

Q2 FY2022

Consolidated Results of Operations

USS Co., Ltd.

November 2022

I : 1H FY2022 Results of Operations

P.3

1. Highlights of 1H FY2022
2. 1H FY2022 Summary of Consolidated Results of Operations
3. Net Sales and Operating Profit by Business Segment
4. 1H FY2022 Reasons for Change in Operating Profit (Actual)
5. Consolidated Balance Sheets and Statements of Cash Flows
6. Automobile Market
7. Auto Auction Segment
8. Used Vehicle Purchasing and Selling Segment
9. Recycling Segment
10. TOPICS A New Automobile Loan Product Using a Tie-up with GMS

II : FY2022 Consolidated Forecast

P.17

1. FY2022 Consolidated Forecast
2. 2H FY2022 Reasons for Change in Operating Profit (Forecast)
3. FY2022 Reasons for Change in Operating Profit (Forecast)
4. FY2022 Forecast by Business Segment

III : Market Overview and Strategy for Creating Value Over the Medium-term

P.22

1. Used Car Auction Market and USS Market Share
2. Long-term Growth Vision
3. Medium-term Business Plan and Raising the ROE
4. Basic Policy on Finance and Shareholder Distributions
5. Earnings Distributions – Dividend Policy
6. Earnings Distributions – Total Payout Ratio
7. Cycle of Rising Corporate Value Driven by Business Growth and Shareholder Distributions
8. ESG Activities

IV : Reference

P.33

1. Business Models for USS
2. Automobile Market and USS Revenue
3. New/Used Car Registrations and Auto Auction Market
4. Appendix

1H FY2022

Results of Operations

1H FY22 Results

■ Net sales **¥42.4billion**
(up 6.6% YoY)

■ Operating profit
¥21.2billion (up 3.2% YoY)

- There was a small decrease in the number of vehicles consigned at USS auctions as the number of used vehicles sold in Japan declined, but the contract completion ratio increased*.
- In the used vehicle purchasing and selling segment, sales and earnings increased mainly because of higher prices at used car auctions.
- In the recycle segment, demolition orders were higher and sales increased but earnings were lower.

FY22 Forecast

■ Revisions to the FY2022 plan

- Revised upward the FY2022 plan to reflect higher-than-forecasted first half results. No change in the second half plan.

■ Net sales **¥85.5 billion**

- 1.7% higher than the initial forecast
- The current plan for FY2022 is 2.81 million vehicles consigned at auctions, 1.5% below the previous plan, 1.85 million contracted vehicles, 0.5% above the previous plan, and a contract completion ratio of 66.0% compared with the previous plan of 64.7%.

■ Operating profit **¥43.4 billion**

- 0.8% above the previous plan

Earnings Distributions

■ FY2022 dividend forecast has
been raised to **¥67.5**
This will be the 23rd consecutive year
of dividend increases.

- In FY2019, the basic policy for dividends was revised as consolidated payout ratio guideline increased to at least 55%.

■ Repurchase of stock

- USS repurchased 5.09 million shares of stock at a cost of ¥9.6 billion between November 2021 and May 2022.
- The dividend forecast was increased to maintain a consolidated payout ratio of at least 55%.

* USS Auto Auction result in 1H FY2022 :
vehicles consigned was 1.35 million (down 0.4% YoY), contract completions was 0.90million (up 3.7% YoY), contract completion was rate 67.0%

1H FY2022 Summary of Consolidated Results of Operations

- Sales was up 6.6% YoY to ¥42.42 billion, operating profit was up 3.2% to ¥21.22 billion, and profit attributable to owners of parent up 2.7% to ¥14.61 billion.
- Record-high sales, operating profit, ordinary profit and profit attributable to owners of parent

(Million yen)

	1H FY2021	(Per sales)	1H FY2022	(Per sales)	Year on year	Initial plan (May 10, 2022)	(Per sales)	VS. Plan
Net sales	39,784		42,429		106.6%	41,000		103.5%
Cost of sales	14,746	37.1%	16,467	38.8%	111.7%	15,422	37.6%	106.8%
Gross profit	25,038	62.9%	25,962	61.2%	103.7%	25,577	62.4%	101.5%
Selling, general and administrative expenses	4,467	11.2%	4,741	11.2%	106.1%	4,717	11.5%	100.5%
Operating profit	20,570	51.7%	21,220	50.0%	103.2%	20,860	50.9%	101.7%
Ordinary profit	20,945	52.6%	21,586	50.9%	103.1%	21,210	51.7%	101.8%
Profit attributable to owners of parent	14,223	35.8%	14,614	34.4%	102.7%	14,700	35.9%	99.4%

Net Sales and Operating Profit by Business Segment

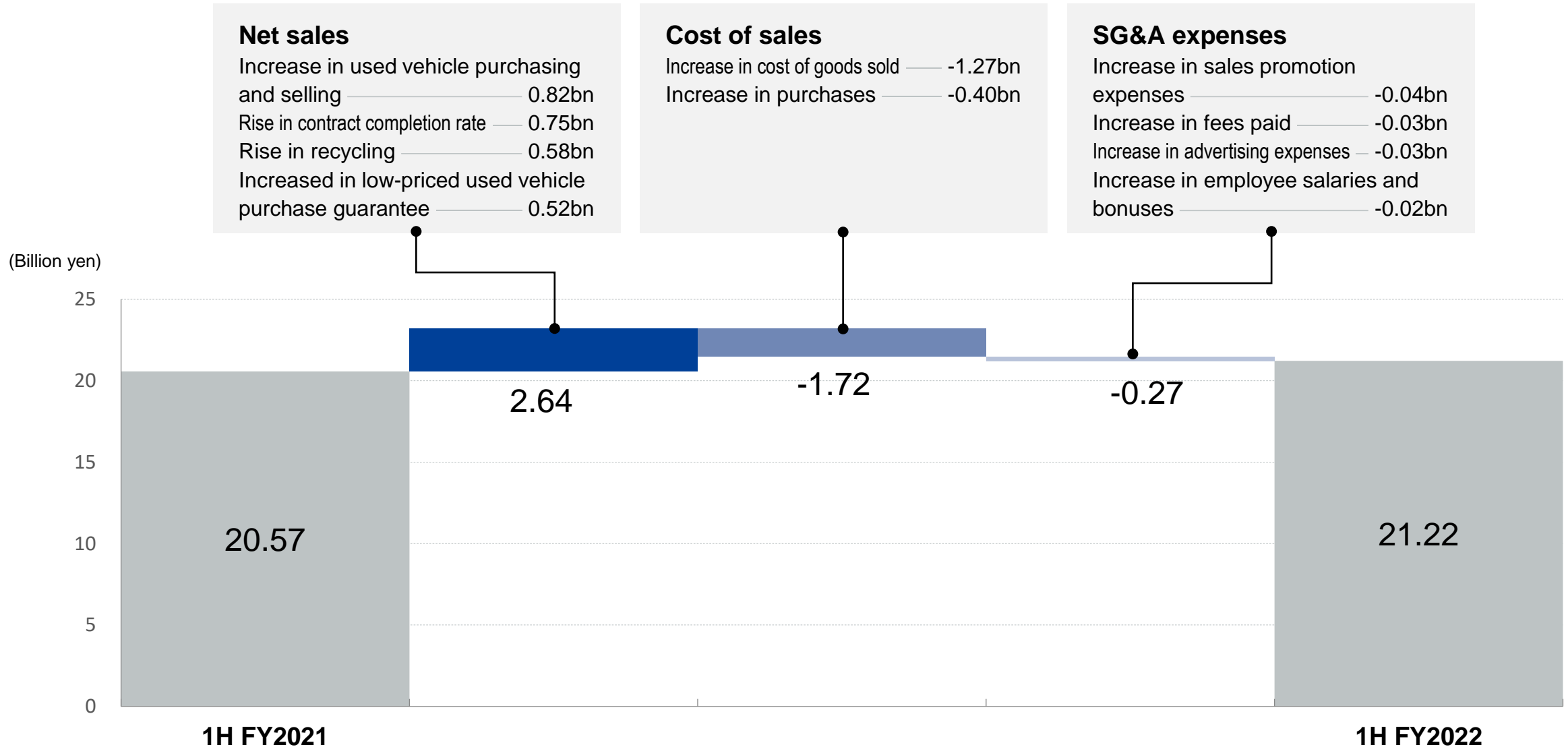
(Million yen)

Net sales	1H FY2020	1H FY2021	1H FY2022	Year on year
Auto auction	28,246	31,929	33,168	103.9%
Used vehicle purchasing and selling	3,571	4,229	5,049	119.4%
Recycling	2,254	3,579	4,162	116.3%
Other	205	46	48	103.8%
Total	34,277	39,784	42,429	106.6%
Operating profit (operating margin)	1H FY2020	1H FY2021	1H FY2022	Year on year
Auto auction	15,698 (55.2%)	19,852 (61.9%)	20,434 (61.4%)	102.9%
Used vehicle purchasing and selling	98 (2.8%)	85 (2.0%)	211 (4.2%)	247.2%
Recycling	38 (1.7%)	589 (16.5%)	527 (12.7%)	89.5%
Other	16 (7.1%)	32 (70.2%)	36 (75.4%)	111.5%
Adjustment	50 (-)	9 (-)	9 (-)	101.2%
Total	15,901 (46.4%)	20,570 (51.7%)	21,220 (50.0%)	103.2%

*1 Net sales are sales to external customers and operating profit is based on business segment earnings. Operating margins (shown % in parenthesis) are calculated by dividing segment profit by segment sales.

*2 Beginning with Q2 FY2022, the recycle business, which was previously included in "other," is a reportable segment. Figures for "recycling" and "other" have been revised to conform with this change.

1H FY2022 Reasons for Change in Operating Profit (Actual)



Consolidated Balance Sheets and Statements of Cash Flows

- Increase in time deposits and acquisition of investment securities were the primary uses of cash for investing activities.
- The primary use of cash in financing activities was dividends paid.
- Equity ratio : 77.2%

Consolidated balance sheets (summary)

(Million yen)

	FY21	End of Q2 FY22		FY21	End of Q2 FY22
Current assets	103,872	113,544	Current liabilities	37,884	42,831
Cash and deposits	79,380	88,628	Payables due to member dealers at auction	21,213	28,107
Other	24,491	24,916	Other	16,670	14,723
Non-current assets	125,481	124,632	Non-current liabilities	8,996	8,806
Property, plant and equipment	100,379	99,260	Total liabilities	46,880	51,637
Other	25,102	25,371	Total net assets	182,473	186,539
Total assets	229,354	238,176	Total liabilities and net assets	229,354	238,176

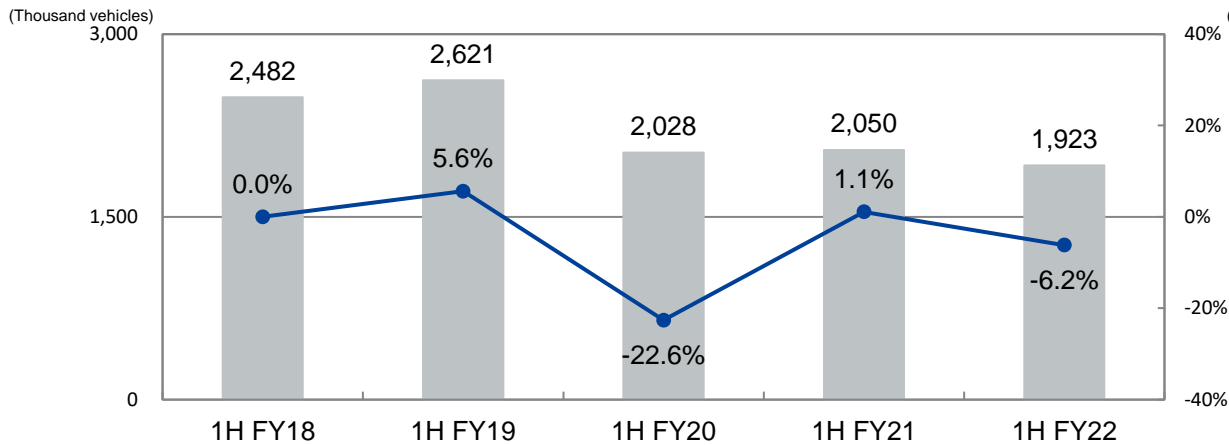
Consolidated statements of cash flows (summary)

(Million yen)

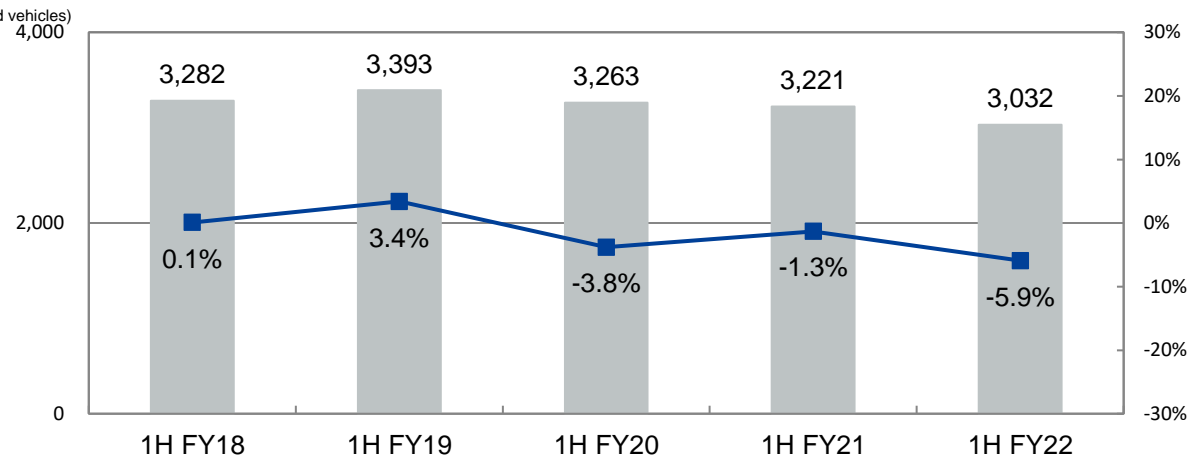
	1H FY20	1H FY21	1H FY22	Changes
Net cash provided by (used in) operating activities	16,644	14,982	20,051	5,069
Net cash provided by (used in) investing activities	-8,067	-914	-4,150	-3,235
Free cash flow	8,577	14,067	15,901	1,833
Net cash provided by (used in) financing activities	-7,525	-6,453	-8,653	-2,199
Capital expenditures (Terms of cash flows)	8,058	927	1,201	274
Depreciation	2,572	2,446	2,249	-196

Automobile Market

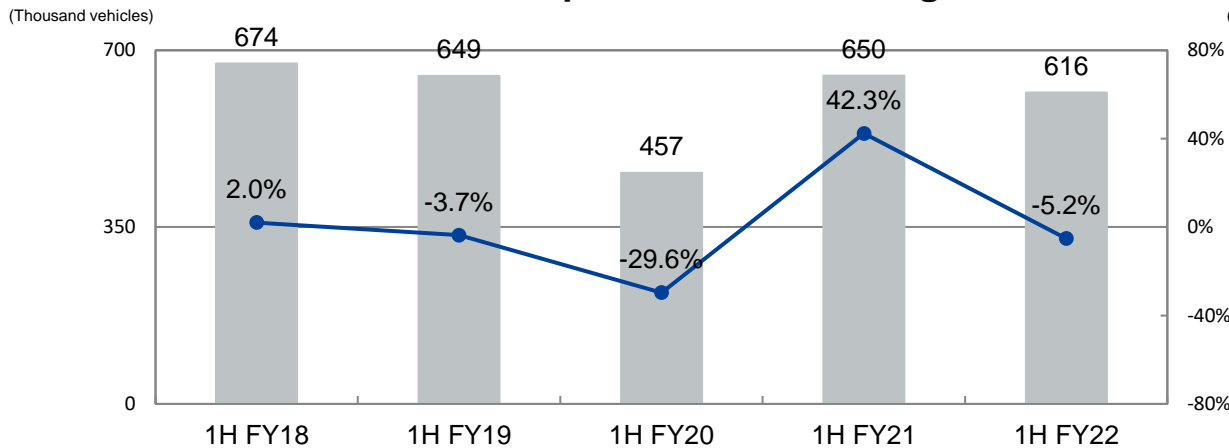
New car registrations and YoY changes



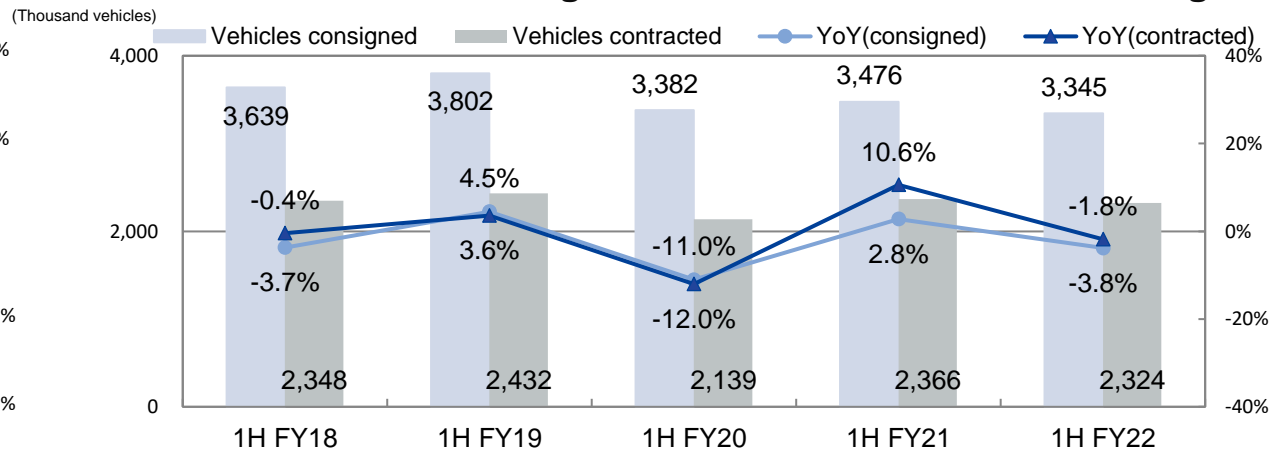
Used car registrations and YoY changes



Used car exports and YoY changes



AA market: vehicles consigned and contracted and YoY changes



Auto Auction Segment (1) Overview

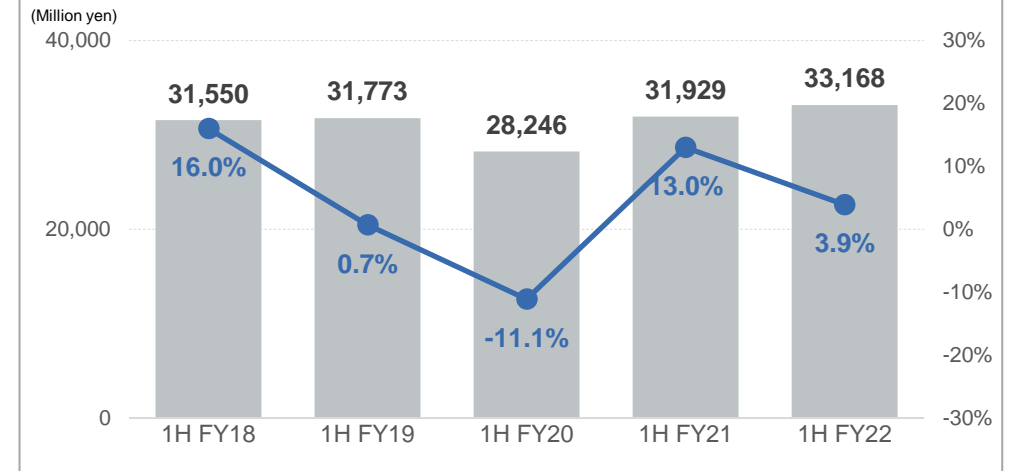
- Higher sales and earnings with no change YoY in vehicles consigned but an increase in the contract completion ratio

<p>No. of vehicles consigned</p> <p>1.356million</p> <p>down 0.4% YoY</p>	<p>No. of contract completions</p> <p>0.908million</p> <p>up 3.7% YoY</p>	<p>Contract completion rate</p> <p>67.0%</p> <p>64.4% (in 1H FY21)</p>
--	--	---

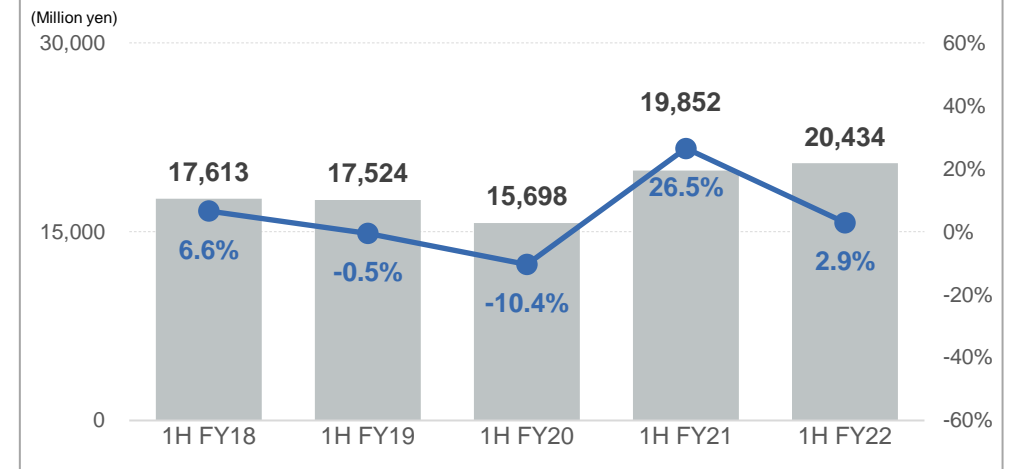
Auto auction segment performance in 1H

	1H FY20	1H FY21	1H FY22	Year on year
Net sales	28,246	31,929	33,168	103.9%
Consignment fees	6,422	7,538	7,595	100.8%
Contract completion fees	6,365	7,394	7,619	103.0%
Successful bid fees	9,806	11,367	11,653	102.5%
Other	5,651	5,629	6,300	111.9%
Operating profit	15,698	19,852	20,434	102.9%
Operating margin	55.2%	61.9%	61.4%	-

Net sales and YoY changes



Operating profit and YoY changes

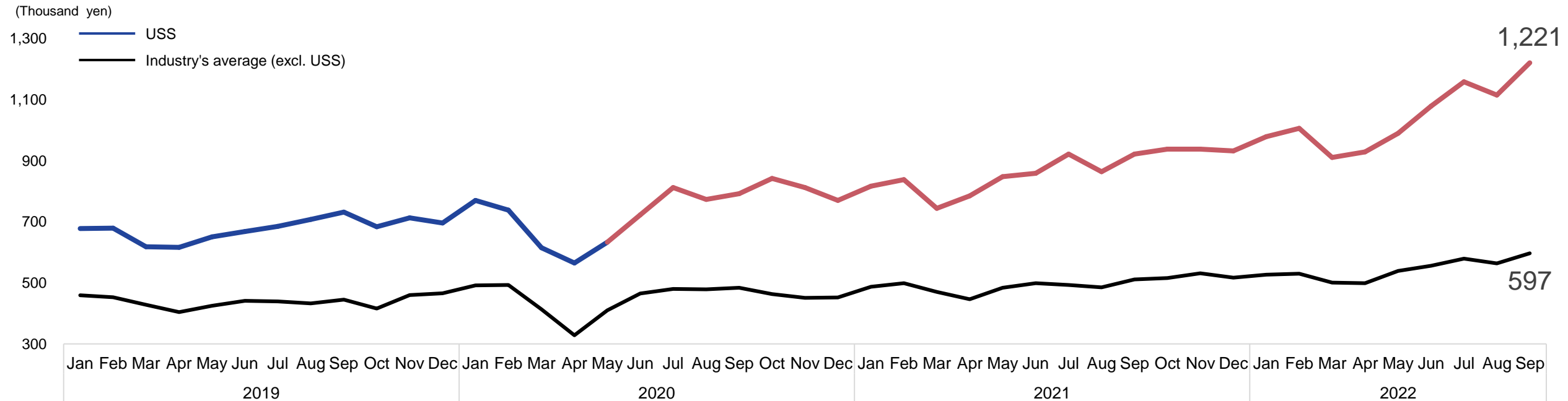


* Net sales are sales to external customers and operating profit is based on business segment earnings. Operating margins are calculated by dividing segment profit by segment sales.

Auto Auction Segment (2) Average Price of Vehicle Contracted

- Shortage of new cars because of shortage of auto parts → Decline in trade-in vehicles
→ Decline of the number of used cars on the market → Strained supply-demand balance
→ Spike in auction prices
- Price per contracted vehicle increased year-on-year since June 2020.

Monthly data : Average price of vehicle contracted

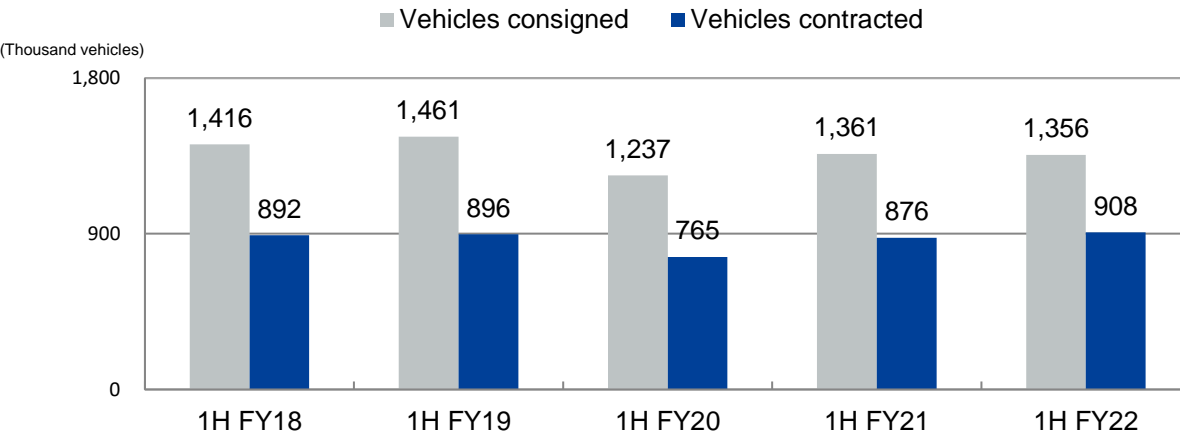


* In auto auctions in Japan, notwithstanding the vehicle contract price, consignment fees, contract completion fees and successful bid fees are fixed for each category. Therefore, commission does not fluctuate with the amount of the contracted price of a vehicle.

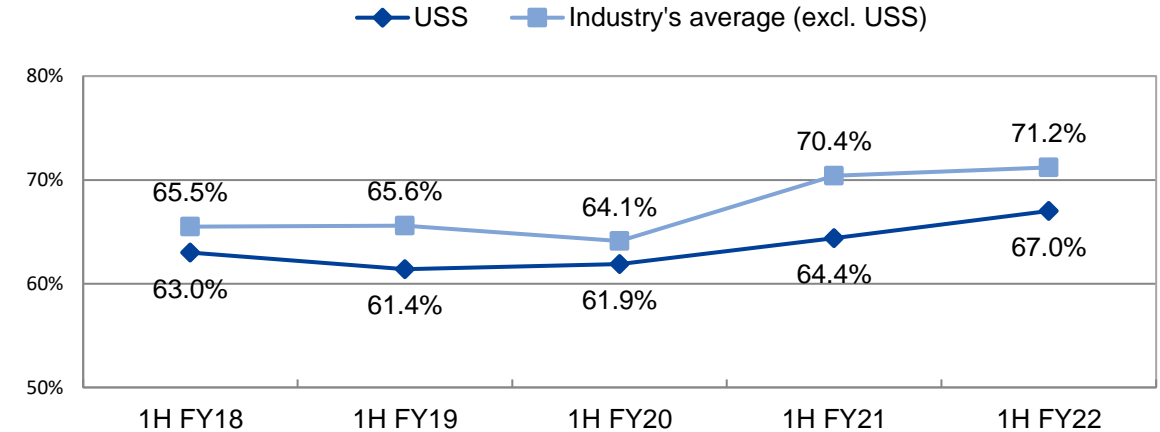
Auto Auction Segment (3)

No. of Vehicles Consigned and Contracted, etc.

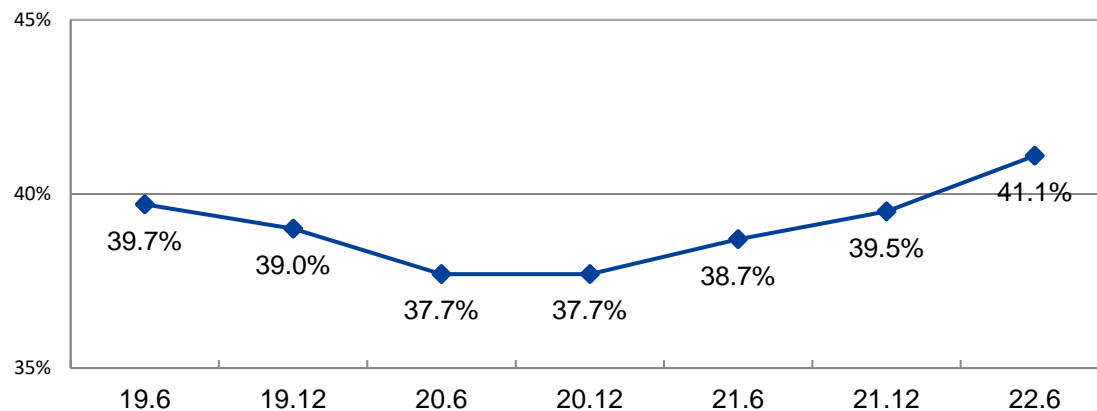
No. of vehicles consigned and contracted



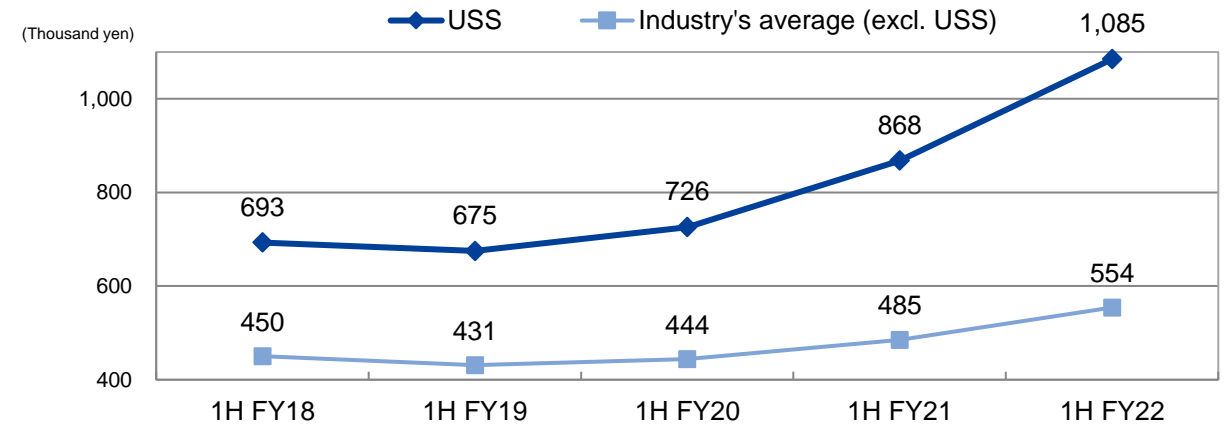
Contract completion rate



Market share



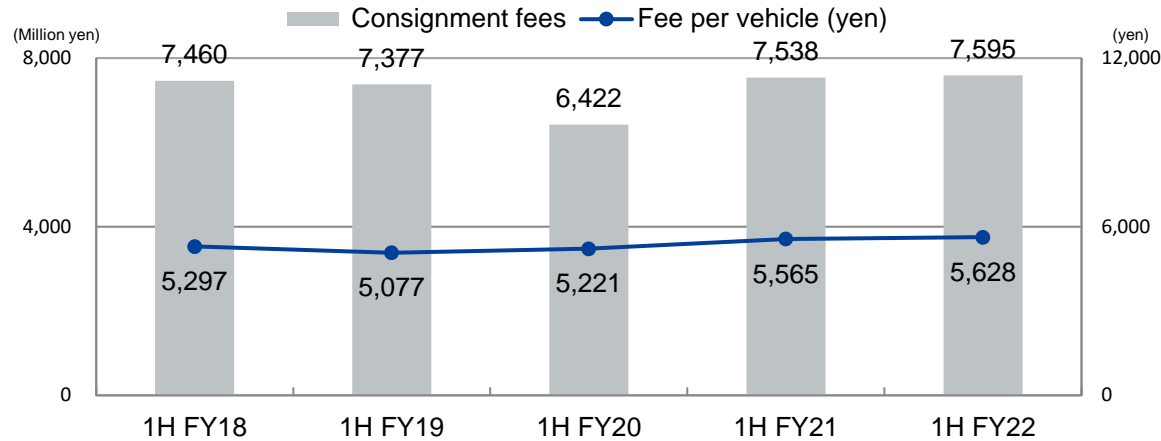
Average price of vehicle contracted



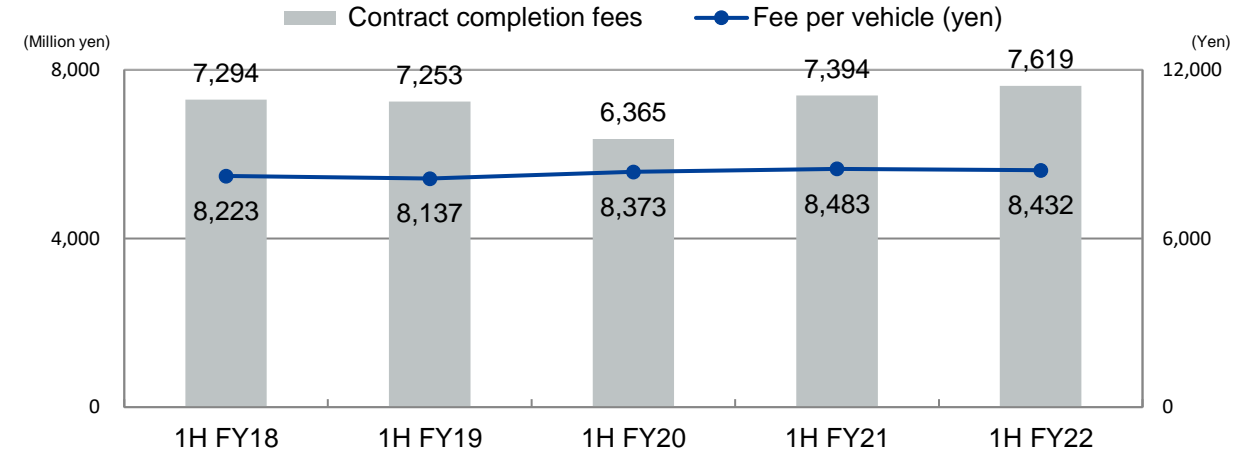
* Period ending in December: 12-month data; Period ending in June: 6-month data. * The figures in this slide do not include JBA data.

Auto Auction Segment (4) Fees, etc.

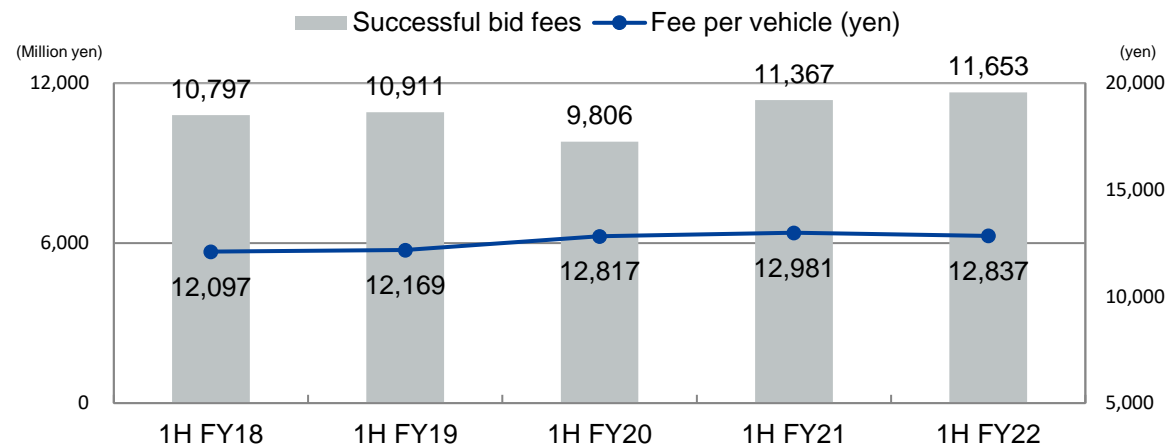
Total consignment fees and consignment fee per vehicle



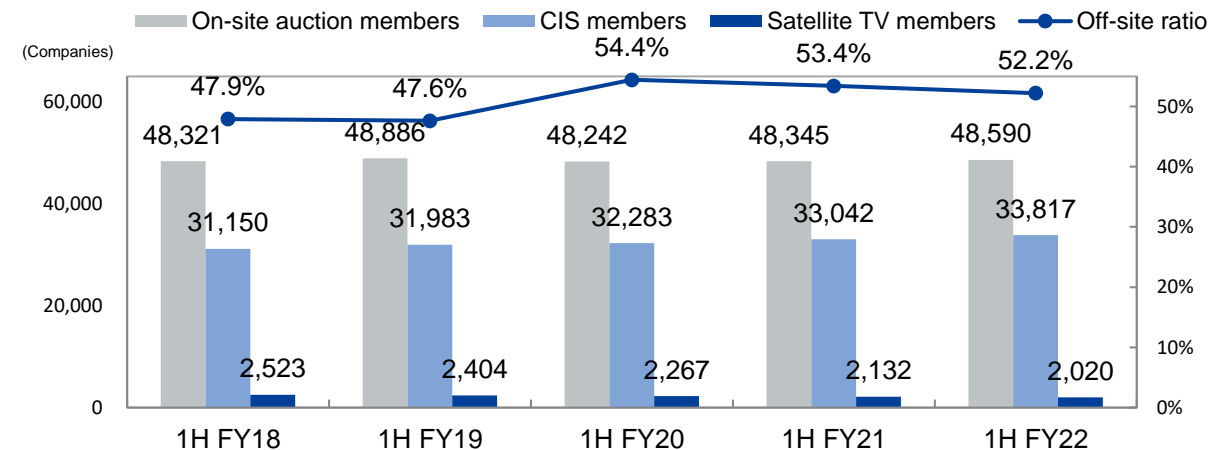
Total contract completion fees and contract completion fee per vehicle



Total successful bid fees and successful bid fee per vehicle



No. of members and off-site ratio



* Fee per vehicle is calculated before eliminations for consolidation.

* The figures in this slide do not include JBA data.

*The method used for calculating the off-site ratio was revised in FY2019.

Used Vehicle Purchasing and Selling Segment

At Rabbit, which purchases used vehicles, sales and earnings increased because of high prices of used vehicles at auctions and a higher gross profit per vehicle.

Net sales **¥2,867** million
(up 20.9% YoY)

Operating profit **¥121** million
(up 71.9% YoY)

In the accident-damaged vehicle purchasing and selling business, sales and earnings were higher because of an increase in the number of vehicles sold and a larger number of high-priced vehicles, which have a higher profit margin.

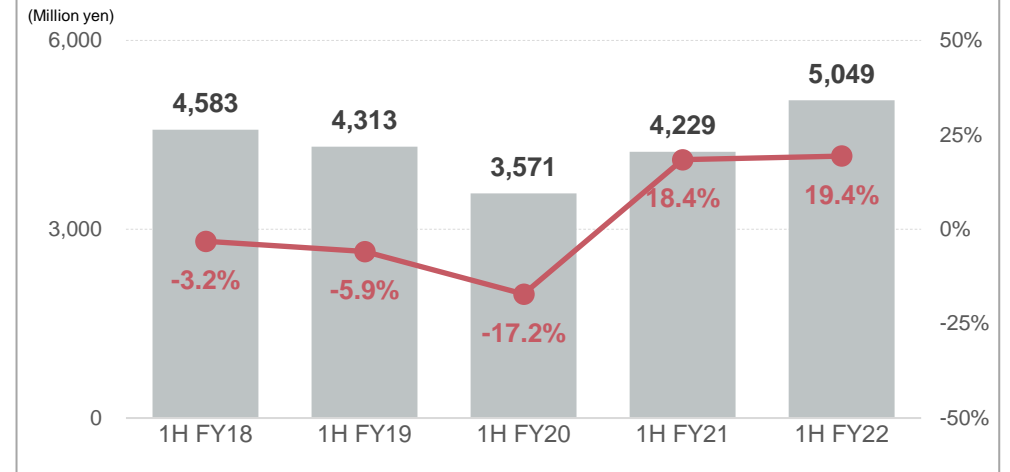
Net sales **¥2,181** million
(up 17.5% YoY)

Operating profit **¥90** million
(up 497.9% YoY)

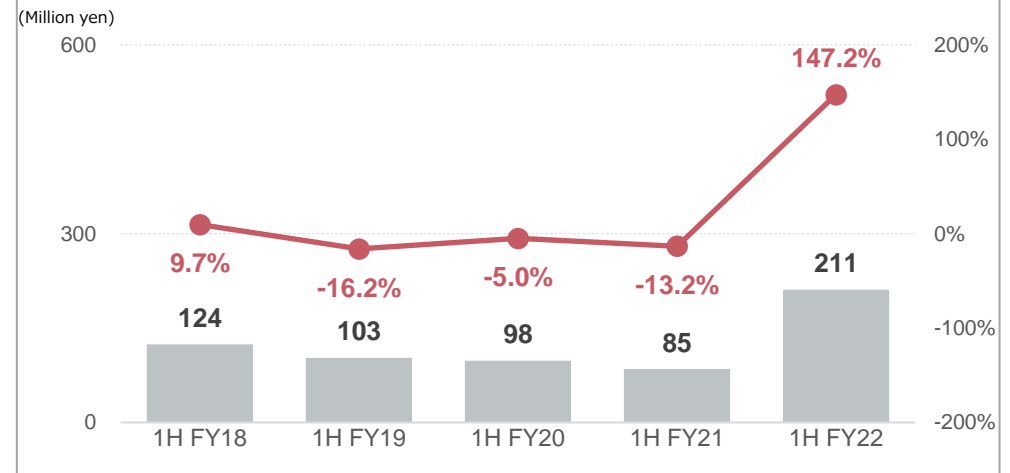
Used vehicle purchasing and selling segment performance in 1H

	1H FY20	1H FY21	1H FY22	Year on year
Net sales	3,571	4,229	5,049	119.4%
Operating profit	98	85	211	247.2%
Operating margin	2.8%	2.0%	4.2%	-

Net sales and YoY changes



Operating profit and YoY changes



* Net sales are sales to external customers and operating profit is based on business segment earnings. Operating margins are calculated by dividing segment profit by segment sales.

Recycling Segment

In the recycle business, sales and earnings were down because of a smaller number of end-of-life vehicles handled and a decline in prices of metal scrap.

Net sales **¥2,613** million
(down 2.9% YoY)

Operating profit **¥280** million
(down 44.2% YoY)

In the industrial plant recycle business, sales and earnings increased because of the larger number of orders for large demolition projects.

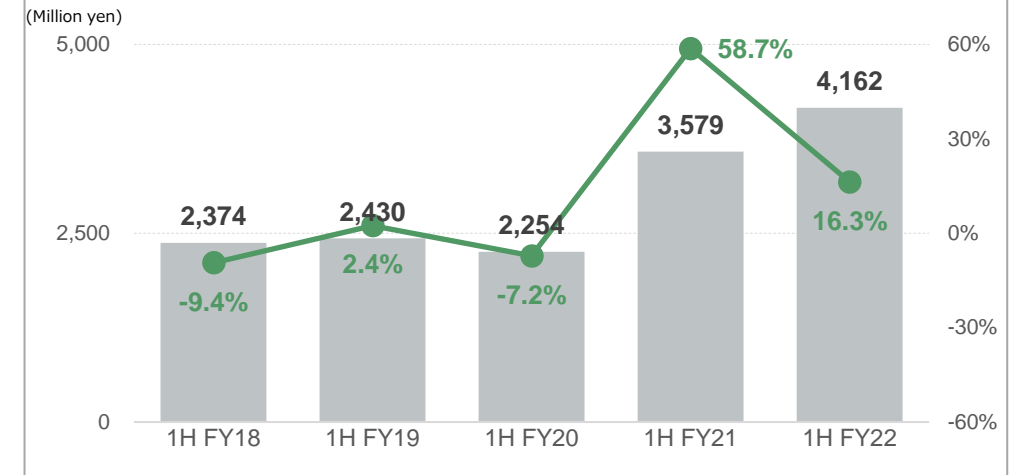
Net sales **¥1,549** million
(up 74.4% YoY)

Operating profit **¥246** million
(up 186.5% YoY)

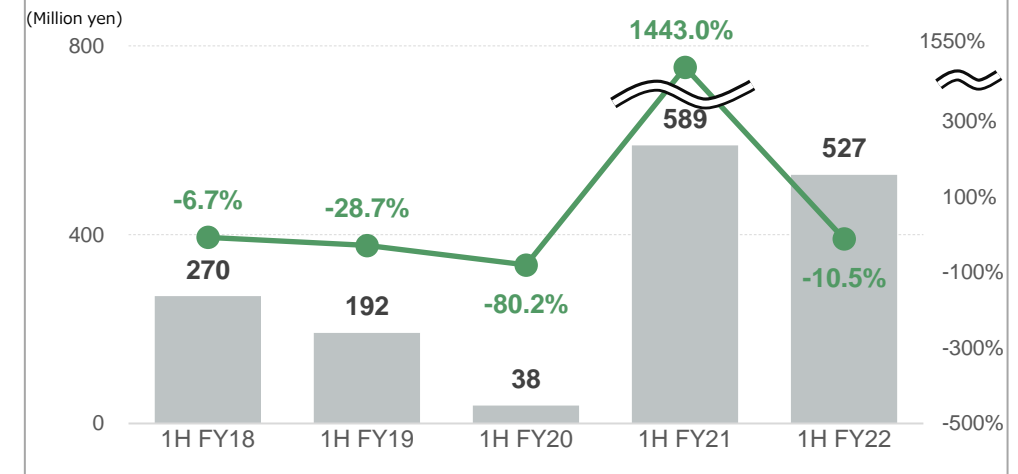
Recycling segment performance in 1H

	1H FY20	1H FY21	1H FY22	Year on year
Net sales	2,254	3,579	4,162	116.3%
Operating profit	38	589	527	89.5%
Operating margin	1.7%	16.5%	12.7%	-

Net sales and YoY changes



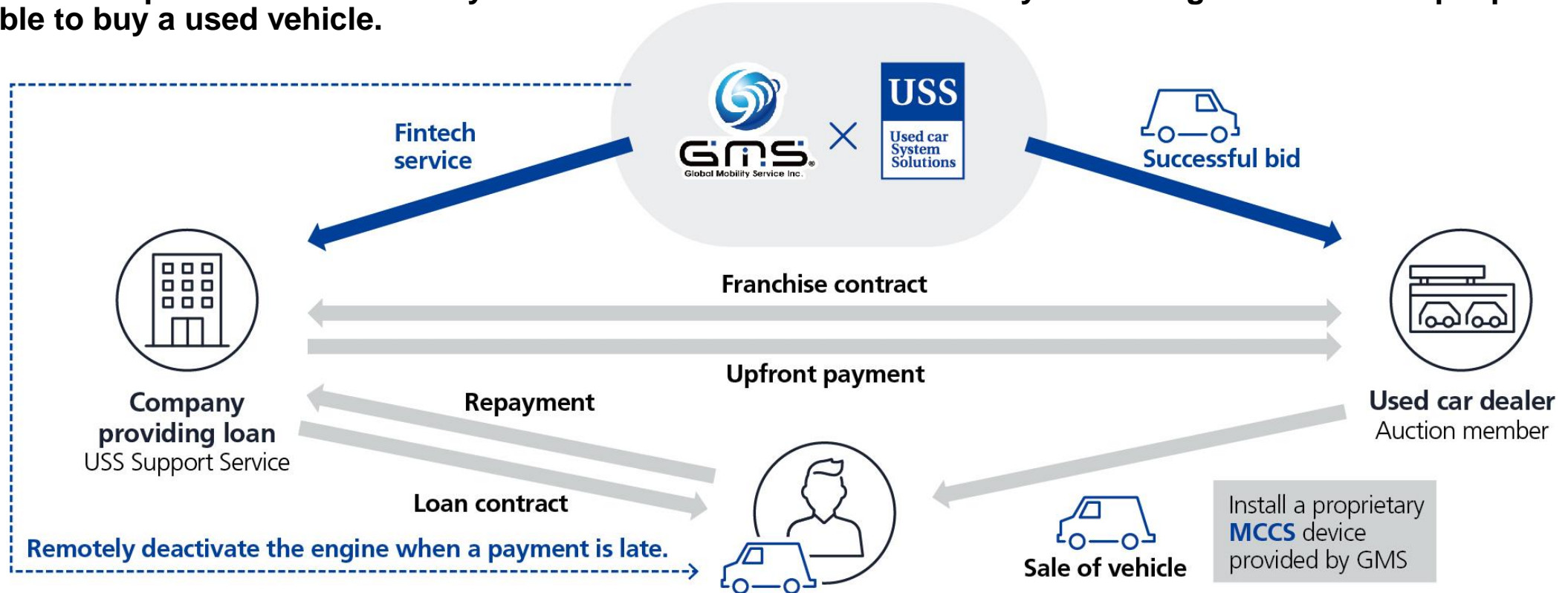
Operating profit and YoY changes



* Net sales are sales to external customers and operating profit is based on business segment earnings. Operating margins are calculated by dividing segment profit by segment sales.

TOPICS A New Automobile Loan Product Using a Tie-up with GMS

- USS established an equity and business alliance with Global Mobility Service, which is a provider of a diverse lineup of fintech services.
- The launch of this new automobile loan will enable people who previously were unable to obtain a loan for a variety of reasons to finally own a vehicle.
- This loan is expected to raise activity in the automobile auction market by increasing the number of people who are able to buy a used vehicle.



A person who is unable to use a conventional loan can now purchase a car

MCCS is a proprietary on-board IoT device provided by GMS that can communicate with various mobility and data worldwide (GMS has acquired the patent for this technology).

FY2022
Consolidated Forecast

FY2022 Consolidated Forecast

- **Revision of FY2022 forecast :** The fiscal year forecast was revised to reflect the strong first half performance, which exceeded initial forecast due to a higher contract completion ratio, more orders in the industrial plant recycle business and other reasons.
- **Revision of vehicles handled at auctions :** 2.81 million vehicles consigned (1.5% below the previous plan); 1.85 million vehicles contracted (0.5% above the previous plan); contract completion ratio of 66.0% vs. 64.7% in the previous plan

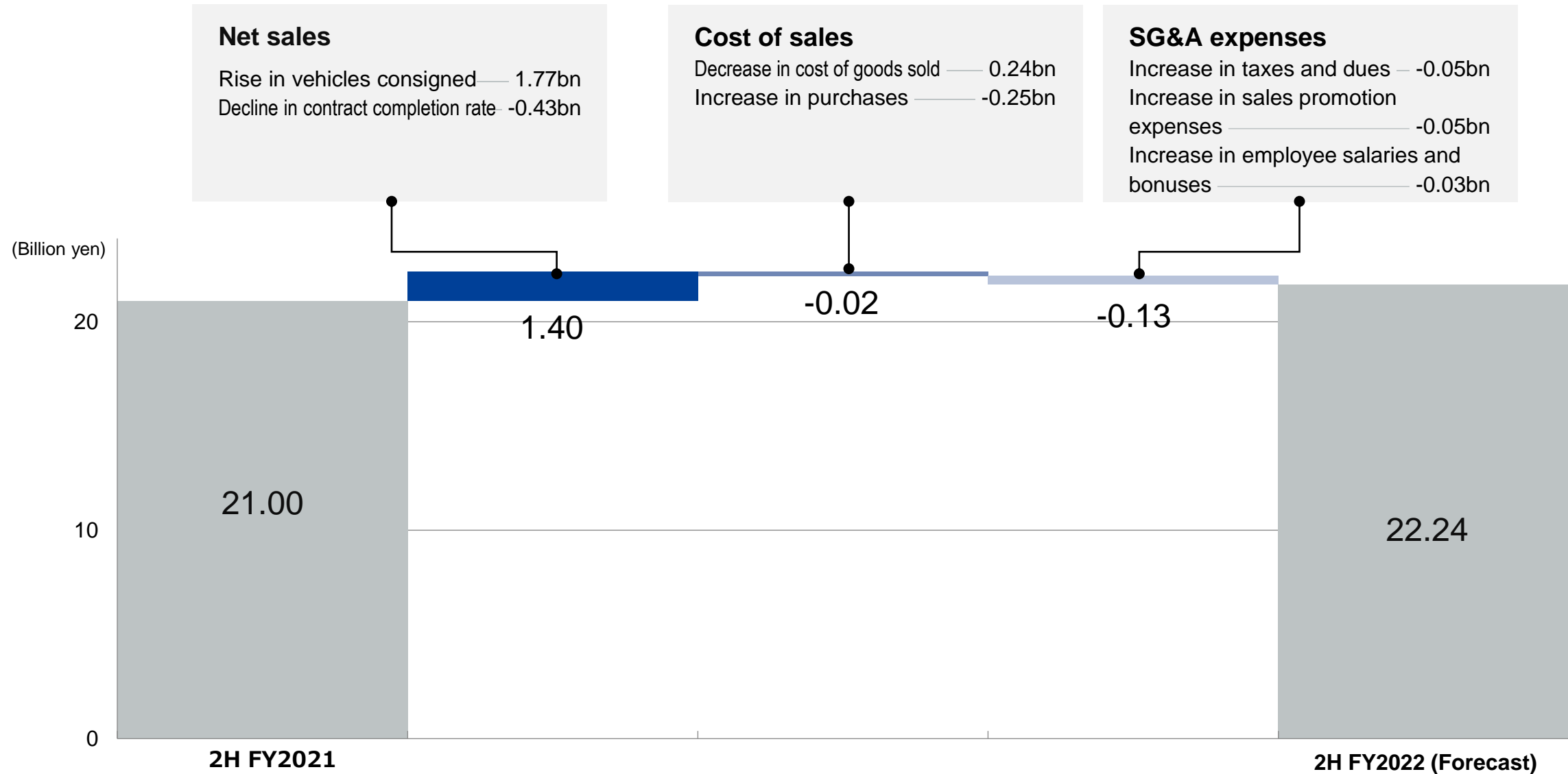
(Million yen)

	FY21 (Actual)	FY22 initial plan (May 10, 2022)	Changes	FY22 revised plan (Nov. 8, 2022)	Revised plan vs FY21
Net sales	81,482	84,100	1,429	85,529	105.0%
Gross profit (Per sales)	50,772 (62.3%)	52,685 (62.6%)	384	53,070 (62.0%)	104.5%
Operating profit (Per sales)	41,574 (51.0%)	43,100 (51.2%)	360	43,460 (50.8%)	104.5%
Ordinary profit (Per sales)	42,374 (52.0%)	43,800 (52.1%)	376	44,176 (51.7%)	104.3%
Profit attributable to owners of parent (Per sales)	29,745 (36.5%)	30,000 (35.7%)	-	30,000 (35.1%)	100.9%
Profit per share (Yen)	119.80	122.68	-0.02	122.66	102.4%
Capital expenditures (Terms of cash flows)	2,036	6,800	-800	6,000	294.6%
Depreciation	4,959	4,770	-22	4,748	95.7%

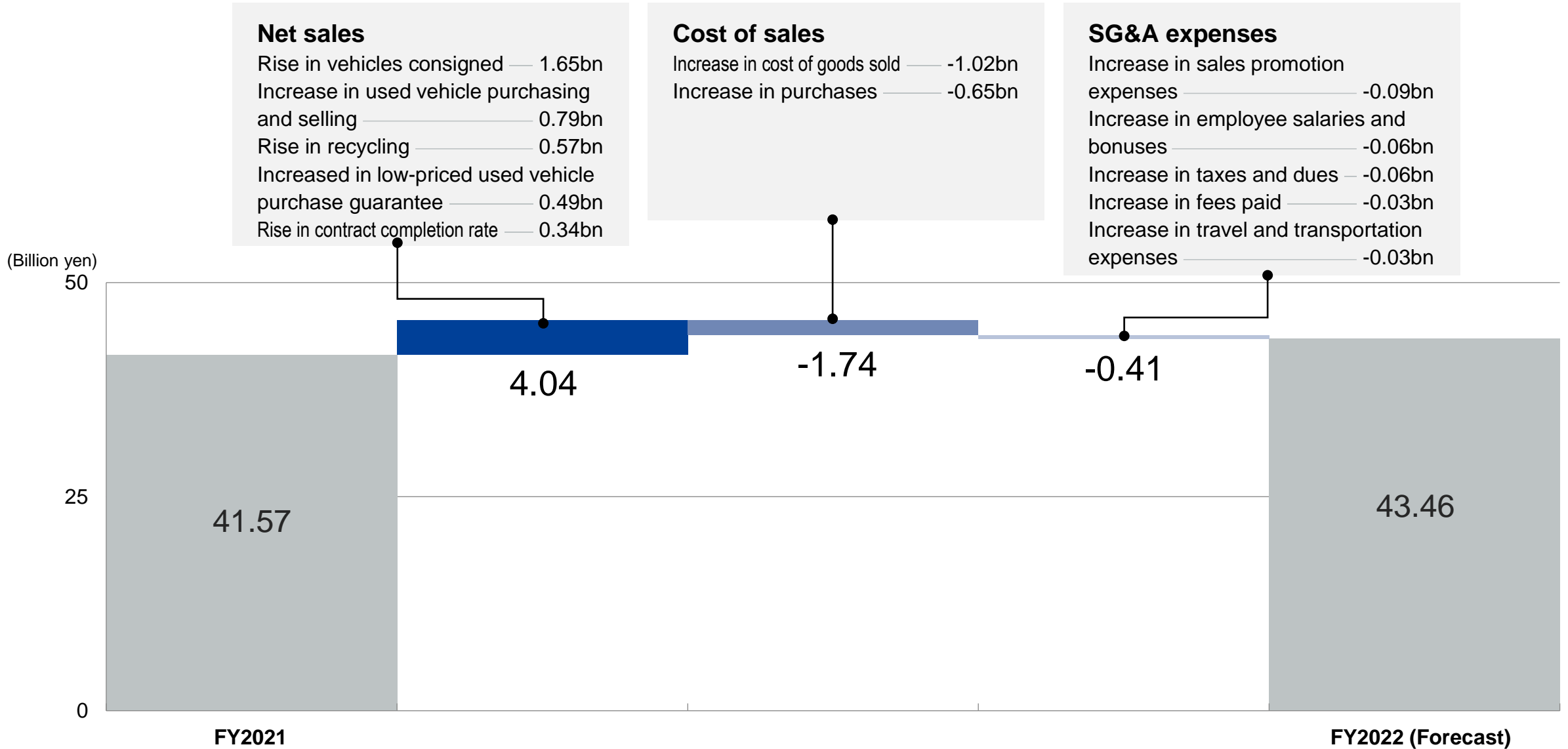
* Profit per share (FY2022 revised plan) is restated to reflect the changes in treasury shares to the end of September 2022.

Auto Auction Business (excl. JBA)	FY21 (Actual)	FY22 initial plan (May 10, 2022)	Changes	FY22 revised plan (Nov. 8, 2022)	Revised plan vs FY21
No. of vehicles consigned (Thousands)	2,731	2,860	-43	2,816	103.1%
No. of vehicles contracted (Thousands)	1,787	1,850	8	1,858	104.0%
Contract completion rate	65.4%	64.7%	1.3p	66.0%	-

2H FY2022 Reasons for Change in Operating Profit (Forecast)



FY2022 Reasons for Change in Operating Profit (Forecast)



FY2022 Forecast by Business Segment

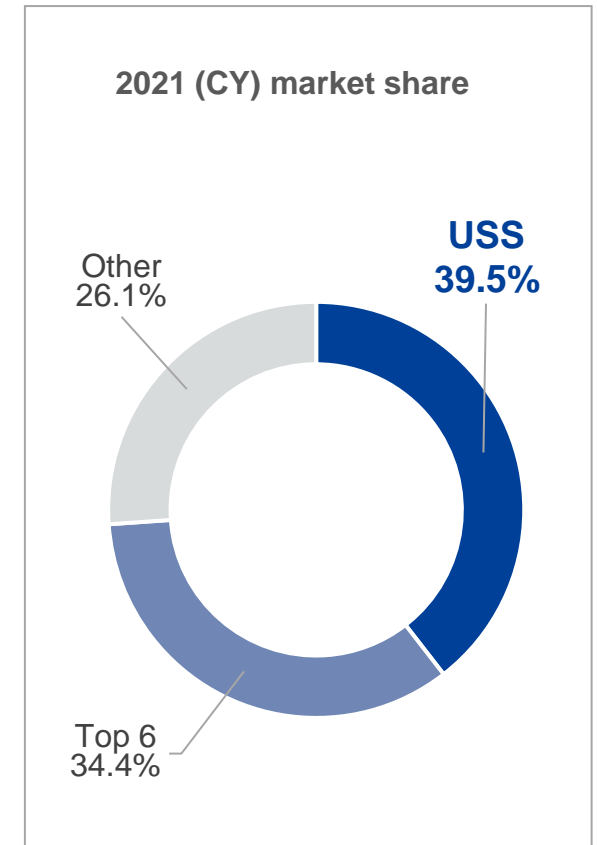
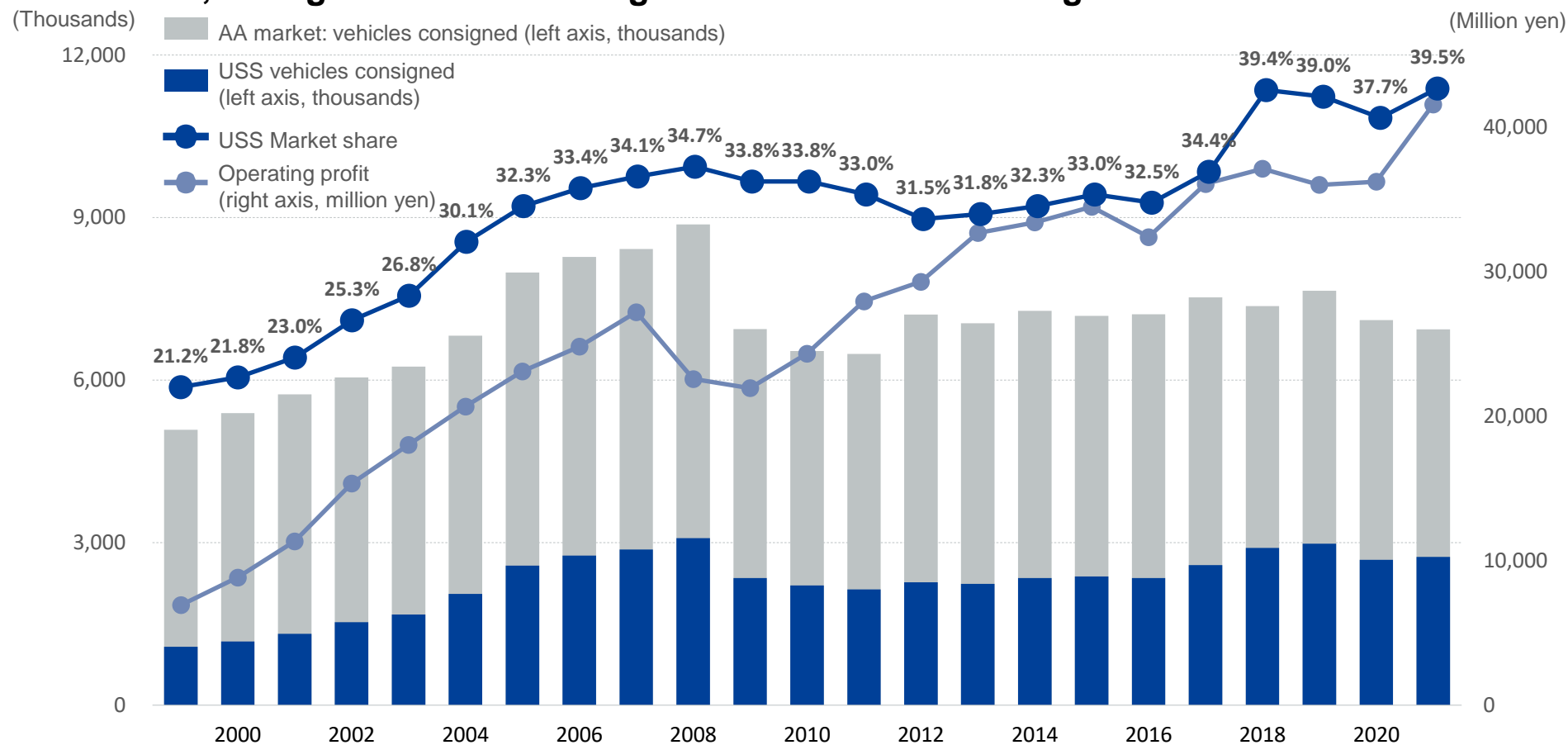
(Million yen)

	FY21 (Actual)	FY22 initial plan (May 10, 2022)	Changes	FY22 revised plan (Nov. 8, 2022)	Revised plan vs FY21
Net sales					
Auto auction	64,858	67,035	496	67,532	104.1%
Used vehicle purchasing and selling	9,300	9,989	107	10,097	108.6%
Recycling	7,238	6,991	823	7,814	108.0%
Other	85	83	2	85	99.8%
Total	81,482	84,100	1,429	85,529	105.0%
Operating profit (per sales)	41,574 (51.0%)	43,100 (51.2%)	360	43,460 (50.8%)	104.5%

Market Overview and Strategy for Creating Value Over the Medium-term

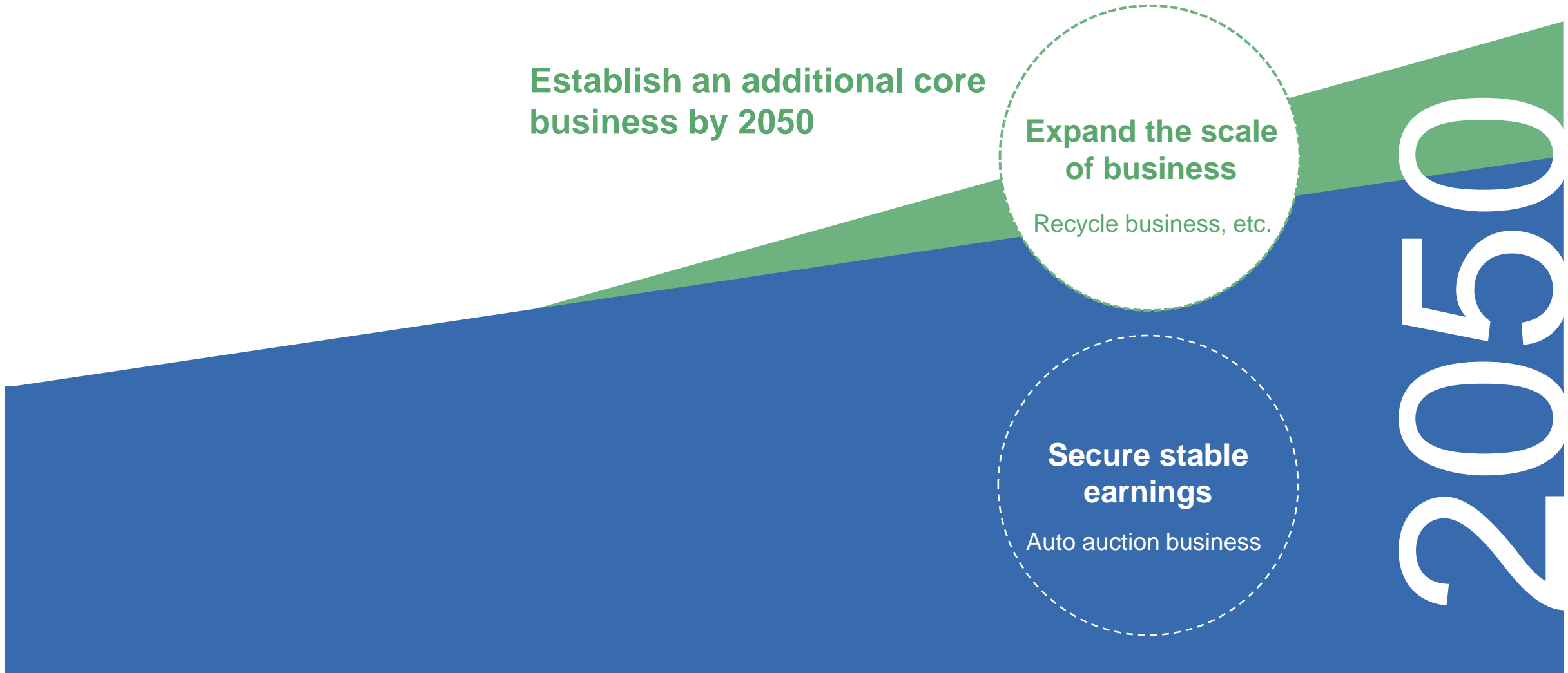
Used Car Auction Market and USS Market Share

- Maintained higher market shares and profit in the period of sluggish markets following the financial crisis of 2008-2009.
- The goal is an even larger market share by using opportunities involving the growth of EV sales, emergence of self-driving vehicles and other changes



Long-term Growth Vision

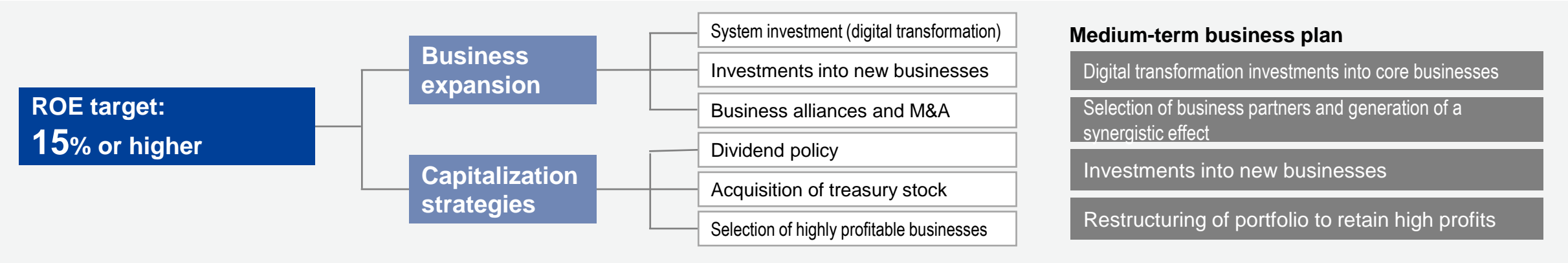
- Greater contributions to a circular economy and business expansion



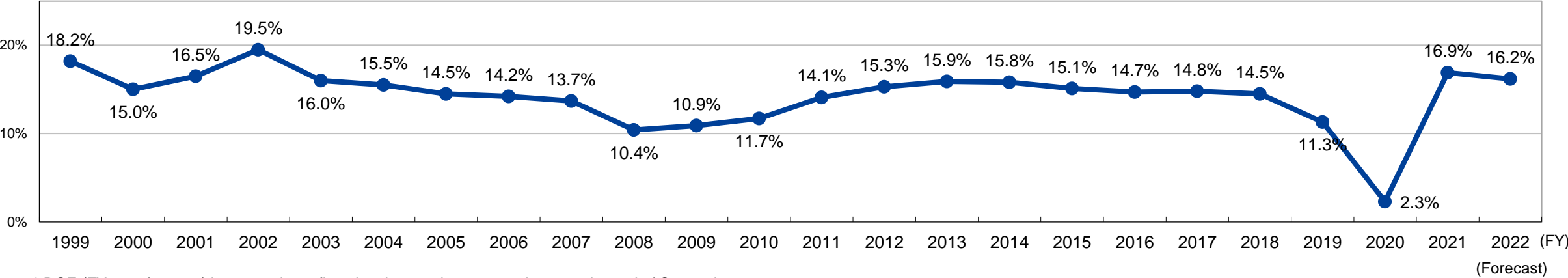
Medium-term Business Plan and Raising the ROE

■ The medium-term goal for the ROE is at least 15%.

Higher ROE and action in the medium-term business plan



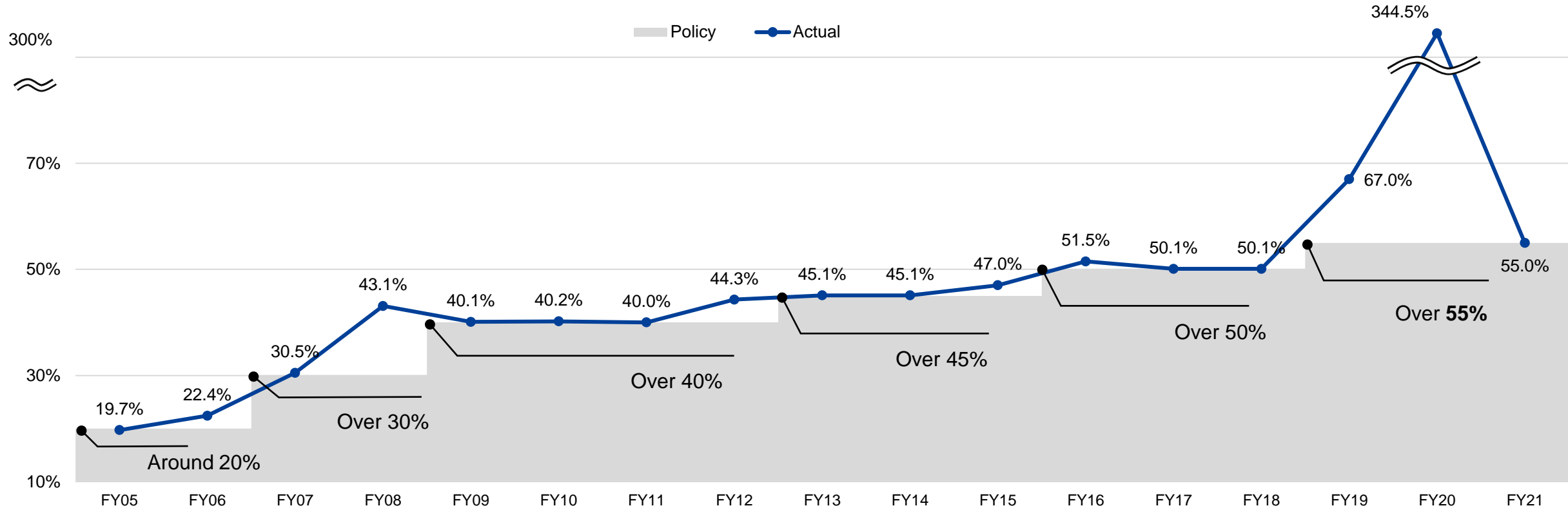
ROE



Basic Policy on Finance and Shareholder Distributions (1)

- Increase shareholder distributions while continuing investment for growth
- Consolidated dividend payout ratio: Over 55% from FY2019

Consolidated dividend payout ratio



Basic Policy on Finance and Shareholder Distributions (2)

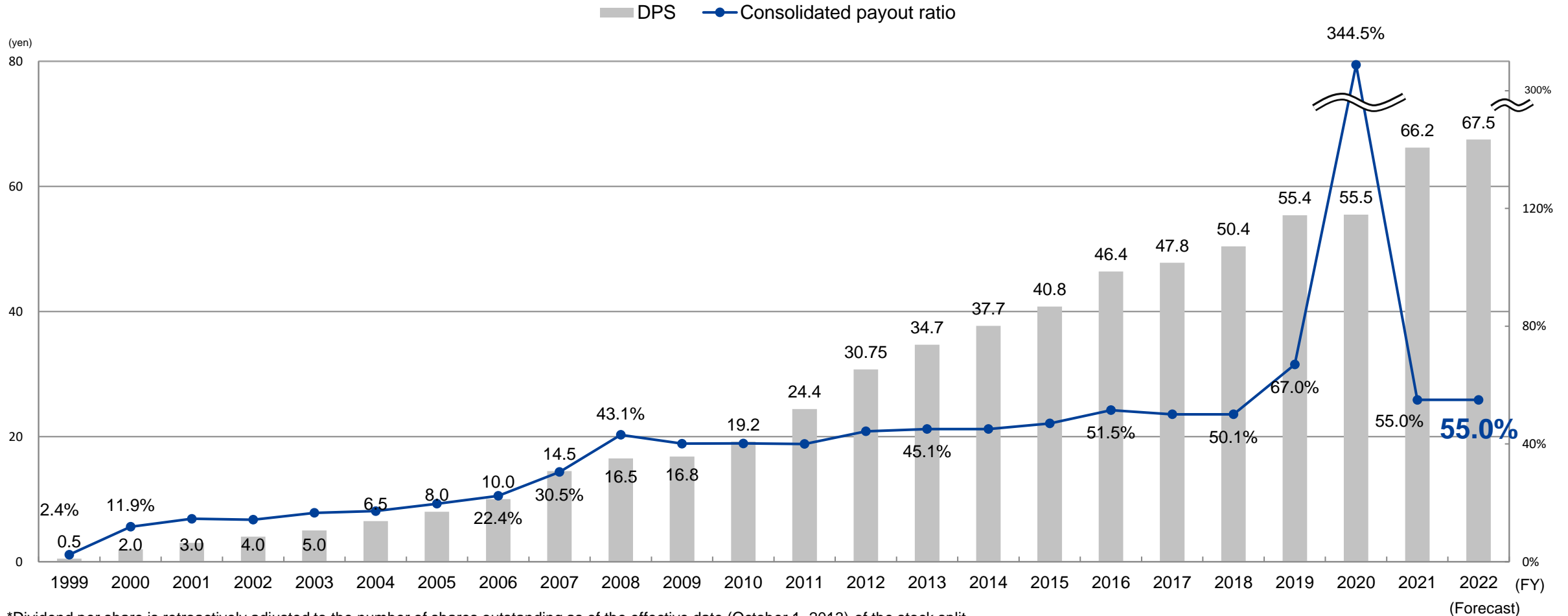
- **Stock repurchases:** Buy back stock with flexibility, with due consideration to cash flows, capital investment plans and the market environment
- **Repurchased stock between November 2021 and May 2022**
- **USS retired 56.25 million shares of treasury stock on June 30, 2022.**
Ratio of treasury stock to total number of shares issued : 4.81%(as of September 30, 2022)

Stock Repurchase Data (latest figures)

Type of shares	Common shares
Period of acquisition	From November 9, 2021 to May 31, 2022
Aggregate number of shares repurchased	5,098,500 shares
Aggregate value of shares repurchased	9,605,031,800 yen
Method of acquisition	On the market

Earnings Distributions – Dividend Policy

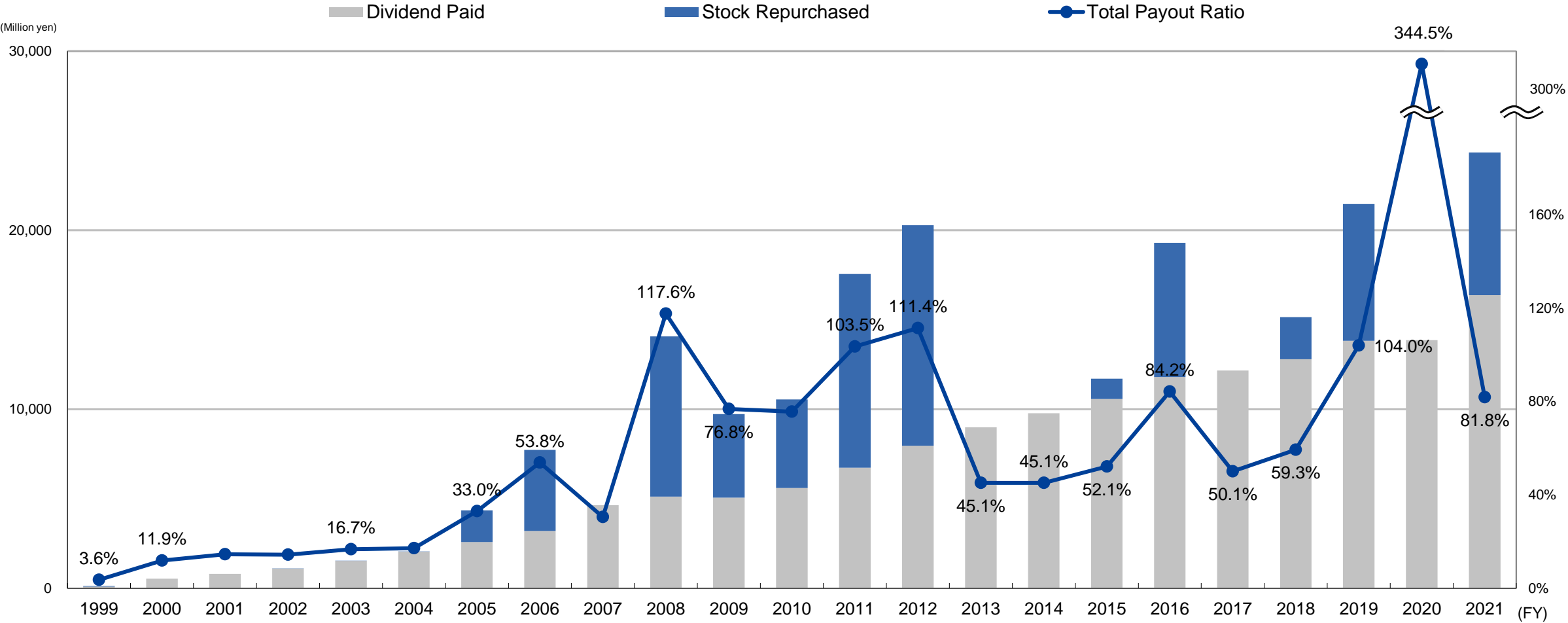
- The dividend for FY2022 was increased from 67.4 yen to 67.5 yen, 1.3 yen more than the FY2021 dividend.
- Forecasting 23 consecutive years of dividend growth since listing



*Dividend per share is retroactively adjusted to the number of shares outstanding as of the effective date (October 1, 2013) of the stock split.

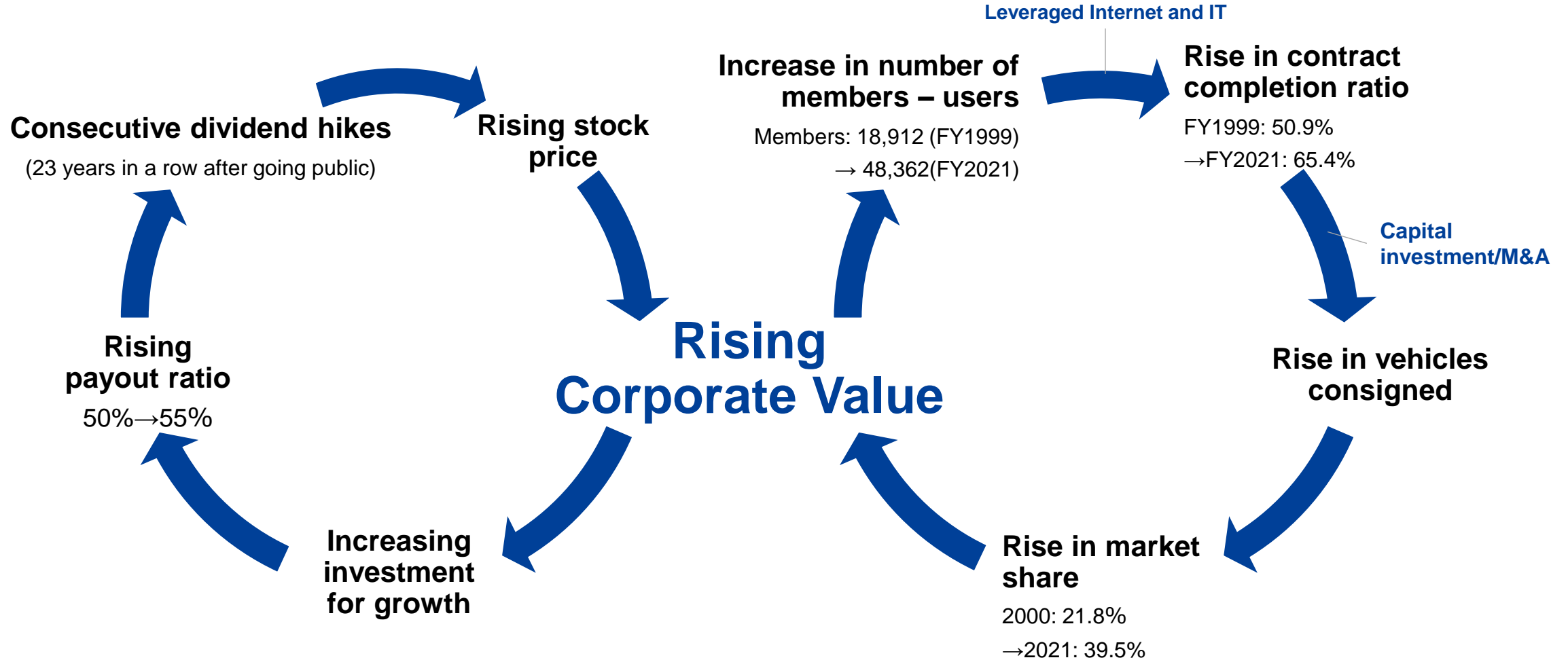
Earnings Distributions – Total Payout Ratio

■ Flexible stock repurchases while maintaining stable dividend.



Cycle of Rising Corporate Value Driven by Business Growth and Shareholder Distributions

- Aim at increasing shareholder value by a two-pronged strategy of solid investments in growth and active shareholder distributions



- Steady progress with numerous ESG initiatives to maintain a sound base for sustained growth

Environment

■ Support for the TCFD

In accordance with the Task Force on Climate-Related Financial Disclosure (TCFD), USS discloses information about governance, strategies, risk management, performance indicators and targets involving climate change.

FY30 CO2 Reduction Target (vs. FY20)

Scope 1 & 2 emissions (tCO2)

42% reduction

Scope 3 emissions (tCO2)

25% reduction

Social

■ Training for the advancement of women

For managers and female employees, there are separate training programs concerning the establishment of organizations and implementation of working style reforms. The goal is to raise pct. of female managers to 5% in FY25 and 10% in FY30.

Training programs

Participants	No. of participants
Managers	About 60
Female employees (manager candidates)	About 50

Governance

■ Revisions to compensation

USS has revised compensation to ensure that everyone at the USS Group has a sound incentive for contributing to sustained growth. There is stock compensation linked to results of operations, compensation linked to the TSR (total shareholder return) and ROE, and compensation linked to external assessments of the USS Group's ESG activities.

■ Compliance with the revised Corporate Governance Code

A commitment to all of the principles of this code

More information about ESG activities is in the Integrated Report. <https://www.ussnet.co.jp/en/ir/library/annual/>

Contact Information

**General Affairs Department,
Supervisory Office,
USS Co., Ltd.**

TEL : +81-52-689-1129

E-mail : irinfo@ussnet.co.jp

Notes

- This document has been translated from the original Japanese as a guide for non-Japanese investors.
- Forward-looking statements in this material are based on information available to management at the time this material was prepared and assumptions that management believes are reasonable. These statements are not promises by the Company regarding future performance. Actual results may differ significantly from these statements for a number of reasons.
- The information provided in this material may include unaudited figures.
- The amounts less than the units shown are discarded.
- Percentages are rounded to the hundredths place.

Reference materials

Japan Automobile Dealers Association, Japan Light Motor Vehicle and Motorcycle Association, USED CAR Co., Ltd., Trade Statistics of Japan Ministry of Finance

Reference

Business Models for USS

Vehicles consigned

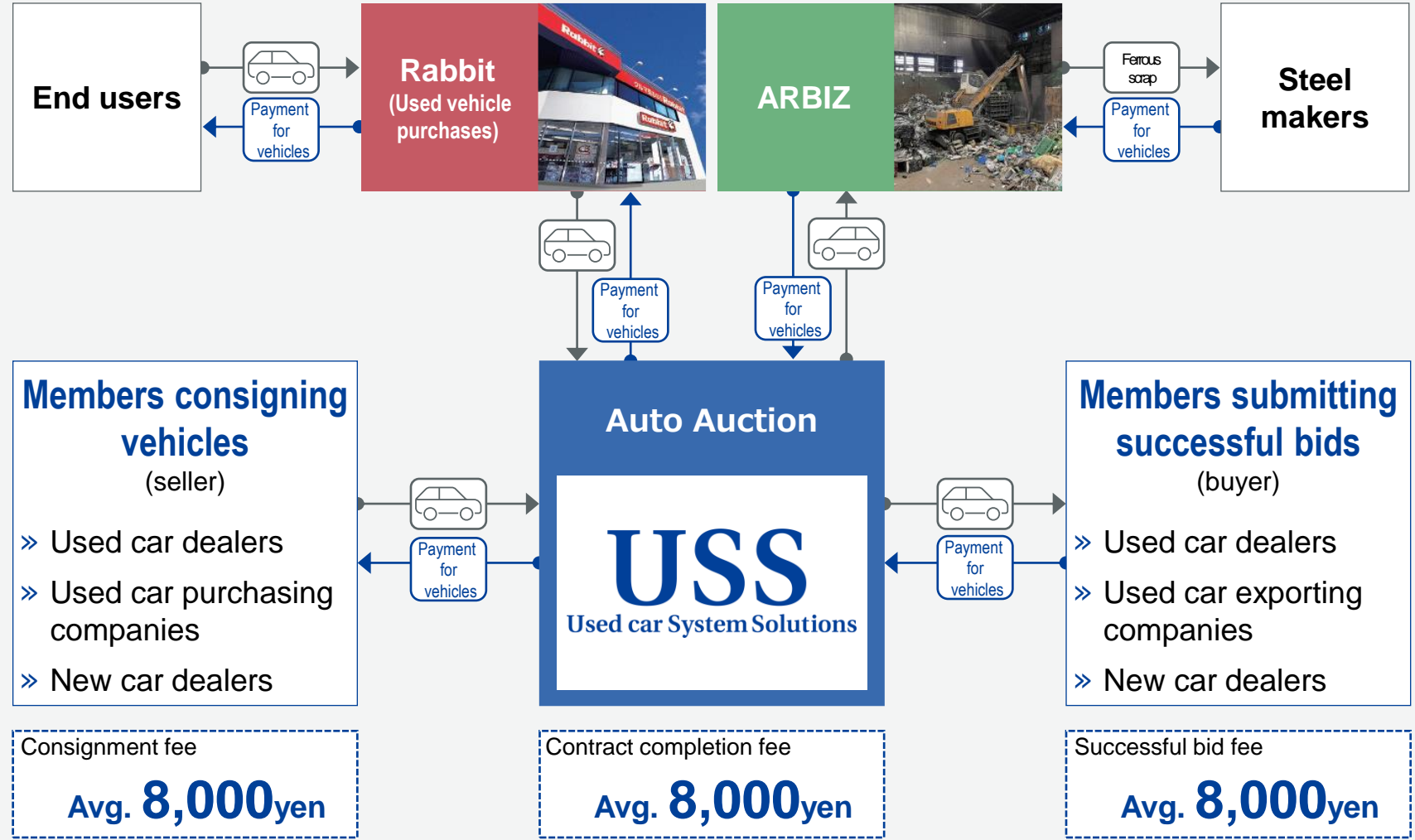
2.73 million
(FY2021)

USS's fee per unit

Avg. **24,000** yen

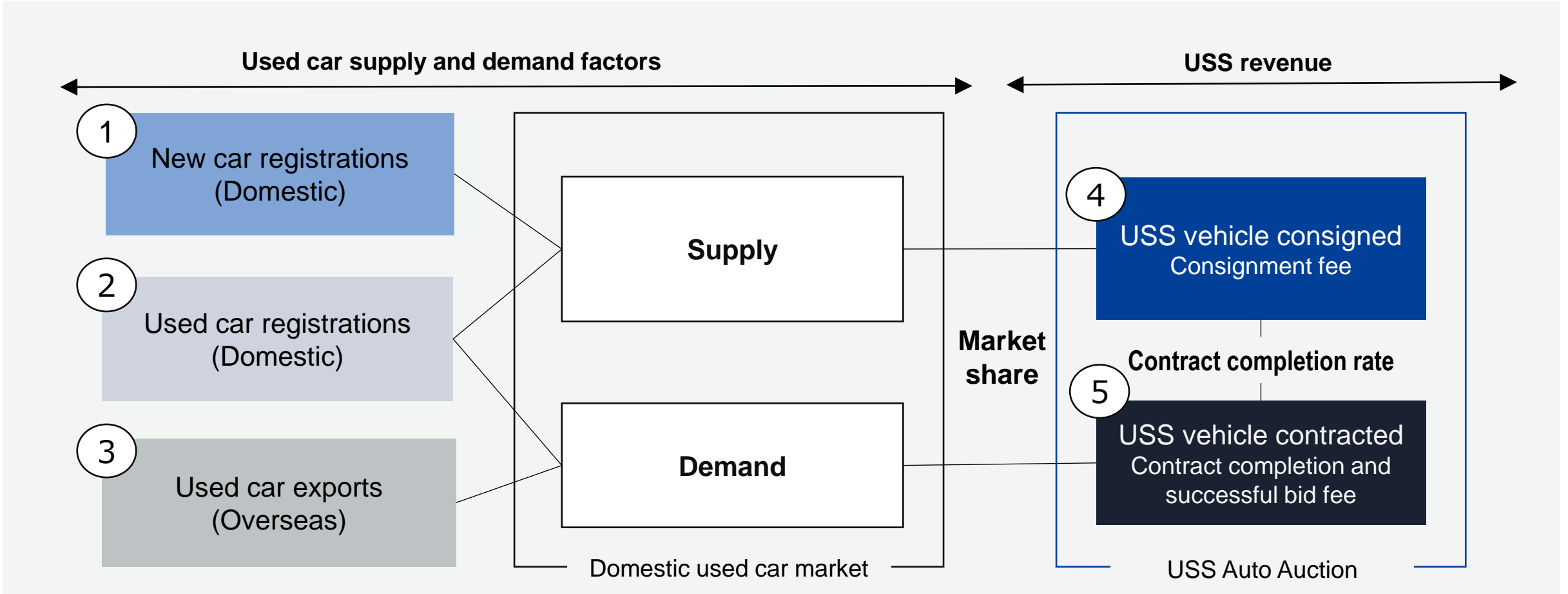
Contract completion rate

65.4%
(FY2021)



Automobile Market and USS Revenue

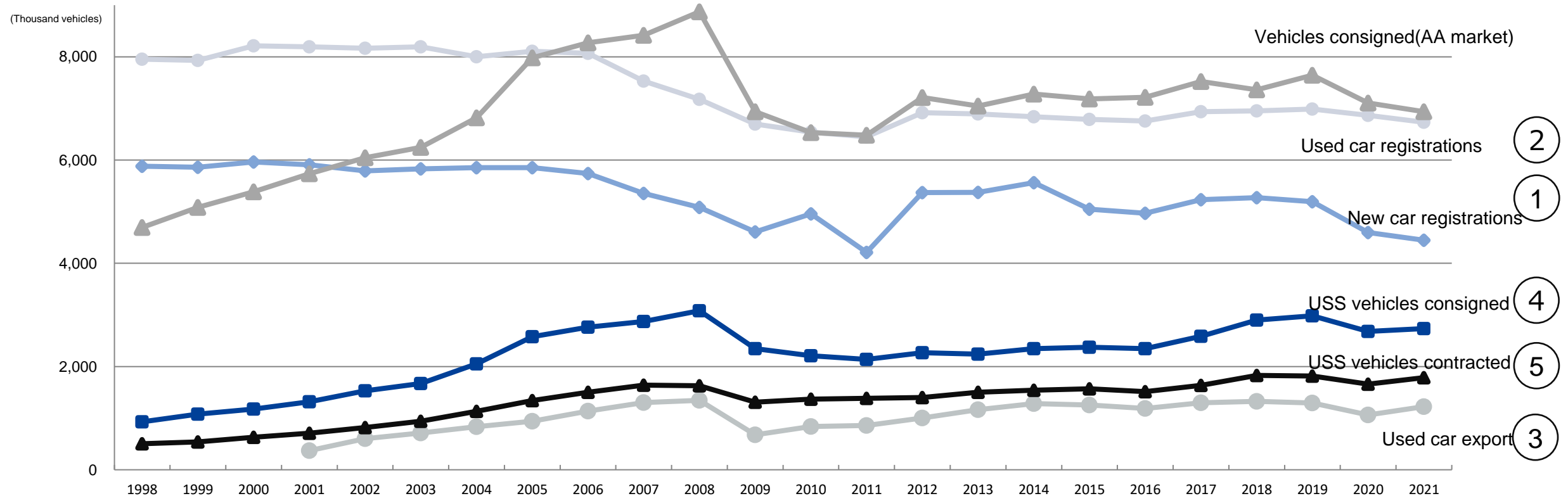
- The number of vehicles consigned is correlated through trade-ins to (1) New car registrations and (2) Used car registrations
- Total demand comprises domestic demand (2) and overseas demand (3). In recent years, total demand has been driven mainly by overseas demand.
- In addition to the above, share of the used car auction market and contract ratio have an important bearing on USS auto auction profits.



New/Used Car Registrations and Auto Auction Market

- The auction market continued to expand till 2000 as the share of used vehicles sold through the auction market increased as a share of the total used vehicle market.
- Starting in the mid-2000s, older vehicles and vehicles with high mileage which would normally have been scrapped started flowing into auto auction sites and steadily drove up the number of vehicles consigned.
- After the financial crisis of late 2008 the auto auction market was largely correlated to new car registrations (supply) and exports (demand).

New/Used car registrations, used car exports, vehicles consigned and vehicles contracted (CY)



Appendix – Auto Auction Results at USS Sites (From Apr. 1, 2022 to Sep. 30, 2022)

(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	1H FY22	1H FY21	1H FY22	1H FY21	YoY change	1H FY22	1H FY21	YoY change	1H FY22	1H FY21
Tokyo	24	25	331,190	332,389	99.6%	231,912	226,495	102.4%	70.0%	68.1%
Nagoya	25	24	219,775	227,874	96.4%	137,767	130,801	105.3%	62.7%	57.4%
HAA Kobe	24	24	120,634	108,007	111.7%	79,207	64,124	123.5%	65.7%	59.4%
Kyushu	24	24	99,584	94,295	105.6%	68,480	60,160	113.8%	68.8%	63.8%
Osaka	25	24	93,134	102,062	91.3%	56,270	56,853	99.0%	60.4%	55.7%
Yokohama	24	24	89,810	87,824	102.3%	61,897	59,282	104.4%	68.9%	67.5%
Sapporo	24	24	70,434	68,064	103.5%	51,209	47,407	108.0%	72.7%	69.7%
Shizuoka	24	24	52,910	51,844	102.1%	29,425	32,650	90.1%	55.6%	63.0%
R-Nagoya	24	24	45,247	50,850	89.0%	38,829	43,479	89.3%	85.8%	85.5%
Kobe	24	24	44,571	40,903	109.0%	26,902	23,974	112.2%	60.4%	58.6%
JAA	24	24	33,442	36,474	91.7%	16,625	20,351	81.7%	49.7%	55.8%
Okayama	24	24	29,879	32,224	92.7%	23,353	25,007	93.4%	78.2%	77.6%
Tohoku	24	24	27,372	25,687	106.6%	22,163	20,548	107.9%	81.0%	80.0%
Gunma	24	24	24,999	25,008	100.0%	16,912	17,678	95.7%	67.7%	70.7%
Niigata	24	24	23,563	27,112	86.9%	14,551	15,507	93.8%	61.8%	57.2%
Saitama	25	24	22,506	22,942	98.1%	14,340	13,444	106.7%	63.7%	58.6%
Fukuoka	24	24	17,779	18,590	95.6%	11,722	12,168	96.3%	65.9%	65.5%
Hokuriku	24	24	9,415	9,393	100.2%	7,056	6,671	105.8%	74.9%	71.0%
Total	435	433	1,356,244	1,361,542	99.6%	908,620	876,599	103.7%	67.0%	64.4%

Appendix – Auto Auction Monthly data

(Vehicles, %)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	1H	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	2H	FY
No. of Vehicles Consigned	FY20	255,293	180,384	196,014	217,449	166,982	221,001	1,237,123	250,352	228,129	207,446	207,691	242,073	288,270	1,423,961	2,661,084
	YoY	-3.8	-27.4	-23.9	-13.0	-20.6	-3.6	-15.3	-1.0	-11.3	5.6	-1.8	-3.9	-1.7	-2.7	-9.0
	FY21	249,661	226,767	237,143	248,298	167,498	232,175	1,361,542	225,057	211,642	200,338	194,069	233,948	305,073	1,370,127	2,731,669
	YoY	-2.2	25.7	21.0	14.2	0.3	5.1	10.1	-10.1	-7.2	-3.4	-6.6	-3.4	5.8	-3.8	2.7
	FY22	274,614	198,401	238,574	223,724	173,070	247,861	1,356,244	249,529						249,529	1,605,773
	YoY	10.0	-12.5	0.6	-9.9	3.3	6.8	-0.4	10.9						-	-
No. of Vehicles Contracted	FY20	119,644	96,174	126,384	150,887	118,526	153,725	765,340	166,954	145,090	127,329	132,226	156,459	187,412	915,470	1,680,810
	YoY	-23.8	-36.1	-17.5	-2.0	-10.0	2.1	-14.7	6.7	-3.9	10.4	1.2	-1.0	14.3	4.6	-5.2
	FY21	152,866	145,088	151,456	156,301	113,210	157,678	876,599	153,735	147,200	130,978	130,829	155,225	192,736	910,703	1,787,302
	YoY	27.8	50.9	19.8	3.6	-4.5	2.6	14.5	-7.9	1.5	2.9	-1.1	-0.8	2.8	-0.5	6.3
	FY22	163,077	131,149	160,958	156,355	124,811	172,270	908,620	161,241						161,241	1,069,861
	YoY	6.7	-9.6	6.3	0.0	10.2	9.3	3.7	4.9						-	-
Contract Completion Rate	FY20	46.9	53.3	64.5	69.4	71.0	69.6	61.9	66.7	63.6	61.4	63.7	64.6	65.0	64.3	63.2
	FY21	61.2	64.0	63.9	62.9	67.6	67.9	64.4	68.3	69.6	65.4	67.4	66.4	63.2	66.5	65.4
	FY22	59.4	66.1	67.5	69.9	72.1	69.5	67.0	64.6						-	-

Appendix – Trends in the Used Car Auction Industry

Industry trends

(Thousand vehicles)

	FY2019				FY2020				FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
New car registrations	1,225	1,396	1,045	1,371	836	1,192	1,198	1,429	1,034	1,015	968	1,197	888	1,034		
YoY change	2.8%	8.1%	-16.3%	-10.2%	-31.8%	-14.6%	14.6%	4.2%	23.8%	-14.8%	-19.2%	-16.3%	-14.1%	1.9%		
Used car registrations	1,672	1,720	1,627	1,908	1,557	1,705	1,694	1,948	1,654	1,566	1,560	1,784	1,543	1,488		
YoY change	-0.0%	6.9%	-4.5%	-3.0%	-6.9%	-0.8%	4.1%	2.1%	6.2%	-8.2%	-7.9%	-8.4%	-6.7%	-5.0%		
Used car exports	335	314	346	290	186	270	314	269	335	315	304	267	325	291		
YoY change	-8.5%	2.1%	-0.6%	-3.0%	-44.3%	-13.9%	-9.3%	-7.0%	79.4%	16.7%	-3.3%	-0.9%	-3.0%	-7.6%		

Auto auction market

(Thousand vehicles)

	FY2019				FY2020				FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Vehicles consigned	1,982	1,819	1,833	1,921	1,758	1,624	1,801	1,893	1,853	1,622	1,564	1,745	1,773	1,572		
YoY change	2.3%	6.9%	0.7%	-4.4%	-11.3%	-10.7%	-1.7%	-1.5%	5.4%	-0.1%	-13.2%	-7.8%	-4.4%	-3.1%		
Vehicles contracted	1,238	1,193	1,165	1,217	982	1,156	1,207	1,281	1,243	1,123	1,098	1,207	1,200	1,124		
YoY change	0.5%	6.9%	-0.9%	-5.6%	-20.7%	-3.0%	3.6%	5.3%	26.5%	-2.9%	-9.1%	-5.8%	-3.4%	0.1%		

Appendix – Auto Auction

(Million yen)

	FY2019				FY2020				FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	16,358	15,415	15,359	16,217	13,302	14,944	15,864	16,937	16,343	15,585	15,664	17,264	16,766	16,401		
YoY change	0.0%	1.5%	-2.3%	-6.8%	-18.7%	-3.1%	3.3%	4.4%	22.9%	4.3%	-1.3%	1.9%	2.6%	5.2%		
Operating profit	8,986	8,538	8,695	9,215	6,835	8,862	9,535	10,229	10,267	9,585	9,493	10,871	10,462	9,972		
YoY change	-3.4%	2.8%	-1.0%	-7.2%	-23.9%	3.8%	9.7%	11.0%	50.2%	8.2%	-0.4%	6.3%	1.9%	4.0%		

* Net sales are sales to external customers and operating profit is based on business segment earnings.

		FY2019				FY2020				FY2021				FY2022			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
No. of vehicles consigned (Thousands)		771	689	706	756	631	605	685	738	713	647	637	733	711	644		
No. of vehicles contracted (Thousands)		460	436	422	452	342	423	439	476	449	427	431	478	455	453		
Contract completion rate	USS	59.7%	63.3%	59.9%	59.8%	54.2%	69.9%	64.1%	64.5%	63.0%	65.9%	67.8%	65.3%	64.0%	70.3%		
	Industry's average (excl. USS)	64.3%	67.0%	65.9%	65.6%	56.9%	72.0%	68.9%	69.7%	69.6%	71.4%	71.8%	71.9%	70.2%	72.3%		
Avg. price of vehicle contracted	USS (Thousand yen)	645	708	697	703	643	794	811	795	830	907	936	961	1,000	1,170		
	Industry's average (excl. USS) (Thousand yen)	423	439	444	463	401	481	455	484	474	497	521	517	530	581		
Fees	Consignment fees (Million yen)	3,869	3,507	3,741	3,928	3,193	3,229	3,757	3,971	3,908	3,629	3,602	4,057	3,935	3,659		
	Fee per vehicle (yen)	5,040	5,118	5,333	5,230	5,083	5,364	5,509	5,413	5,505	5,630	5,685	5,566	5,556	5,707		
	Contract completion fees(Million yen)	3,689	3,564	3,498	3,747	2,791	3,574	3,706	4,015	3,780	3,613	3,662	4,031	3,811	3,807		
	Fee per vehicle (yen)	8,054	8,225	8,335	8,339	8,212	8,503	8,493	8,485	8,461	8,506	8,530	8,471	8,418	8,447		
	Successful bid fees (Million yen)	5,546	5,365	5,216	5,630	4,408	5,397	5,649	6,118	5,817	5,549	5,540	6,168	5,863	5,789		
	Fee per vehicle (yen)	12,040	12,305	12,340	12,443	12,888	12,759	12,864	12,859	12,959	13,004	12,837	12,898	12,898	12,776		
Other	On-site auction members	48,767	48,886	48,055	48,182	48,104	48,242	47,859	48,058	48,170	48,345	48,121	48,362	48,428	48,590		
	CIS members	31,802	31,983	32,031	31,998	32,059	32,283	32,392	32,538	32,799	33,042	33,219	33,359	33,582	33,817		
	Satellite TV members	2,435	2,404	2,377	2,342	2,300	2,267	2,227	2,197	2,163	2,132	2,109	2,081	2,048	2,020		
	Off-site ratio	46.5%	48.8%	47.9%	49.0%	55.0%	53.9%	52.8%	52.9%	53.1%	53.7%	52.0%	52.4%	52.0%	52.5%		

* The figures in this slide do not include JBA data.

Appendix – Used Vehicle Purchasing and Selling, Recycling, Other

Used vehicle purchasing and selling

(Million yen)

	FY2019				FY2020				FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	2,067	2,246	2,389	2,396	1,486	2,085	2,469	2,605	2,110	2,119	2,313	2,757	2,302	2,747		
YoY change	-8.3%	-3.6%	0.9%	-12.8%	-28.1%	-7.2%	3.3%	8.7%	42.0%	1.7%	-6.3%	5.8%	9.1%	29.6%		
Operating profit	18	85	27	-27	-83	181	139	33	18	67	76	-25	12	199		
YoY change	-62.3%	13.4%	-32.3%	-	-	112.4%	413.3%	-	-	-63.1%	-45.3%	-	-34.3%	197.3%		

Recycling

(Million yen)

	FY2019				FY2020				FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1,291	1,138	1,501	1,229	1,179	1,075	1,250	1,324	1,892	1,687	1,841	1,817	2,041	2,121		
YoY change	7.4%	-2.8%	19.5%	-3.9%	-8.7%	-5.5%	-16.7%	7.7%	60.5%	56.8%	47.3%	37.2%	7.9%	25.7%		
Operating profit	133	59	74	42	-43	81	148	189	340	249	304	248	321	205		
YoY change	-16.7%	-46.1%	-38.5%	-52.7%	-	37.6%	99.8%	344.8%	-	205.5%	105.3%	30.8%	-5.3%	-17.6%		

Other

(Million yen)

	FY2019				FY2020				FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	143	131	141	115	88	116	102	43	24	21	19	19	25	22		
YoY change	-17.8%	-18.0%	-1.9%	-13.4%	-38.2%	-11.5%	-27.3%	-62.4%	-72.0%	-81.3%	-81.4%	-54.2%	3.7%	3.9%		
Operating profit	21	14	19	4	0	16	8	-1	17	15	12	13	19	16		
YoY change	-39.6%	-57.7%	-4.3%	-63.8%	-98.8%	8.2%	-55.6%	-	6744.3%	-5.5%	45.0%	-	12.7%	10.2%		

* Net sales are sales to external customers and operating profit is based on business segment earnings.