



Borderless IR Co., Ltd Announces Newsletter

August 26, 2019

VT Holdings Co., Ltd. (7593, First Section, Tokyo Stock Exchange) Overview of Operating Performance for the three months ended June 30, 2019

During the first three months of the consolidated fiscal year ending March 31, 2020, we achieved record-high income and worked to expand our business through M&A

TOKYO—[VT Holdings Co., Ltd. \(TOKYO: 7593\)](#) is pleased to announce its results for the three months ended June 30, 2019

Summary of Results

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).

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.

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. \(7593, First Section, TSE\)](#) “Summary of Consolidated Financial Results for the Year Ended March 31, 2019” is available here:

http://www.vt-holdings.co.jp/eng/ir/library/pdf/20190820_1Q.pdf

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