



Borderless IR Co., Ltd. Announces Newsletter

May 15, 2019

VT Holdings Co., Ltd. (7593, First Section, Tokyo Stock Exchange) Overview of Operating Performance for the Fiscal Year Ended March 31, 2019

TOKYO— [VT Holdings Co., Ltd. \(TOKYO: 7593\)](#) is pleased to announce its results for the Fiscal Year Ended March 31, 2019.

Summary of Results

In the core automotive business, domestic results were relatively strong during the fiscal year ended March 31, 2019. These robust results were due in part to the impact of new Honda models. Also, sales of Nissan vehicles equipped with e-POWER were favorable, as were sales of electric vehicles. Overseas, the Company acquired three subsidiaries in Spain and South Africa as operating companies from the previous fiscal year through the second quarter of the period under review and was able to add their sales to consolidated business results. The Group's total of new and second-hand cars sold in the period under review was 101,646, up 6,487 (6.8%) year on year. Meanwhile, performance remained favorable in the housing-related business as the Company received orders for condominium construction projects. However, performance by three consolidated subsidiaries fell below initial forecasts, causing the financial condition to deteriorate. Accordingly, the Company posted JPY872 million in impairment losses as an extraordinary loss.

During the fiscal year ended March 31, 2019, VT Holdings recorded consolidated net sales of JPY218,634 million (up 8.2% YoY), operating income of JPY6,130 million (down 9.6%), ordinary income of JPY6,385 million (down 29.0%) and profit attributable to owners of parent of JPY2,674 million (down 29.0%).

In the automotive business, sales were JPY209,087 million (up 8.3% YoY), and operating income was JPY5,568 million (down 12.9%).

In the new car segment of the automotive business, the number of new cars sold groupwide domestically and internationally was 45,241 (up 12.9% YoY). Profitability declined, however, as the Company prioritized efforts to bolster unit sales by increasing the

number of customers under management, bringing down unit profits on new-vehicle sales. In the used car segment, the number of second-hand cars sold for the entire Group was 56,405 (up 2.4% YoY), with used car sales and profits rising year on year.

In the service segment of the automotive business, both existing and newly consolidated subsidiaries concentrated on boosting orders for routine and officially mandated checks, repairs and commission revenue. Consequently, although sales were down slightly, income increased. 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 JPY9,355 million (up 4.7%) YoY, and operating income was JPY918 million (up 24.9%).

In the housing-related business, demand was firm and selling prices soared. Due to a thorough focus on marketing, the Company sold nine newly build condominium buildings containing 288 units, bringing its total number of concluded condominium agreements, including those on condominiums completed in inventory, to 243 (163 in the previous fiscal year), and the number of condominiums transferred to 199 (178 in the previous fiscal year). The condominium construction business was generally favorable, and the Company worked to expand orders for commercial facilities.

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.

For the fiscal year ended March 31, 2019, the Company targeted a consolidated dividend payout ratio of 40%. This figure actually amounted to 87.8%, based on annual dividends

per share of JPY20 (including a year-end dividend of JPY10 per share). The Company also plans to award interim and year-end dividends of JPY10 per share for the fiscal year ending March 31, 2020.

[VT Holdings Co., Ltd. \(7593, First Section, TSE\)](http://www.vt-holdings.co.jp/eng/index.html) “**Summary of Consolidated Financial Results for the Year Ended March 31, 2019**” is available here:
<http://www.vt-holdings.co.jp/eng/index.html>

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