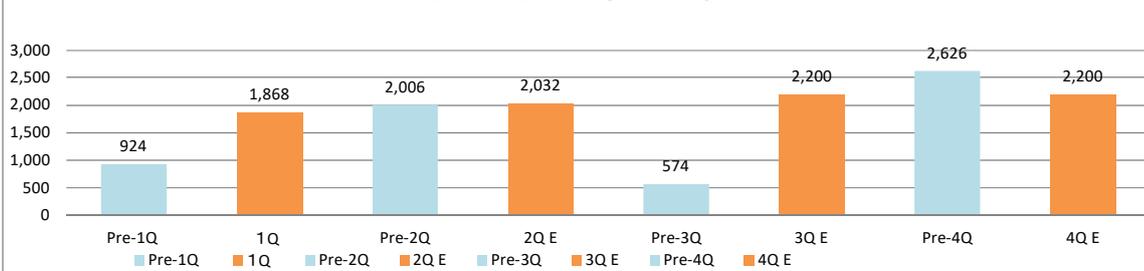
(TOKYO: 7593) Consolidated

Quarterly Analysis	Net Sales	Growth Rate	Operating Income	Profit Margin	Profit before income taxes	Profit Margin	Net Income	Profit Margin		
Pre-1Q	51,957	3.4%	924	1.8%	827	1.6%	419	0.8%		
1Q	53,723	0.0%	1,868	3.5%	1,624	3.0%	961	1.8%		
Pre-2Q	57,078	-1.4%	2,006	3.5%	2,067	3.6%	1,118	2.0%		
2Q E	56,277	0.0%	2,032	3.6%	2,176	3.9%	1,239	2.2%		
Pre-3Q	47,387	21.3%	574	1.2%	740	1.6%	305	0.6%		
3Q E	57,500	0.0%	2,200	3.8%	2,100	3.7%	1,250	2.2%		
Pre-4Q	62,212	-7.6%	2,626	4.2%	2,751	4.4%	832	1.3%		
4Q E	57,500	0.0%	2,200	3.8%	2,100	3.7%	1,250	2.2%		

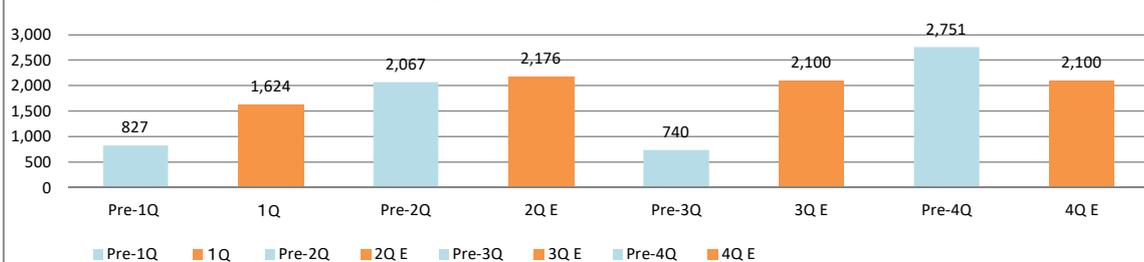
## Quarterly Analysis (Net Sales JPY 1Million)



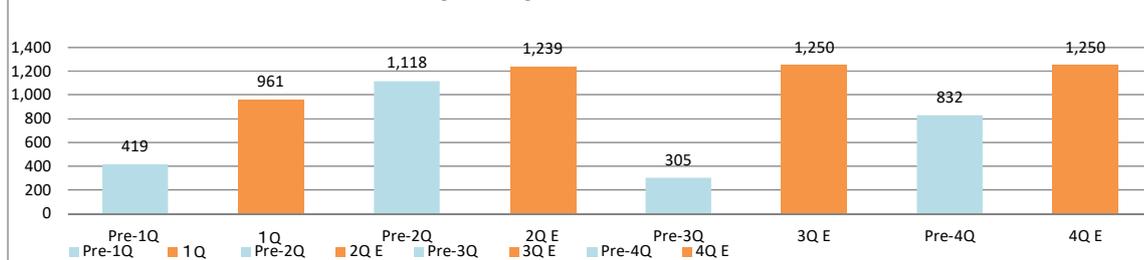
## Quarterly Analysis (Operating Income JPY 1Million)



## Quarterly Analysis (Profit before income taxes JPY 1Million)



## Quarterly Analysis (Net Income JPY 1Million)

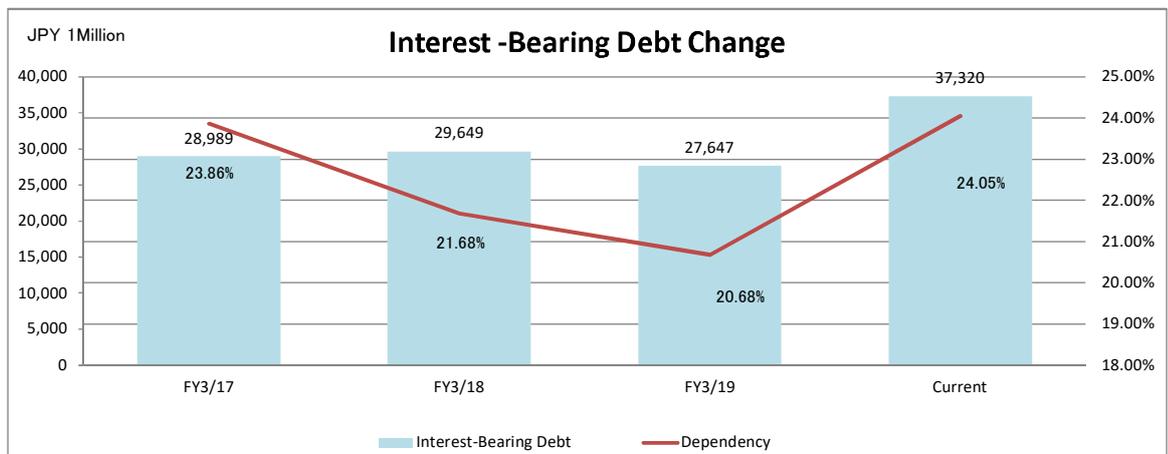
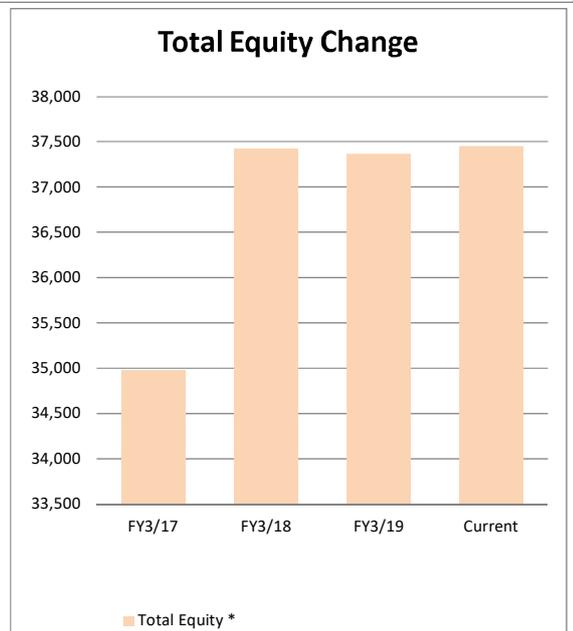
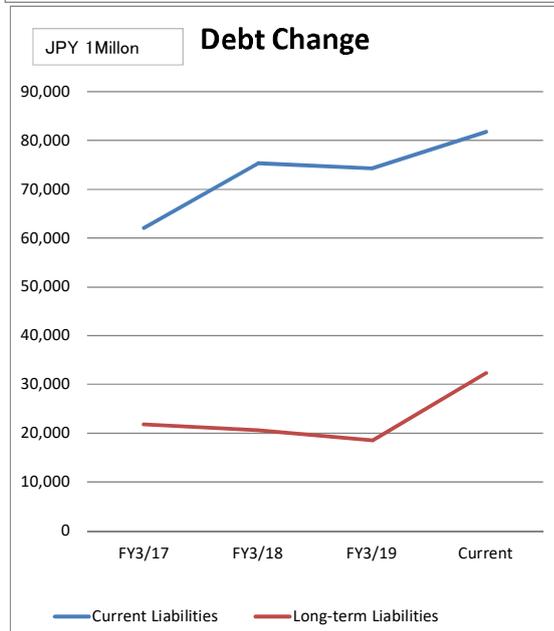
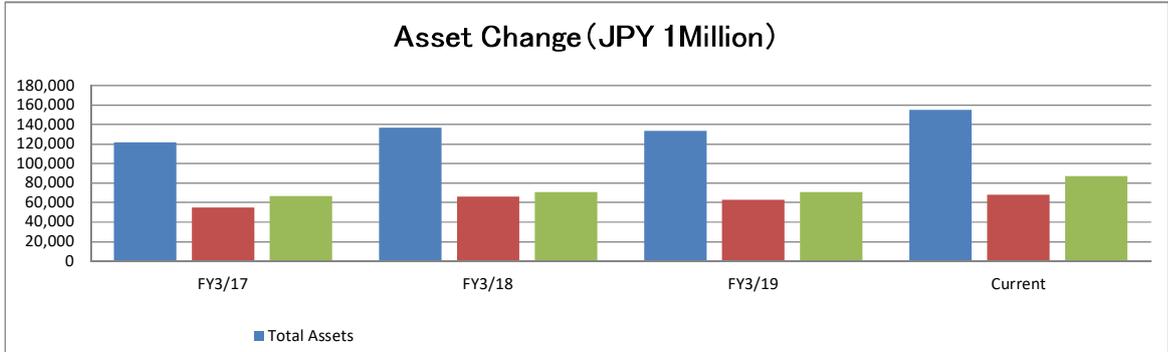


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**VT HOLDINGS CO., LTD.** (TOKYO: 7593) Consolidated

Asset Analysis	Total Assets	Current Assets	Non-Current Assets	Current Liabilities	Long-term	Total Equity *	Interest-Bearing Debt	Dependency	Number of Employees
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
FY3/19	133,680	62,665	71,014	74,216	18,520	37,368	27,647	20.68%	3,490
Current	155,170	68,162	87,008	81,798	32,339	37,455	37,320	24.05%	3,565

\*Total net assets – Minority interests



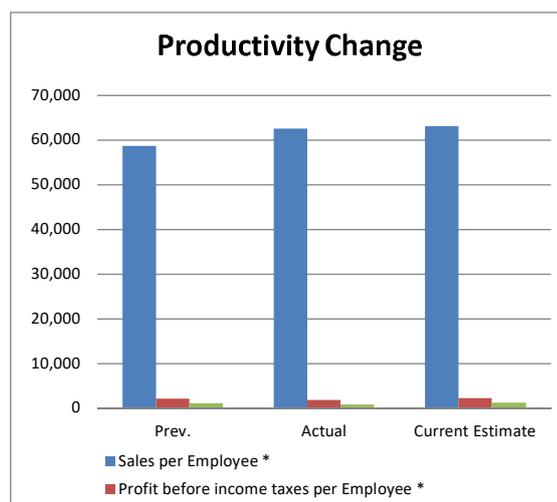
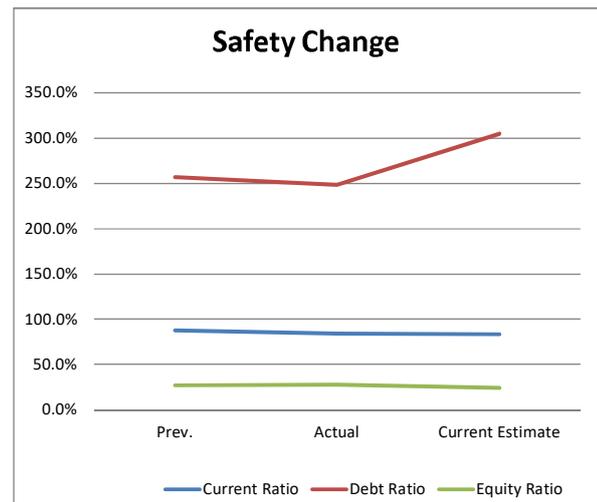
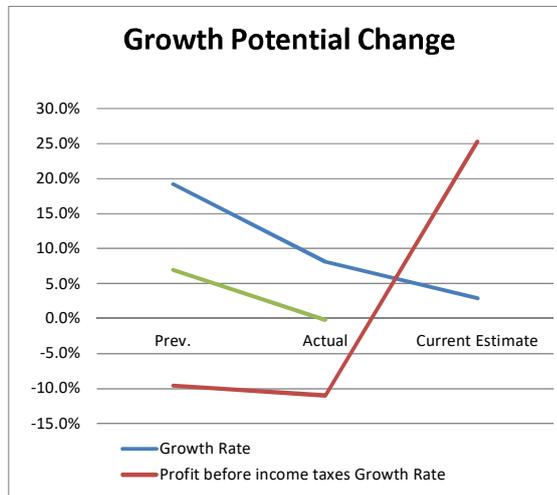
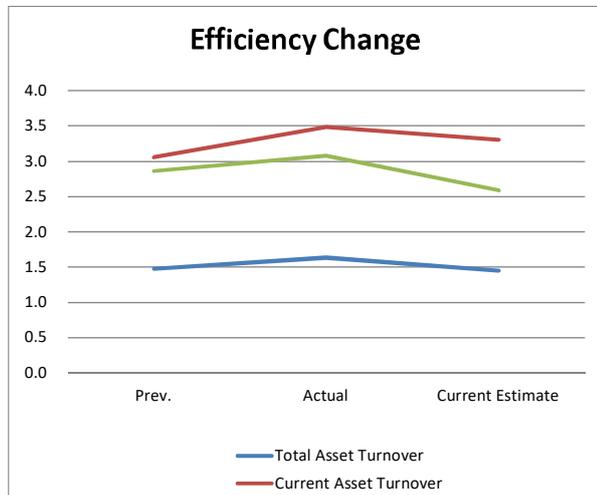
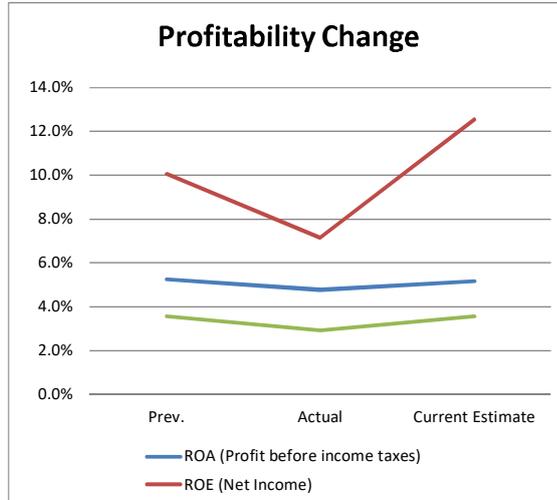
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**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

Financing Index Analysis			
<b>Profitability Analysis</b>			
	Prev.	Actual	Current Estimate
ROA (Profit before income taxes)	5.2%	4.8%	5.2%
ROE (Net Income)	10.1%	7.2%	12.5%
Profit before income taxes Margin	3.5%	2.9%	3.6%
<b>Efficiency Analysis</b>			
	Prev.	Actual	Current Estimate
Total Asset Turnover	1.5	1.6	1.5
Current Asset Turnover	3.1	3.5	3.3
Total Non-Current Asset Turnover	2.9	3.1	2.6
<b>Safety Analysis</b>			
	Prev.	Actual	Current Estimate
Current Ratio	87.7%	84.4%	83.3%
Debt Ratio	256.5%	248.2%	304.7%
Equity Ratio	27.4%	28.0%	24.1%
<b>Growth Potential Analysis</b>			
	Prev.	Actual	Current Estimate
Growth Rate	19.2%	8.2%	2.9%
Profit before income taxes Growth Rate	-9.6%	-11.0%	25.3%
Equity Growth Rate	7.0%	-0.2%	
<b>Productivity Analysis</b>			
	Prev.	Actual	Current Estimate
Sales per Employee *	58,674	62,646	63,114
Profit before income taxes per Employee *	2,082	1,830	2,244
Net Income per Employee *	1,093	766	1,318

\*Thousand yen

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

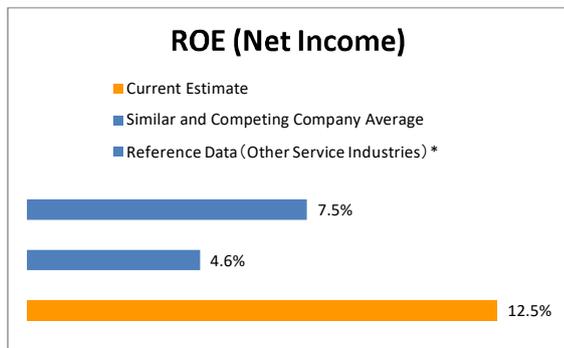
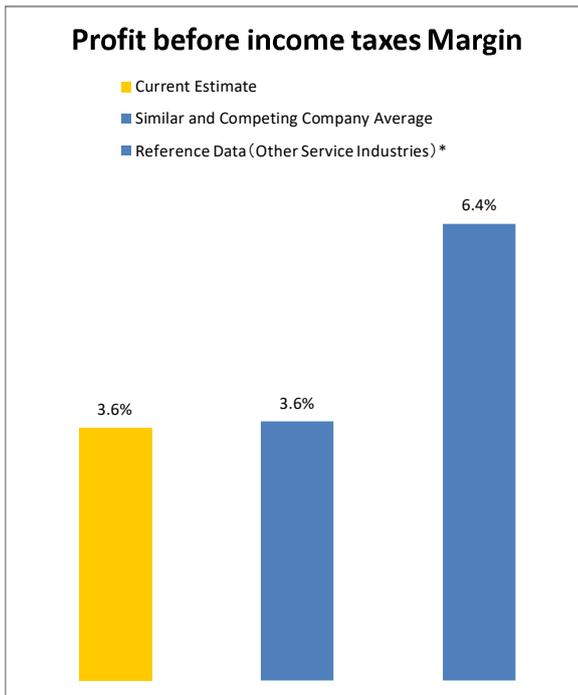
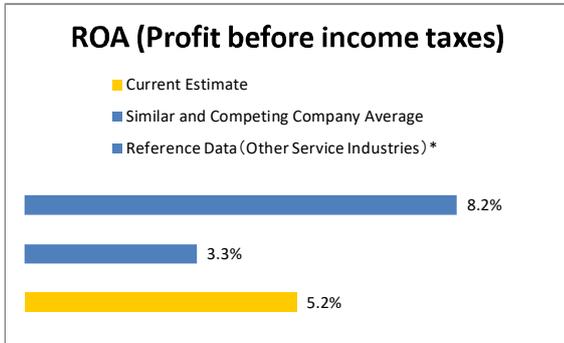


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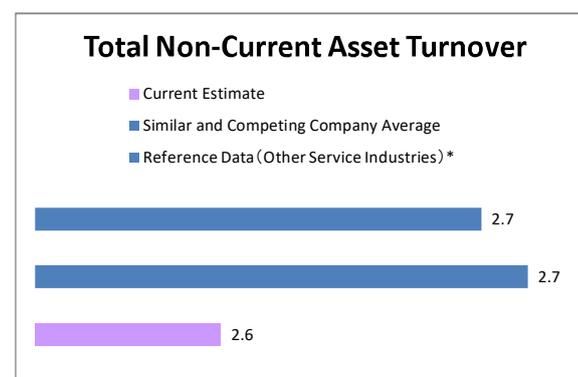
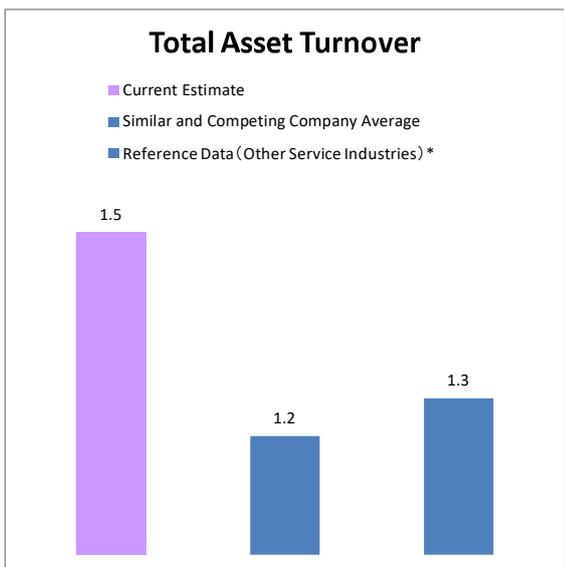
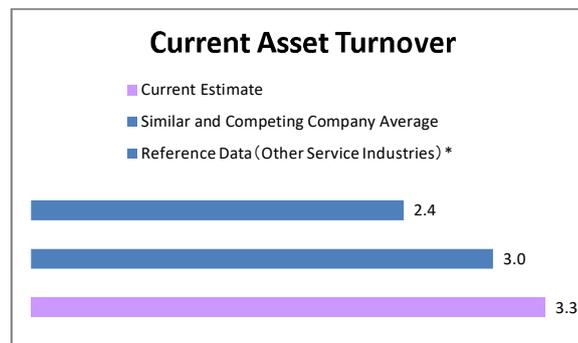
**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

Profitability Analysis	Current Estimate	Similar and Competing Company	Reference Data (Other Service Industries)*	Three Similar and Competing Companies	
		Average			
ROA (Profit before income taxes)	5.2%	3.3%	8.2%	NIDEC CORPORATION	(TSE First Section 6594) Consolidated
ROE (Net Income)	12.5%	4.6%	7.5%	IDOM Inc.	(TSE First Section 7599) Consolidated
Profit before income taxes Margin	3.6%	3.6%	6.4%	COLOWIDE CO.,LTD.	(TSE First Section 7616) Consolidated

\*Market average in Japan



Efficiency Analysis	Current Estimate	Similar and Competing Company	Reference Data (Other Service)
Total Asset Turnover	1.5	1.2	1.3
Current Asset Turnover	3.3	3.0	2.4
Total Non-Current Asset Turnover	2.6	2.7	2.7

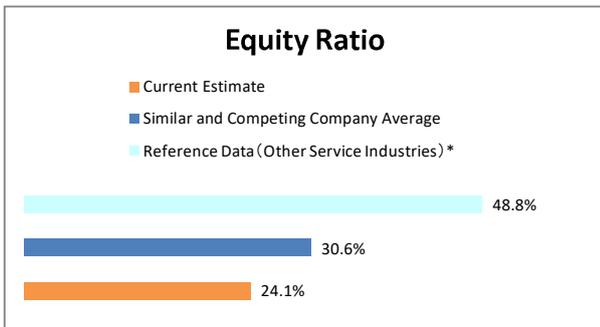
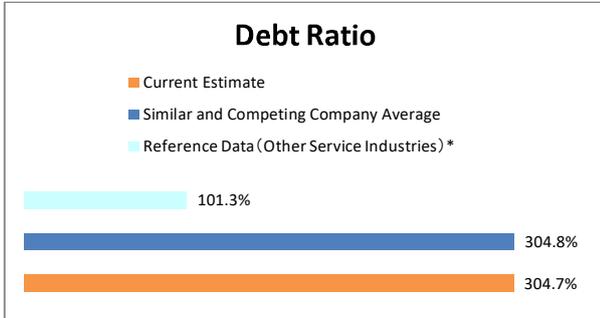
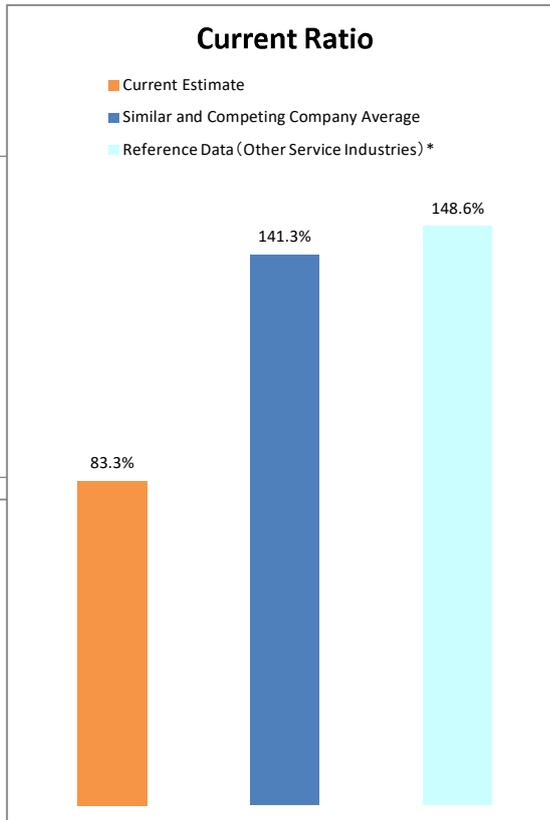


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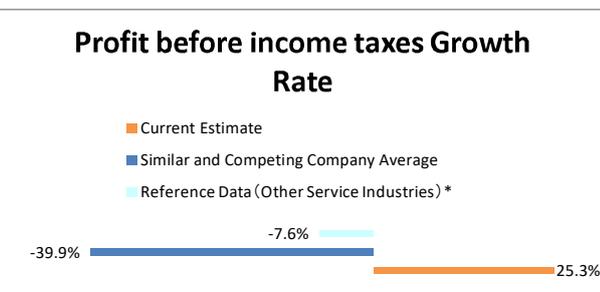
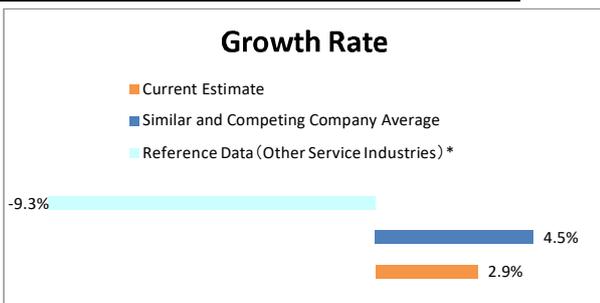
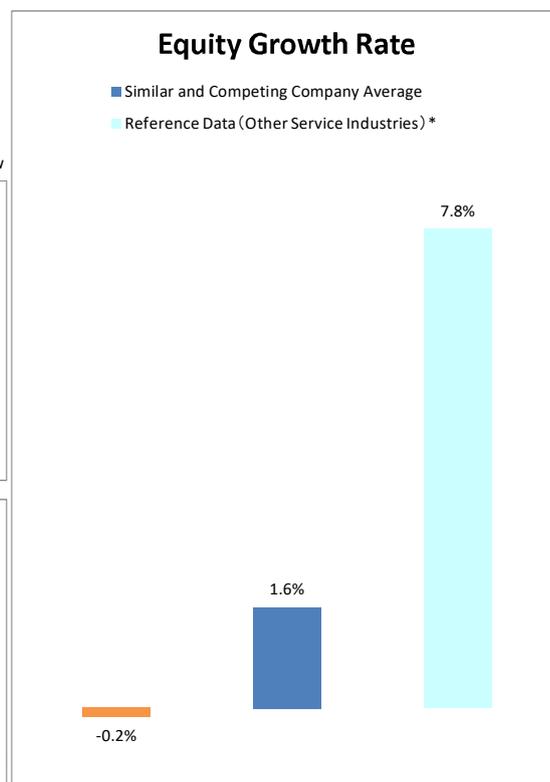
**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

Safety Analysis	Current Estimate	Similar and Competing Company	Reference Data (Other Service)
Current Ratio	83.3%	141.3%	148.6%
Debt Ratio	304.7%	304.8%	101.3%
Equity Ratio	24.1%	30.6%	48.8%

\*Market average in Japan



Growth Potential Analysis	Current Estimate	Similar and Competing Company Average	Reference Data (Other Service Industries)
Growth Rate	2.9%	4.5%	-9.3%
Profit before income taxes Growth Rate	25.3%	-39.9%	-7.6%
Equity Growth Rate	-0.2%	1.6%	7.8%

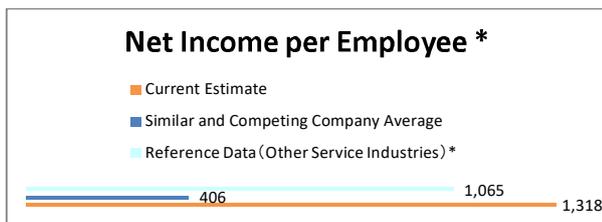
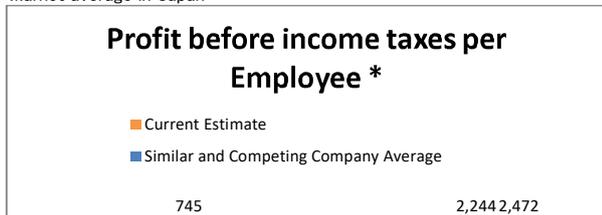
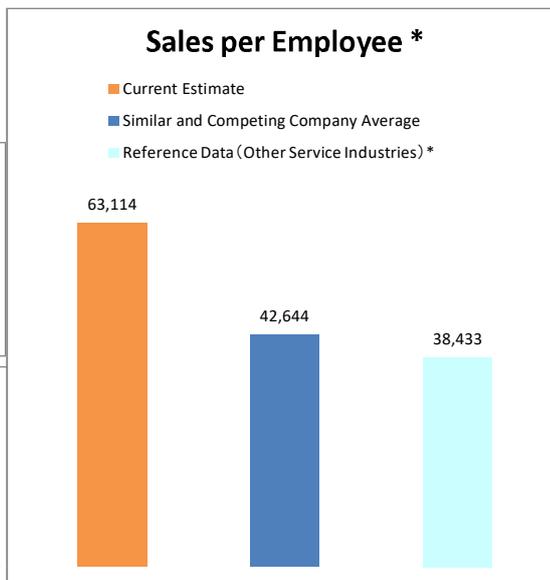


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**VT HOLDINGS CO., LTD. (TOKYO: 7593) Consolidated**

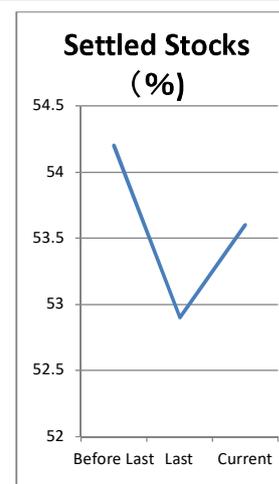
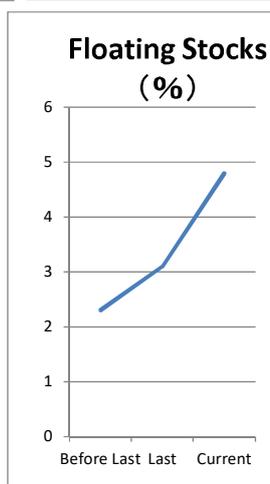
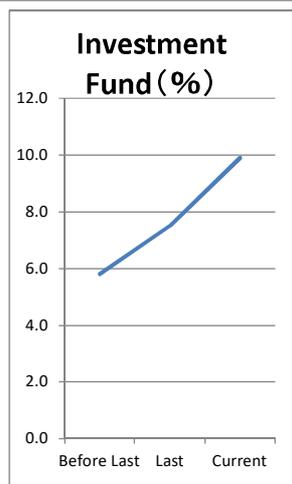
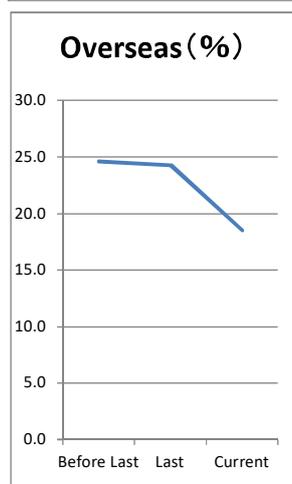
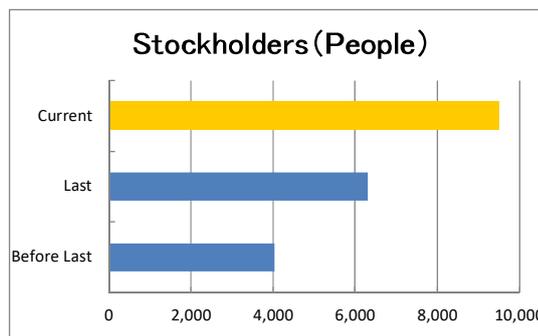
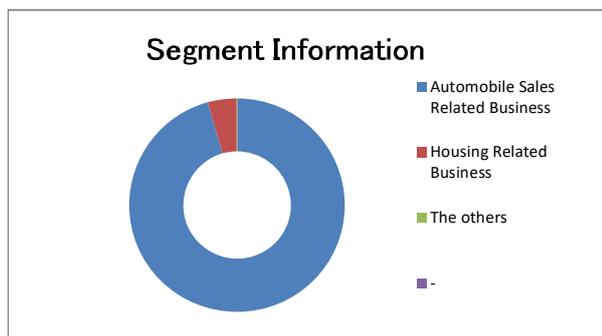
Productivity Analysis	Current Estimate	Similar and Competing Company	Reference Data (Other Service)
Sales per Employee *	63,114	42,644	38,433
Profit before income taxes per Employee *	2,244	745	2,472
Net Income per Employee *	1,318	406	1,065

\*Market average in Japan



Segment Information	FY3/19
Automobile Sales Related Business	95.6%
Housing Related Business	4.3%
The others	0.1%
-	0.0%
Total	100.0%

	Ratio of Shareholding				
	(%)	(%)	(%)	(%)	(people)
	Overseas	Investment Trust	Floating Stocks	Settled Stocks	Stockholders
Before Last	24.6	5.8	2.3	54.2	4,034
Last	24.3	7.5	3.1	52.9	6,299
Current	18.5	9.9	4.8	53.6	9,509



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<b>VT HOLDINGS CO., LTD.</b>		<b>(TOKYO: 7593) Consolidated</b>		<b>IR Overall Rating</b>	
【Stock Code】	7593	【Industry】	Retail	【Market Division】	TOKYO
【Fiscal Year End】	Mar. 31	【Zip Code】	460-0003	【Telephone Number】	+81-52-203-9500
【Address】	3-10-32, Nishiki, Naka-ku, Nagoya, Aichi			【Established】	Mar-83
【Representative】	Kazuho Takahashi			【Contact】	Managing Director Ichiro Yamauchi
【Company Features】				【Share Price】	437 yen

★★★★★

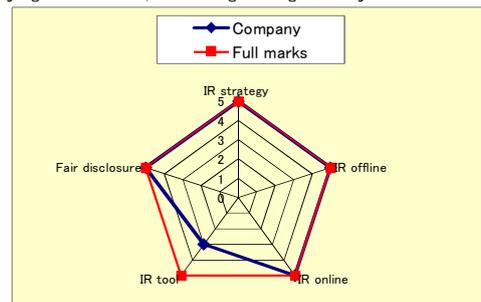
VT Holdings Co, Ltd specializes in the automobile dealer business focusing on Honda and Nissan. The company adopts a growth strategy through M&A activities and stock-type business model.

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	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)	97.5%	100	96
Is there a web page that clearly states IR?	79.4%	10	10
Top message	45.9%	10	10
Annual securities reports	42.0%	10	10
Statement of accounts	41.5%	10	10
Monthly reports, stockholder communication materials & hando	36.2%	10	6
IR calendar	28.5%	10	10
IR videos	23.8%	10	10
E-mail magazines about IR	19.5%	10	10
FAQ	14.6%	10	10
English IR web page	19.4%	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.



	Company	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.

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'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.

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