



KCR Announces Investment Opinion: KCR Issues Report on VT Holdings Reviewing Its Business Strategies and Earnings

NOTE TO EDITORS: The following is an investment opinion issued by KCR Inc.

Tokyo— KCR Inc., an independent research and investor relations support company providing reports on various publicly traded Japanese companies, has released a report on [VT Holdings Co., Ltd.](#) (TOKYO:7593) reviewing its business model and earnings.

Report Highlights

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

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

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

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

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

Read the full research report (KCR Inc.) please see:

http://www.vt-holdings.co.jp/eng/ir/library/pdf/20161011_kcr.pdf

For details about VT Holdings Co., Ltd. (TOKYO:7593) please see:

<http://www.vt-holdings.co.jp/eng/>

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