

Q3 FY2022

Consolidated Results of Operations

USS Co., Ltd.

February 2023

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Q1-3 FY2022

Results of Operations

Highlights of Q1-3 FY2022

Q1-3 FY22 Results

■ Net sales **¥64.4billion**
(up 8.0% YoY)

■ Operating profit
¥31.8billion (up 4.5% YoY)

- The number of vehicles consigned at USS auctions increased even as the number of used car registrations declines.*
- In the used vehicle purchasing and selling segment, sales and earnings increased because of an increase in the number of vehicles sold and basically no change in the gross profit per vehicle from one year earlier.
- In the recycle segment, demolition orders were higher and sales increased but earnings were lower.

FY22 Forecast

■ Net sales **¥85.5 billion**

- Plans for FY2022 is 2.81 million vehicles consigned at auctions, 1.85 million contracted vehicles, and a contract completion ratio of 66.0%

■ Operating profit **¥43.4 billion**

Earnings Distributions

■ FY2022 dividend forecast is
¥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.

* USS Auto Auction result in Q1-3 FY2022 :
vehicles consigned was 2.10 million (up 5.1% YoY), contract completions was 1.36 million (up 4.3% YoY), contract completion rate was 64.9%

Q1-3 FY2022 Summary of Consolidated Results of Operations

- Sales was up 8.0% YoY to ¥64.40 billion, operating profit was up 4.5% to ¥31.83 billion, and profit attributable to owners of parent down 1.6% to ¥21.87 billion.
- Record-high sales, operating profit and ordinary profit

(Million yen)

	Q1-3 FY2020	(Per sales)	Q1-3 FY2021	(Per sales)	Q1-3 FY2022	(Per sales)	Year on year
Net sales	53,964		59,623		64,408		108.0%
Cost of sales	20,567	38.1%	22,336	37.5%	25,376	39.4%	113.6%
Gross profit	33,397	61.9%	37,286	62.5%	39,031	60.6%	104.7%
Selling, general and administrative expenses	7,639	14.2%	6,824	11.4%	7,198	11.2%	105.5%
Operating profit	25,758	47.7%	30,462	51.1%	31,833	49.4%	104.5%
Ordinary profit	26,370	48.9%	31,080	52.1%	32,373	50.3%	104.2%
Profit attributable to owners of parent	17,715	32.8%	22,218	37.3%	21,871	34.0%	98.4%

Net Sales and Operating Profit by Business Segment

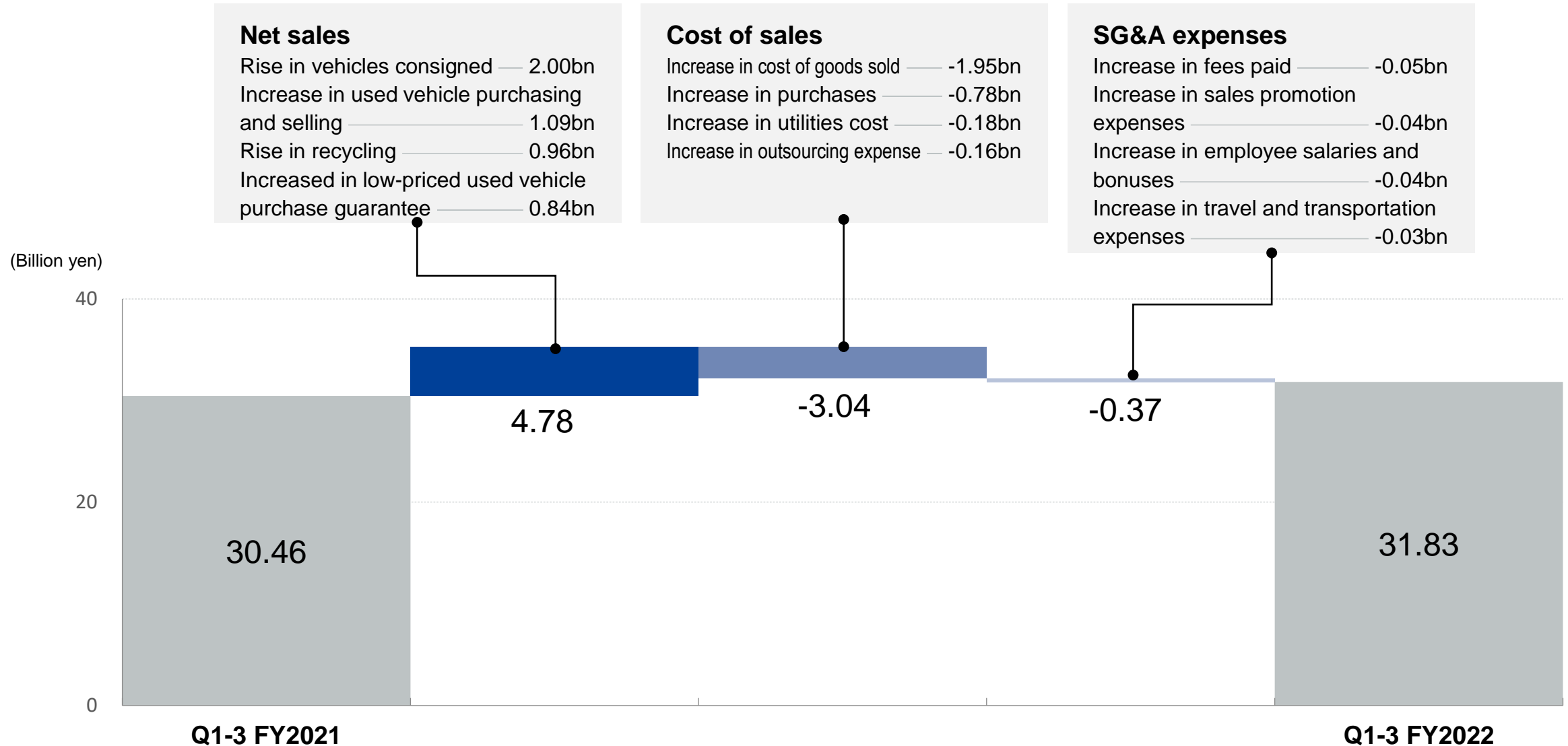
(Million yen)

Net sales	Q1-3 FY2020	Q1-3 FY2021	Q1-3 FY2022	Year on year
Auto auction	44,111	47,593	50,298	105.7%
Used vehicle purchasing and selling	6,040	6,543	7,640	116.8%
Recycling	3,504	5,420	6,388	117.8%
Other	307	65	80	122.1%
Total	53,964	59,623	64,408	108.0%
Operating profit (operating margin)	Q1-3 FY2020	Q1-3 FY2021	Q1-3 FY2022	Year on year
Auto auction	25,233 (56.8%)	29,346 (61.4%)	30,756 (60.9%)	104.8%
Used vehicle purchasing and selling	237 (3.9%)	161 (2.5%)	223 (2.9%)	138.1%
Recycling	186 (5.3%)	894 (16.5%)	806 (12.6%)	90.1%
Other	24 (7.2%)	45 (68.5%)	35 (44.0%)	78.4%
Adjustment	75 (-)	14 (-)	11 (-)	79.6%
Total	25,758 (47.7%)	30,462 (51.1%)	31,833 (49.4%)	104.5%

*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.

Q1-3 FY2022 Reasons for Change in Operating Profit (Actual)



Consolidated Balance Sheets and Statements of Cash Flows

- Increase in time deposits and purchase of property, plant and equipment were the primary uses of cash for investing activities.
- The primary use of cash in financing activities was dividends paid.
- Equity ratio : 85.6%

Consolidated balance sheets (summary)

(Million yen)

	FY21	End of Q3 FY22		FY21	End of Q3 FY22
Current assets	103,872	89,609	Current liabilities	37,884	18,773
Cash and deposits	79,380	77,906	Payables due to member dealers at auction	21,213	8,079
Other	24,491	11,702	Other	16,670	10,693
Non-current assets	125,481	123,936	Non-current liabilities	8,996	9,062
Property, plant and equipment	100,379	98,882	Total liabilities	46,880	27,835
Other	25,102	25,053	Total net assets	182,473	185,710
Total assets	229,354	213,545	Total liabilities and net assets	229,354	213,545

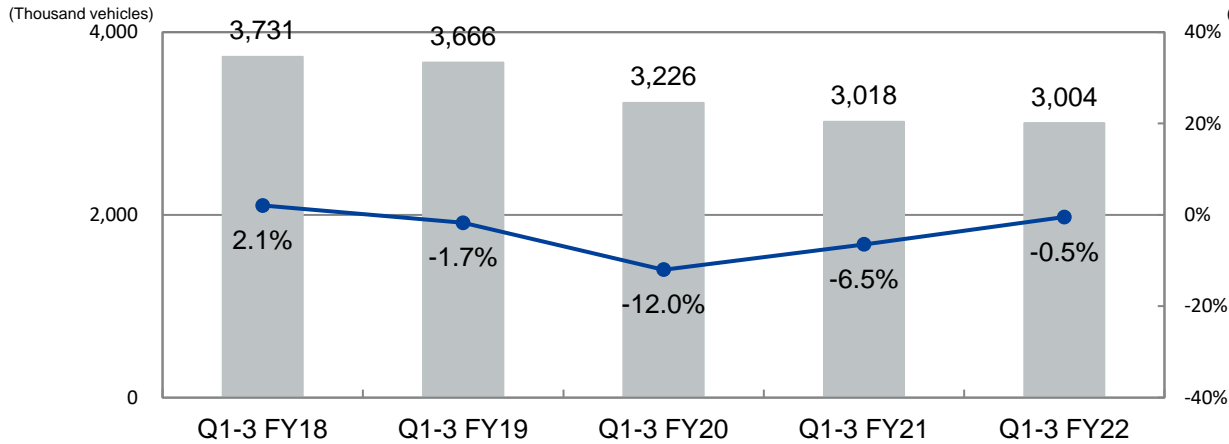
Consolidated statements of cash flows (summary)

(Million yen)

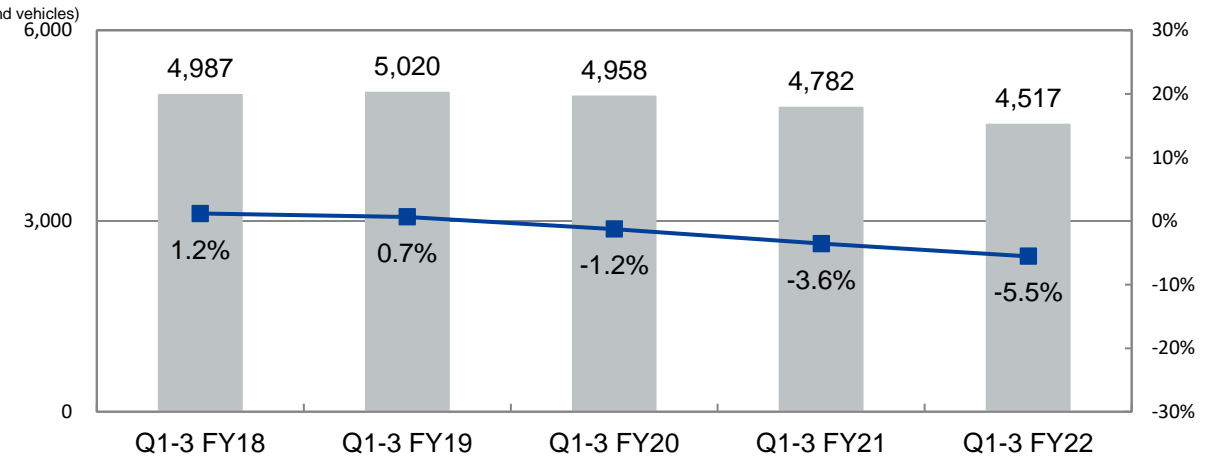
	Q1-3 FY20	Q1-3 FY21	Q1-3 FY22	Changes
Net cash provided by (used in) operating activities	23,054	20,544	17,837	-2,706
Net cash provided by (used in) investing activities	-8,367	297	-5,322	-5,619
Free cash flow	14,686	20,841	12,515	-8,326
Net cash provided by (used in) financing activities	-14,575	-21,057	-16,589	4,468
Capital expenditures (Terms of cash flows)	8,410	1,379	1,746	367
Depreciation	3,886	3,695	3,407	-288

Automobile Market

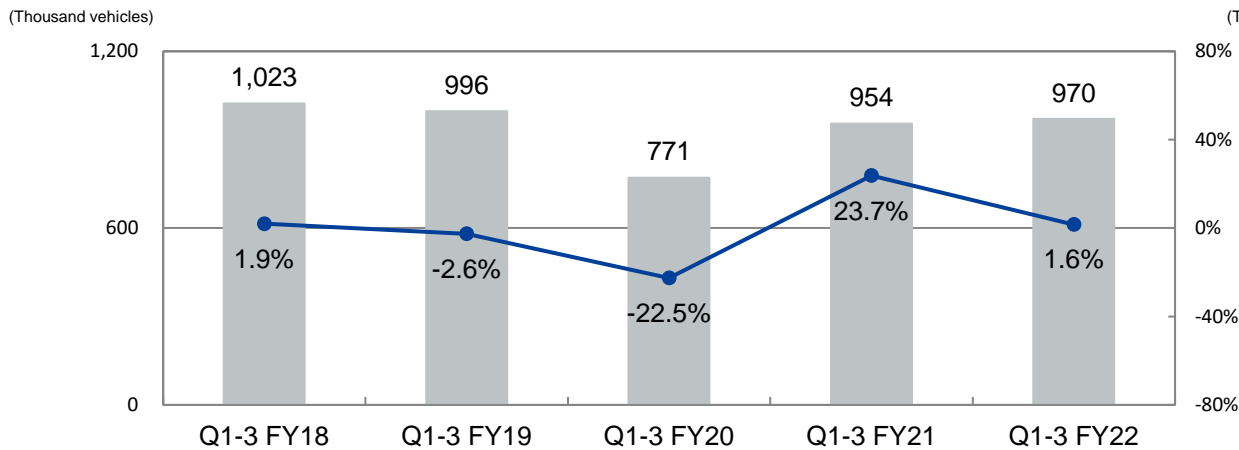
New car registrations and YoY changes



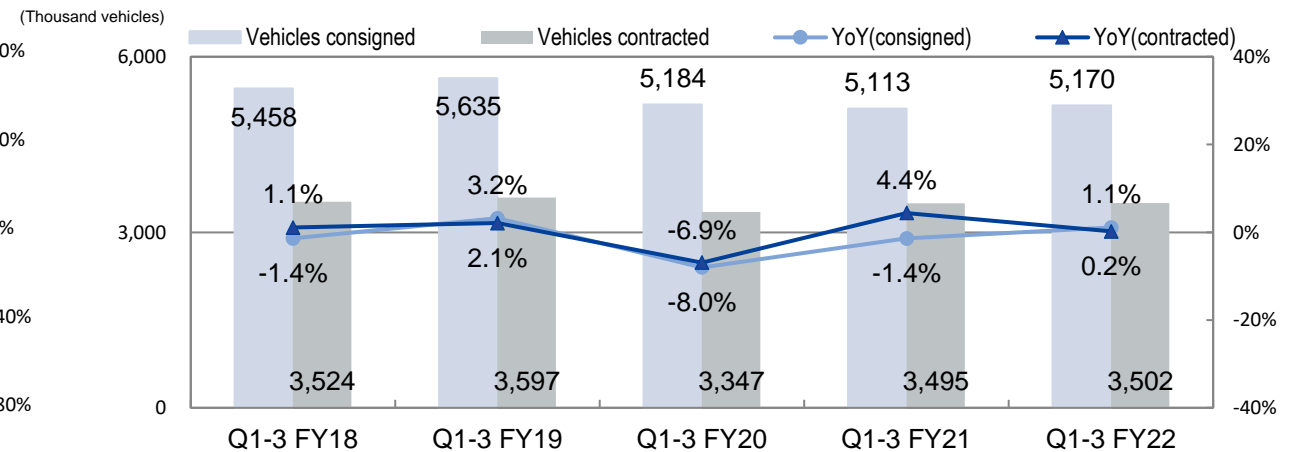
Used car registrations and YoY changes



Used car exports and YoY changes



AA market: vehicles consigned and contracted and YoY changes



* Vehicles consigned and contracted in Q1-3 FY21 have been revised to reflect revisions to data announced by USED CAR Co., Ltd.

Auto Auction Segment (1) Overview

- Higher sales and earnings with larger number of vehicles consigned and contracted

No. of vehicles consigned
2.100million
up 5.1% YoY

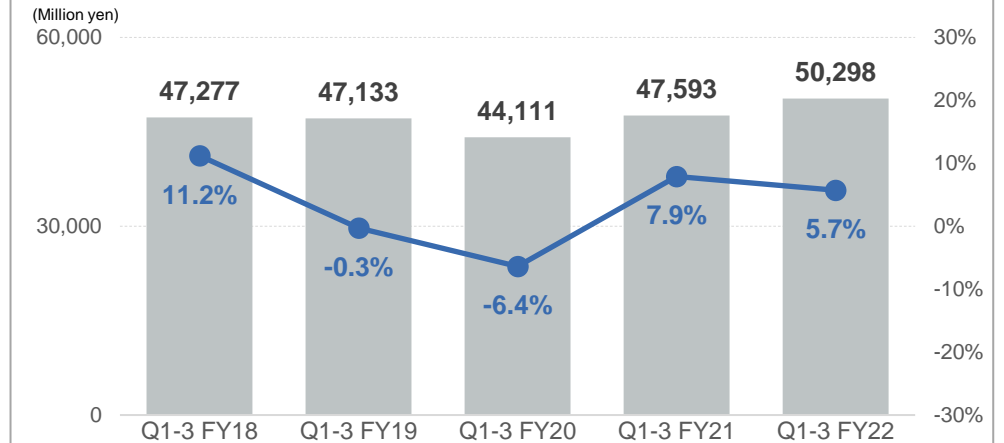
No. of contract completions
1.364million
up 4.3% YoY

Contract completion rate
64.9%
65.5% (in Q1-3 FY21)

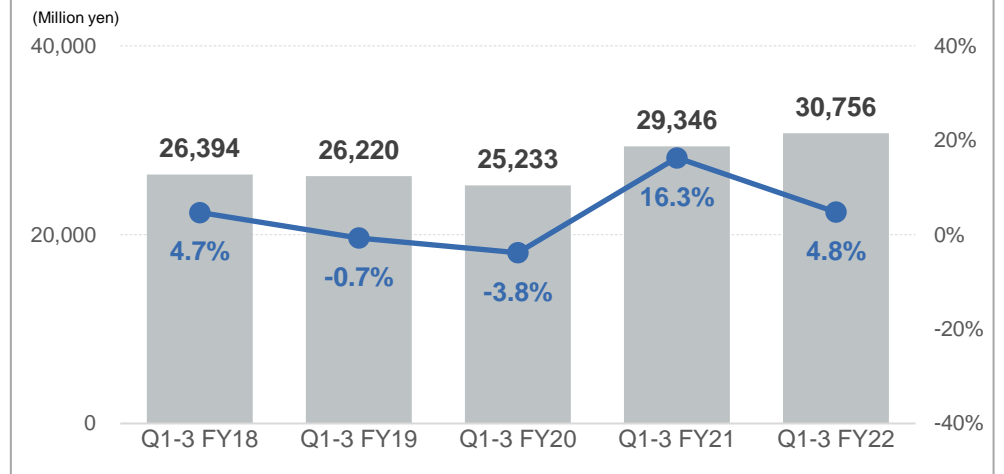
Auto auction segment performance in Q1-3

	Q1-3 FY20	Q1-3 FY21	Q1-3 FY22	Year on year
Net sales	44,111	47,593	50,298	105.7%
Consignment fees	10,179	11,141	11,777	105.7%
Contract completion fees	10,072	11,056	11,434	103.4%
Successful bid fees	15,455	16,907	17,539	103.7%
Other	8,402	8,487	9,547	112.5%
Operating profit	25,233	29,346	30,756	104.8%
Operating margin	56.8%	61.4%	60.9%	-

Net sales and YoY changes



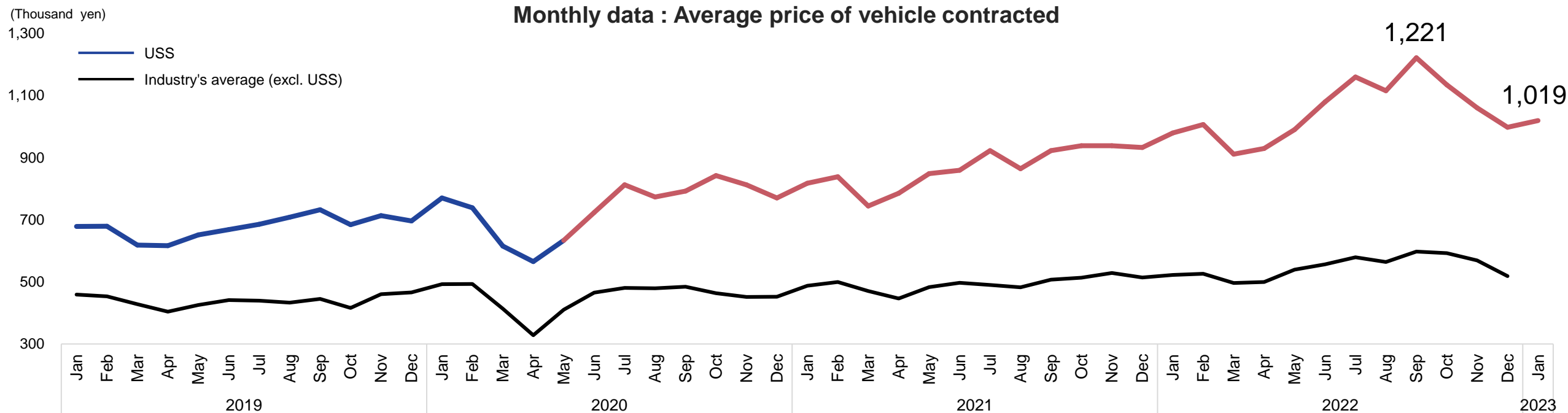
Operating profit and YoY changes



* 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 → Tight supply-demand balance → Spike in auction prices
- Price per contracted vehicle increased year-on-year since June 2020.
- The average price of vehicles contracted remains high, although it has been declining since the September 2022 peak.

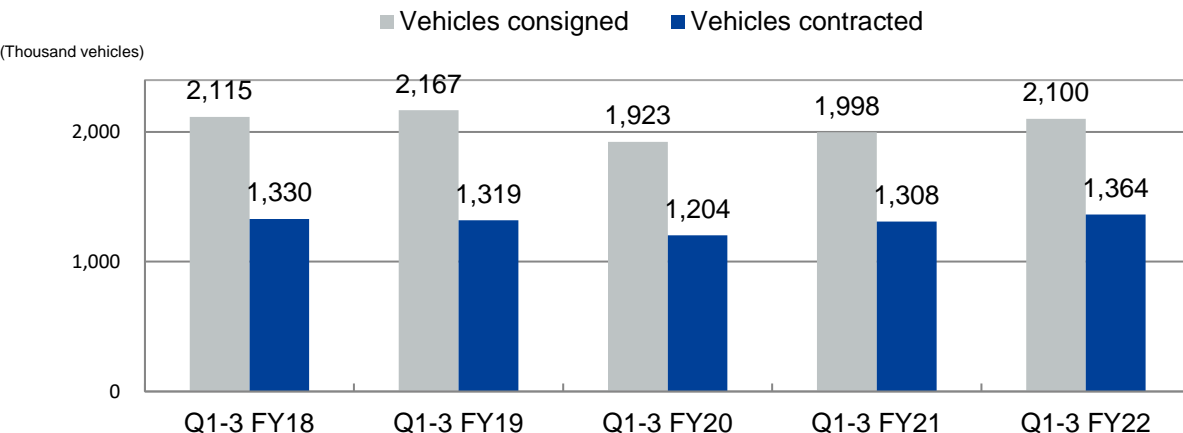


* In auto auctions in Japan, notwithstanding the vehicle contract price, consignment fees, contract completion fees and successful bid fees are fixed for each category. Therefore, commission does not fluctuate with the amount of the contracted price of a vehicle.

Auto Auction Segment (3)

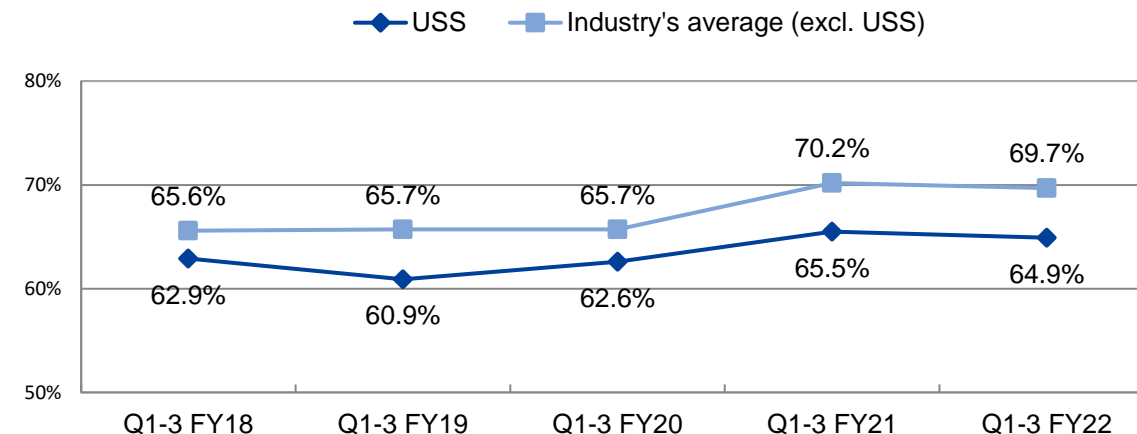
No. of Vehicles Consigned and Contracted, etc.

No. of vehicles consigned and contracted

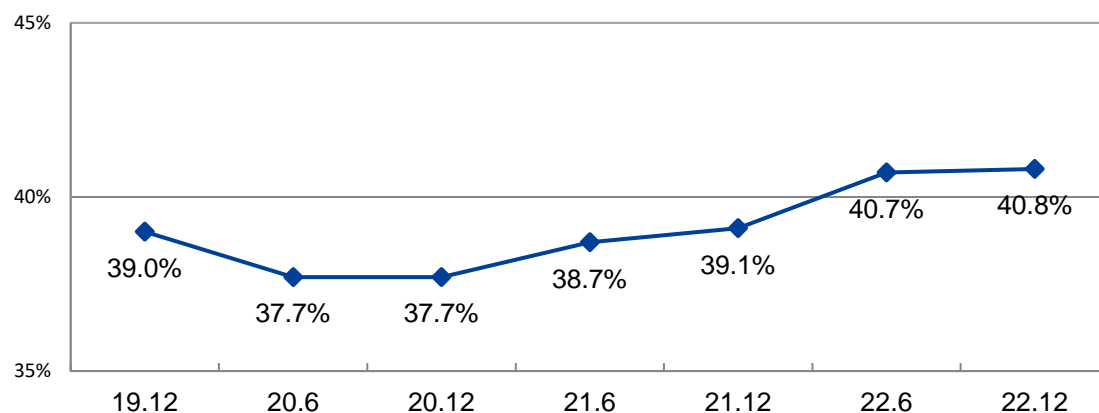


* Vehicles consigned and contracted in Q1-3 FY21 have been revised to reflect revisions to data announced by USED CAR Co., Ltd.

Contract completion rate



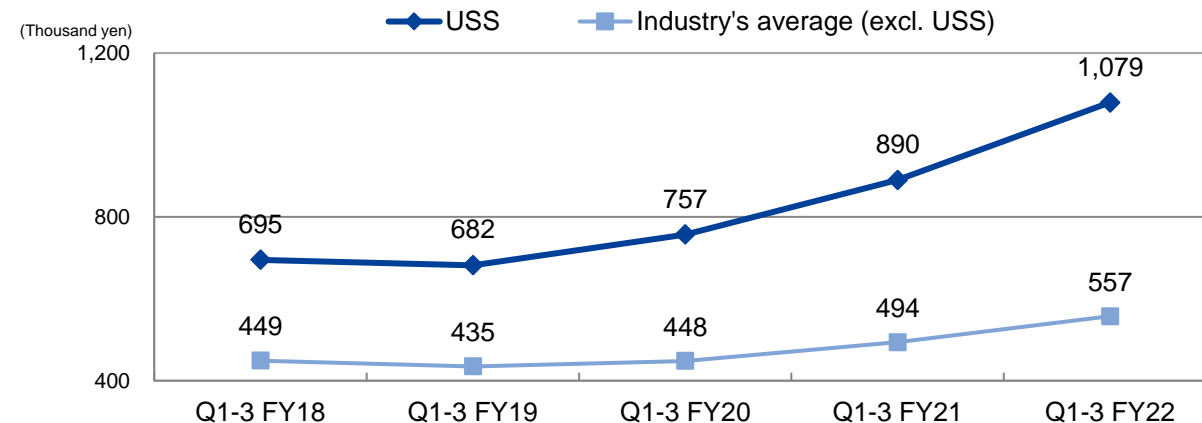
Market share



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

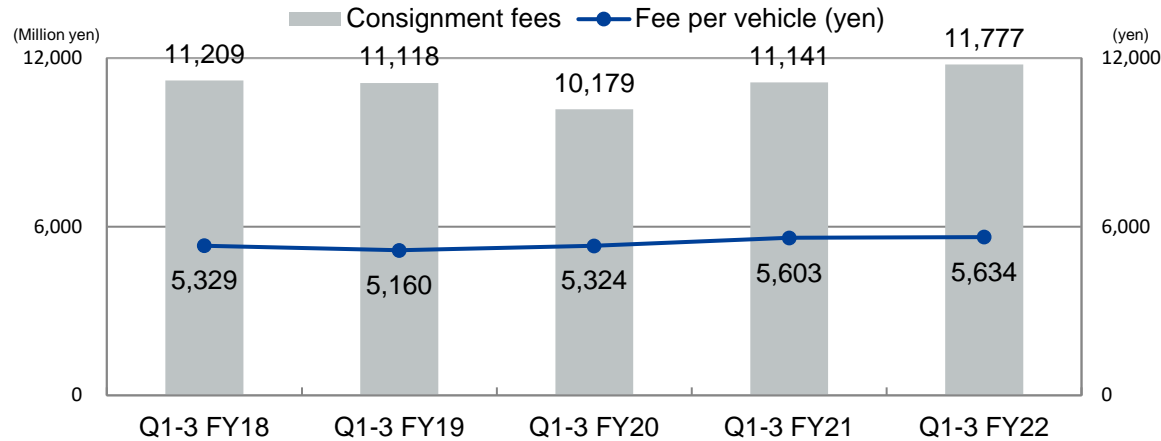
* Market share in Dec. 2021 and Jun. 2022 have been revised to reflect revisions to data announced by USED CAR Co., Ltd.

Average price of vehicle contracted

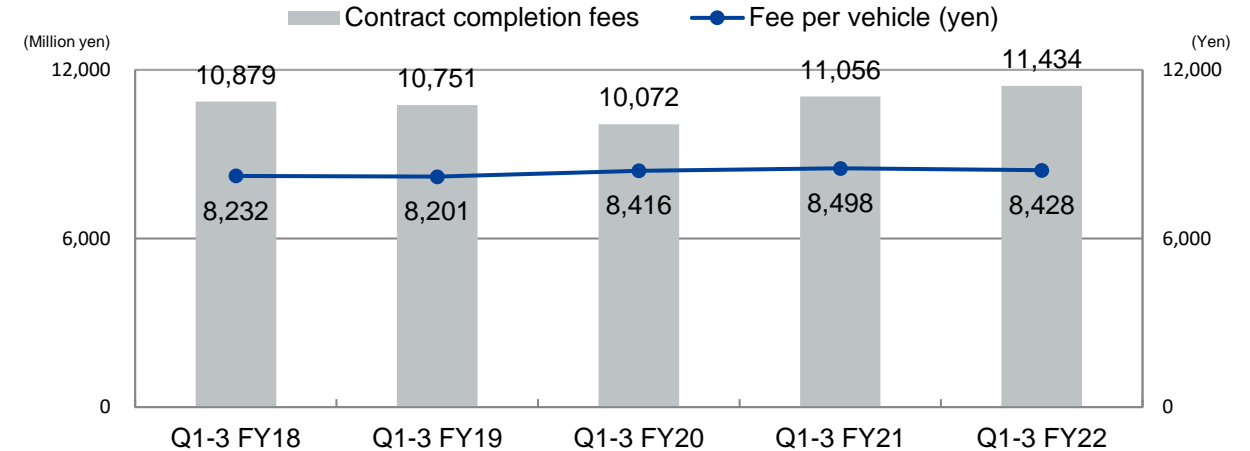


Auto Auction Segment (4) Fees, etc.

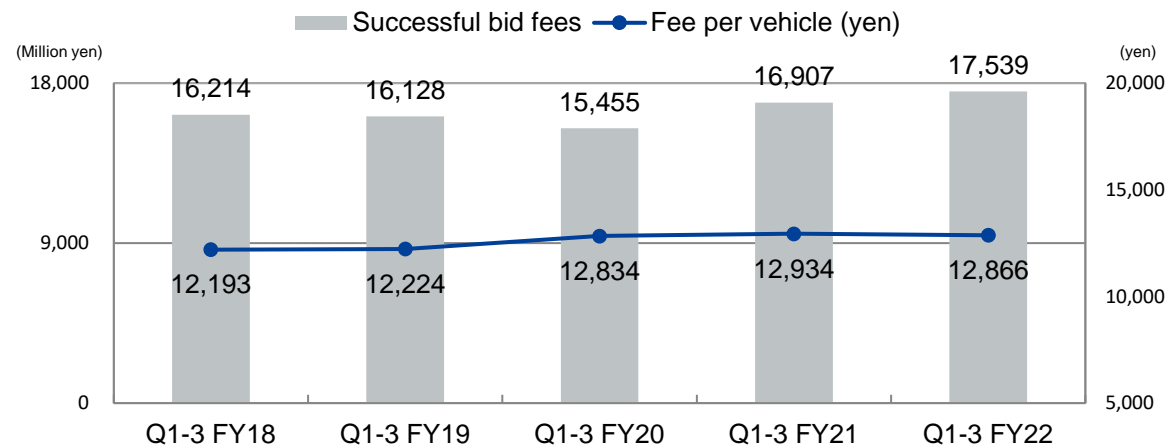
Total consignment fees and consignment fee per vehicle



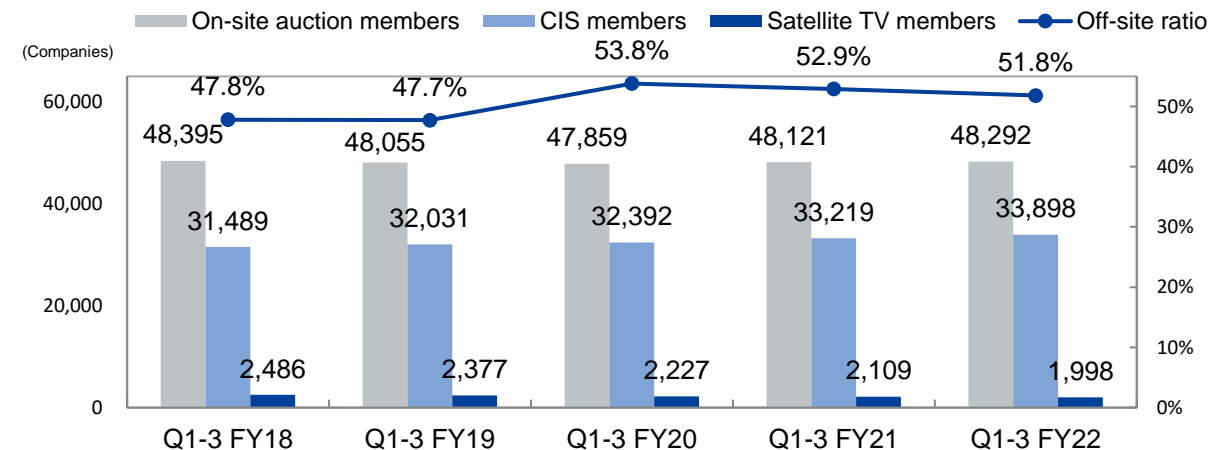
Total contract completion fees and contract completion fee per vehicle



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 a larger number of vehicles sold and gross profit per vehicle that was about the same as one year earlier.

Net sales **¥4,386** million
(up 19.5% YoY)

Operating profit **¥147** million
(up 47.9% YoY)

In the accident-damaged vehicle purchasing and selling business, sales and earnings increased because of a larger number of vehicles sold and gross profit per vehicle that was about the same as one year earlier.

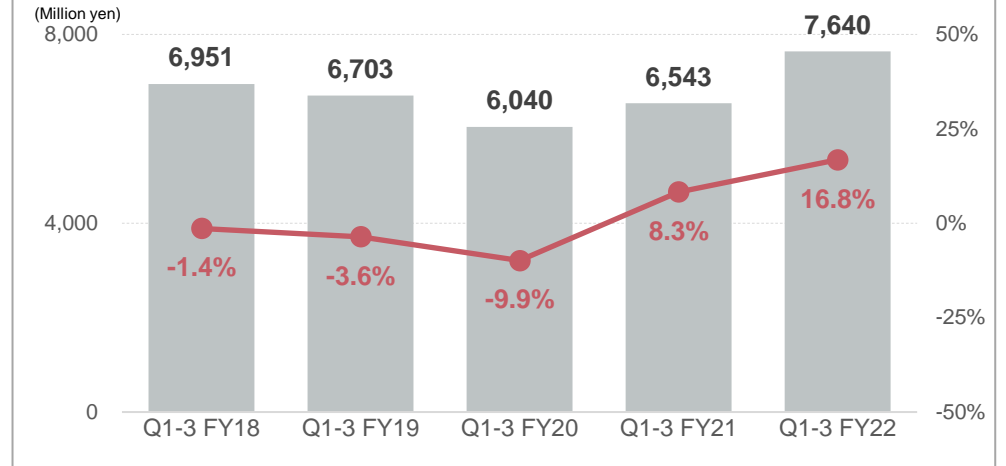
Net sales **¥3,254** million
(up 13.2% YoY)

Operating profit **¥76** million
(up 22.5% YoY)

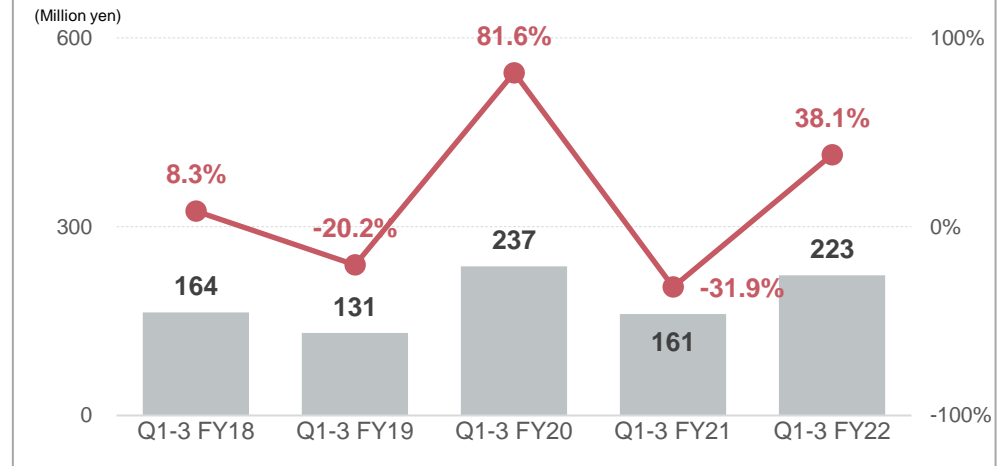
Used vehicle purchasing and selling segment performance in Q1-3

	Q1-3 FY20	Q1-3 FY21	Q1-3 FY22	Year on year
Net sales	6,040	6,543	7,640	116.8%
Operating profit	237	161	223	138.1%
Operating margin	3.9%	2.5%	2.9%	-

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

Sales and earnings were lower in the recycle business because of a decline in the number of end-of-life vehicles handled and a generally sluggish scrap metals market.

Net sales **¥3,842**million
(down 4.0% YoY)

Operating profit **¥389**million
(down 47.2% YoY)

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

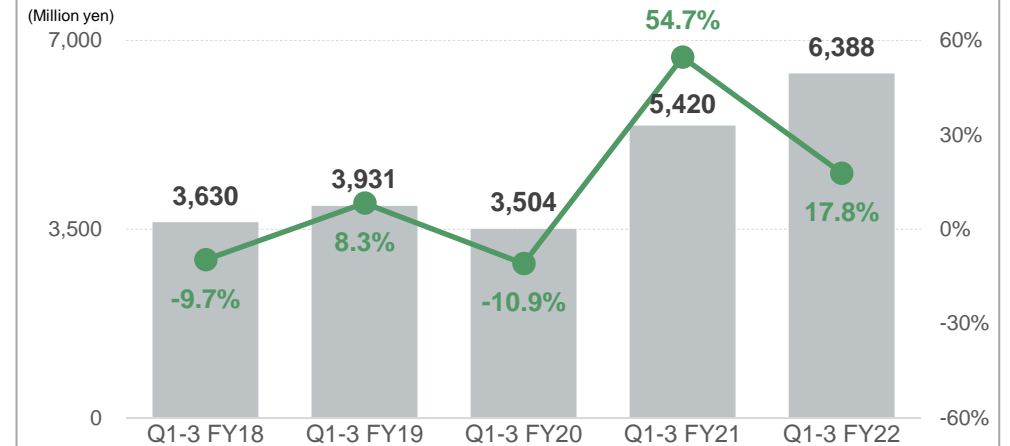
Net sales **¥2,545**million
(up 79.3% YoY)

Operating profit **¥417**million
(up 164.1% YoY)

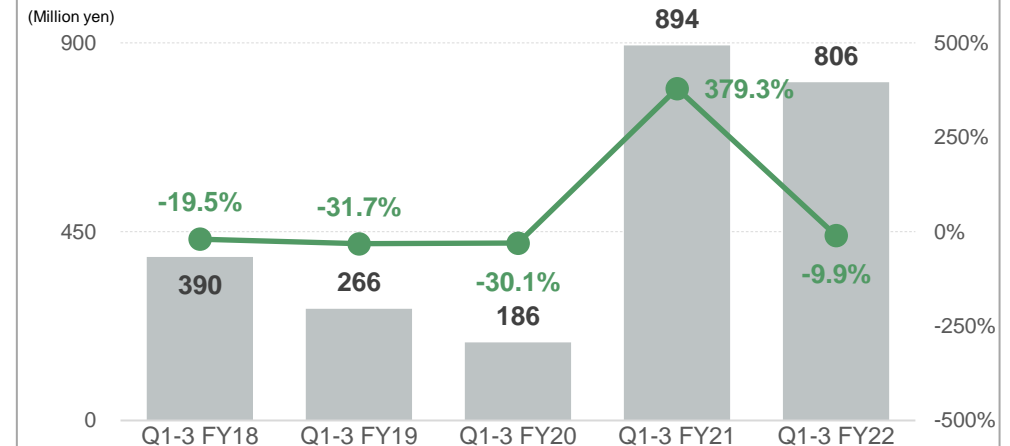
Recycling segment performance in Q1-3

	Q1-3 FY20	Q1-3 FY21	Q1-3 FY22	Year on year
Net sales	3,504	5,420	6,388	117.8%
Operating profit	186	894	806	90.1%
Operating margin	5.3%	16.5%	12.6%	-

Net sales and YoY changes



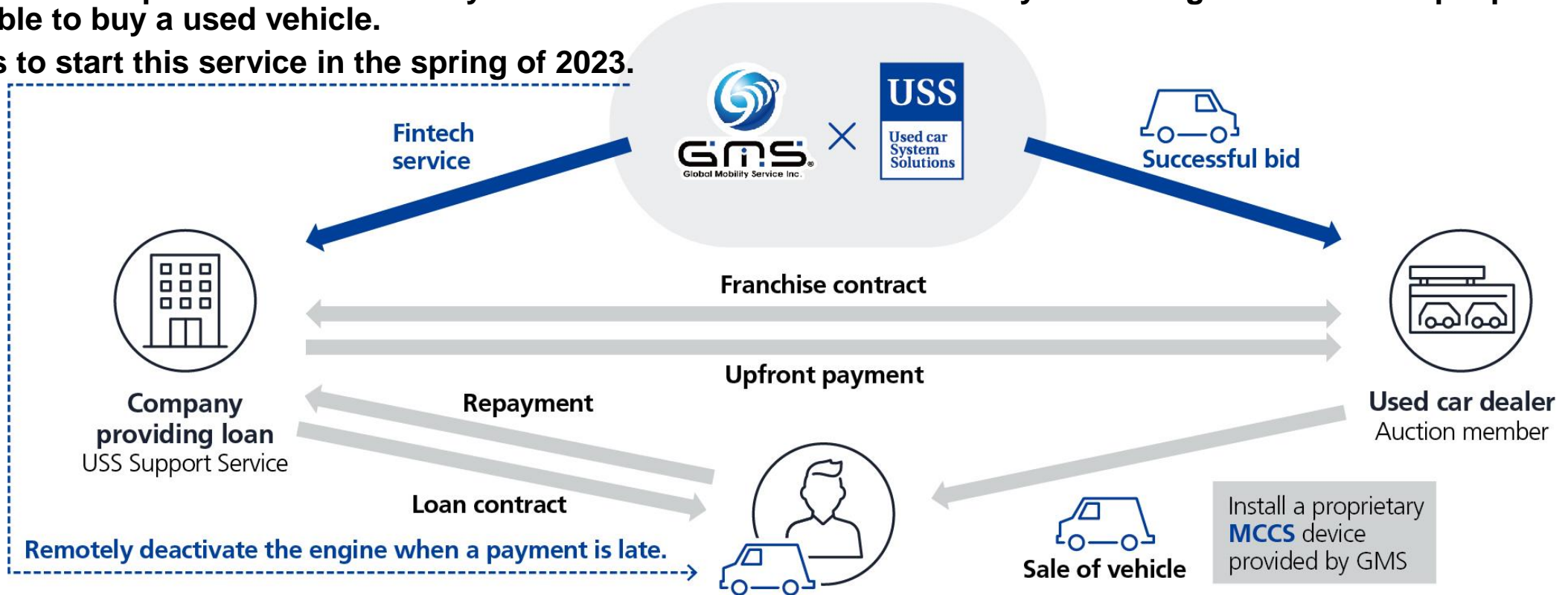
Operating profit and YoY changes



* 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.
- Plans to start this service in the spring of 2023.



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

■ No revisions to the FY2022 forecast announced November 8, 2022.

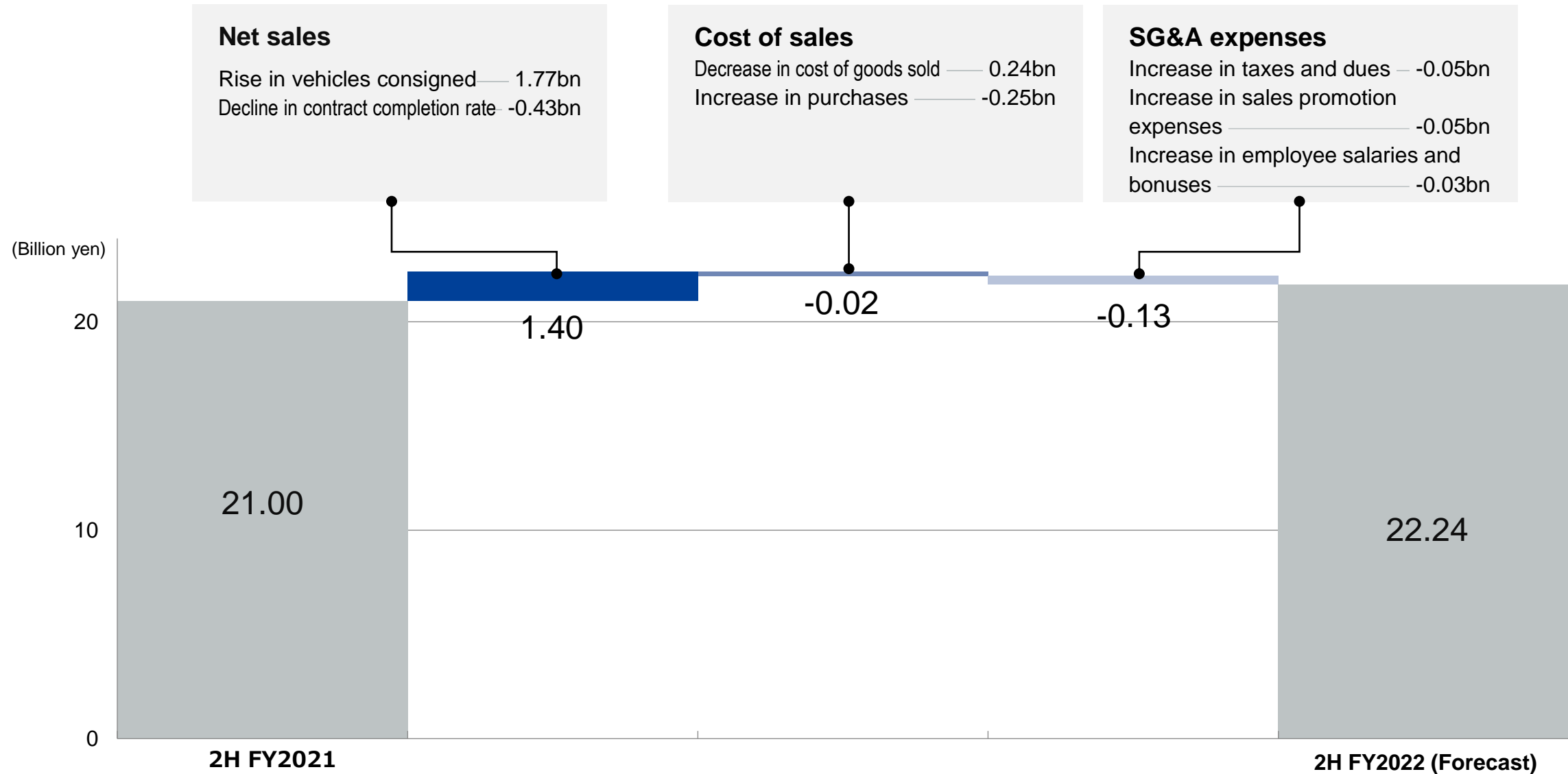
(Million yen)

	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	-0.03	122.65	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%

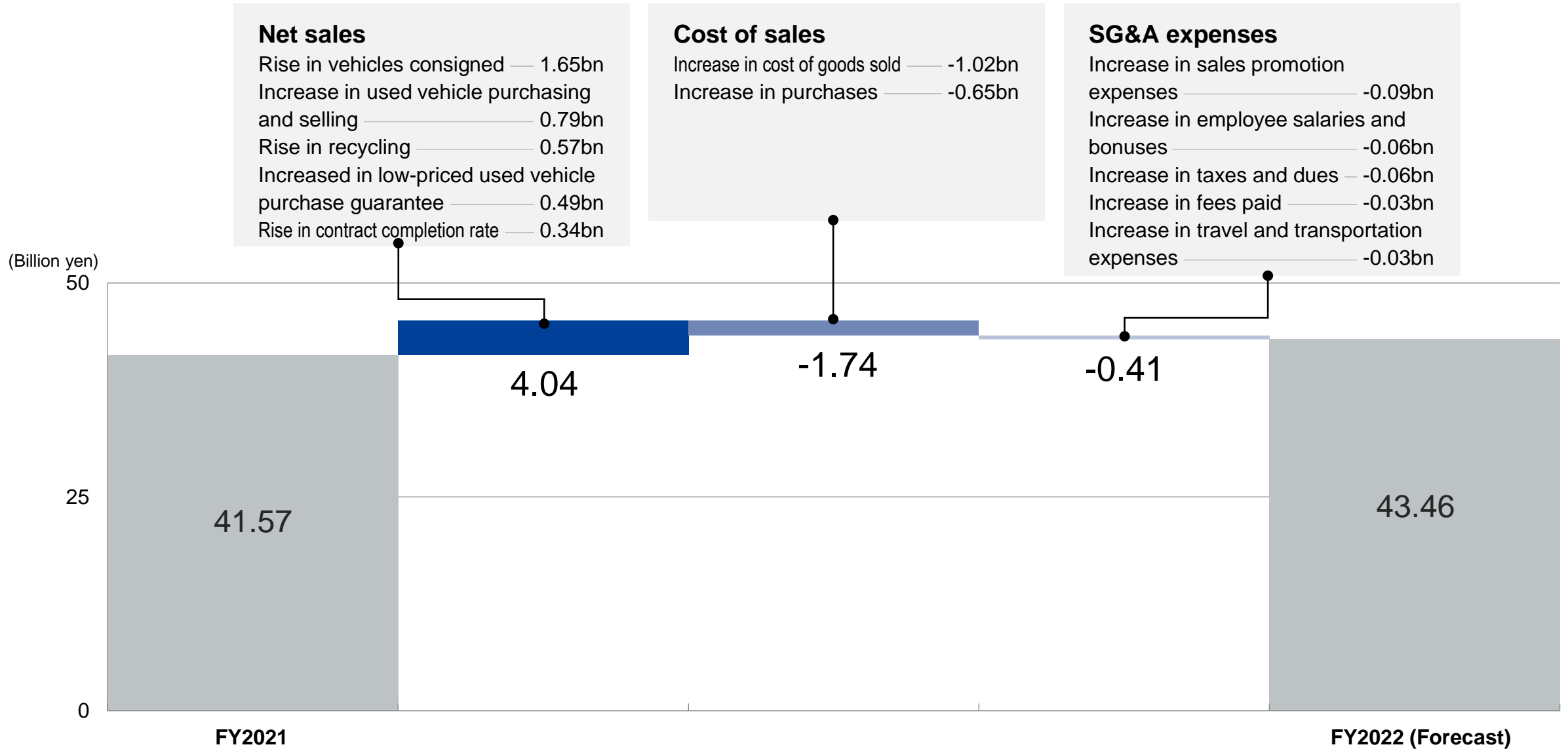
* Profit per share (FY2022 revised plan) is restated to reflect the changes in treasury shares to the end of December 2022.

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

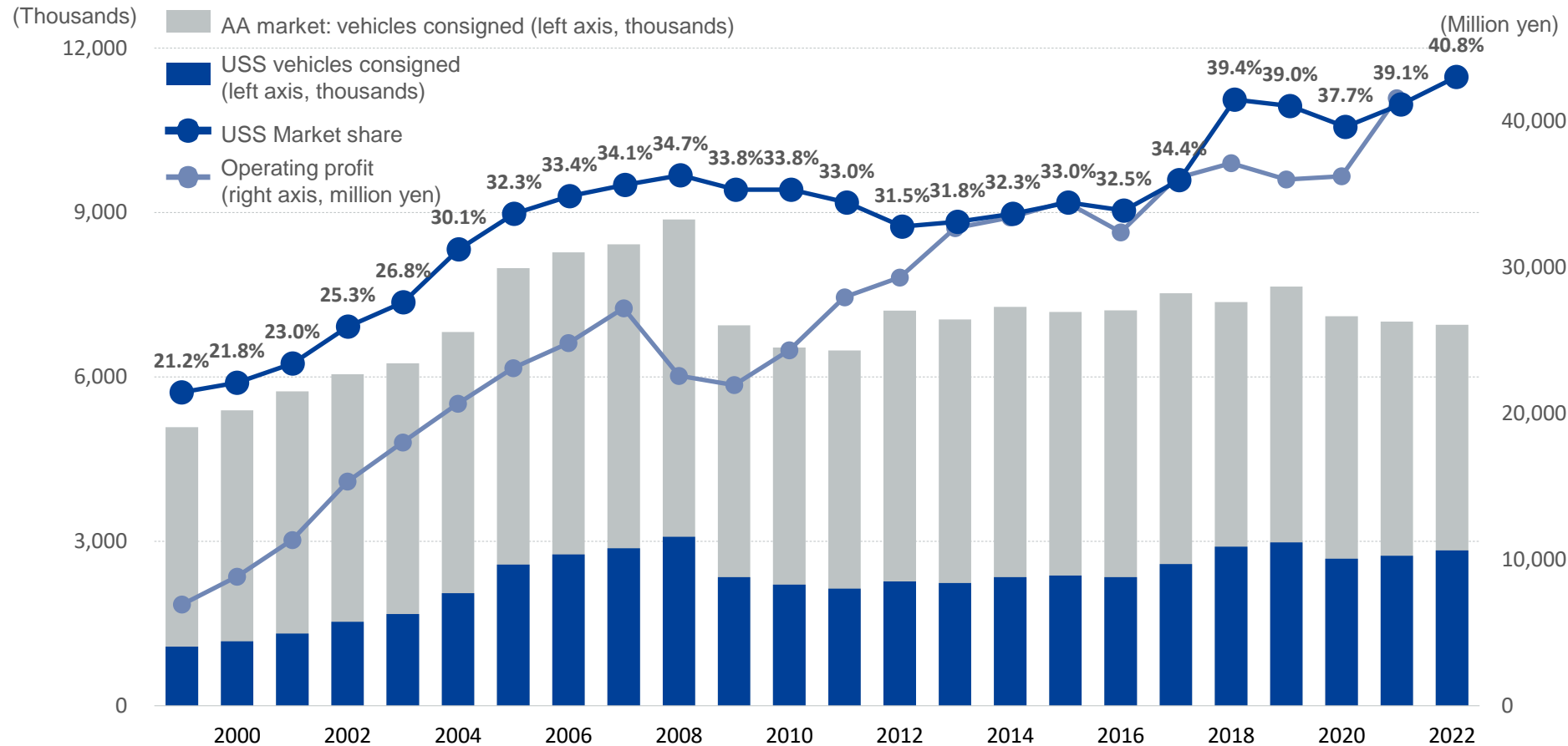
(Million yen)

	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%

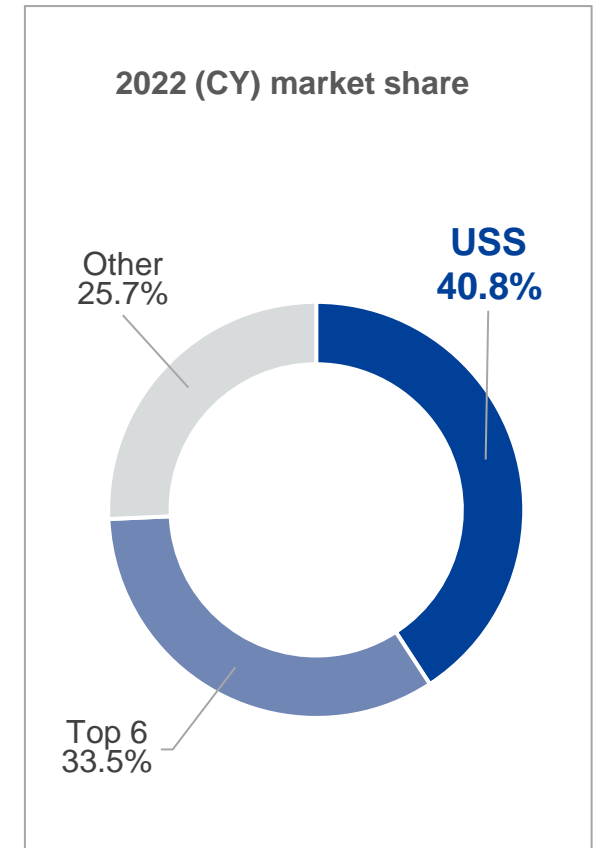
Market Overview and Strategy for Creating Value Over the Medium-term

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

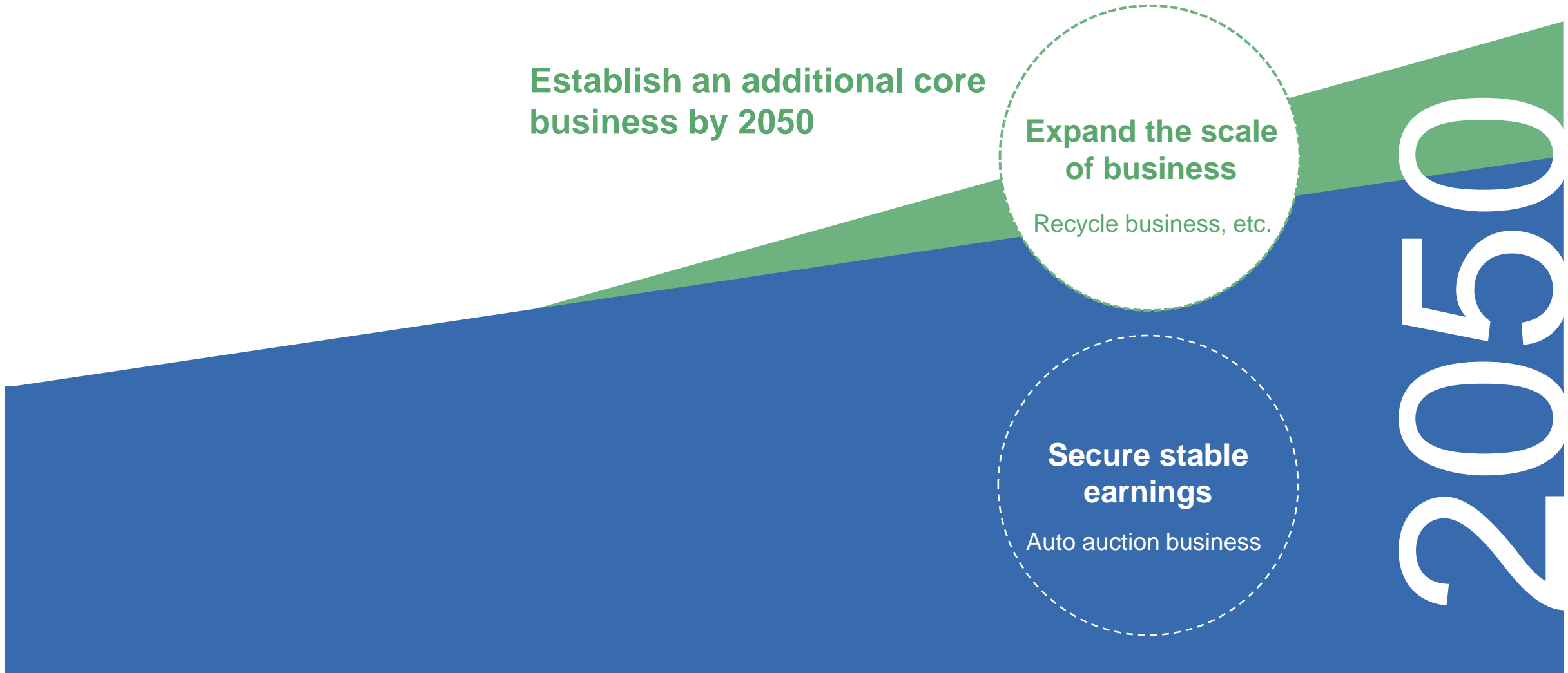


* Market share in 2021 has been revised to reflect revisions to data announced by USED CAR Co., Ltd.



Long-term Growth Vision

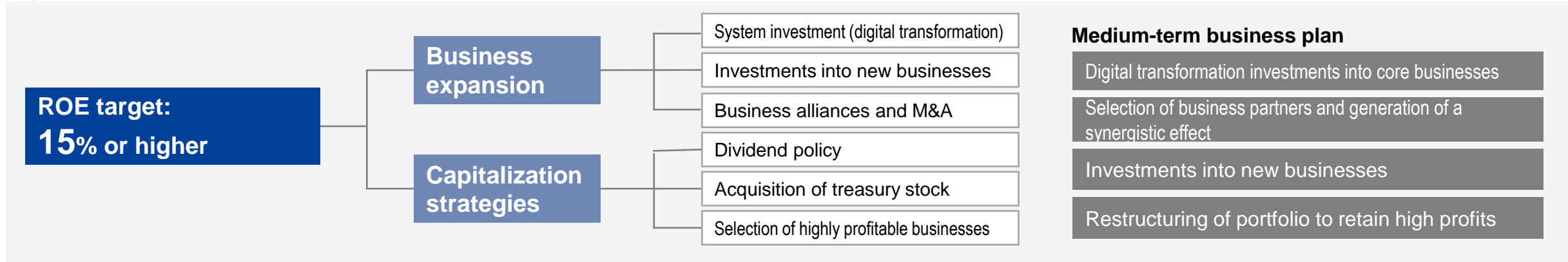
- Greater contributions to a circular economy and business expansion



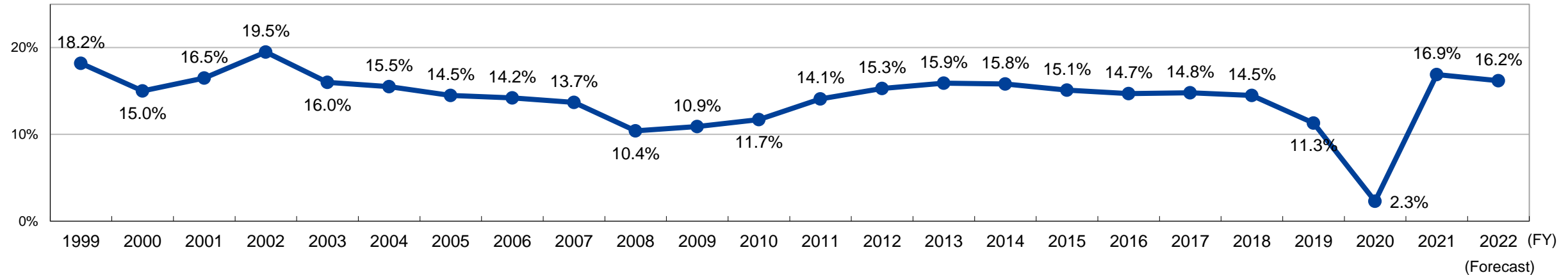
Medium-term Business Plan and Raising the ROE

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

Higher ROE and action in the medium-term business plan



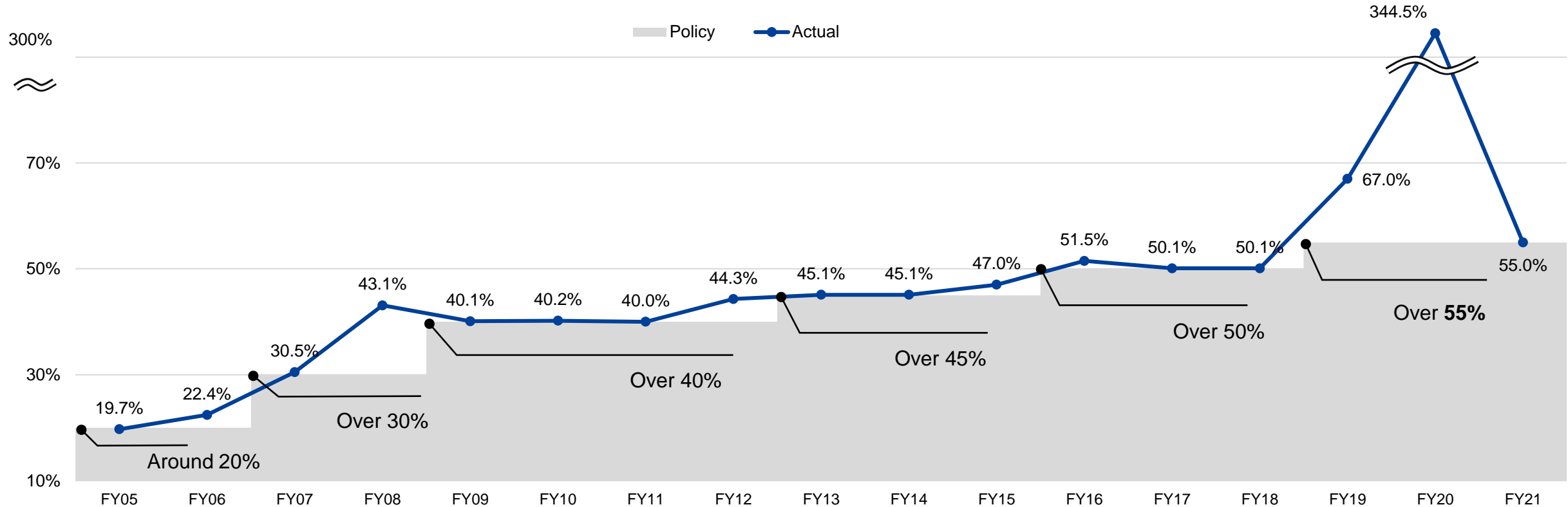
ROE



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)

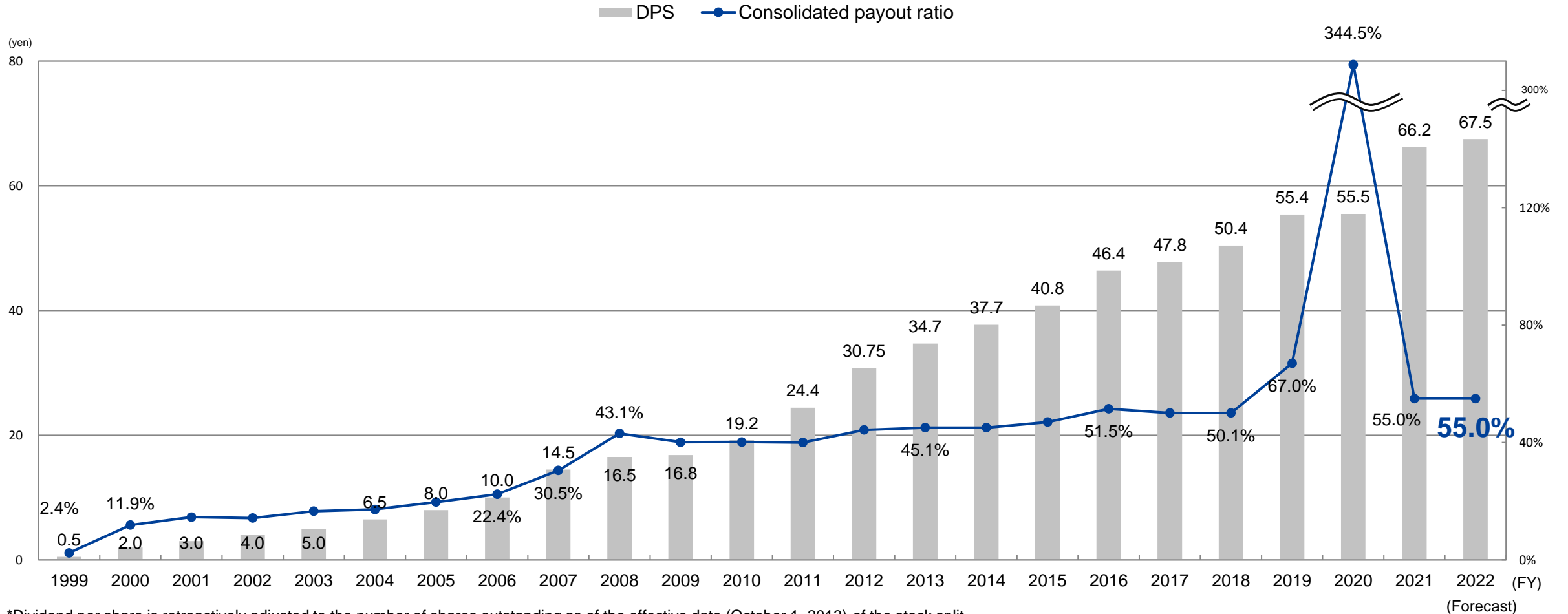
- **Stock repurchases:** Buy back stock with flexibility, with due consideration to cash flows, capital investment plans and the market environment
- **Repurchased stock between November 2021 and May 2022**
- **USS retired 56.25 million shares of treasury stock on June 30, 2022.**
Ratio of treasury stock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

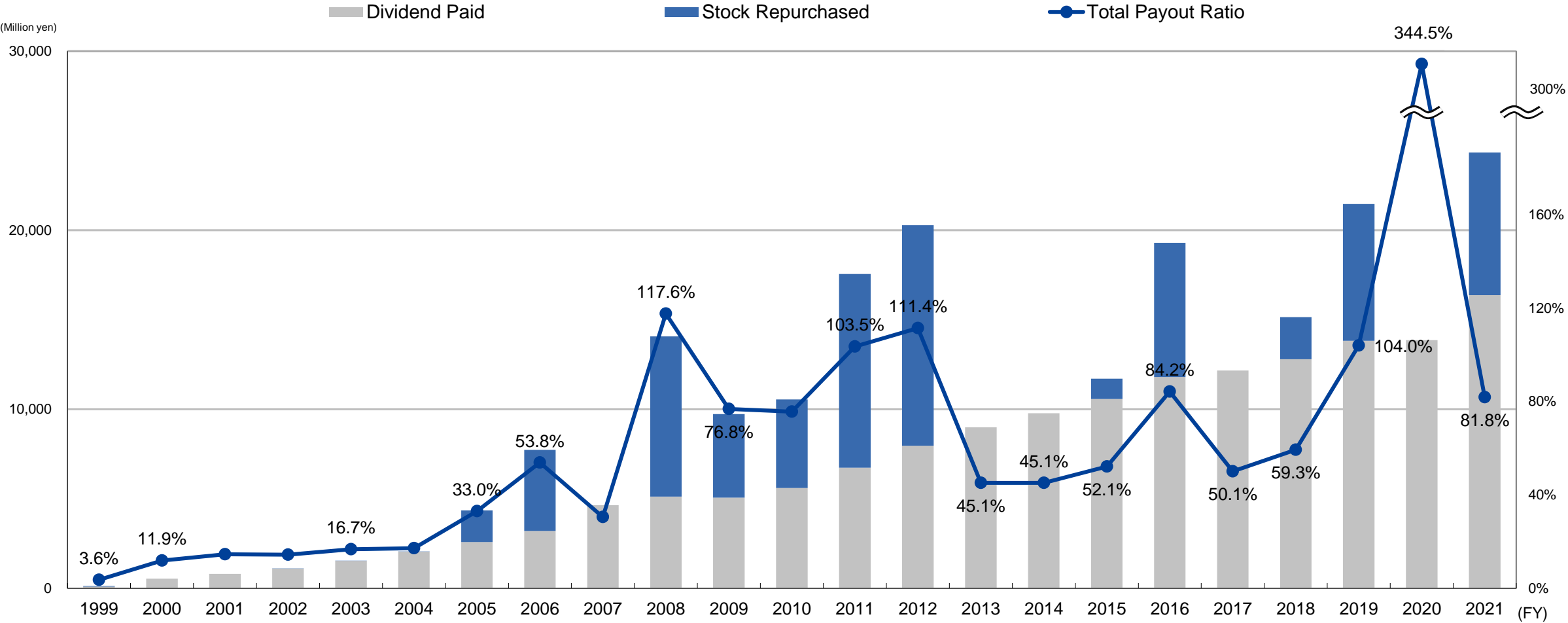
- Plan to pay 67.5 yen dividend per share for FY2022 (up 1.3 yen)
- Forecasting 23 consecutive years of dividend growth since listing



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

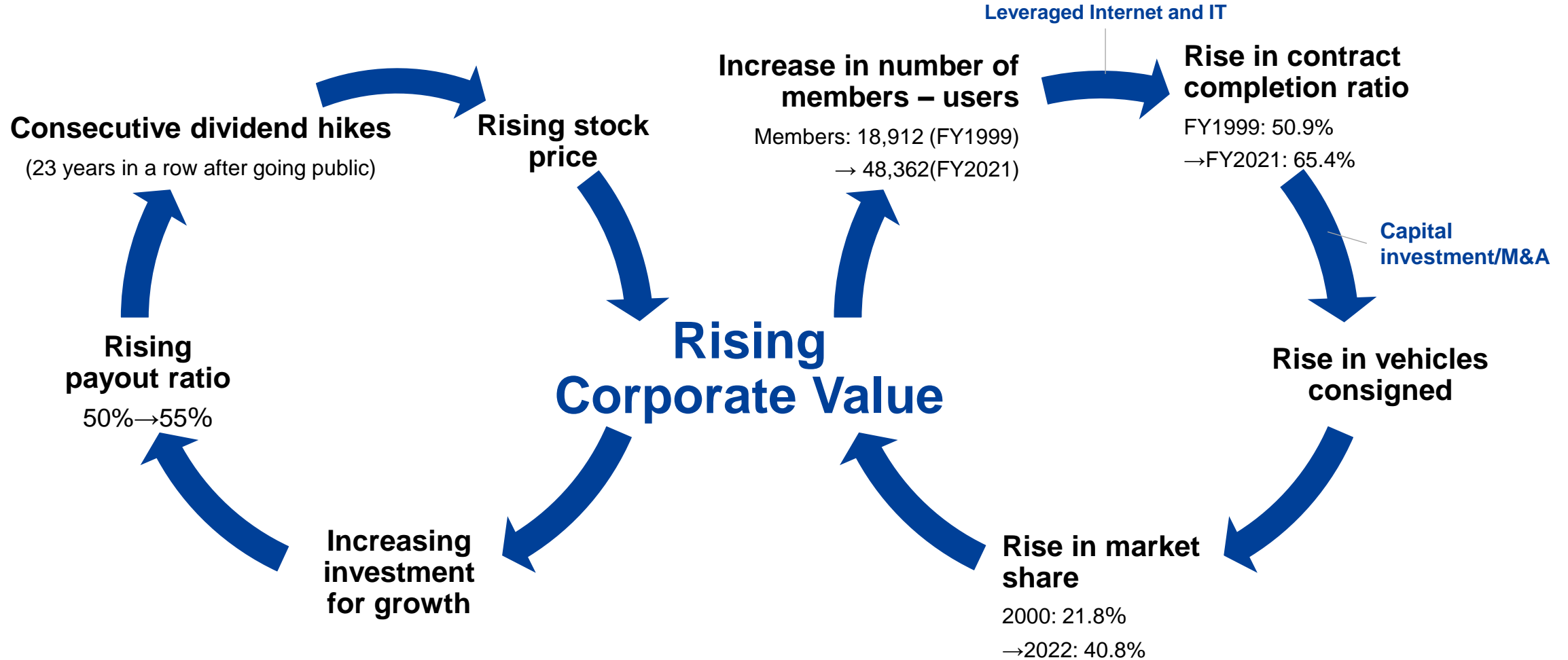
Earnings Distributions – Total Payout Ratio

■ 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,
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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

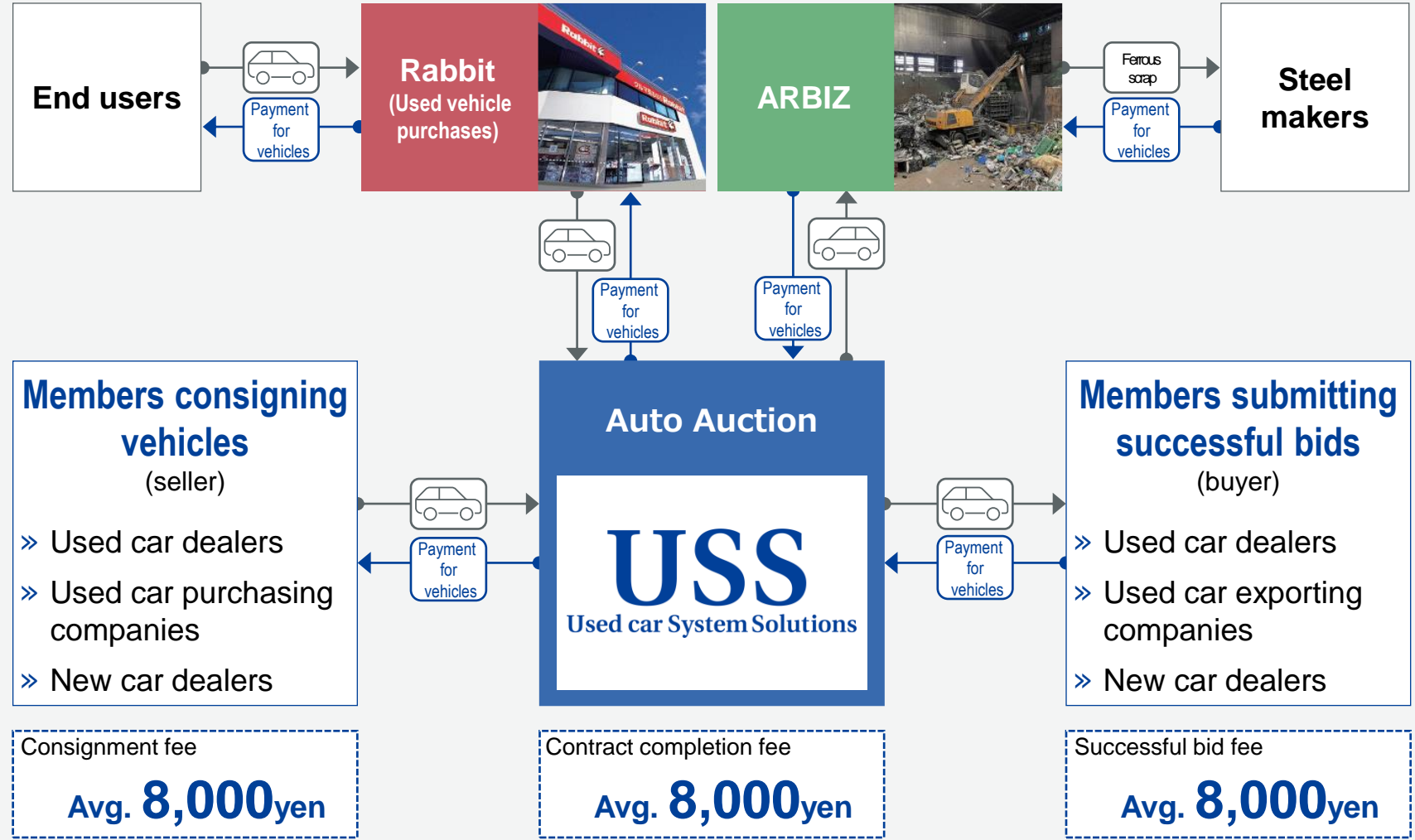
2.73 million
(FY2021)

USS's fee per unit

Avg. **24,000** yen

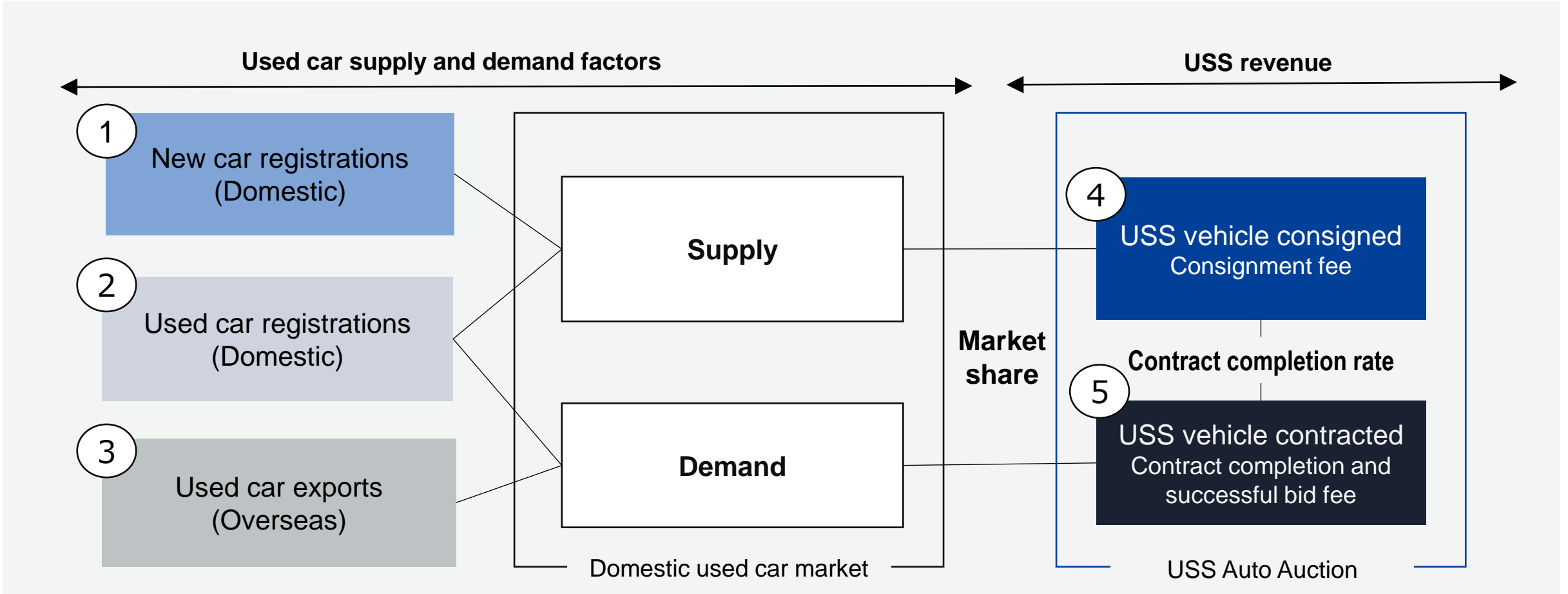
Contract completion rate

65.4%
(FY2021)



Automobile Market and USS Revenue

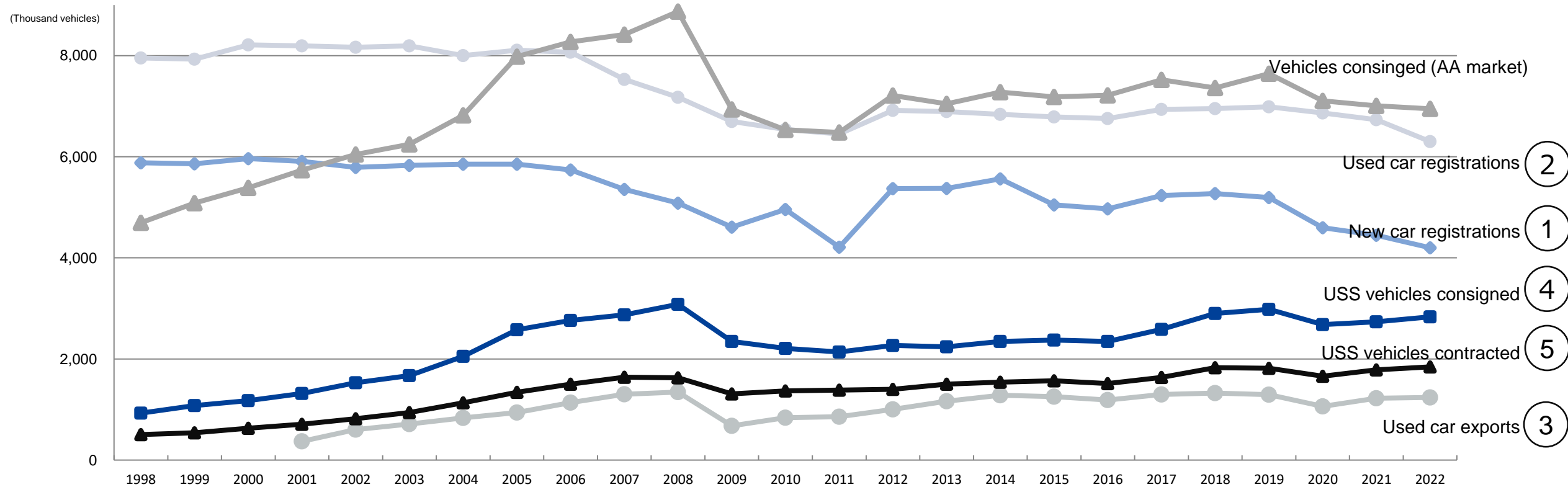
- The supply of used cars for automobile auctions is significantly affected by the number of cars traded in when purchasing a new car. Therefore, this supply changes with (1) the number of new car registrations and (2) the number of used car registrations.
- Total demand comprises domestic demand (2) 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 April to December)

(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	Q1-3 FY22	Q1-3 FY21	Q1-3 FY22	Q1-3 FY21	YoY change	Q1-3 FY22	Q1-3 FY21	YoY change	Q1-3 FY22	Q1-3 FY21
Tokyo	36	37	512,825	480,648	106.7%	346,588	332,784	104.1%	67.6%	69.2%
Nagoya	37	37	333,206	336,222	99.1%	201,252	196,981	102.2%	60.4%	58.6%
HAA Kobe	37	37	191,847	160,410	119.6%	119,590	98,733	121.1%	62.3%	61.6%
Kyushu	37	37	159,822	144,231	110.8%	106,647	94,180	113.2%	66.7%	65.3%
Yokohama	37	37	143,144	130,047	110.1%	94,900	88,646	107.1%	66.3%	68.2%
Osaka	37	37	140,733	147,754	95.2%	82,251	84,741	97.1%	58.4%	57.4%
Sapporo	37	36	111,137	99,248	112.0%	78,540	70,640	111.2%	70.7%	71.2%
Shizuoka	37	37	76,229	79,008	96.5%	43,657	49,468	88.3%	57.3%	62.6%
Kobe	37	36	68,235	58,791	116.1%	40,321	34,413	117.2%	59.1%	58.5%
R-Nagoya	37	37	68,116	75,298	90.5%	57,544	64,887	88.7%	84.5%	86.2%
JAA	37	36	52,643	53,011	99.3%	24,300	29,234	83.1%	46.2%	55.1%
Okayama	37	37	48,188	47,483	101.5%	37,289	37,242	100.1%	77.4%	78.4%
Tohoku	37	36	42,824	38,009	112.7%	33,723	30,750	109.7%	78.7%	80.9%
Gunma	37	37	40,154	37,993	105.7%	26,507	26,771	99.0%	66.0%	70.5%
Niigata	37	36	35,701	37,844	94.3%	21,653	22,134	97.8%	60.7%	58.5%
Saitama	37	37	34,240	34,228	100.0%	21,210	20,841	101.8%	61.9%	60.9%
Fukuoka	37	36	27,564	25,011	110.2%	17,887	16,432	108.9%	64.9%	65.7%
Hokuriku	37	37	14,353	13,343	107.6%	10,636	9,635	110.4%	74.1%	72.2%
Total	665	660	2,100,961	1,998,579	105.1%	1,364,495	1,308,512	104.3%	64.9%	65.5%

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	266,158	229,030	225,117			969,834	2,326,078
	YoY	10.0	-12.5	0.6	-9.9	3.3	6.8	-0.4	10.9	25.8	14.3	16.0			-	-
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	163,985	130,649	134,243			590,118	1,498,738
	YoY	6.7	-9.6	6.3	0.0	10.2	9.3	3.7	4.9	11.4	-0.3	2.6			-	-
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	61.6	57.0	59.6			-	-

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	1,080	
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%	11.6%	
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	1,485	
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%	-4.8%	
Used car exports	335	314	346	290	186	270	314	269	335	315	304	267	325	291	353	
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%	16.2%	

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	1,861	1,658	1,593	1,779	1,773	1,572	1,824	
YoY change	2.3%	6.9%	0.7%	-4.4%	-11.3%	-10.7%	-1.7%	-1.5%	5.9%	2.1%	-11.6%	-6.0%	-4.7%	-5.2%	14.5%	
Vehicles contracted	1,238	1,193	1,165	1,217	982	1,156	1,207	1,281	1,246	1,138	1,111	1,223	1,200	1,124	1,177	
YoY change	0.5%	6.9%	-0.9%	-5.6%	-20.7%	-3.0%	3.6%	5.3%	26.8%	-1.6%	-8.0%	-4.5%	-3.7%	-1.3%	6.0%	

* The figures have been revised to reflect revisions to data announced by USED CAR Co., Ltd.

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	17,130	
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%	9.4%	
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	10,322	
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%	8.7%	

* 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	744	
No. of vehicles contracted (Thousands)		460	436	422	452	342	423	439	476	449	427	431	478	455	453	455	
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%	61.2%	
	Industry's average (excl. USS)	64.3%	67.0%	65.9%	65.6%	56.9%	72.0%	68.9%	69.7%	69.4%	70.4%	71.0%	71.2%	70.2%	72.3%	66.8%	
Avg. price of vehicle contracted	USS (Thousand yen)	645	708	697	703	643	794	811	795	830	907	936	961	1,000	1,170	1,068	
	Industry's average (excl. USS) (Thousand yen)	423	439	444	463	401	481	455	484	474	494	518	513	530	581	562	
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	4,182	
	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	5,645	
	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	3,815	
	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	8,418	
	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	5,886	
	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	12,922	
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	48,292	
	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	33,898	
	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	1,998	
	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%	51.0%	

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	2,591	
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%	12.0%	
Operating profit	18	85	27	-27	-83	181	139	33	18	67	76	-25	12	199	11	
YoY change	-62.3%	13.4%	-32.3%	-	-	112.4%	413.3%	-	-	-63.1%	-45.3%	-	-34.3%	197.3%	-84.6%	

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	2,225	
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%	20.8%	
Operating profit	133	59	74	42	-43	81	148	189	340	249	304	248	321	205	278	
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%	-8.6%	

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	31	
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%	66.8%	
Operating profit	21	14	19	4	0	16	8	-1	17	15	12	13	19	16	-1	
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.