

October 30, 2024

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(Securities code: 7593;
Tokyo Stock Exchange Prime Market
Nagoya Stock Exchange Premier Market)
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(Corrections) Action to Implement Management that is Conscious of Cost of Capital and Stock Price

VT HOLDINGS CO., LTD. hereby announces that there have been corrections made to the above-mentioned disclosure material released on October 28, 2024.

1. Reason for corrections

After releasing the above-mentioned material, part of the material content was found out to be incorrect, which are some of housing related business figures.

2. Details of corrections

Please see on the next page. The corrected portions are shown surrounded by red lines.

3. Corrected material

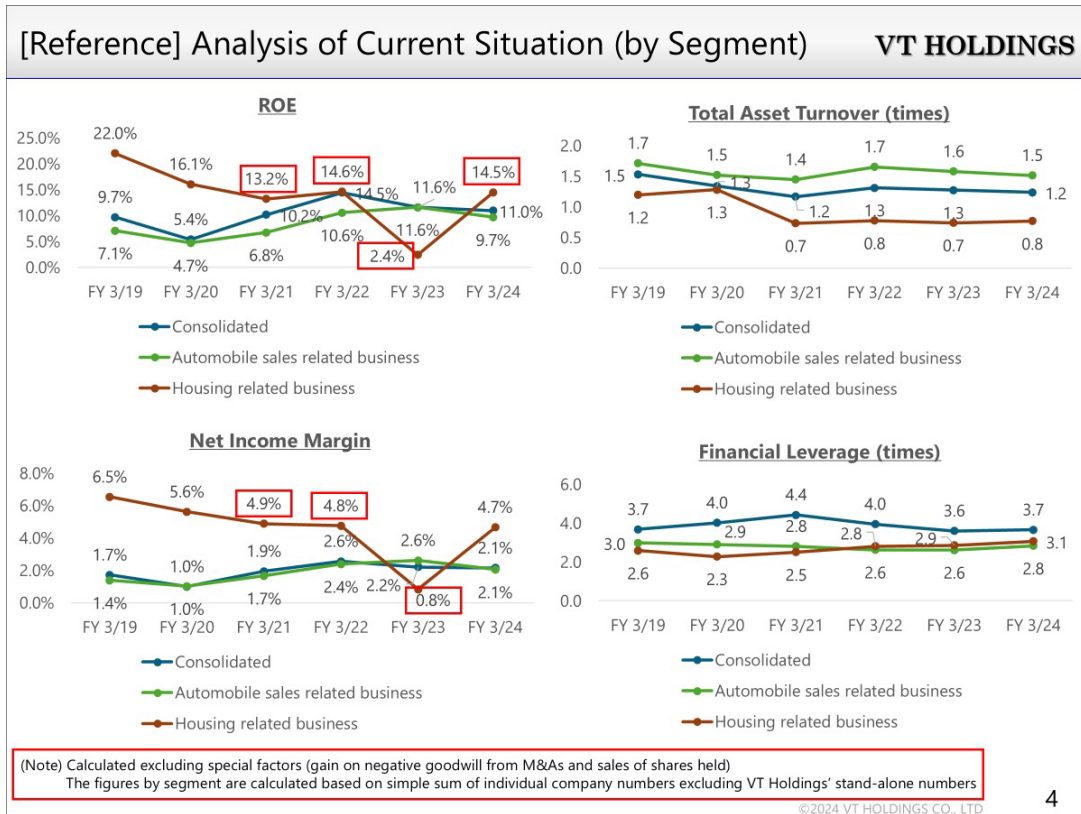
The corrected material is attached.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

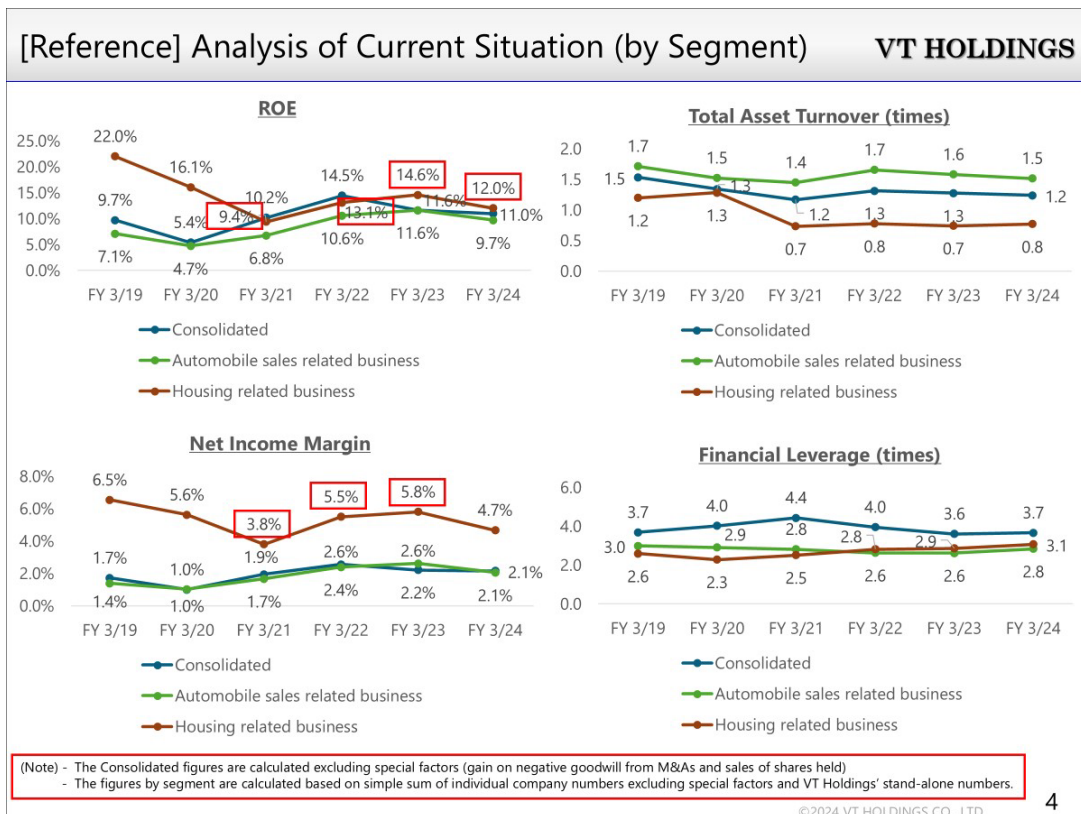
Corrections:

Page 4 [Reference] Analysis of Current Situation (by Segment)

[Previous]



[Corrected]





Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Initiative for Capital Efficiency Oriented Management



VT HOLDINGS CO., LTD.

October 28, 2024

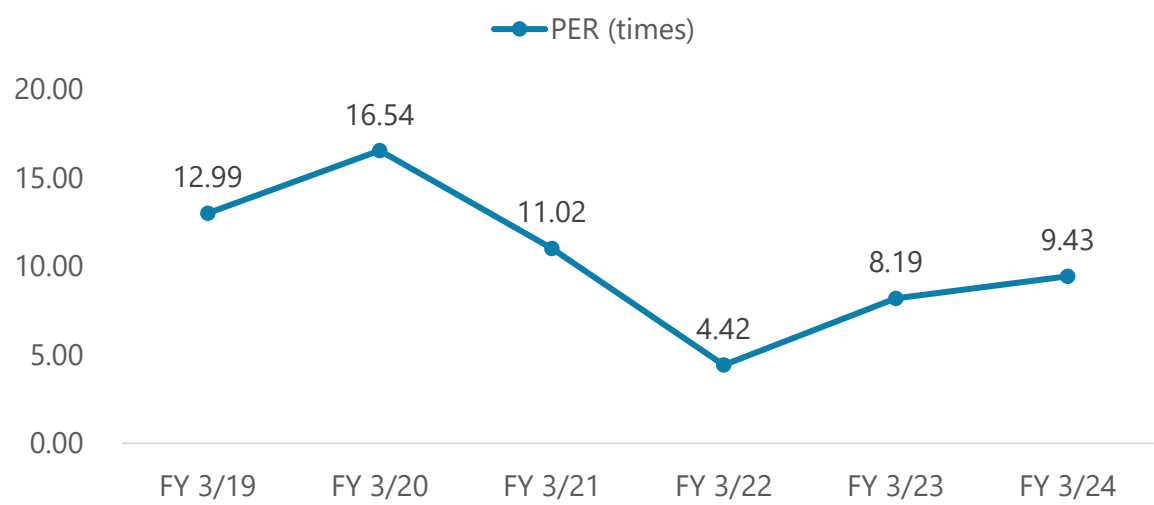
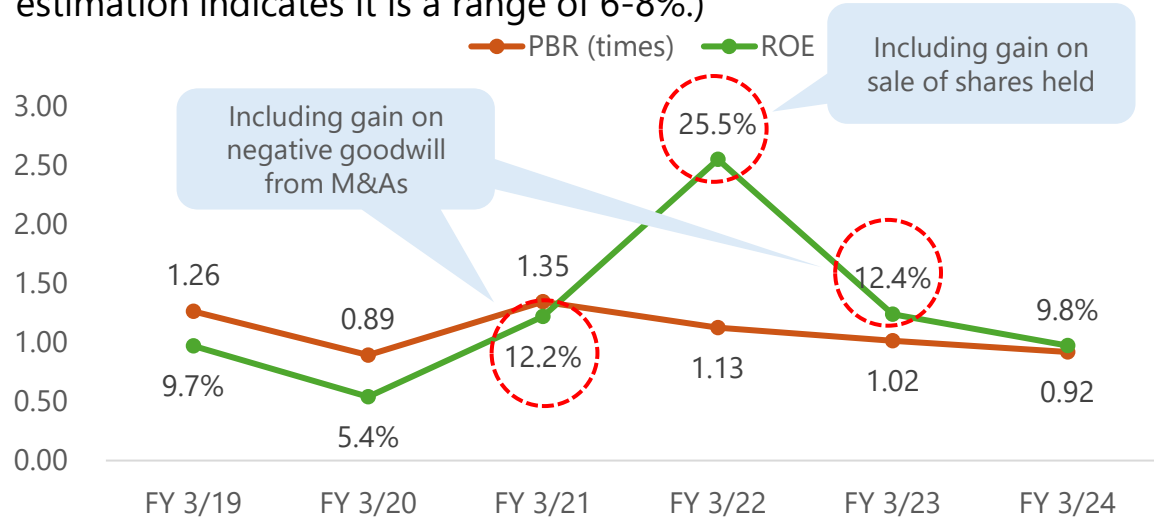
Market: TSE Prime Market, Nagoya SE Premier Market (Code: 7593)



Analysis of Current Situation/Market Evaluation

While ROE is above the assumed cost of equity*, the most recent PBR is below 1x, and PER has recently improved but remains underperforming, so we assume that the market evaluation is likely to be lower than our growth potential.

(*We recognize that the cost of equity is around 9% based on investors' expected returns, but the result of our estimation indicates it is a range of 6-8%.)

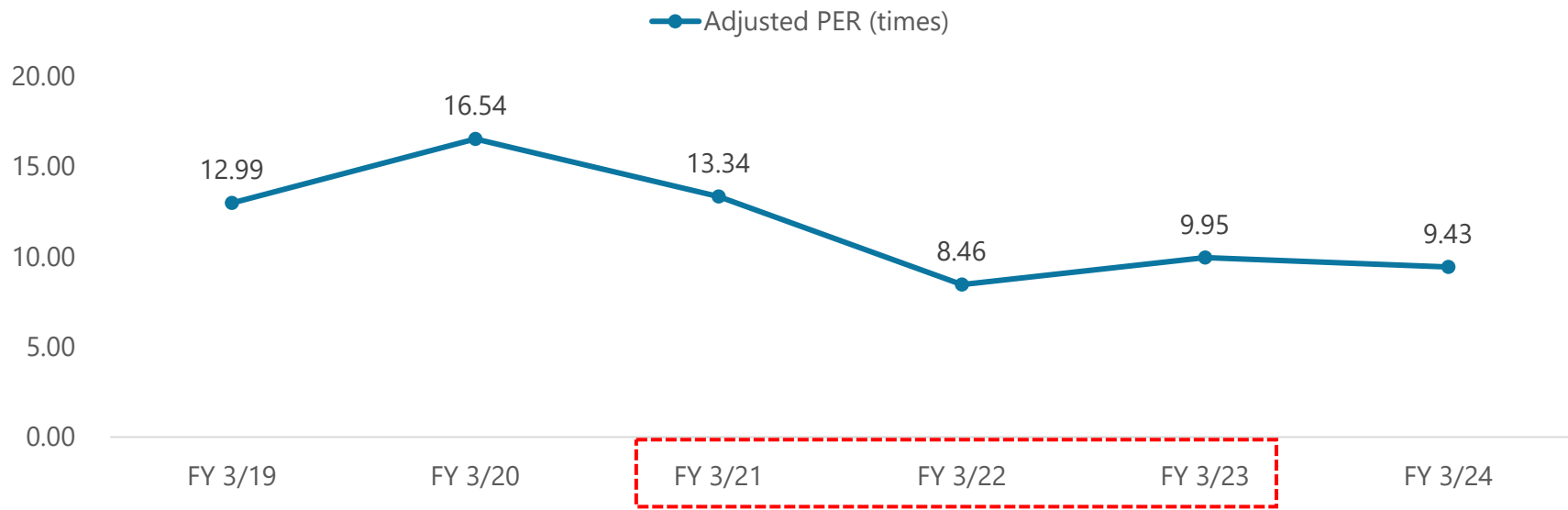
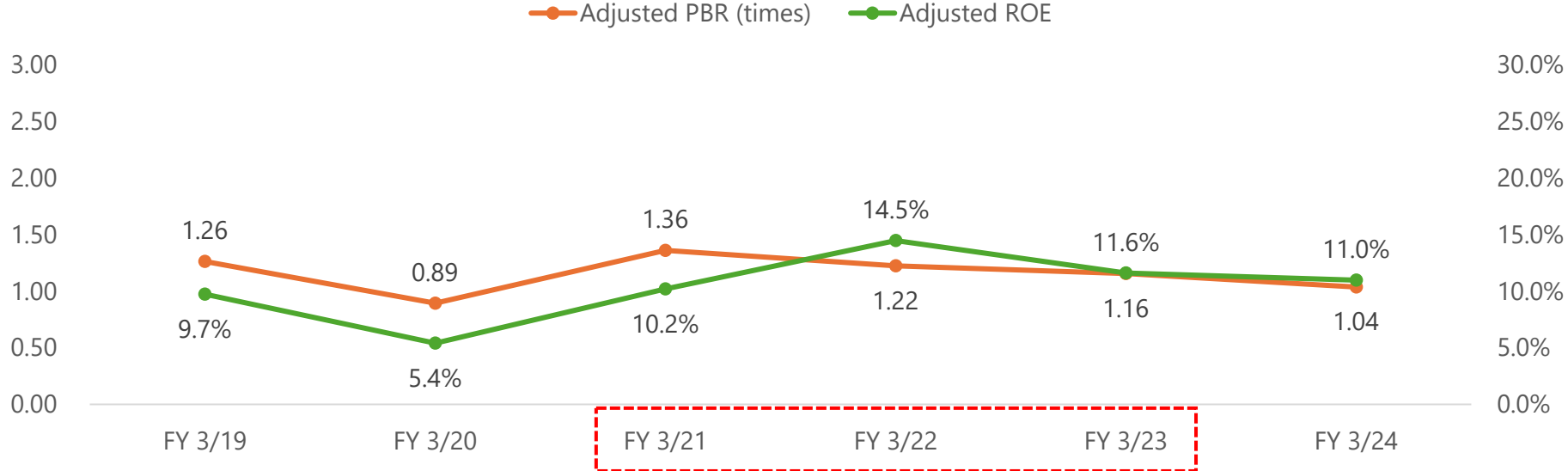


*[Assumed cost of equity (reference)]

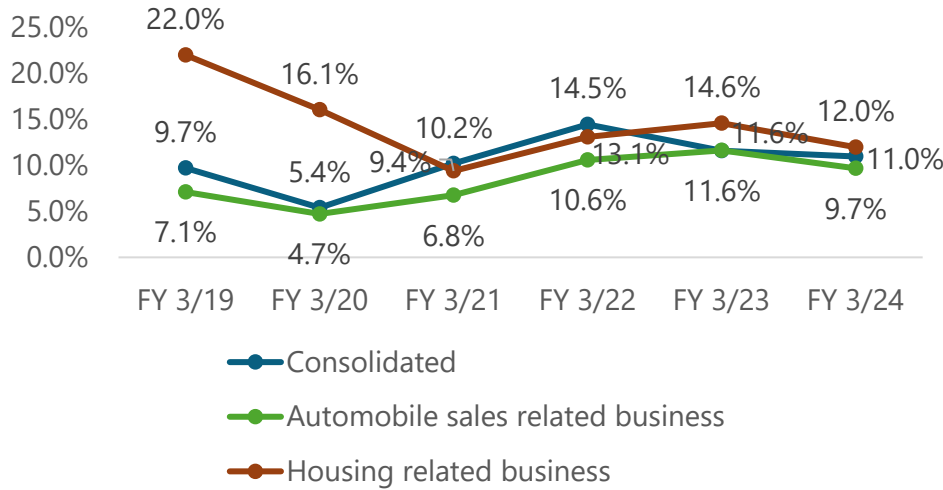
Cost of equity based on CAPM: 6-8%
 = $R_f + (\beta \times \text{market risk premium})$

Risk-free rate (R_f): approx. 0.9%
 β : 1.2-1.3
 Market risk premium: 5-6%

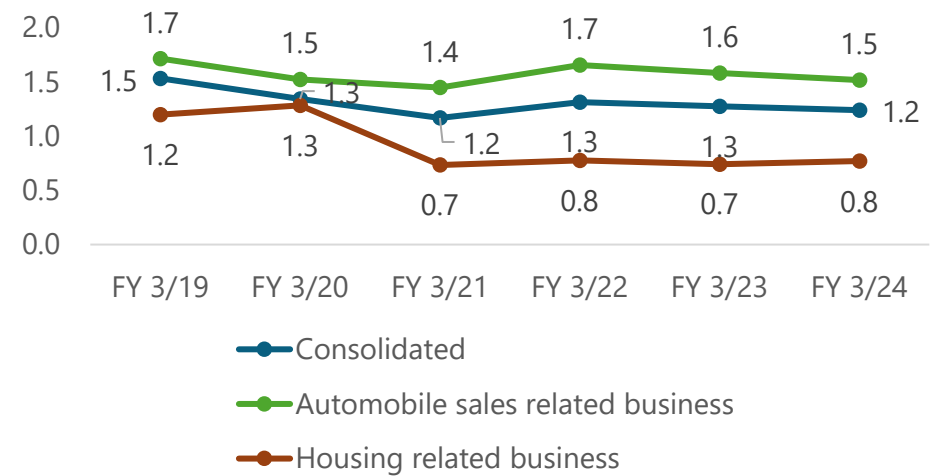
[Changes in ROE and PBR excluding special factors (gain on negative goodwill from M&As and sales of shares held)]



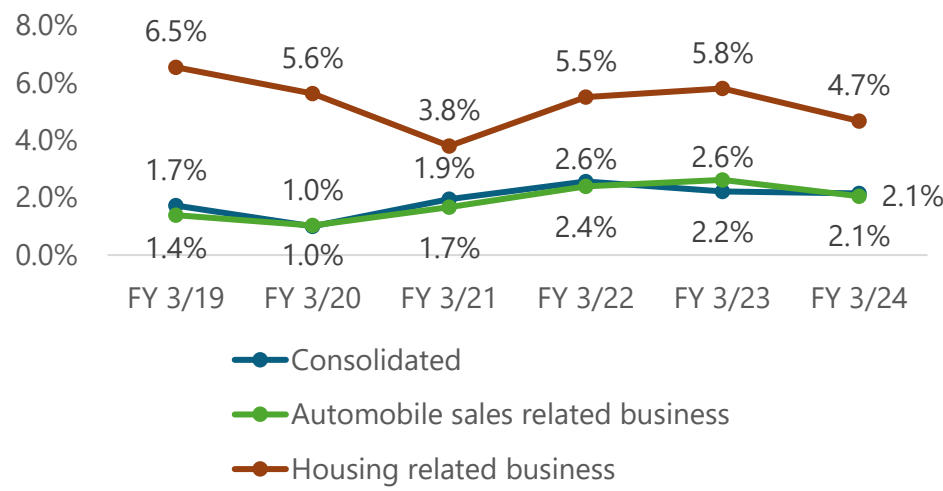
ROE



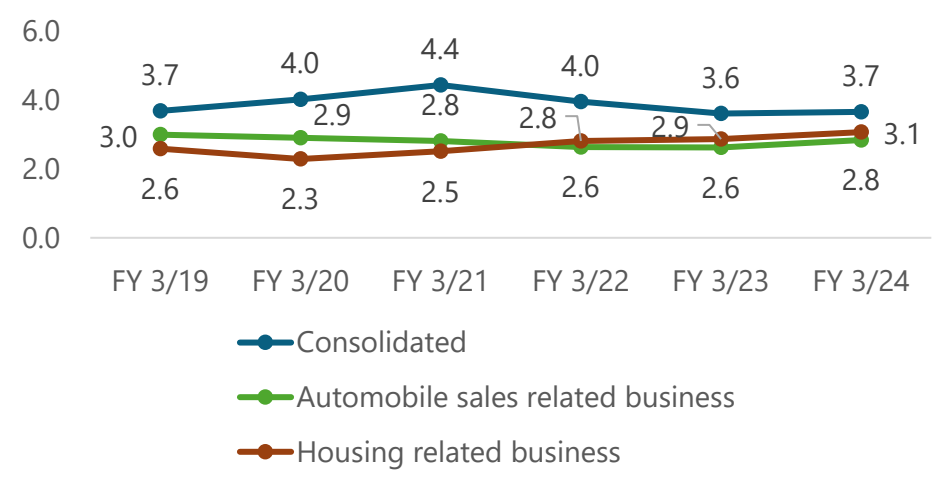
Total Asset Turnover (times)



Net Income Margin



Financial Leverage (times)



(Note) - The Consolidated figures are calculated excluding special factors (gain on negative goodwill from M&As and sales of shares held)
 - The figures by segment are calculated based on simple sum of individual company numbers excluding special factors and VT Holdings' stand-alone numbers.

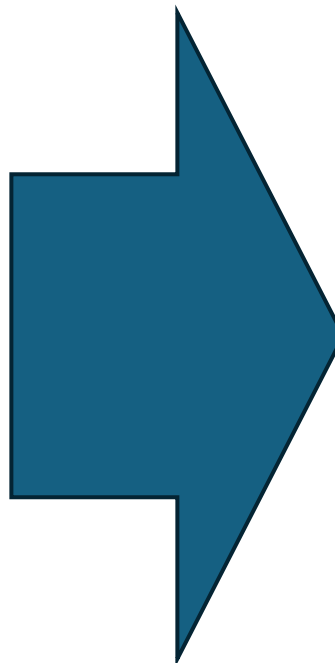
Policies and Specific Actions for Improvement

We aim for stable ROE growth and PBR of 1x or more through constant improvement of profitability and optimizing the balance sheet.

Points for Improvement		Specific Actions
Improvement of ROE	Improvement in profit margin	<ul style="list-style-type: none"> ➤ Promote M&As of businesses that exceed cost of capital ➤ Expand existing businesses and improve profitability ➤ Enhance human capital investment
	Balance sheet optimization	<ul style="list-style-type: none"> ➤ Optimize and restructure business portfolio ➤ Optimize inventories and reduce inefficient assets ➤ Unwind cross-shareholdings ➤ Improve return to shareholder (acquisition of treasury shares, continuous dividend increases) ➤ Reduce interest-bearing debt
Lower cost of capital	Enhancement of IR activities	<ul style="list-style-type: none"> ➤ Expand information disclosure ➤ Strengthen dialogue with investors
	Promotion of Sustainability management	<ul style="list-style-type: none"> ➤ Promote Sustainability activities ➤ Enhance human capital investment

The cost of equity is recognized to be around 9%, based on investors' expected returns (our estimate of 6-8%), and the ROE target is set at 12% or more.

Item	Actual Results FY 3/24	Target FY 3/28
ROE	9.8%	12% or more
Operating profit (Million JPY)	12,008	20,000
Operating profit margin	3.9%	5.0% or more
Equity-to-asset ratio	26.7%	30-40%
Net D/E ratio (times)	1.4	1.0 or less
Payout ratio	42.2%	40% or more
DOE	3.9%	4.0% or more



- We flexibly allocate funds from operating cash flow and the unwinding of cross-shareholdings to investments such as M&A and shareholder returns, aiming for business growth and enhancing capital efficiency.
- We plan to invest approximately 25 billion yen for M&As and new businesses, and also realize better capital efficiency by streamlining the balance sheet.

[FY 3/2026 – FY 3/2028]

Funds for Growth	Use of Funds		Details
Operating CF Approx. 50 billion yen +	Investment	M&A, new business investment Approx. 25 billion yen	<ul style="list-style-type: none"> • M&A of businesses with better profitability above cost of capital • Investment for new store openings and new businesses
		<ul style="list-style-type: none"> • Improve existing businesses • Enhance human capital investment Approx. 18 billion yen	<ul style="list-style-type: none"> • Strengthen the business foundation of existing stores • Improve work environment, training and education system, and compensation and benefit programs
Unwinding of cross-shareholdings & Streamlining the BS Approx. 12-20 billion yen	Shareholder returns	Dividend Approx. 10 billion yen	Maintain and continue dividend increases with a target payout ratio of 40% or DOE of 4.0%, whichever is higher
		Acquisition of treasury shares Approx. 5-10 billion yen	Shares held by financial institutions, etc. are assumed
	Reduction of interest-bearing debt	Approx. 5-7 billion yen	Unwind cross-shareholdings and use free cash flow

(Note) The above amounts are three-year totals based on current estimates.

This presentation is produced by VT Holdings ('the Company') to explain the company's financial and business situation for the reference of investors.

The contents of this presentation are based on widely-accepted economic and societal trends as of October 2024, in addition to logical assumptions made by the Company. In the event of changes to the economic environment etc., the contents are subject to change without prior notice.

We ask investors to use their own judgement when investing.

For any inquiries about this presentation

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