



August 3, 2020

To All Stakeholders:

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Notice Concerning Forecasts of Financial Results and Dividend

The forecast of financial results and dividend for the fiscal year ending March 31, 2021, which were not disclosed in the “Consolidated Financial Results for the Fiscal Year ended March 31, 2020” announced on May 12, 2020, are presented below.

1. Forecast for the Fiscal Year Ending March 2021 (April 1, 2020 - March 31, 2021)

(1) First Half (April 1, 2020 - September 30, 2020)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	—	—	—	—	—
Current forecast (B)	32,450	13,300	13,600	9,100	36.49
Amount of change (B-A)	—	—	—	—	—
Percent of change (%)	—	—	—	—	—
(Reference) Actual results of 1H of FY3/2020	38,792	17,907	18,216	12,232	48.75

(2) Full Year (April 1, 2020 - March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	—	—	—	—	—
Current forecast (B)	67,300	27,200	27,800	18,400	73.81
Amount of change (B-A)	—	—	—	—	—
Percent of change (%)	—	—	—	—	—
(Reference) Actual results of FY3/2020	78,143	36,009	36,710	20,634	82.44

(3) Reasons for releasing earnings forecast

The forecast of the financial results for the fiscal year ending March 31, 2021 was not announced because it was difficult to reasonably calculate the impact of the spread of the COVID-19 pandemic on the Group's business. Based on the information currently available to management the Group expects the number of vehicles consigned in the fiscal year ending March 2021 to be 2,340 thousand (20.0% decrease from the previous year) and the number of vehicles contracted to be 1,420 thousand (19.9% decrease from the previous year). The contract completions rate is likely to be 60.7% (60.6% in the previous fiscal year). In view of the above estimates, the forecast for financial results is as follows.

<Reference>

Full Year (April 1, 2020 - March 31, 2021)

	FY3/2020 (A)	FY3/2021 (F) (B)	Change (B-A)	% of Change
No. of vehicles consigned	Thousand 2,924,052	Thousand 2,340,000	Thousand (584,052)	% (20.0)
No. of vehicles contracted	1,772,443	1,420,000	(352,443)	(19.9)
Contract completion rate	60.6%	60.7%	0.1pp	0
Net sales	Million yen 78,143	Million yen 67,300	Million yen (10,843)	% (13.9)
Operating profit	36,009	27,200	(8,809)	(24.5)
Ordinary profit	36,710	27,800	(8,910)	(24.3)
Profit attributable to owners of parent	20,634	18,400	(2,234)	(10.8)

The above forecast of financial results is calculated based on the information currently available to management. Actual earnings may vary due to various factors. Although the outlook for containing the COVID-19 pandemic is still uncertain, the Group's sales are recovering. The forecast for financial results assumes that an emergency declaration imposing restrictions on social activities contain the second wave of the COVID-19 pandemic is unlikely.

2. Dividend forecast

(1) Dividend forecast

	Dividend per share (yen)		
	End of 2Q	Year-end	Total
Previous forecast	—	—	—
Current forecast	27.75	27.75	55.50
(Reference) Actual results of FY3/2020	25.60	29.80	55.40

(2) Reasons for the release of dividend forecast

The release of the dividend forecast was pending as the forecast for consolidated financial results for the fiscal year ending March 2021 had not been announced. We are announcing the dividend forecast as the forecast for financial results has now been released.

The Group's basic dividend policy is to aim at a consolidated payout ratio of 55% or more. In addition, we have continued to increase dividend for 20 consecutive years since the stock was listed. We have set an annual dividend per share forecast of 55.50 yen with the aim of achieving a dividend increase in the fiscal year ending March 2021.

* The forecasts of financial results and dividend presented in this material are based on the information available to management as of the date of release. Actual results may vary from the above estimates due to various factors.