

Q3 FY2023

# Consolidated Results of Operations

USS Co., Ltd.

February 2024

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Q1-3 FY2023

# Results of Operations

# Highlights of Q1-3 FY2023

## Q1-3 FY23 Results

■ Net sales **¥71.5 billion**  
(up 11.0% YoY)

■ Operating profit  
**¥35.7 billion**  
(up 12.3% YoY)

- USS Auto Auction result in Q1-3 FY2023: vehicles consigned was 2.298 million (up 9.4% YoY), contract completions was 1.434 million (up 5.1% YoY), contract completion rate was 62.4%
- In the used vehicle purchasing and selling segment, sales and earnings increased because of the larger number of vehicles sold.
- In the recycle segment, sales and earning increased because of the larger number of orders for large demolition projects.

## FY23 Forecast

■ Net sales **¥95.4 billion**

- Plans for FY2023 is 3.07 million vehicles consigned at auctions, 1.91 million contracted vehicles, and contract completion ratio of 62.3%

■ Operating profit **¥47.1 billion**

## Earnings Distributions

■ FY2023 dividend forecast is  
**¥73.1**  
This will be the 24th 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 million shares of stock at a cost of ¥11.8 billion on June 21, 2023. (The substantive number of own shares that the Company repurchased through a series of transactions in the Facility Share Repurchase is 4.54 million shares)

# Q1-3 FY2023 Summary of Consolidated Results of Operations

- Sales was up 11.0% YoY to ¥71.51 billion, operating profit was up 12.3% to ¥35.74 billion, and profit attributable to owners of parent up 11.9% to ¥24.46 billion.
- Record-high sales, operating profit, ordinary profit and profit attributable to owners of parent

(Million yen)

	Q1-3 FY21	(per sales)	Q1-3 FY22	(per sales)	Q1-3 FY23	(per sales)	Year on year
Net sales	59,623		64,408		71,514		111.0%
Cost of sales	22,336	37.5%	25,376	39.4%	28,221	39.5%	111.2%
Gross profit	37,286	62.5%	39,031	60.6%	43,292	60.5%	110.9%
Selling, general and administrative expenses	6,824	11.4%	7,198	11.2%	7,548	10.6%	104.9%
Operating profit	30,462	51.1%	31,833	49.4%	35,744	50.0%	112.3%
Ordinary profit	31,080	52.1%	32,373	50.3%	36,288	50.7%	112.1%
Profit attributable to owners of parent	22,218	37.3%	21,871	34.0%	24,465	34.2%	111.9%

# Net Sales and Operating Profit by Business Segment

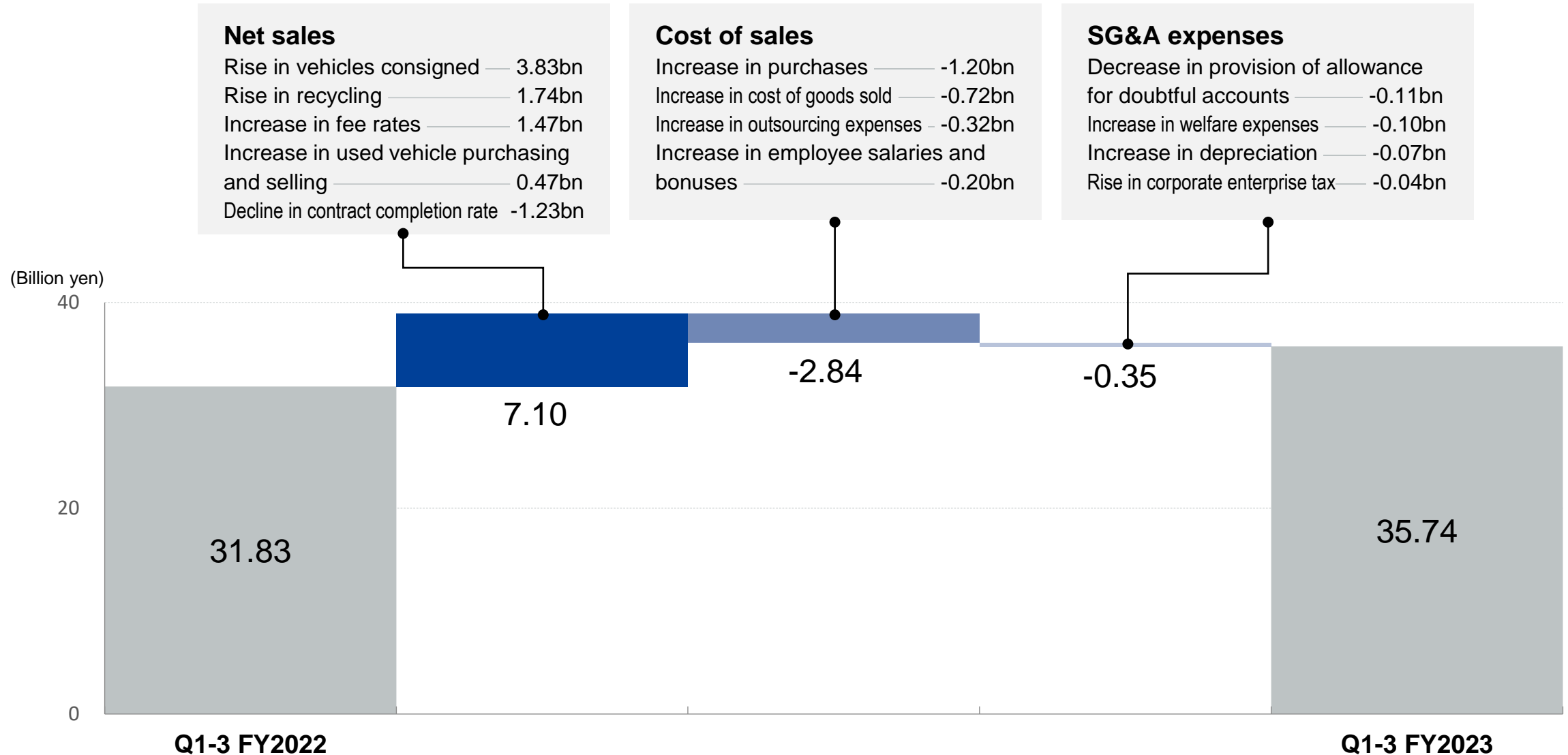
(Million yen)

Net sales	Q1-3 FY21	Q1-3 FY22	Q1-3 FY23	Year on year
Auto auction	47,593	50,298	54,898	109.1%
Used vehicle purchasing and selling	6,543	7,640	8,113	106.2%
Recycling	5,420	6,388	8,135	127.4%
Other	65	80	366	456.8%
<b>Total</b>	<b>59,623</b>	<b>64,408</b>	<b>71,514</b>	<b>111.0%</b>
Operating profit (operating margin)	Q1-3 FY21	Q1-3 FY22	Q1-3 FY23	Year on year
Auto auction	29,346 (61.4%)	30,756 (60.9%)	34,543 (62.7%)	112.3%
Used vehicle purchasing and selling	161 (2.5%)	223 (2.9%)	255 (3.2%)	114.5%
Recycling	894 (16.5%)	806 (12.6%)	972 (11.9%)	120.6%
Other	45 (68.5%)	35 (44.0%)	-54 (-)	-
Adjustment	14 (-)	11 (-)	27 (-)	234.1%
<b>Total</b>	<b>30,462 (51.1%)</b>	<b>31,833 (49.4%)</b>	<b>35,744 (50.0%)</b>	<b>112.3%</b>

\*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 FY2023 Reasons for Change in Operating Profit (Actual)



# Consolidated Balance Sheets and Statements of Cash Flows

- Increase in purchase of property, plant and equipment and purchase of intangible assets were the primary uses of cash for investing activities.
- The primary use of cash in financing activities was dividends paid and purchase of treasury shares.
- Equity ratio : 84.2%

## Consolidated balance sheets (summary)

(Million yen)

	FY22	End of Q3 FY23		FY22	End of Q3 FY23
<b>Current assets</b>	<b>116,057</b>	<b>97,920</b>	<b>Current liabilities</b>	<b>39,273</b>	<b>21,956</b>
Cash and deposits	92,692	80,943	Payables due to member dealers at auction	22,595	10,879
Other	23,365	16,977	Other	16,678	11,076
<b>Non-current assets</b>	<b>126,295</b>	<b>124,137</b>	<b>Non-current liabilities</b>	<b>8,925</b>	<b>9,679</b>
Property, plant and equipment	100,604	99,386	<b>Total liabilities</b>	<b>48,198</b>	<b>31,635</b>
Other	25,690	24,750	<b>Total net assets</b>	<b>194,154</b>	<b>190,421</b>
<b>Total assets</b>	<b>242,352</b>	<b>222,057</b>	<b>Total liabilities and net assets</b>	<b>242,352</b>	<b>222,057</b>

## Consolidated statements of cash flows (summary)

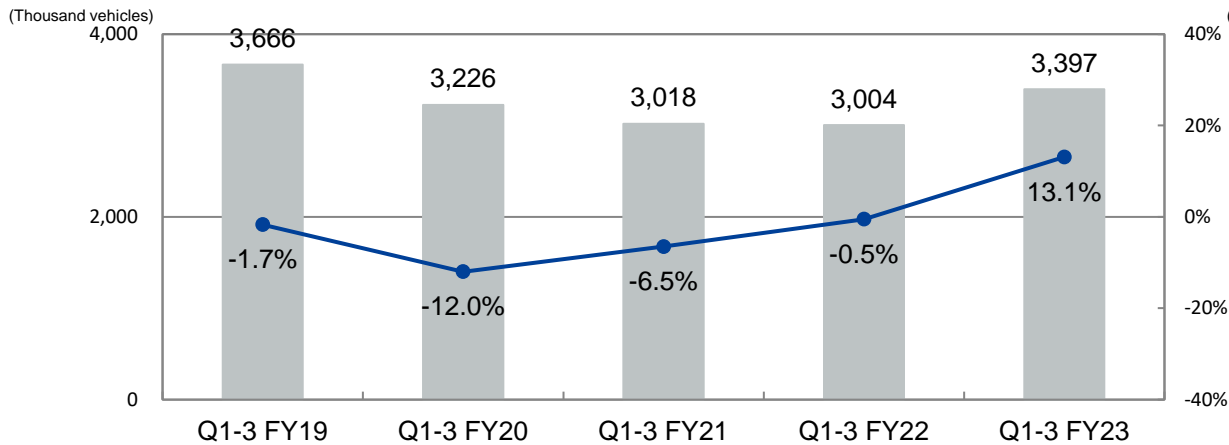
(Million yen)

	Q1-3 FY21	Q1-3 FY22	Q1-3 FY23	Changes
Net cash provided by (used in) operating activities	20,544	17,837	18,158	320
Net cash provided by (used in) investing activities	297	-5,322	-1,854	3,467
<b>Free cash flow</b>	<b>20,841</b>	<b>12,515</b>	<b>16,303</b>	<b>3,787</b>
Net cash provided by (used in) financing activities	-21,057	-16,589	-28,052	-11,463
Capital expenditures (terms of cash flows)	1,379	1,746	1,849	102
Depreciation	3,695	3,407	3,405	-1

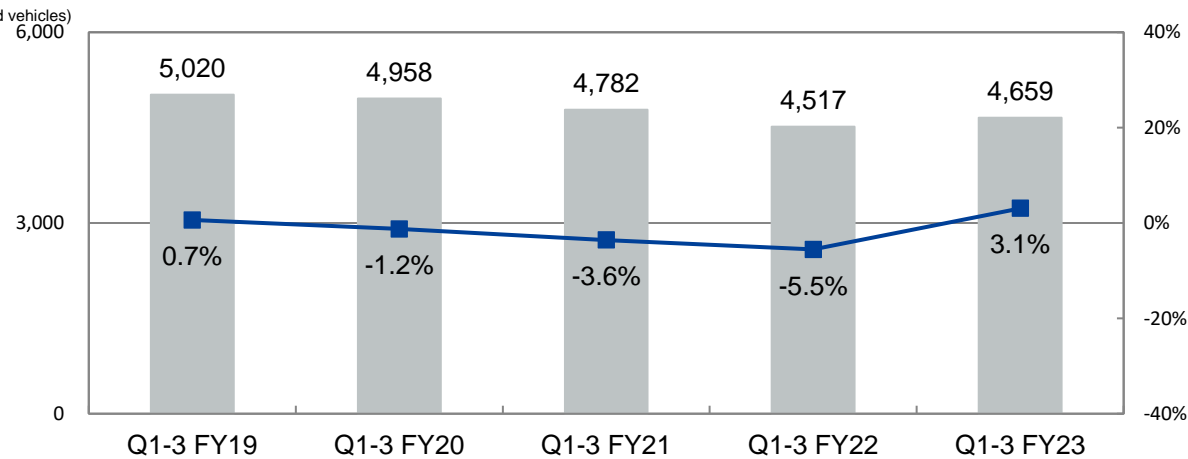


# Automobile Market

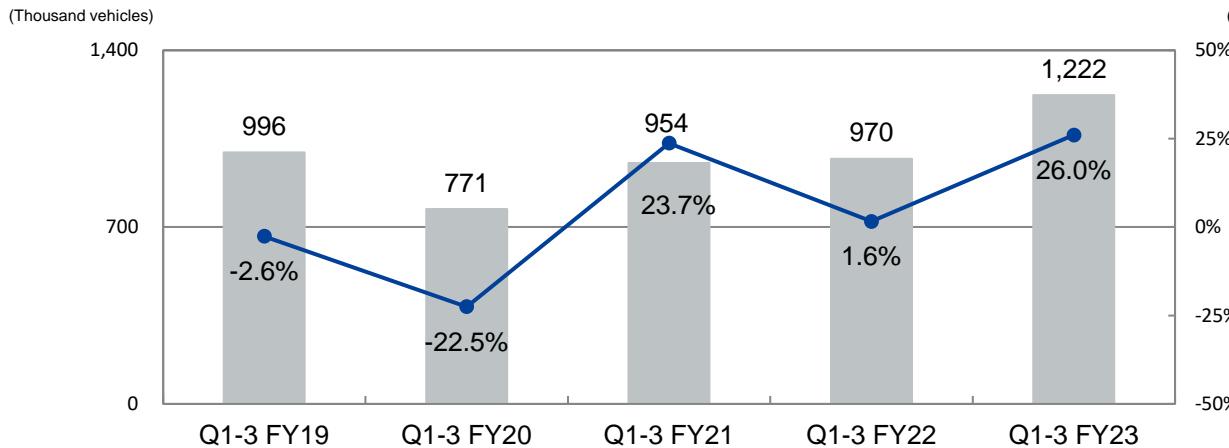
New car registrations and YoY changes



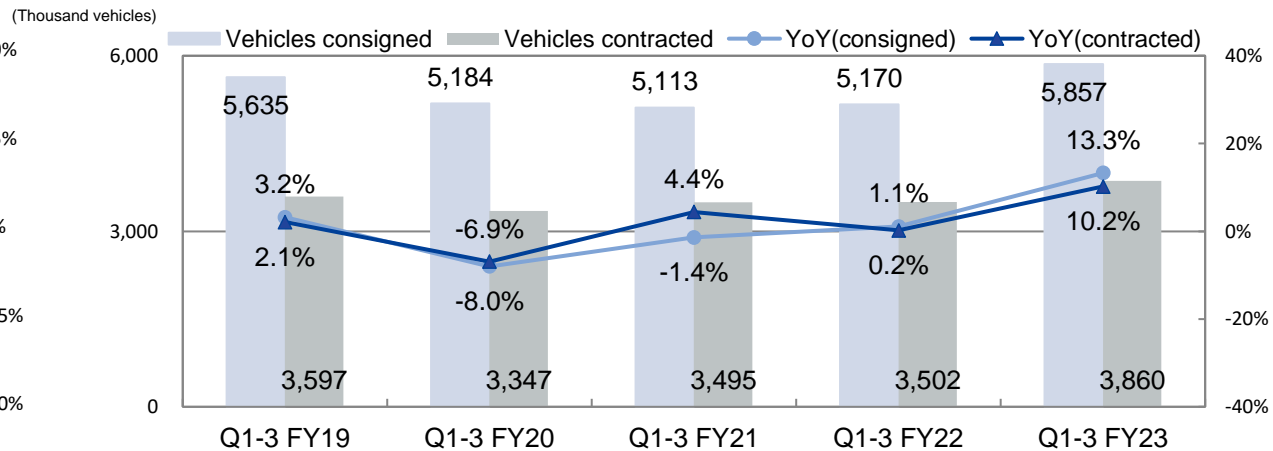
Used car registrations and YoY changes



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

- Sales and earnings increased mainly due to increase in number of vehicles consigned and increase in fee income from higher auction fees.

No. of vehicles consigned  
**2.298**million  
up 9.4% YoY

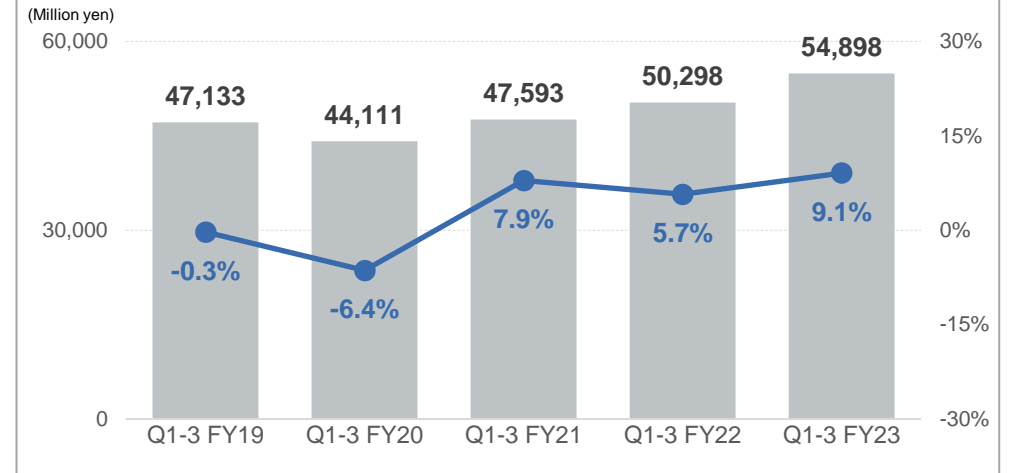
No. of contract completions  
**1.434**million  
up 5.1% YoY

Contract completion rate  
**62.4%**  
64.9% (in Q1-3 FY22)

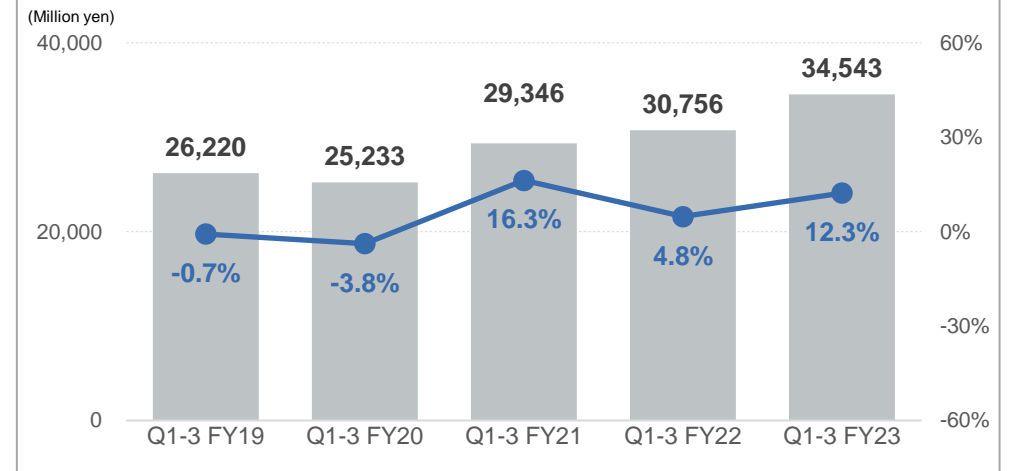
## Auto auction segment performance in Q1-3

	Q1-3 FY21	Q1-3 FY22	Q1-3 FY23	Year on year
Net sales	47,593	50,298	54,898	109.1%
Consignment fees	11,141	11,777	13,046	110.8%
Contract completion fees	11,056	11,434	12,590	110.1%
Successful bid fees	16,907	17,539	19,183	109.4%
Other	8,487	9,547	10,078	105.6%
Operating profit	29,346	30,756	34,543	112.3%
Operating margin	61.4%	60.9%	62.7%	-

## Net sales and YoY changes



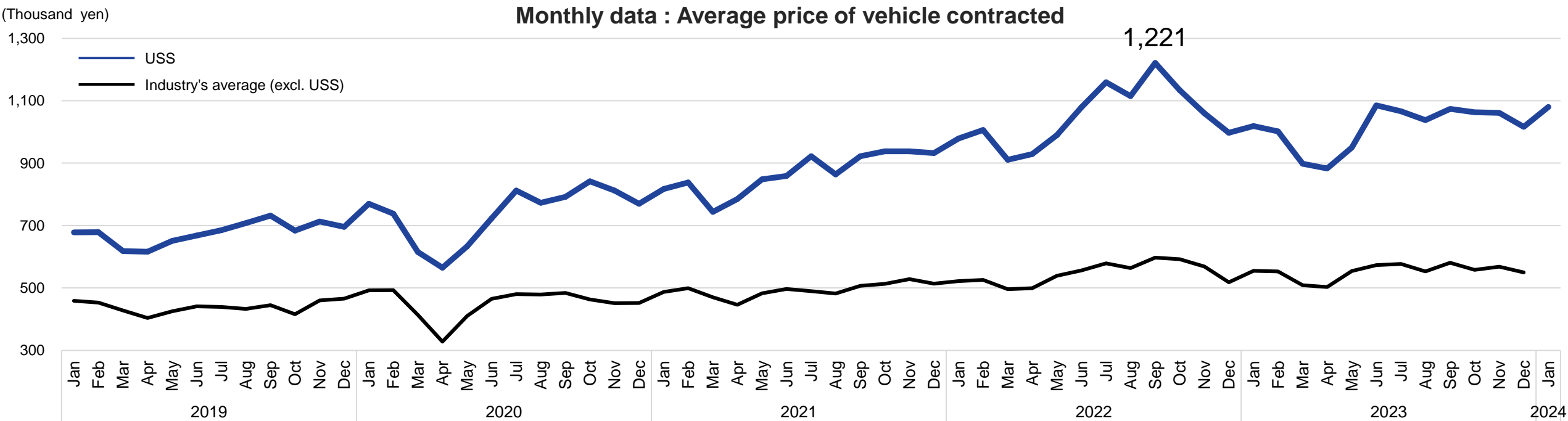
## Operating profit and YoY changes



\* 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.

# Auto Auction Segment (2)    Average Price of Vehicle Contracted

- The average price of vehicles contracted remains high, although it has been declining since the September 2022 peak.

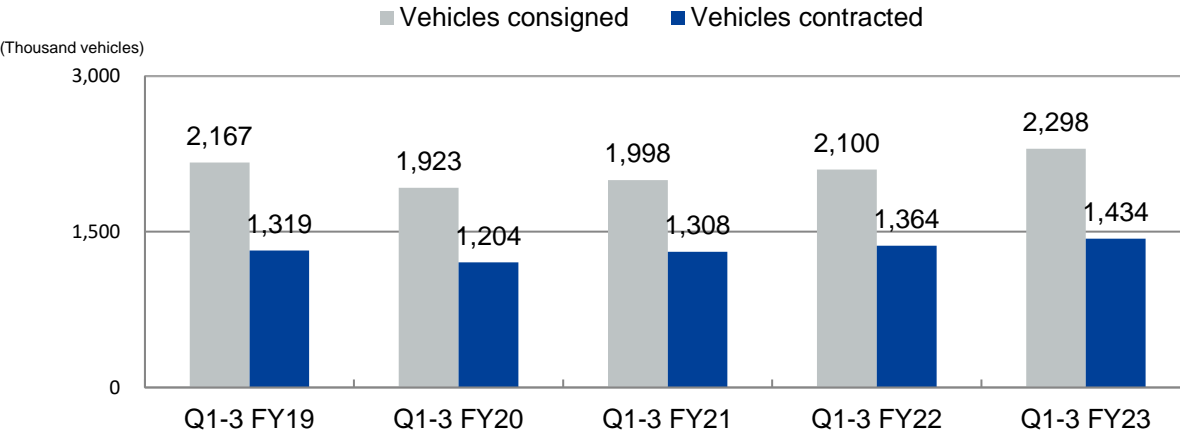


\* In auto auctions in Japan, notwithstanding the vehicle contract price, consignment fees, contract completion fees and successful bid fees are fixed for each category. Therefore, commission does not fluctuate with the amount of the contracted price of a vehicle.

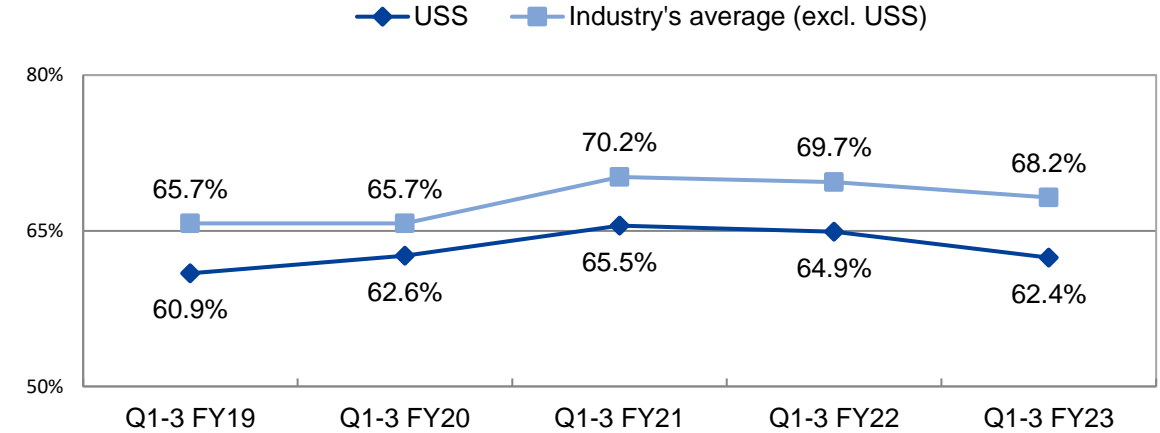
# Auto Auction Segment (3)

## No. of Vehicles Consigned and Contracted, etc.

### No. of vehicles consigned and contracted

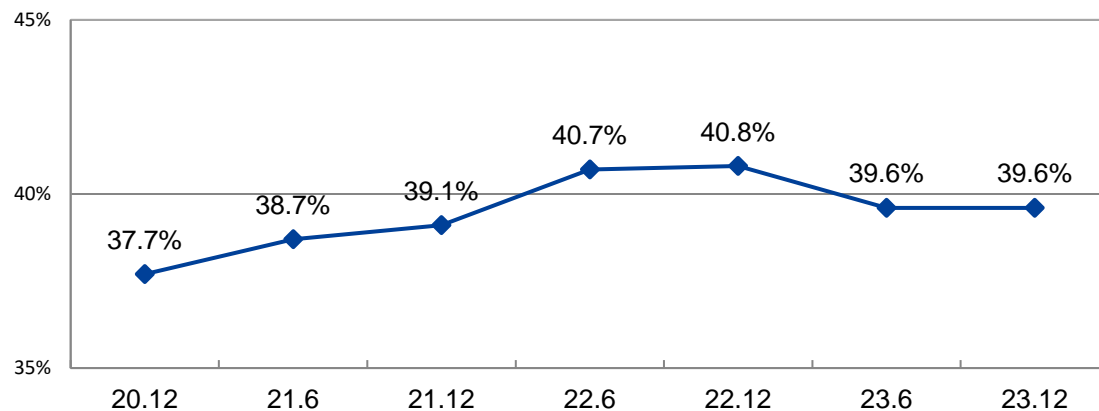


### Contract completion rate

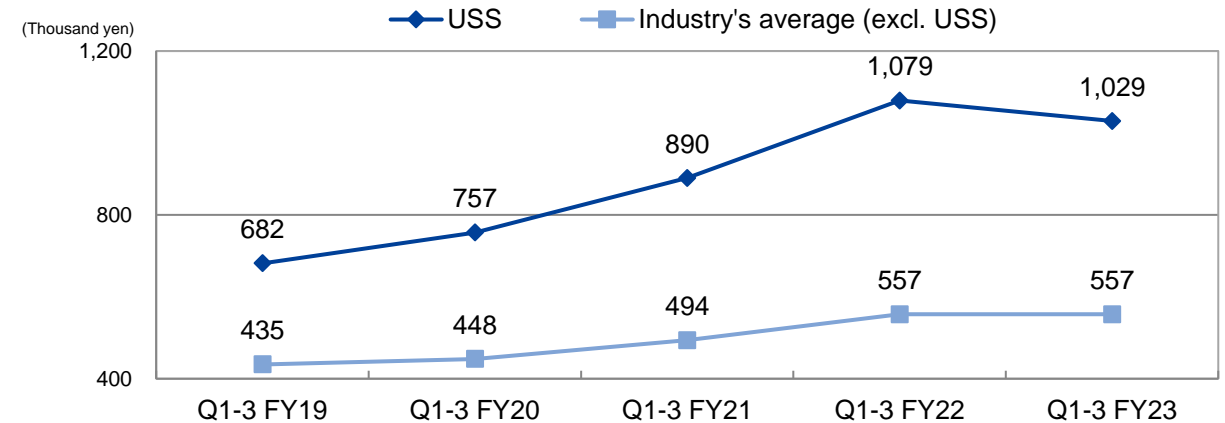


\* The figure for "Industry's average (excl. USS)" in Q1-3 FY21 has been revised to reflect revisions to data announced by USED CAR Co., Ltd.

### Market share



### Average price of vehicle contracted



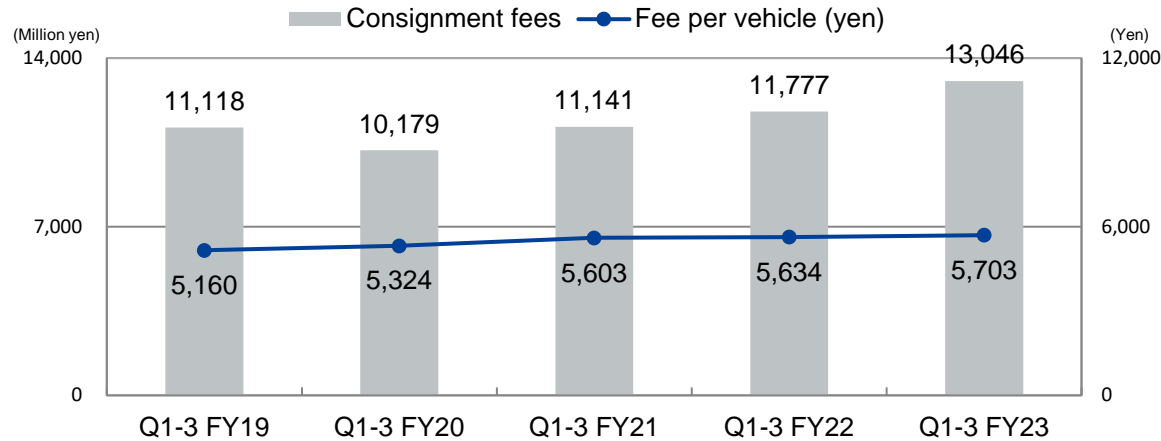
\* Period ending in December: 12-month data; Period ending in June: 6-month data. \* The figures in this slide do not include JBA data.

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

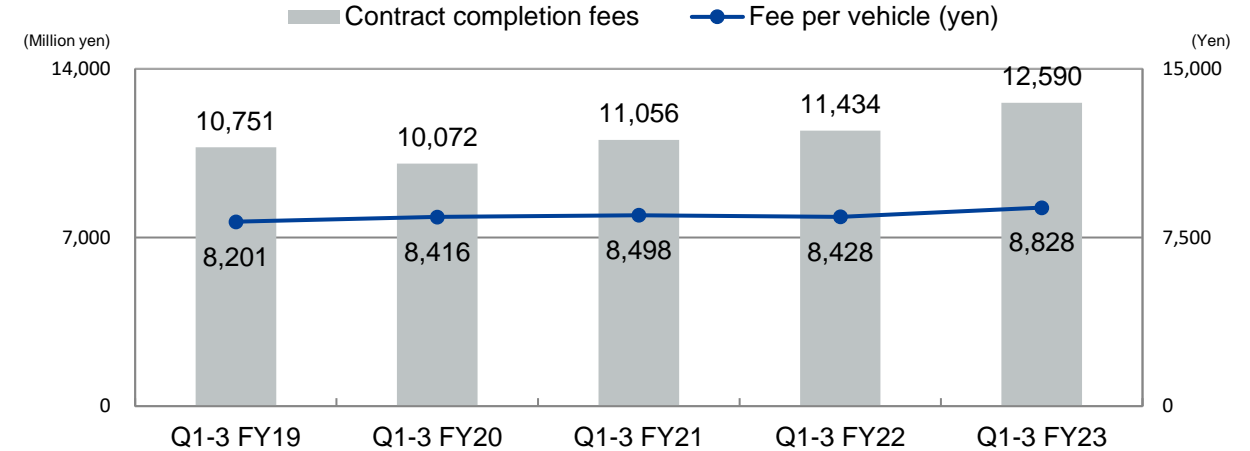
\* The figure for "Industry's average (excl. USS)" in Q1-3 FY21 has been revised to reflect revisions to data announced by USED CAR Co., Ltd.

# Auto Auction Segment (4) Fees, etc.

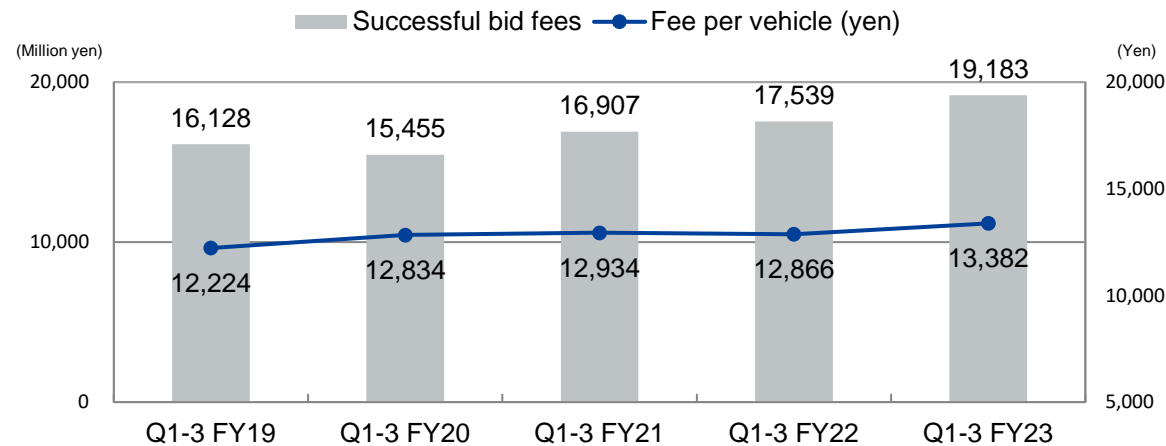
## Total consignment fees and consignment fee per vehicle



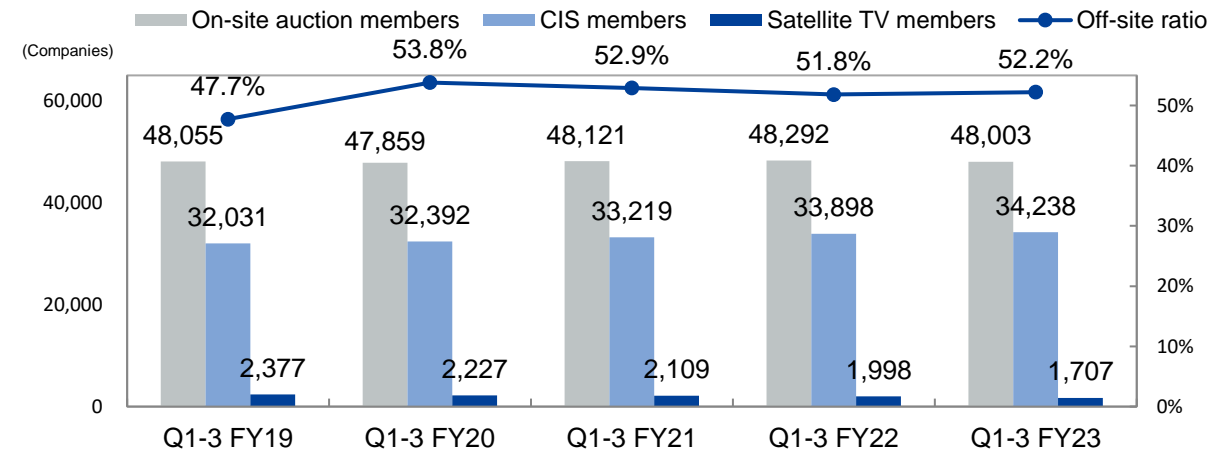
## Total contract completion fees and contract completion fee per vehicle



## 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.

# Used Vehicle Purchasing and Selling Segment

In the Rabbit used vehicle purchasing business, sales and earnings were higher because of increases in the number of people visiting stores and vehicles sold resulting from the increasingly positive reputation and growing awareness of this business.

Net sales **¥4,876** million  
(up 11.2% YoY)

Operating profit **¥162** million  
(up 10.4% YoY)

In the accident-damaged vehicle purchasing and selling business, sales were lower because of a decrease in the number of vehicles with high prices but earnings increased due to a larger number of vehicles sold.

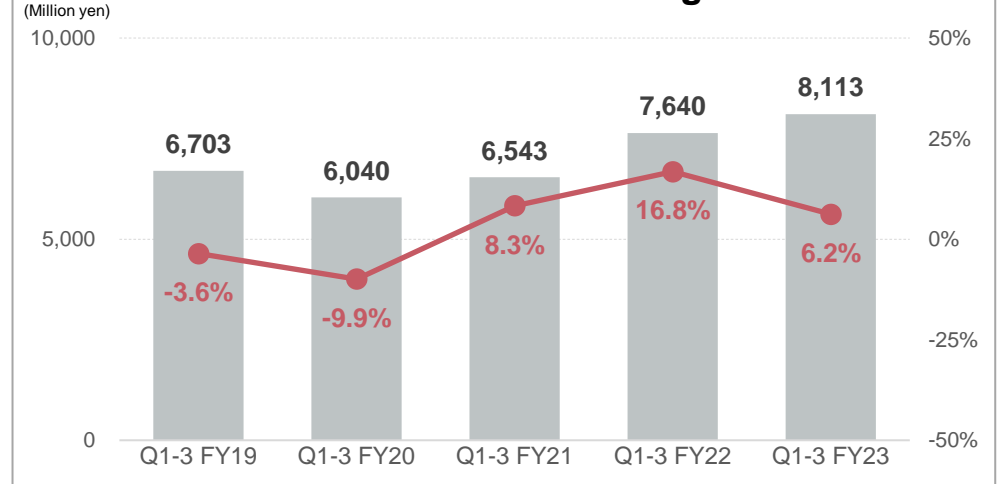
Net sales **¥3,236** million  
(down 0.5% YoY)

Operating profit **¥93** million  
(up 22.5% YoY)

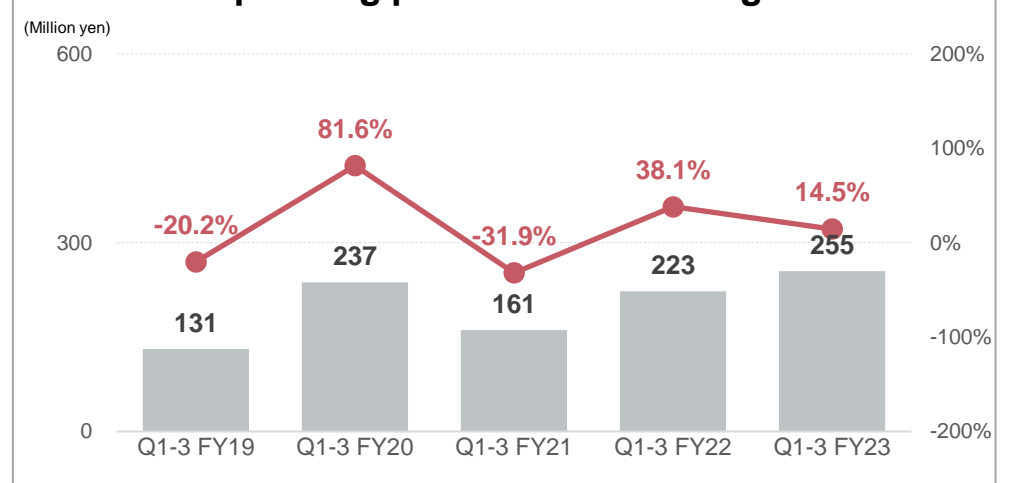
## Used vehicle purchasing and selling segment performance in Q1-3

	Q1-3 FY21	Q1-3 FY22	Q1-3 FY23	Year on year
Net sales	6,543	7,640	8,113	106.2%
Operating profit	161	223	255	114.5%
Operating margin	2.5%	2.9%	3.2%	-

## 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 recycling business, sales increased because of an increase in the number of end-of-life vehicles handled but earnings were down mainly due to an increase in depreciation.



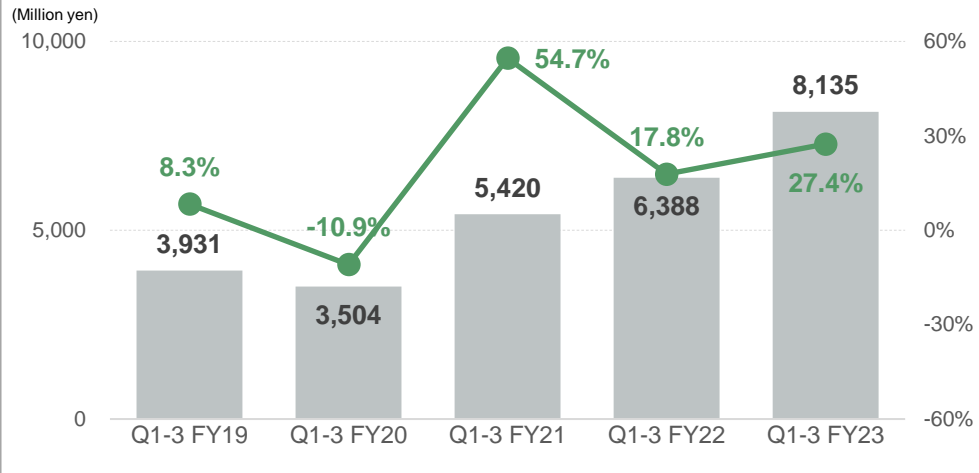
In the industrial plant recycle business, sales and earnings increased because of the larger number of orders for large demolition projects.



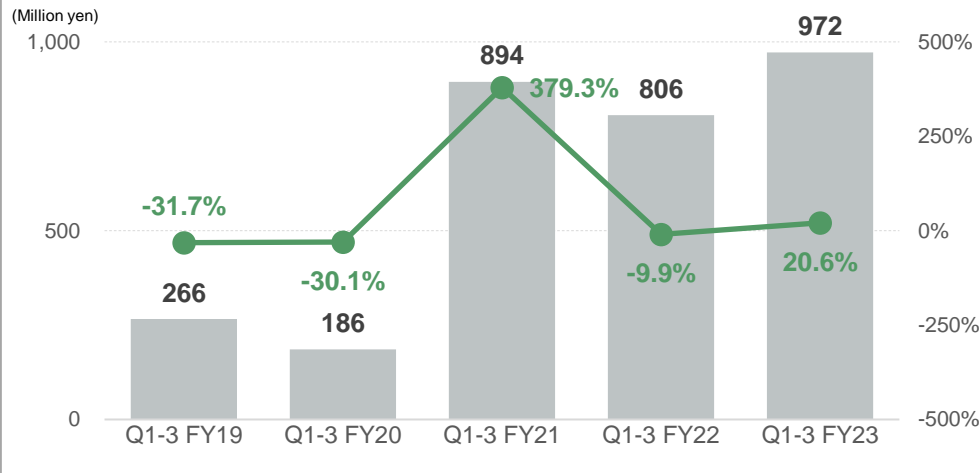
Recycling segment performance in Q1-3

	Q1-3 FY21	Q1-3 FY22	Q1-3 FY23	Year on year
Net sales	5,420	6,388	8,135	127.4%
Operating profit	894	806	972	120.6%
Operating margin	16.5%	12.6%	11.9%	-

Net sales and YoY changes



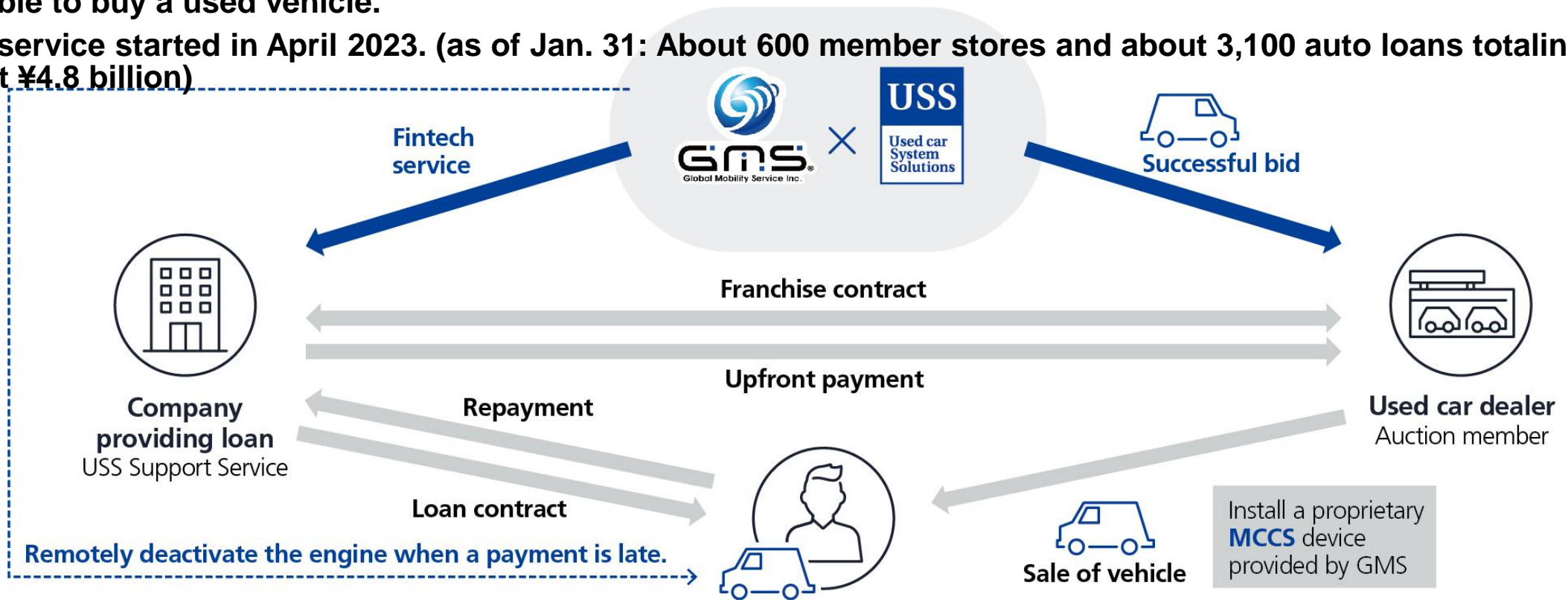
Operating profit and YoY changes



\* 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.

# 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.
- This service started in April 2023. (as of Jan. 31: About 600 member stores and about 3,100 auto loans totaling about ¥4.8 billion)



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



FY2023  
Consolidated Forecast

# FY2023 Consolidated Forecast

- No revisions to the FY2023 forecast announced November 7, 2023.

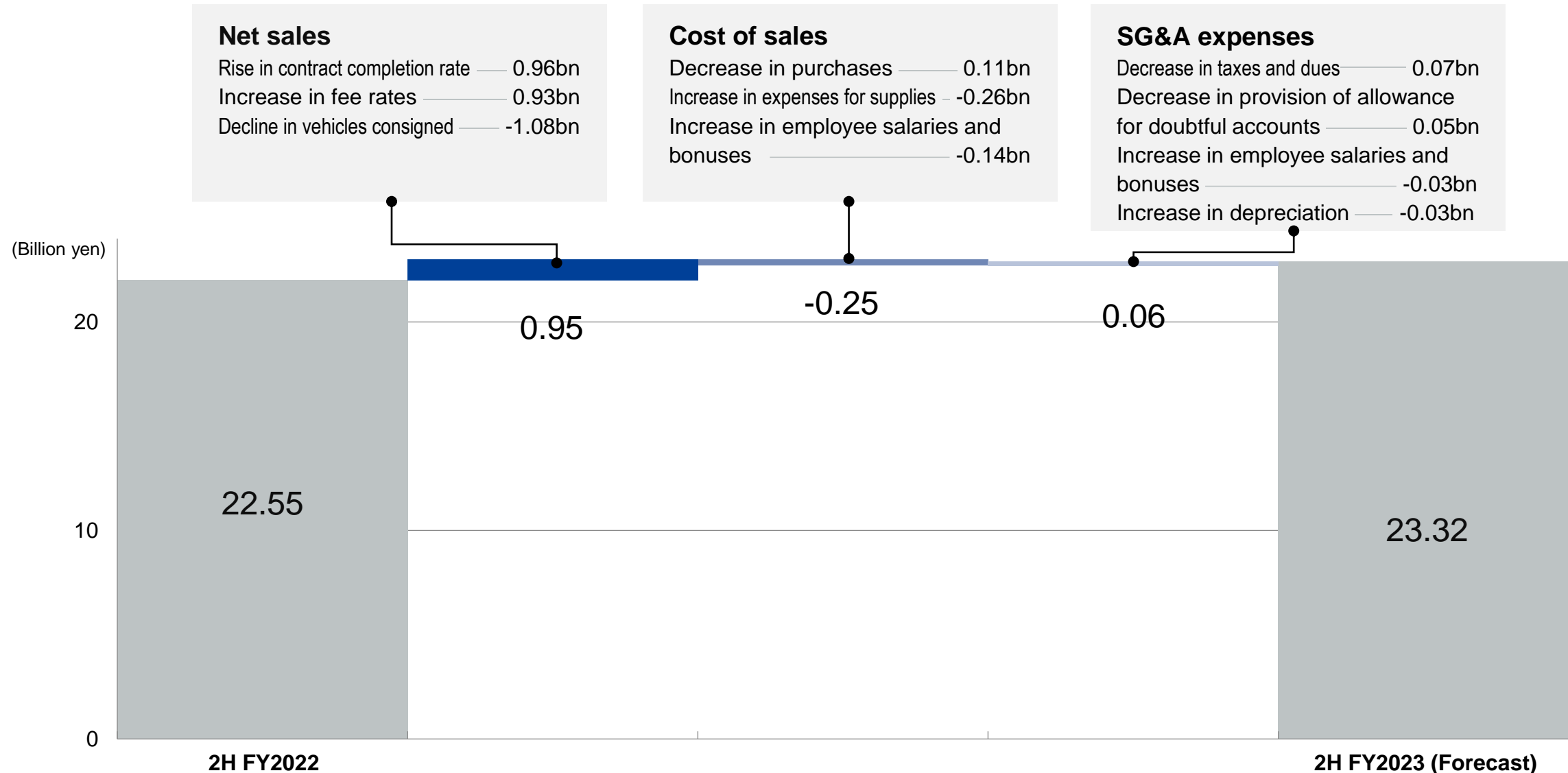
(Million yen)

	FY22 (Actual)	FY23 initial plan (May 9, 2023)	Changes	FY23 revised plan (Nov. 7, 2023)	Revised plan vs FY22
Net sales	88,778	92,400	3,000	95,400	107.5%
Gross profit (per sales)	53,642 (60.4%)	55,230 (59.8%)	2,130	57,361 (60.1%)	106.9%
Operating profit (per sales)	43,778 (49.3%)	45,300 (49.0%)	1,800	47,100 (49.4%)	107.6%
Ordinary profit (per sales)	44,491 (50.1%)	46,000 (49.8%)	1,810	47,810 (50.1%)	107.5%
Profit attributable to owners of parent (per sales)	30,008 (33.8%)	30,800 (33.3%)	1,100	31,900 (33.4%)	106.3%
Profit per share (yen)	122.69	127.92	4.46	132.38	107.9%
Capital expenditures (terms of cash flows)	4,567	4,400	-1,000	3,400	74.4%
Depreciation	4,626	4,701	-88	4,613	99.7%

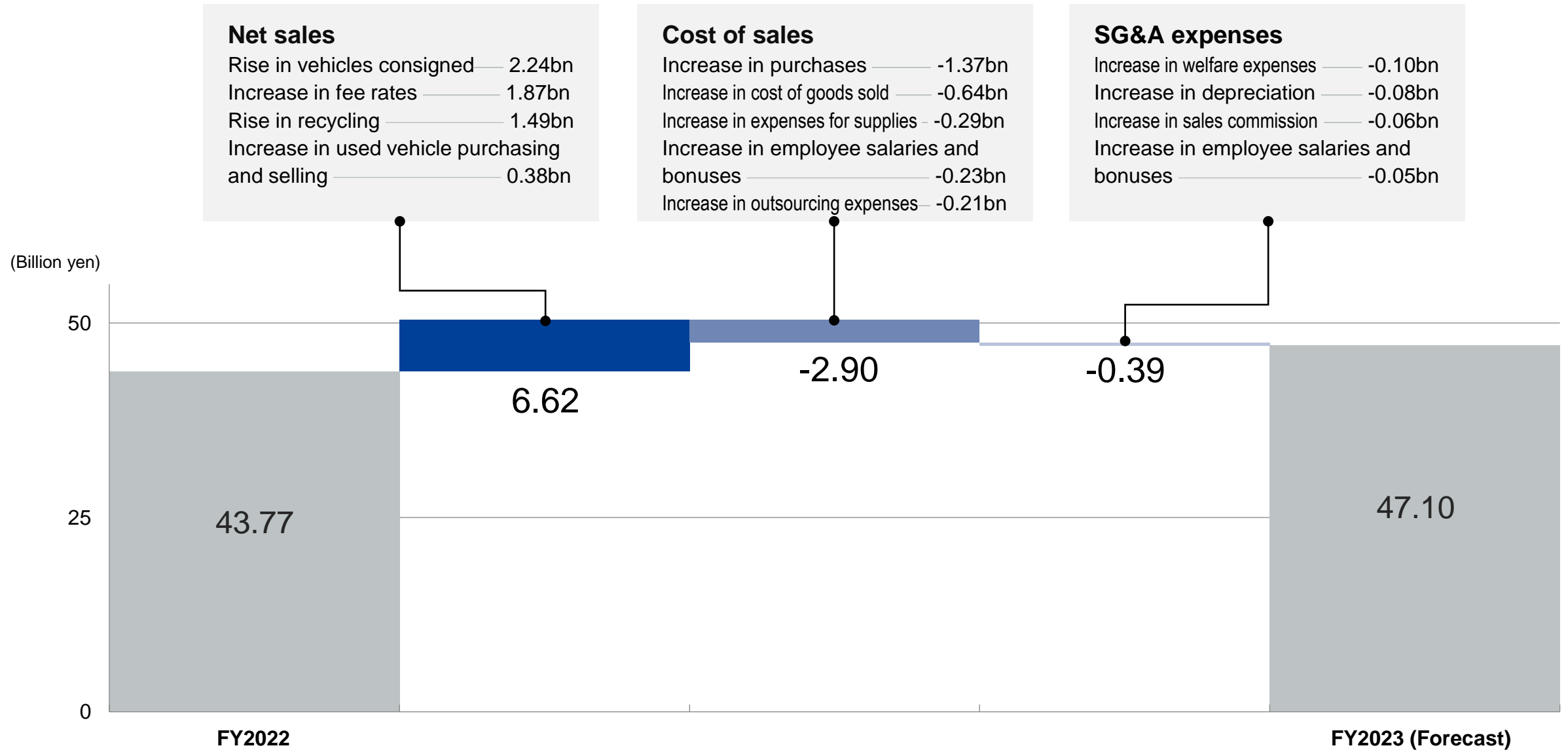
\* Profit per share (FY23 revised plan) is restated to reflect the changes in treasury shares to the end of December 2023.

Auto Auction Business (excl. JBA)	FY22 (Actual)	FY23 initial plan (May 9, 2023)	Changes	FY23 revised plan (Nov. 7, 2023)	Revised plan vs FY22
No. of vehicles consigned (thousands)	2,958	3,000	76	3,076	104.0%
No. of vehicles contracted (thousands)	1,863	1,880	35	1,915	102.8%
Contract completion rate	63.0%	62.7%	-0.4p	62.3%	-

# 2H FY2023 Reasons for Change in Operating Profit (Forecast)



# FY2023 Reasons for Change in Operating Profit (Forecast)



# FY2023 Forecast by Business Segment

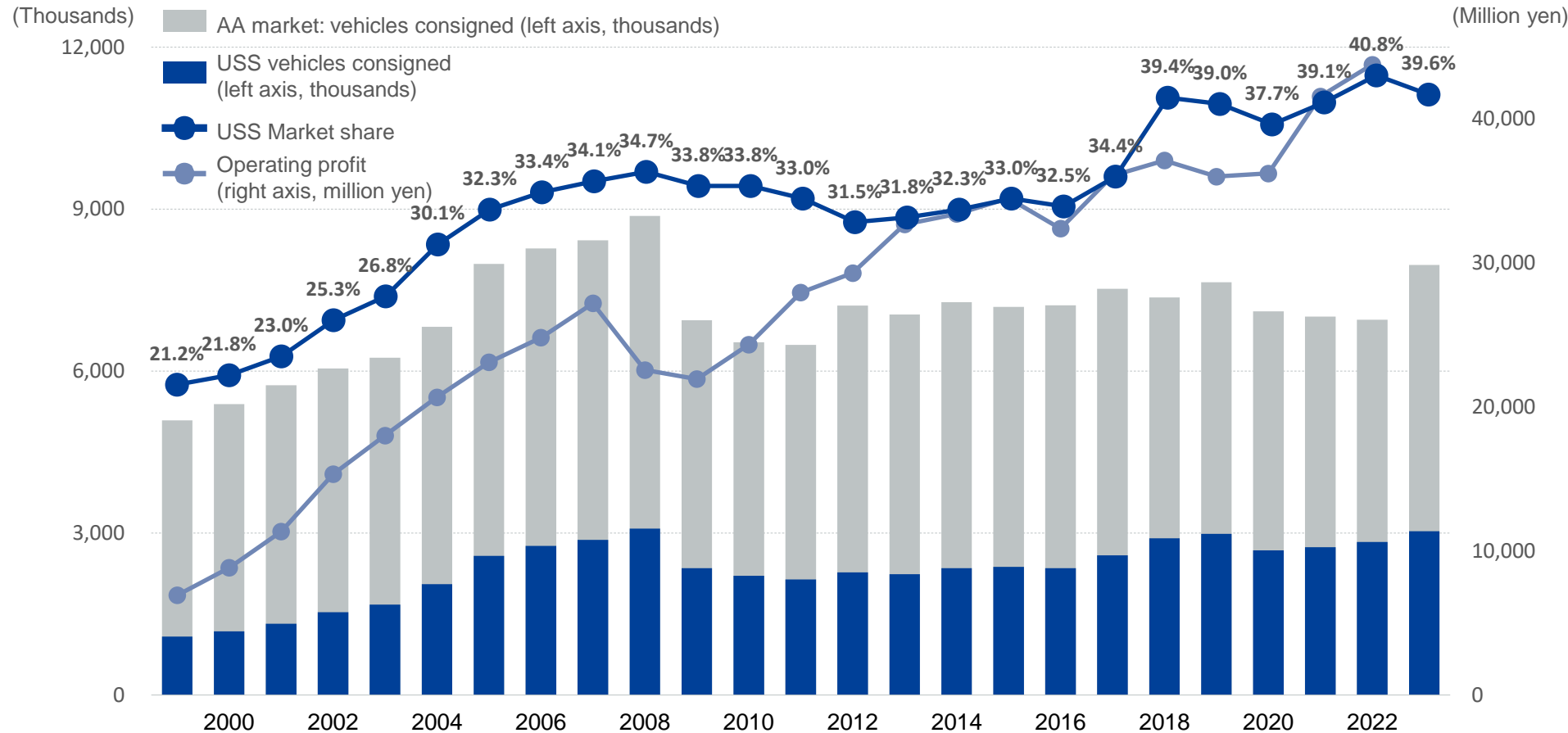
(Million yen)

	FY22 (Actual)	FY23 initial plan (May 9, 2023)	Changes	FY23 revised plan (Nov. 7, 2023)	Revised plan vs FY22
<b>Net sales</b>					
Auto auction	69,304	71,189	2,519	73,708	106.4%
Used vehicle purchasing and selling	10,391	10,820	-40	10,779	103.7%
Recycling	8,982	9,952	528	10,480	116.7%
Other	99	438	-6	431	433.6%
<b>Total</b>	<b>88,778</b>	<b>92,400</b>	<b>3,000</b>	<b>95,400</b>	<b>107.5%</b>
<b>Operating profit (per sales)</b>	<b>43,778 (49.3%)</b>	<b>45,300 (49.0%)</b>	<b>1,800</b>	<b>47,100 (49.4%)</b>	<b>107.6%</b>

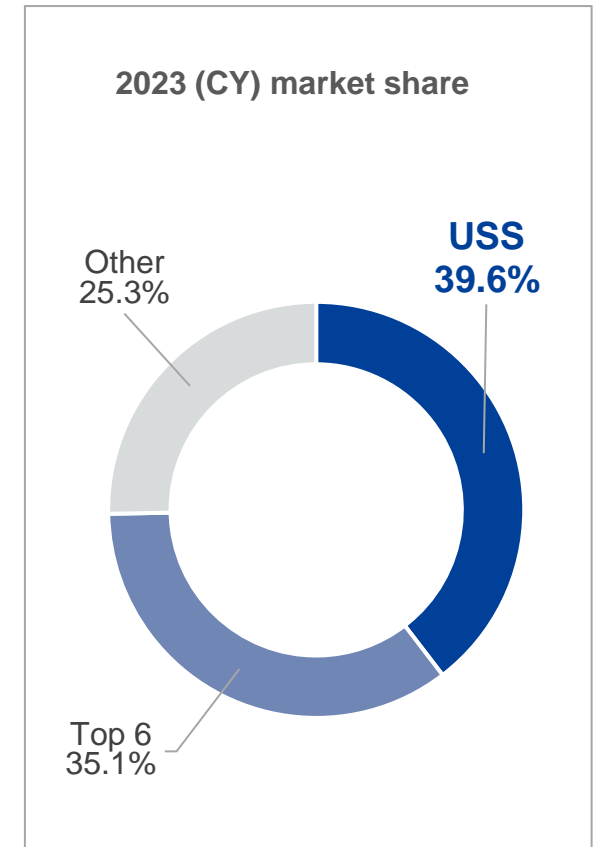
# Market Overview and Strategy for Creating Value Over the Medium-term

# 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

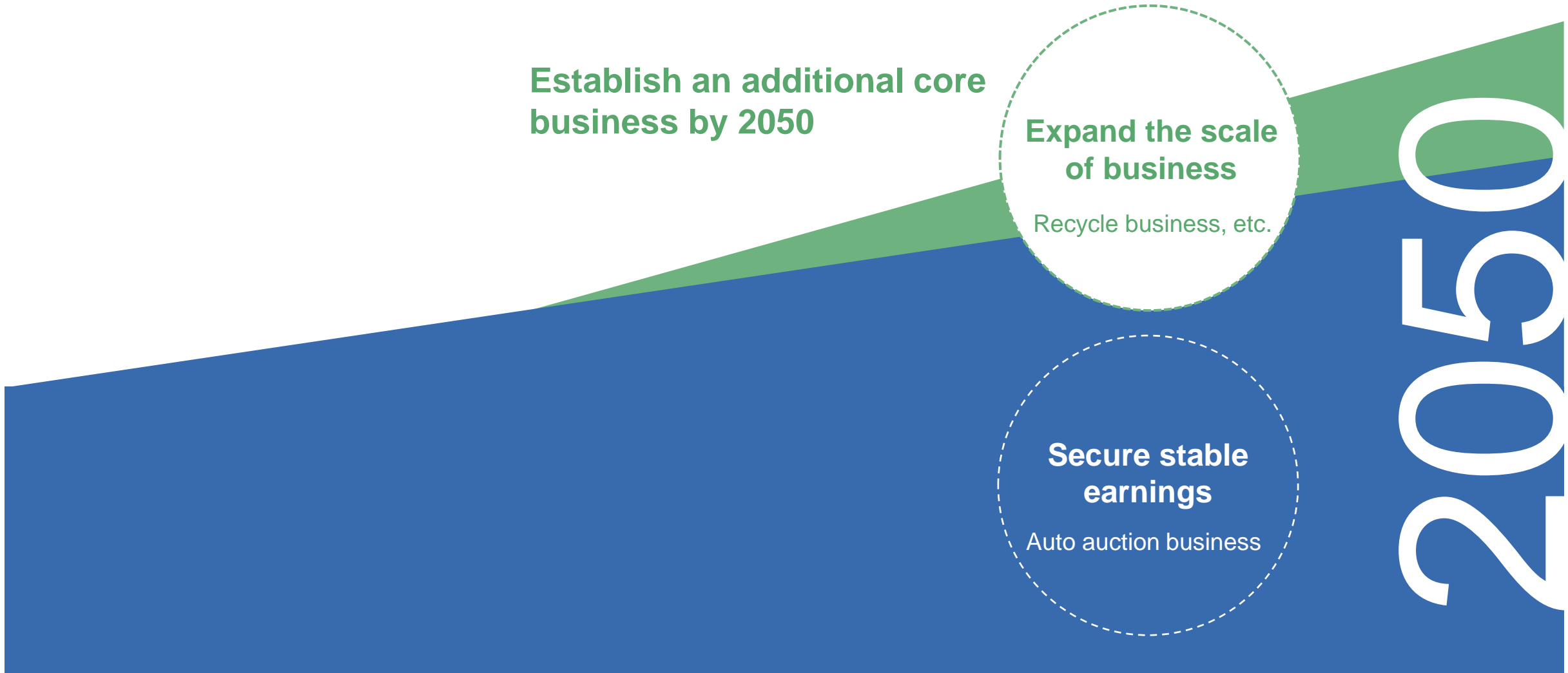


\* Market share in 2021 has been revised to reflect revisions to data announced by USED CAR Co., Ltd.



# Long-term Growth Vision

- Greater contributions to a circular economy and business expansion

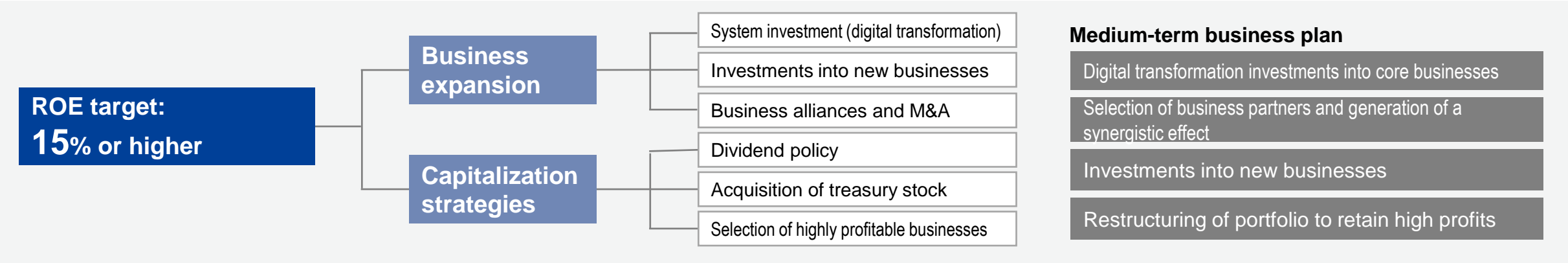




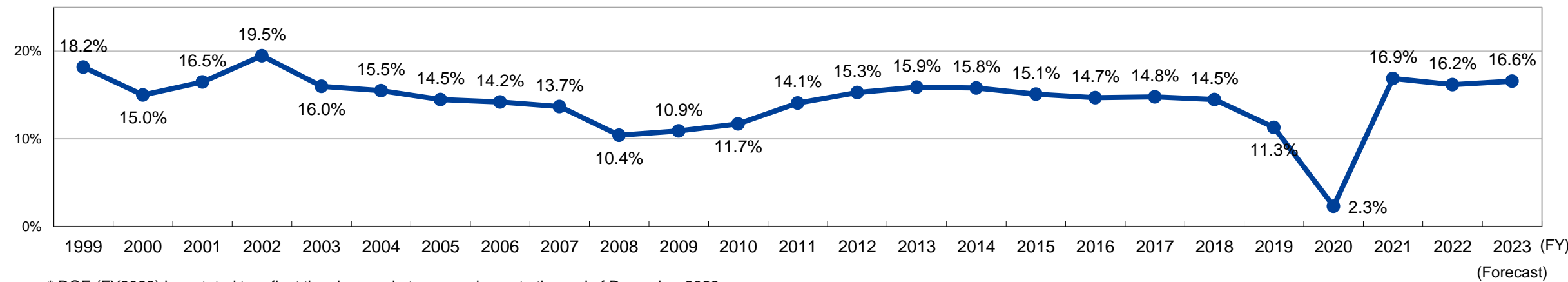
# Medium-term Business Plan and Raising the ROE

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

## Higher ROE and action in the medium-term business plan



## ROE

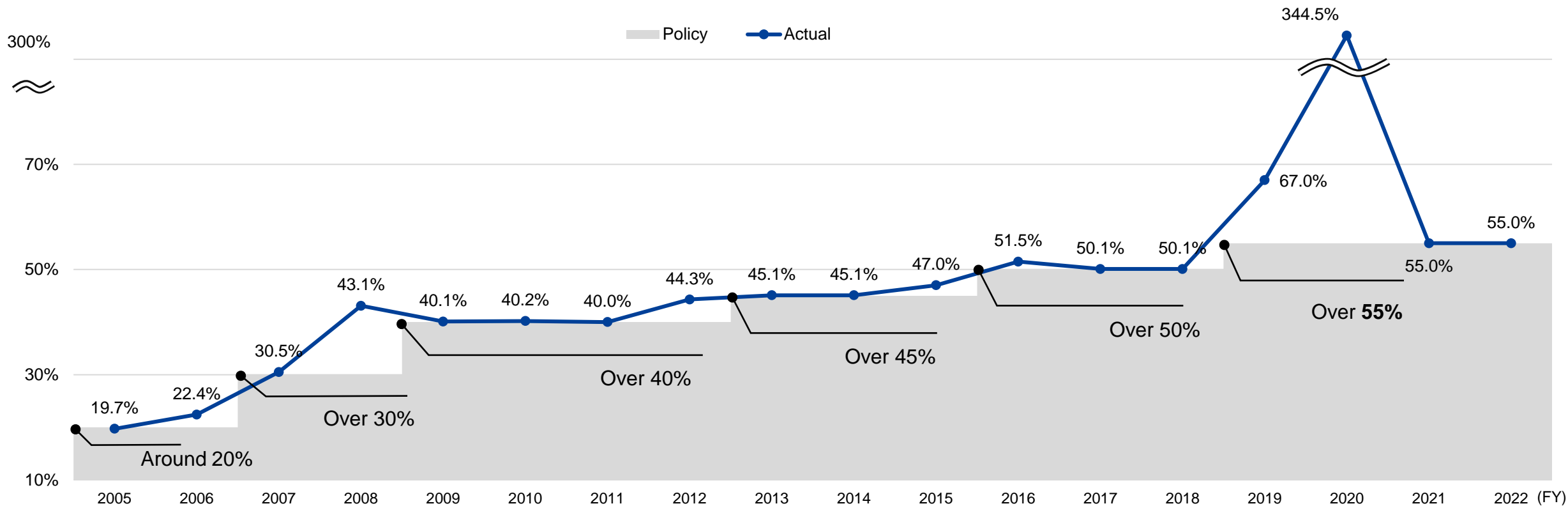


\* ROE (FY2023) is restated to reflect the changes in treasury shares to the end of December 2023.

# Basic Policy on Finance and Shareholder Distributions

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

Consolidated dividend payout ratio

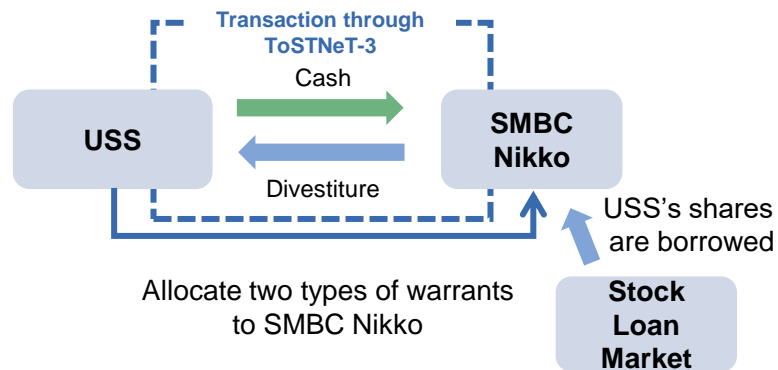


# Share Repurchase\*1 (1)

- In order to further reinforce its commitment to shareholder returns, USS implemented a facility share repurchase by SMBC Nikko (Japanese ASR)
- On June 21, 2023, USS implemented the share repurchase and completed the repurchase of the anticipated number of shares, 5 million shares (approx. JPY 11.8 billion)
- USS believes that the demand and supply of its shares are expected to increase as a result of the market purchase transaction executed by SMBC Nikko to return the number of shares it has borrowed
- On December 25, 2023, the results of the Adjustment Transaction have been finalized through exercising of 20<sup>th</sup> Series Warrants due to steady performance of stock price

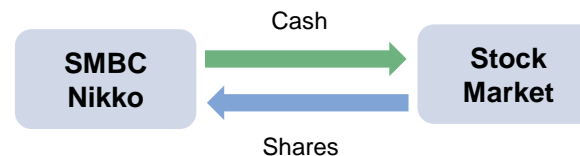
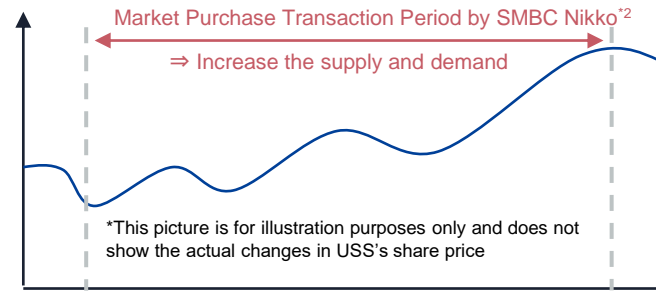
## (1) Initial Transaction

- USS announces a share repurchase through ToSTNeT-3
- USS allocates two types of warrants to SMBC Nikko
- SMBC Nikko places a sell order of 5,000,000 shares (borrowed shares)
- USS completes the repurchase of 5,000,000 shares through ToSTNeT-3 (completion of the share repurchase)



## (2) Market Purchase by SMBC Nikko

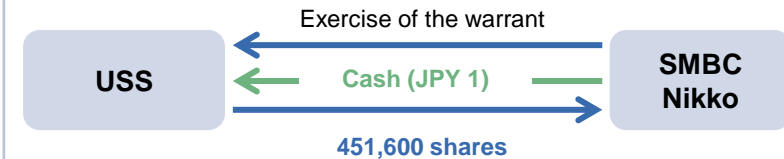
- SMBC Nikko repurchases USS's shares in the stock market within a certain period in order to return the number of shares it has borrowed
- The supply and demand of USS's shares are expected to increase as a result of the market purchase



## (3) Adjustment Transaction (Exercise of Warrant by SMBC Nikko)

- On December 25, 2023, SMBC Nikko exercised 20<sup>th</sup> Series Warrants and 451,600 shares have been delivered
- Since 20<sup>th</sup> Series Warrants were exercised, 21<sup>st</sup> Series Warrants have been waived
- As a result of the Adjustment Transaction, the substantive number of own shares that the Company repurchased through a series of transactions in the Facility Share Repurchase (Japanese ASR) is **4,548,400 shares** (1.76% of all outstanding shares<sup>\*3</sup>)

Exercise of the warrant whose exercise price is fixed (When the share price Rises)



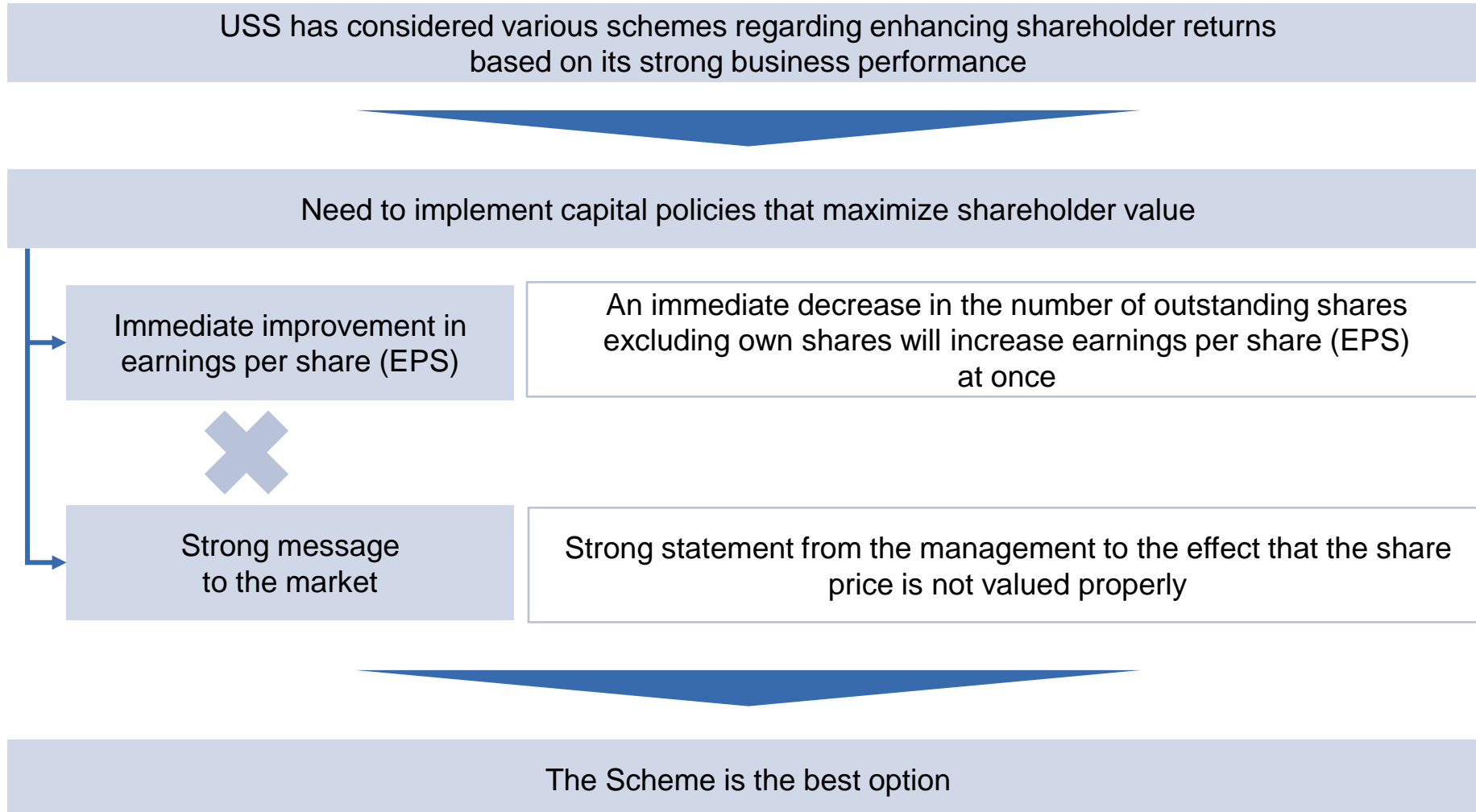
\*1:For details of the share repurchase, please refer to the USS's IR information dated June 20, 2023, June 21, 2023, and December 25, 2023, respectively.

\*2:The Market Purchase Transaction Period refers to the period from June 22, 2023 to the trading day prior to the exercise date of the warrant.

\*3:All outstanding shares mean the number including treasury shares.

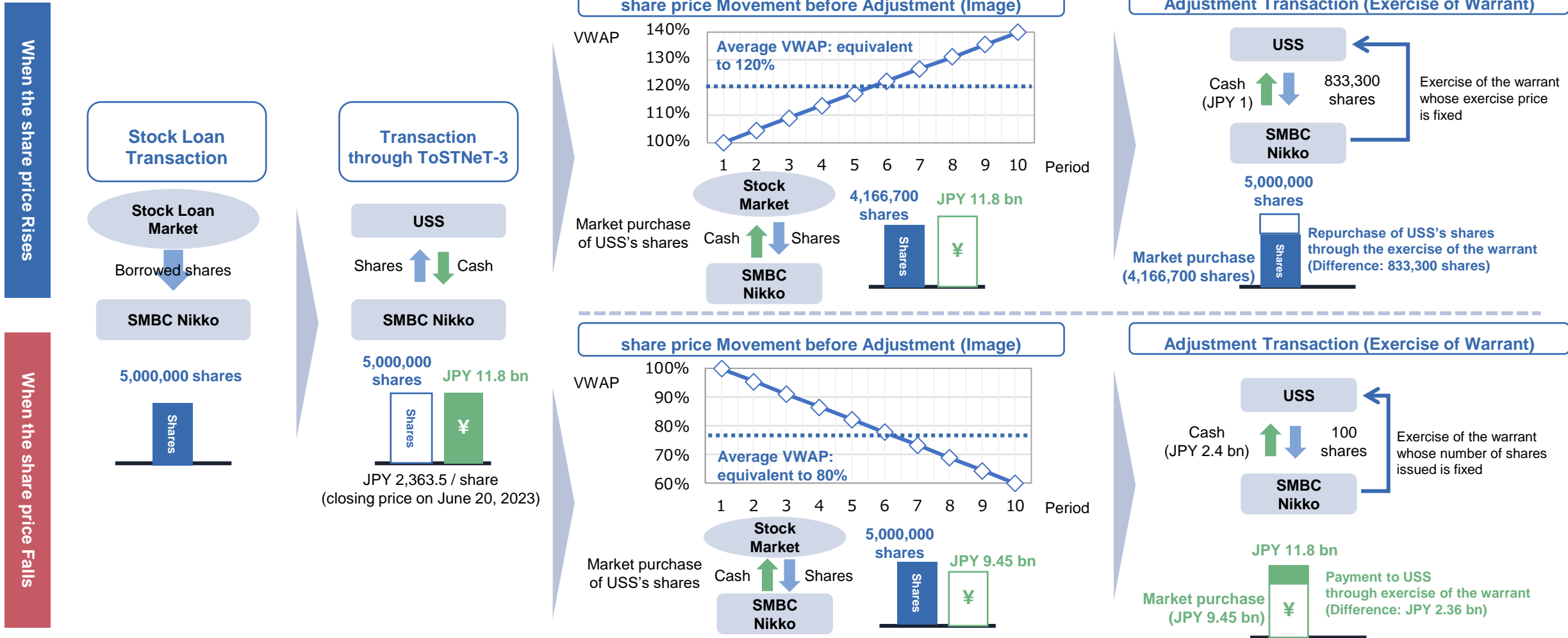
# Share Repurchase (2)

## ■ Background to Adoption of the Scheme



# Reference Information for Share Repurchase (1)

- The adjustment transaction using the warrants will generate the economic effects similar to those when repurchasing shares at the average VWAP during the post-adjustment period.



\*The above is for the purpose of understanding the scheme and does not guarantee the actual changes in USS's share price and the details of the adjustment transaction.

\*The average VWAP is calculated by multiplying the arithmetic average of the VWAP during the period by 99.90%, but the multiplication is not taken into account in the above case for simplicity.

# Reference Information for Share Repurchase (2)

- The following shows the adjustment table depending on the share price movement.

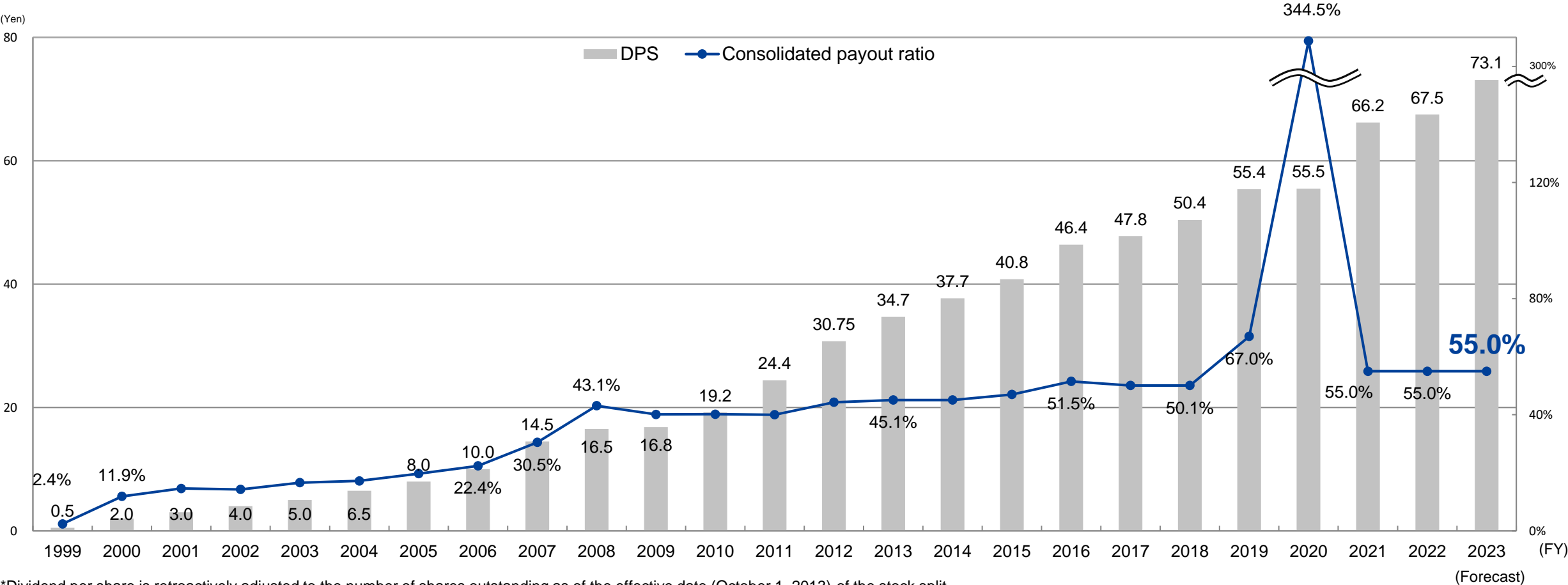
	Deviation rate of average VWAP from per-share purchase price	Average VWAP(JPY)	Amount of share repurchase from SMBC Nikko (JPY million)	Number of share repurchase from SMBC Nikko	When the share price Rises		When the share price Falls	
					Number of shares purchased at average VWAP	Number of shares delivered	Amount of share repurchase at average VWAP (JPY million)	Exercise Price (JPY million)
When the share price Rises ↑	20%	2,836.2	11,818	5,000,000	4,166,700	833,300		
	18%	2,788.9	11,818	5,000,000	4,237,300	762,700		
	16%	2,741.7	11,818	5,000,000	4,310,400	689,600		
	14%	2,694.4	11,818	5,000,000	4,386,000	614,000		
	12%	2,647.1	11,818	5,000,000	4,464,300	535,700		
	10%	2,599.9	11,818	5,000,000	4,545,500	454,500		
		<b>2,598.2</b>	<b>11,818</b>	<b>5,000,000</b>	<b>4,548,400</b>	<b>451,600</b>		
	8%	2,552.6	11,818	5,000,000	4,629,700	370,300		
	6%	2,505.3	11,818	5,000,000	4,717,000	283,000		
	4%	2,458.0	11,818	5,000,000	4,807,700	192,300		
	2%	2,410.8	11,818	5,000,000	4,902,000	98,000		
	0%	2,363.5	11,818	5,000,000	No exercise of warrants		No exercise of warrants	
	-2%	2,316.2	11,818	5,000,000			11,581	236
	-4%	2,269.0	11,818	5,000,000			11,345	473
	-6%	2,221.7	11,818	5,000,000			11,108	709
When the share price Falls ↓	-8%	2,174.4	11,818	5,000,000			10,872	945
	-10%	2,127.2	11,818	5,000,000			10,636	1,182
	-12%	2,079.9	11,818	5,000,000			10,399	1,418
	-14%	2,032.6	11,818	5,000,000			10,163	1,654
	-16%	1,985.3	11,818	5,000,000			9,927	1,891
	-18%	1,938.1	11,818	5,000,000			9,690	2,127
	-20%	1,890.8	11,818	5,000,000			9,454	2,364

\*The average VWAP is calculated by multiplying the arithmetic average of the VWAP during the period by 99.90%.

\*The amount of contribution at the time of the exercise of the warrant whose exercise amount is fixed (1 yen) and the number of shares at the time of the exercise of the warrant whose number of shares issued is fixed (100 shares) are not taken into account.

# Earnings Distributions – Dividend Policy

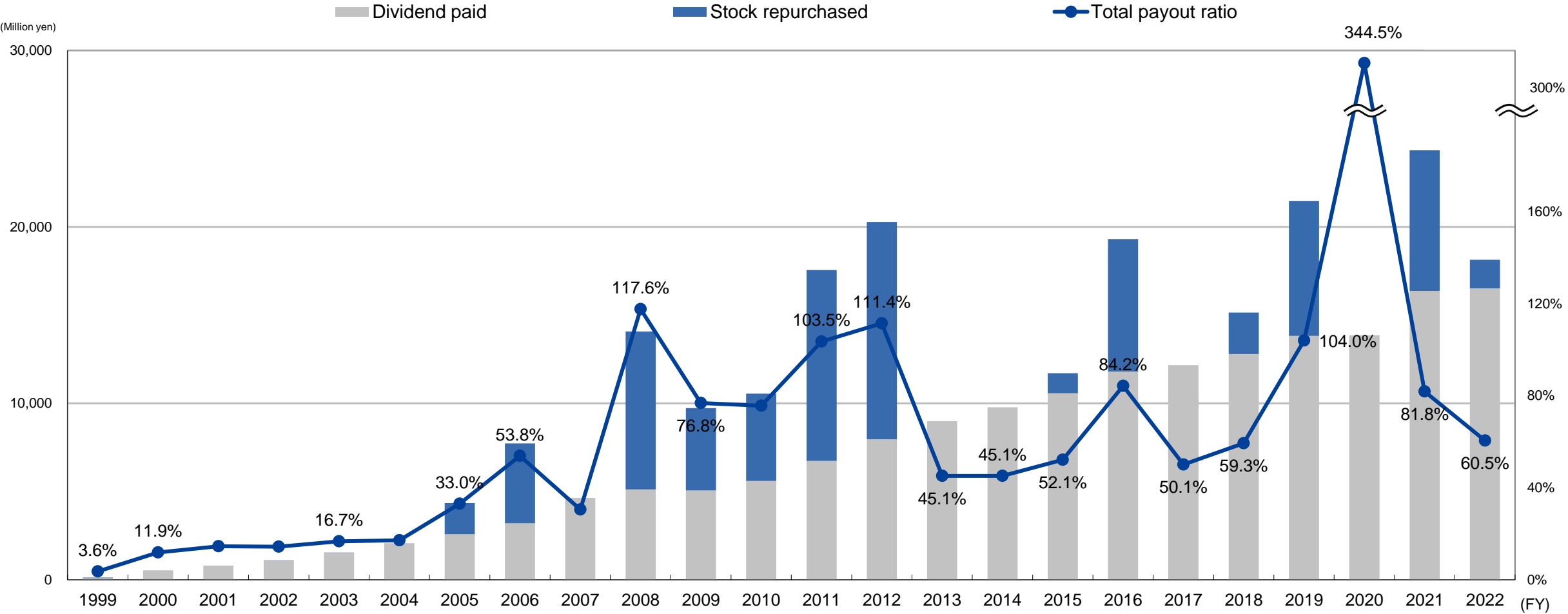
- Plan to pay 73.1 yen dividend per share for FY2023 (up 5.6 yen)
- Forecasting 24 consecutive years of dividend growth since listing



\*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

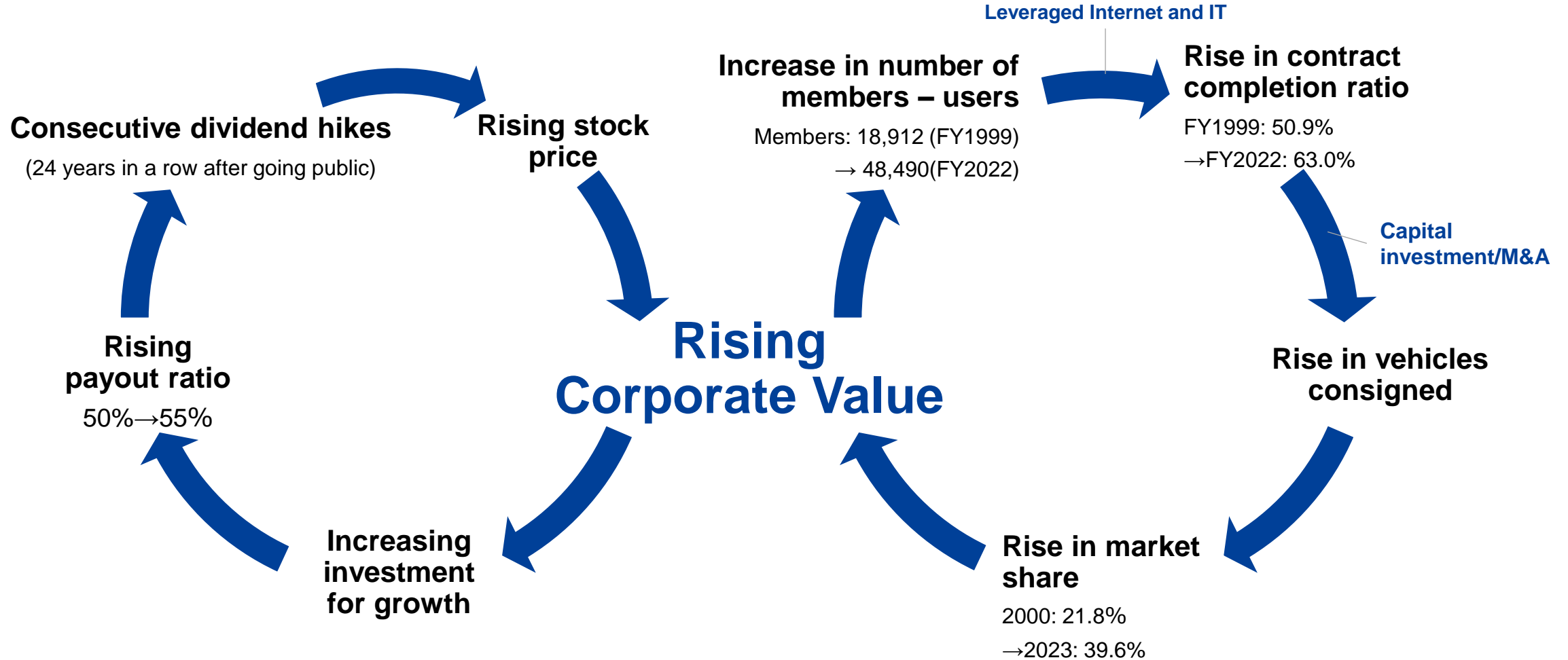
■ Flexible stock repurchases while maintaining stable dividend.





# 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



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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

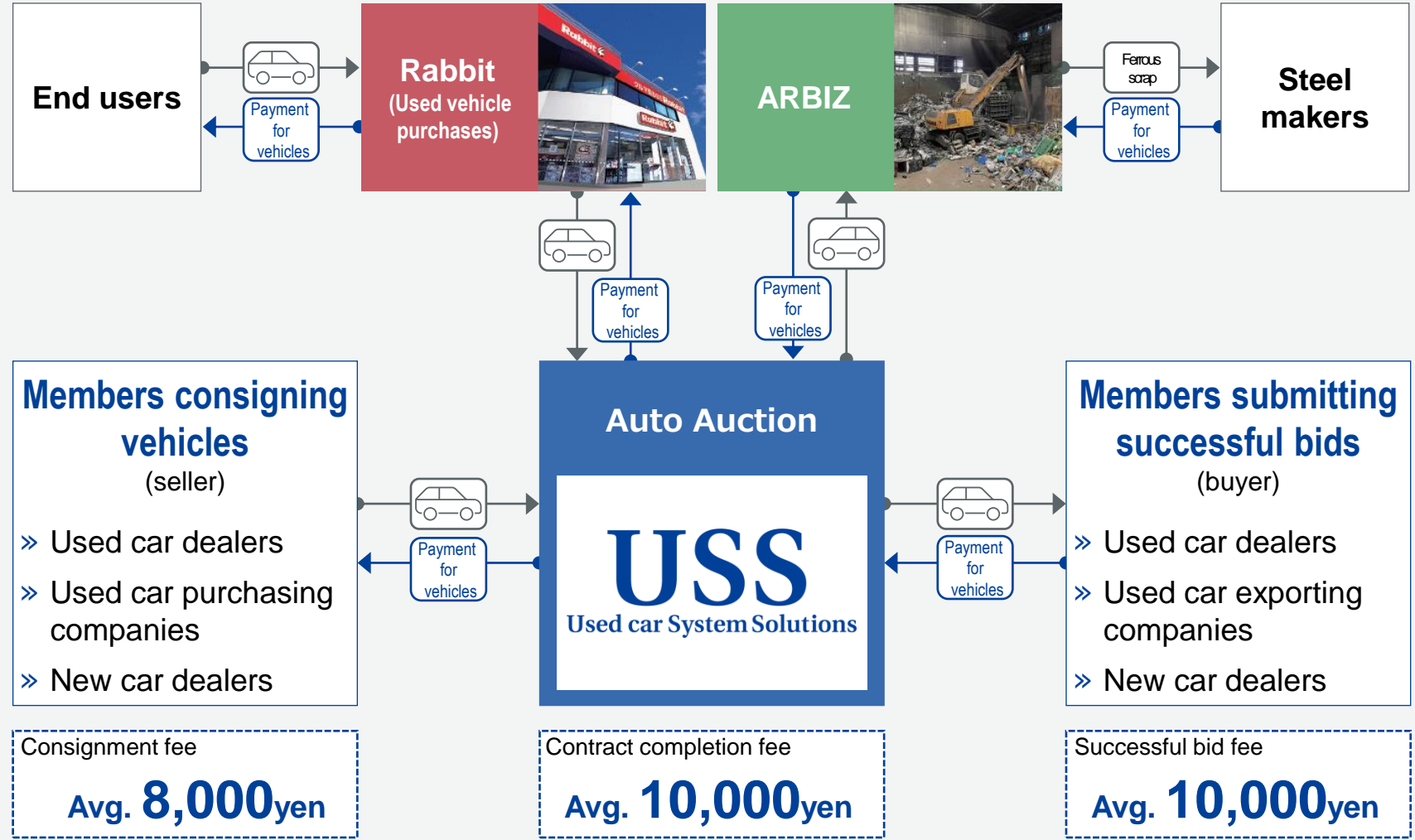
**2.95** million  
(FY2022)

USS's fee per unit

Avg. **28,000** yen

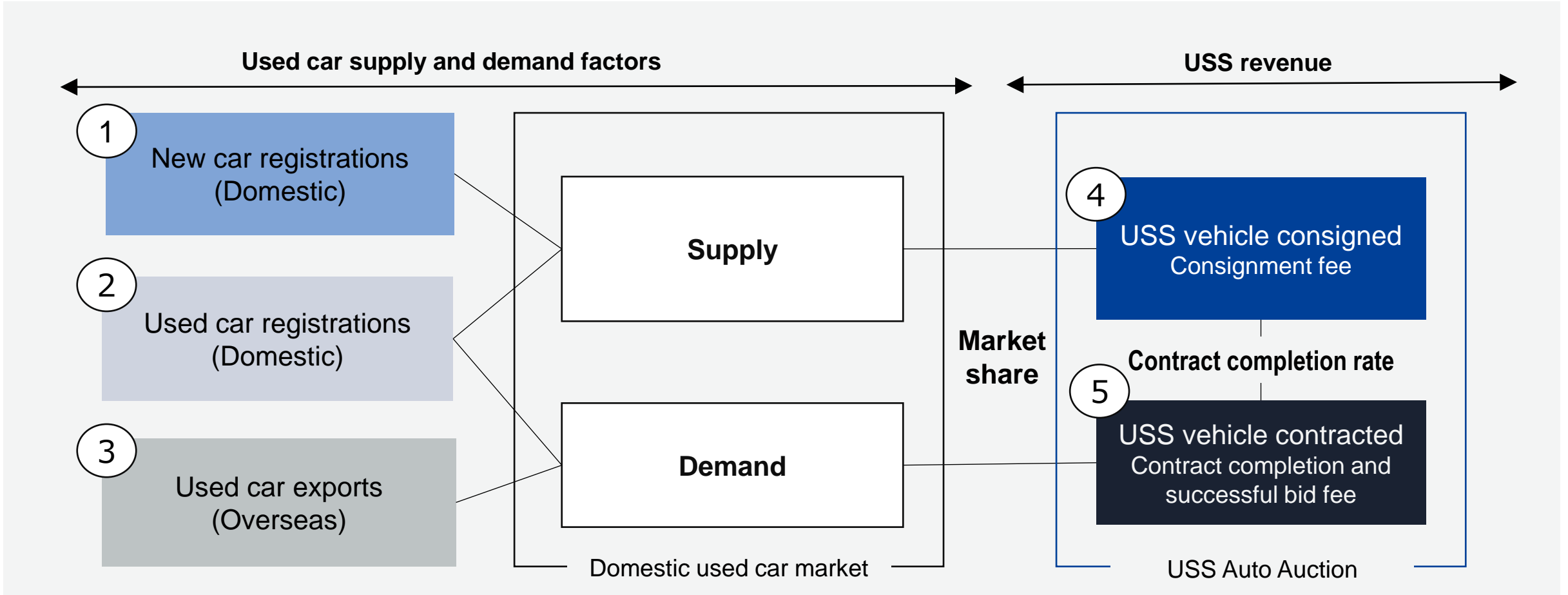
Contract completion rate

**63.0%**  
(FY2022)



# Automobile Market and USS Revenue

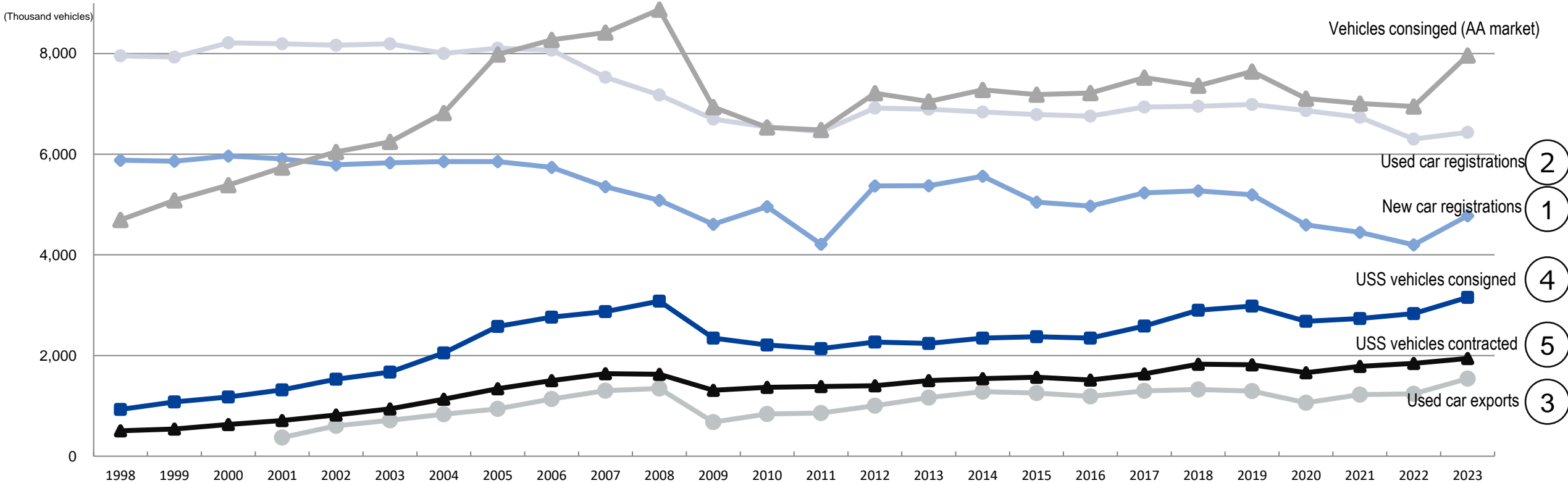
- The supply of used cars for automobile auctions is significantly affected by the number of cars traded in when purchasing a new car. Therefore, this supply changes with (1) the number of new car registrations and (2) the number of used car registrations.
- Total demand comprises domestic demand (2) 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 FY23	Q1-3 FY22	Q1-3 FY23	Q1-3 FY22	YoY change	Q1-3 FY23	Q1-3 FY22	YoY change	Q1-3 FY23	Q1-3 FY22
Tokyo	37	36	553,176	512,825	107.9%	357,839	346,588	103.2%	64.7%	67.6%
Nagoya	36	37	356,207	333,206	106.9%	204,239	201,252	101.5%	57.3%	60.4%
HAA Kobe	37	37	221,731	191,847	115.6%	131,252	119,590	109.8%	59.2%	62.3%
Yokohama	37	37	176,749	143,144	123.5%	110,160	94,900	116.1%	62.3%	66.3%
Kyushu	37	37	163,557	159,822	102.3%	108,226	106,647	101.5%	66.2%	66.7%
Osaka	36	37	150,114	140,733	106.7%	85,204	82,251	103.6%	56.8%	58.4%
Sapporo	37	37	120,096	111,137	108.1%	80,164	78,540	102.1%	66.7%	70.7%
Shizuoka	37	37	76,118	76,229	99.9%	46,792	43,657	107.2%	61.5%	57.3%
Kobe	37	37	74,544	68,235	109.2%	39,770	40,321	98.6%	53.4%	59.1%
R-Nagoya	37	37	73,066	68,116	107.3%	60,238	57,544	104.7%	82.4%	84.5%
JAA	37	37	60,120	52,643	114.2%	26,141	24,300	107.6%	43.5%	46.2%
Okayama	37	37	55,059	48,188	114.3%	42,431	37,289	113.8%	77.1%	77.4%
Tohoku	37	37	49,625	42,824	115.9%	37,307	33,723	110.6%	75.2%	78.7%
Gunma	37	37	47,728	40,154	118.9%	29,572	26,507	111.6%	62.0%	66.0%
Niigata	37	37	39,623	35,701	111.0%	21,255	21,653	98.2%	53.6%	60.7%
Saitama	36	37	36,076	34,240	105.4%	25,723	21,210	121.3%	71.3%	61.9%
Fukuoka	37	37	31,289	27,564	113.5%	18,220	17,887	101.9%	58.2%	64.9%
Hokuriku	37	37	13,645	14,353	95.1%	10,088	10,636	94.8%	73.9%	74.1%
Total	663	665	2,298,523	2,100,961	109.4%	1,434,621	1,364,495	105.1%	62.4%	64.9%

# 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	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	282,743	349,777	1,602,354	2,958,598
	YoY	10.0	-12.5	0.6	-9.9	3.3	6.8	-0.4	10.9	25.8	14.3	16.0	20.9	14.7	16.9	8.3
	FY23	293,022	227,077	274,839	250,981	210,876	276,840	1,533,635	252,343	277,041	235,504	212,848			977,736	2,511,371
	YoY	6.7	14.5	15.2	12.2	21.8	11.7	13.1	1.1	4.1	2.8	-5.5			-	-
No. of Vehicles Contracted	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	165,277	199,973	955,368	1,863,988
	YoY	6.7	-9.6	6.3	0.0	10.2	9.3	3.7	4.9	11.4	-0.3	2.6	6.5	3.8	4.9	4.3
	FY23	162,121	141,727	171,557	158,822	136,832	179,444	950,503	162,691	176,359	145,068	144,694			628,812	1,579,315
	YoY	-0.6	8.1	6.6	1.6	9.6	4.2	4.6	0.9	7.5	11.0	7.8			-	-
Contract Completion Rate	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	58.5	57.2	59.6	63.0
	FY23	55.3	62.4	62.4	63.3	64.9	64.8	62.0	64.5	63.7	61.6	68.0			-	-



# Appendix – Trends in the Used Car Auction Industry

## Industry trends

(Thousand vehicles)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
New car registrations	836	1,192	1,198	1,429	1,034	1,015	968	1,197	888	1,034	1,080	1,381	1,069	1,156	1,171	
YoY change	-31.8%	-14.6%	14.6%	4.2%	23.8%	-14.8%	-19.2%	-16.3%	-14.1%	1.9%	11.6%	15.4%	20.3%	11.8%	8.4%	
Used car registrations	1,557	1,705	1,694	1,948	1,654	1,566	1,560	1,784	1,543	1,488	1,485	1,775	1,563	1,524	1,571	
YoY change	-6.9%	-0.8%	4.1%	2.1%	6.2%	-8.2%	-7.9%	-8.4%	-6.7%	-5.0%	-4.8%	-0.5%	1.3%	2.4%	5.8%	
Used car exports	186	270	314	269	335	315	304	267	325	291	353	320	407	395	419	
YoY change	-44.3%	-13.9%	-9.3%	-7.0%	79.4%	16.7%	-3.3%	-0.9%	-3.0%	-7.6%	16.2%	19.8%	25.3%	35.6%	18.7%	

## Auto auction market

(Thousand vehicles)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Vehicles consigned	1,758	1,624	1,801	1,893	1,861	1,658	1,593	1,779	1,773	1,572	1,824	2,105	2,068	1,871	1,917	
YoY change	-11.3%	-10.7%	-1.7%	-1.5%	5.9%	2.1%	-11.6%	-6.0%	-4.7%	-5.2%	14.5%	18.4%	16.7%	19.0%	5.1%	
Vehicles contracted	982	1,156	1,207	1,281	1,246	1,138	1,111	1,223	1,200	1,124	1,177	1,318	1,323	1,259	1,277	
YoY change	-20.7%	-3.0%	3.6%	5.3%	26.8%	-1.6%	-8.0%	-4.5%	-3.7%	-1.3%	6.0%	7.8%	10.2%	12.1%	8.5%	

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

# Appendix – Auto Auction

(Million yen)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	13,302	14,944	15,864	16,937	16,343	15,585	15,664	17,264	16,766	16,401	17,130	19,006	18,399	18,068	18,429	
YoY change	-18.7%	-3.1%	3.3%	4.4%	22.9%	4.3%	-1.3%	1.9%	2.6%	5.2%	9.4%	10.1%	9.7%	10.2%	7.6%	
Operating profit	6,835	8,862	9,535	10,229	10,267	9,585	9,493	10,871	10,462	9,972	10,322	11,511	11,477	11,330	11,735	
YoY change	-23.9%	3.8%	9.7%	11.0%	50.2%	8.2%	-0.4%	6.3%	1.9%	4.0%	8.7%	5.9%	9.7%	13.6%	13.7%	

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

		FY2020				FY2021				FY2022				FY2023			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
No. of vehicles consigned (Thousands)		631	605	685	738	713	647	637	733	711	644	744	857	794	738	764	
No. of vehicles contracted (Thousands)		342	423	439	476	449	427	431	478	455	453	455	499	475	475	484	
Contract completion rate	USS	54.2%	69.9%	64.1%	64.5%	63.0%	65.9%	67.8%	65.3%	64.0%	70.3%	61.2%	58.2%	59.8%	64.3%	63.3%	
	Industry's average (excl. USS)	56.9%	72.0%	68.9%	69.7%	69.4%	70.4%	71.0%	71.2%	70.2%	72.3%	66.8%	65.6%	66.6%	69.3%	68.8%	
Avg. price of vehicle contracted	USS (Thousand yen)	643	794	811	795	830	907	936	961	1,000	1,170	1,068	965	976	1,061	1,048	
	Industry's average (excl. USS) (Thousand yen)	401	481	455	484	474	494	518	513	530	581	562	536	542	572	560	
Fees	Consignment fees (Million yen)	3,193	3,229	3,757	3,971	3,908	3,629	3,602	4,057	3,935	3,659	4,182	4,793	4,440	4,229	4,377	
	Fee per vehicle (yen)	5,083	5,364	5,509	5,413	5,505	5,630	5,685	5,566	5,556	5,707	5,645	5,617	5,609	5,753	5,752	
	Contract completion fees (Million yen)	2,791	3,574	3,706	4,015	3,780	3,613	3,662	4,031	3,811	3,807	3,815	4,286	4,138	4,190	4,260	
	Fee per vehicle (yen)	8,212	8,503	8,493	8,485	8,461	8,506	8,530	8,471	8,418	8,447	8,418	8,633	8,754	8,875	8,855	
	Successful bid fees (Million yen)	4,408	5,397	5,649	6,118	5,817	5,549	5,540	6,168	5,863	5,789	5,886	6,446	6,331	6,362	6,489	
	Fee per vehicle (yen)	12,888	12,759	12,864	12,859	12,959	13,004	12,837	12,898	12,898	12,776	12,922	12,918	13,329	13,403	13,413	
Other	On-site auction members	48,104	48,242	47,859	48,058	48,170	48,345	48,121	48,362	48,428	48,590	48,292	48,490	48,241	48,379	48,003	
	CIS members	32,059	32,283	32,392	32,538	32,799	33,042	33,219	33,359	33,582	33,817	33,898	33,934	34,129	34,246	34,238	
	Satellite TV members	2,300	2,267	2,227	2,197	2,163	2,132	2,109	2,081	2,048	2,020	1,998	1,981	1,953	1,871	1,707	
	Off-site ratio	55.0%	53.9%	52.8%	52.9%	53.1%	53.7%	52.0%	52.4%	52.0%	52.5%	51.0%	50.3%	51.8%	52.8%	52.0%	

# Appendix – Used Vehicle Purchasing and Selling, Recycling, Other

## Used vehicle purchasing and selling

(Million yen)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1,486	2,085	2,469	2,605	2,110	2,119	2,313	2,757	2,302	2,747	2,591	2,750	2,366	2,947	2,799	
YoY change	-28.1%	-7.2%	3.3%	8.7%	42.0%	1.7%	-6.3%	5.8%	9.1%	29.6%	12.0%	-0.3%	2.8%	7.3%	8.0%	
Operating profit	-83	181	139	33	18	67	76	-25	12	199	11	-93	6	138	111	
YoY change	-	112.4%	413.3%	-	-	-63.1%	-45.3%	-	-34.3%	197.3%	-84.6%	-	-45.6%	-30.7%	846.3%	

## Recycling

(Million yen)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1,179	1,075	1,250	1,324	1,892	1,687	1,841	1,817	2,041	2,121	2,225	2,594	3,116	3,033	1,985	
YoY change	-8.7%	-5.5%	-16.7%	7.7%	60.5%	56.8%	47.3%	37.2%	7.9%	25.7%	20.8%	42.8%	52.6%	43.0%	-10.8%	
Operating profit	-43	81	148	189	340	249	304	248	321	205	278	527	505	348	117	
YoY change	-	37.6%	99.8%	344.8%	-	205.5%	105.3%	30.8%	-5.3%	-17.6%	-8.6%	112.7%	57.1%	69.5%	-57.6%	

## Other

(Million yen)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	88	116	102	43	24	21	19	19	25	22	31	19	47	114	205	
YoY change	-38.2%	-11.5%	-27.3%	-62.4%	-72.0%	-81.3%	-81.4%	-54.2%	3.7%	3.9%	66.8%	-2.9%	83.3%	402.6%	544.4%	
Operating profit	0	16	8	-1	17	15	12	13	19	16	-1	-7	-24	-17	-13	
YoY change	-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.