Q1 FY2026

# Consolidated Results of Operations

USS Co., Ltd.

August 2026

FY2026 (FY3/2027) : from April 1, 2026 to March 31, 2027

# Contents

Q1 FY2026

# Results of Operations

# Highlights of Q1 FY2026

USS Used car System Solutions

## Q1 Results

- **Net sales ¥31.2 billion** (up 14.1% YoY)
- **Operating profit ¥16.1 billion** (up 9.8% YoY)
  - USS Auto Auction result in Q1 FY2026: vehicles consigned were 950 thousand (up 4.7% YoY), contract completions were 619 thousand (up 8.4% YoY), contract completion rate was 65.1%
  - 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 earnings increased because the number of large-scale plant demolition projects increased.

## FY2026 Forecast

- **Revisions to the FY2026 plan**
- **Net sales increased from ¥119.8 billion to ¥121.8 billion**
  - 1.7% higher than the initial forecast
- **Operating profit increased from ¥61.0 billion to ¥62.6 billion**
  - 2.6% higher than the initial forecast

## Earnings Distributions

- **FY2026 dividend forecast has been raised from ¥55.0 to ¥56.4**

  * This will be the 27th consecutive year of dividend increases.
- **Total payout ratio : at least 100%** (by FY2027)

  **Dividend payout ratio : at least 60%**

  **ROE target : 20% or higher**
- **Repurchase of stock**
  - As of May 13, 2026, 10.33 million shares had been repurchased at a cost of approximately ¥18 billion

# Q1 FY2026 Summary of Consolidated Results of Operations

USS Used car System Solutions

- Sales was up 14.1% YoY to ¥31.25 billion, operating profit was up 9.8% to ¥16.15 billion, and profit attributable to owners of parent was up 7.0% to ¥10.94 billion.
- Record-high sales, operating profit, ordinary profit and profit attributable to owners of parent

(Million yen)

| | Q1 FY2024 | (per sales) | Q1 FY2025 | (per sales) | Q1 FY2026 | (per sales) | Year on year |
|---|---|---|---|---|---|---|---|
| Net sales | 25,640 | | 27,389 | | **31,256** | | **114.1%** |
| Cost of sales | 9,642 | 37.6% | 10,015 | 36.6% | **12,090** | **38.7%** | **120.7%** |
| Gross profit | 15,997 | 62.4% | 17,374 | 63.4% | **19,166** | **61.3%** | **110.3%** |
| Selling, general and administrative expenses | 2,554 | 10.0% | 2,665 | 9.7% | **3,015** | **9.6%** | **113.1%** |
| Operating profit | 13,443 | 52.4% | 14,708 | 53.7% | **16,150** | **51.7%** | **109.8%** |
| Ordinary profit | 13,620 | 53.1% | 14,870 | 54.3% | **16,348** | **52.3%** | **109.9%** |
| Profit attributable to owners of parent | 9,252 | 36.1% | 10,232 | 37.4% | **10,946** | **35.0%** | **107.0%** |

# Net Sales and Operating Profit by Business Segment

(Million yen)

| Net sales | Q1 FY2024 | Q1 FY2025 | Q1 FY2026 | Year on year |
|---|---|---|---|---|
| Auto auction | 20,037 | 22,313 | 24,206 | 108.5% |
| Used vehicle purchasing and selling | 3,178 | 2,862 | 3,262 | 114.0% |
| Recycling | 2,178 | 1,891 | 3,421 | 180.9% |
| Other | 245 | 322 | 365 | 113.4% |
| **Total** | **25,640** | **27,389** | **31,256** | **114.1%** |

| Operating profit (operating margin) | Q1 FY2024 | | Q1 FY2025 | | Q1 FY2026 | | Year on year |
|---|---|---|---|---|---|---|---|
| Auto auction | 13,102 | (65.1%) | 14,614 | (65.1%) | 15,728 | (64.8%) | 107.6% |
| Used vehicle purchasing and selling | 135 | (4.2%) | -25 | (-) | 65 | (2.0%) | - |
| Recycling | 189 | (8.7%) | 53 | (2.8%) | 284 | (8.3%) | 533.8% |
| Other | -1 | (-) | 31 | (9.9%) | 37 | (10.2%) | 117.2% |
| Adjustment | 17 | (-) | 34 | (-) | 35 | (-) | 103.3% |
| **Total** | **13,443** | **(52.4%)** | **14,708** | **(53.7%)** | **16,150** | **(51.7%)** | **109.8%** |

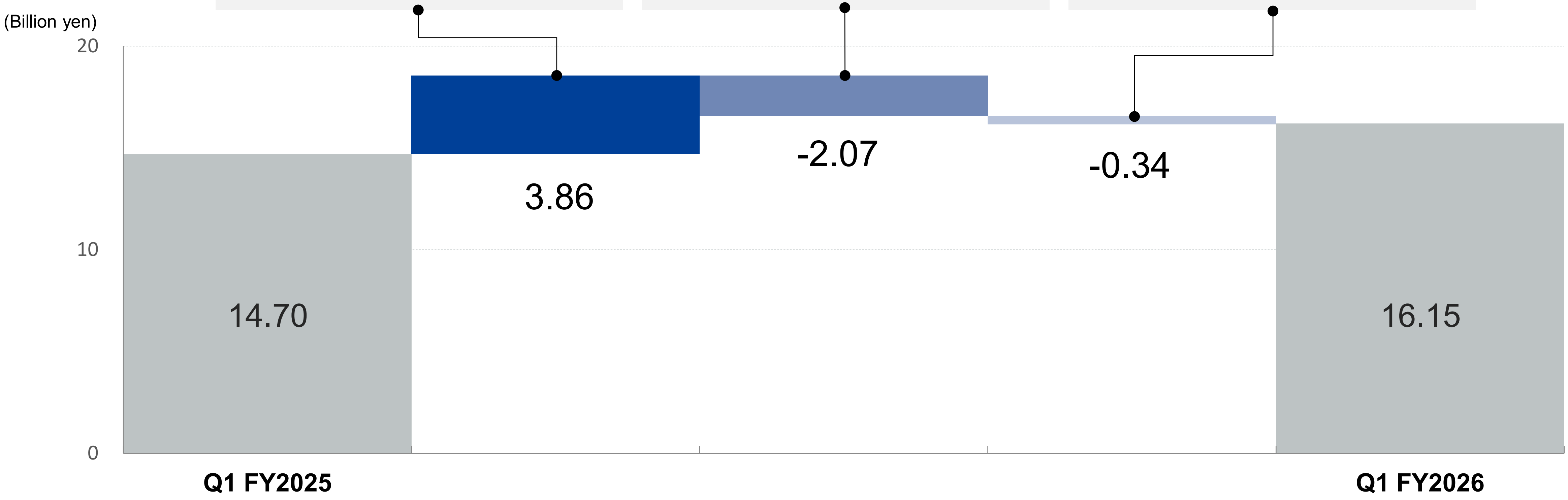
* Net sales are sales to external customers and operating profit is based on business segment earnings. Operating margins (shown % in parenthesis) are calculated by dividing segment profit by segment sales.

# Q1 FY2026 Reasons for Change in Operating Profit (Actual)

**Net sales**
Increase in recycling — 1.52bn
Increase in vehicles consigned — 0.86bn
Increase in contract completion rate — 0.49bn
Increase in CIS — 0.49bn

**Cost of sales**
Increase in purchases — -0.69bn
Increase in cost of materials purchased — -0.64bn
Increase in outsourcing expenses — -0.33bn
Increase in cost of goods sold — -0.12bn

**SG&A expenses**
Increase in employee salaries and bonuses — -0.07bn
Increase in commission expenses — -0.06bn
Increase in sales promotion expenses — -0.03bn



# Consolidated Balance Sheets and Statements of Cash Flows

USS Used car System Solutions

- The primary use of cash in investing activities was purchase of fixed assets.
- The primary uses of cash in financing activities were dividends paid and purchase of treasury shares.
- Equity ratio : 76.8%

## Consolidated balance sheets (summary)

(Million yen)

| | FY25 | End of Q1 FY26 |
|---|---|---|
| **Current assets** | **141,741** | **114,831** |
| Cash and deposits | 110,433 | 81,689 |
| Other | 31,308 | 33,141 |
| **Non-current assets** | **128,389** | **128,200** |
| Property, plant and equipment | 101,880 | 101,687 |
| Other | 26,508 | 26,513 |
| **Total assets** | **270,130** | **243,031** |

| | FY25 | End of Q1 FY26 |
|---|---|---|
| **Current liabilities** | **52,169** | **45,734** |
| Payables due to member dealers at auction | 27,992 | 25,523 |
| Other | 24,177 | 20,210 |
| **Non-current liabilities** | **6,993** | **7,024** |
| **Total liabilities** | **59,163** | **52,758** |
| **Total net assets** | **210,966** | **190,273** |
| **Total liabilities and net assets** | **270,130** | **243,031** |

## Consolidated statements of cash flows (summary)

(Million yen)

| | Q1 FY24 | Q1 FY25 | Q1 FY26 | Changes |
|---|---|---|---|---|
| Net cash provided by (used in) operating activities | 4,399 | 3,966 | 4,309 | 343 |
| Net cash provided by (used in) investing activities | -2,702 | -1,734 | -845 | 889 |
| **Free cash flow** | **1,697** | **2,231** | **3,464** | **1,233** |
| Net cash provided by (used in) financing activities | -10,109 | -26,863 | -31,808 | -4,945 |

| | Q1 FY24 | Q1 FY25 | Q1 FY26 | Changes |
|---|---|---|---|---|
| Capital expenditures (cash payments) | 858 | 1,700 | 1,256 | -443 |
| Depreciation | 1,074 | 1,201 | 1,246 | 45 |

# Automobile Market

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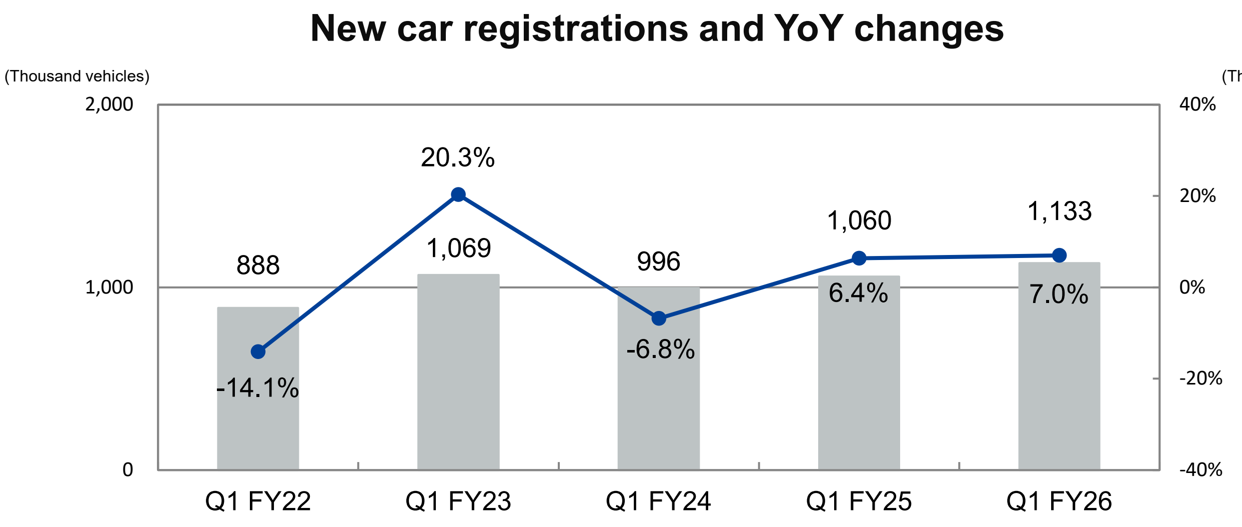


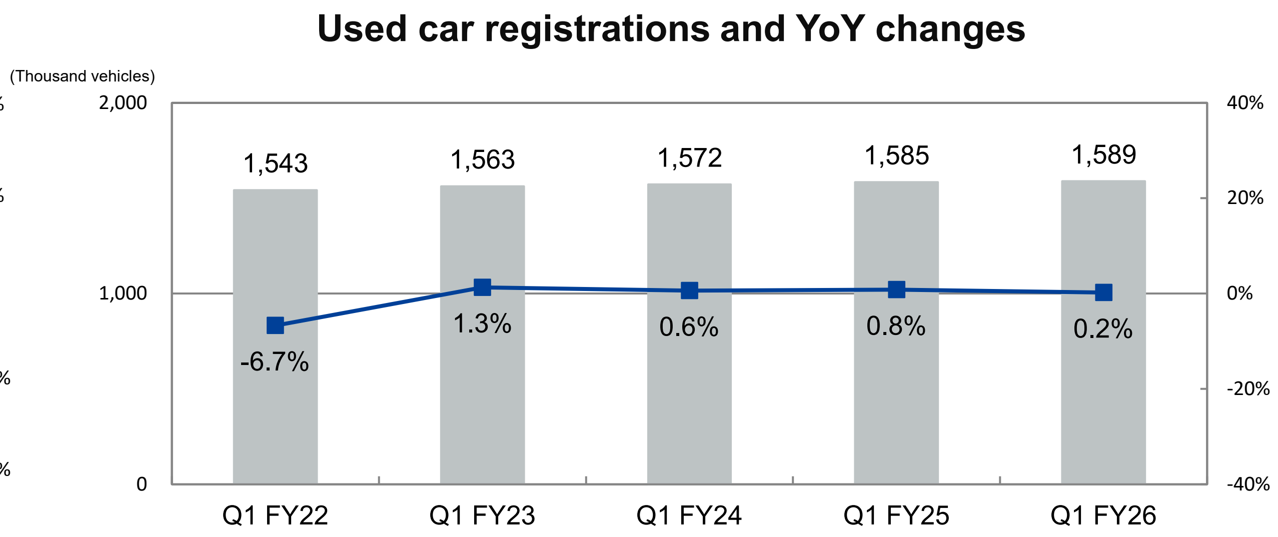


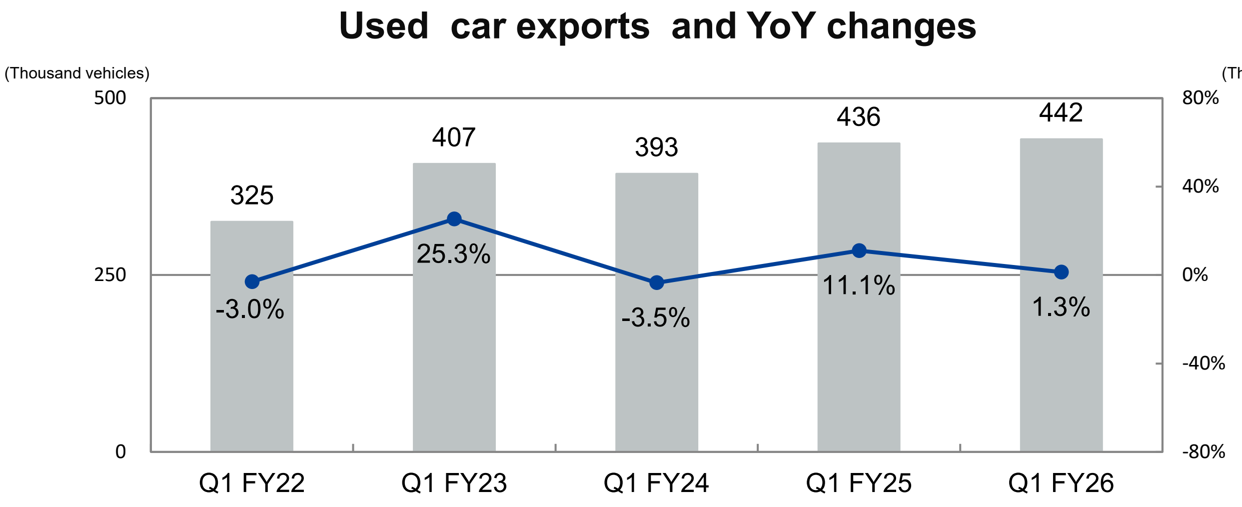


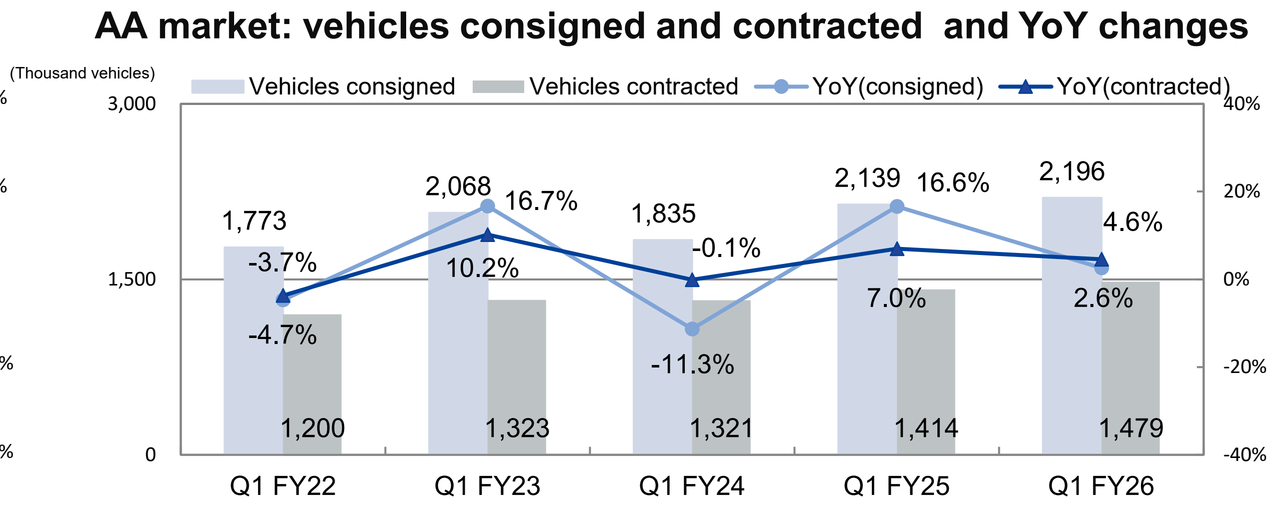

# Auto Auction Segment (1)　Overview

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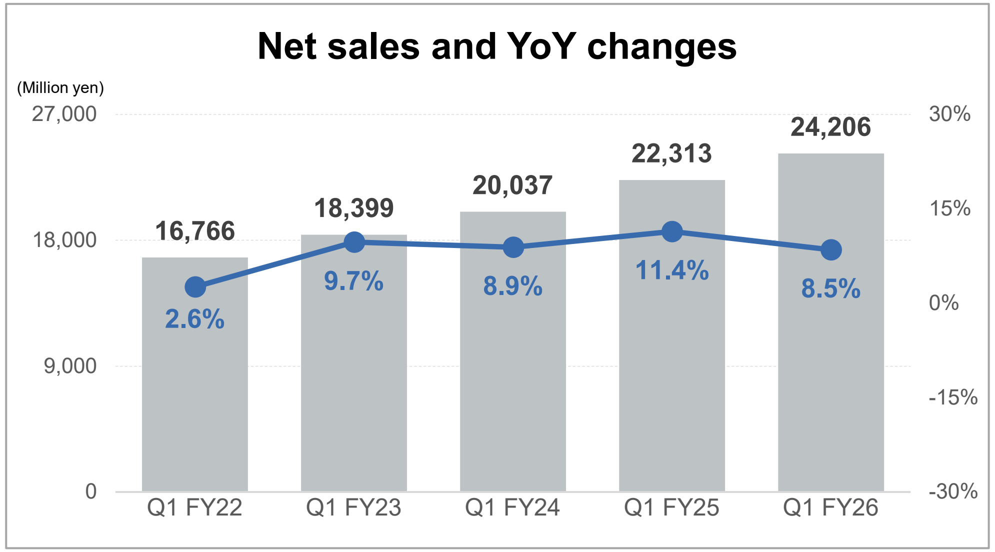
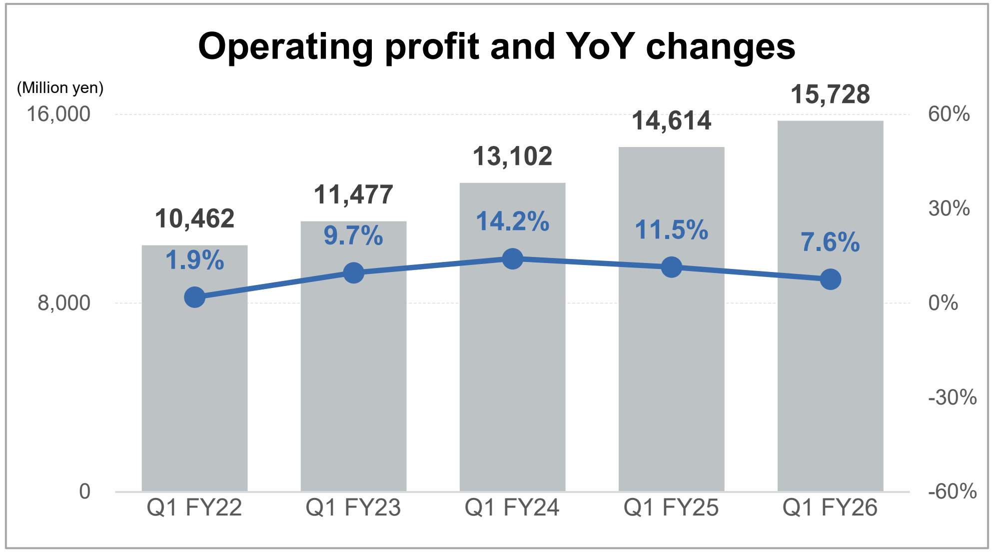
■ Sales and earnings increased mainly because of the larger number of vehicles consigned and contracted and revision of CIS monthly membership fee.

| No. of vehicles consigned | No. of contract completions | Contract completion rate |
|---|---|---|
| **950** thousand (up **4.7**% YoY) | **619** thousand (up **8.4**% YoY) | **65.1**% (**62.9**% in Q1 FY25) |

Auto auction segment performance in Q1

| | Q1 FY24 | Q1 FY25 | Q1 FY26 | Year on year |
|---|---|---|---|---|
| Net sales | 20,037 | 22,313 | 24,206 | 108.5% |
| Consignment fees | 4,281 | 5,112 | 5,351 | 104.7% |
| Contract completion fees | 4,607 | 4,898 | 5,170 | 105.6% |
| Successful bid fees | 7,511 | 8,460 | 9,281 | 109.7% |
| Other | 3,637 | 3,840 | 4,402 | 114.6% |
| Operating profit | 13,102 | 14,614 | 15,728 | 107.6% |
| Operating margin | 65.1% | 65.1% | 64.8% | - |

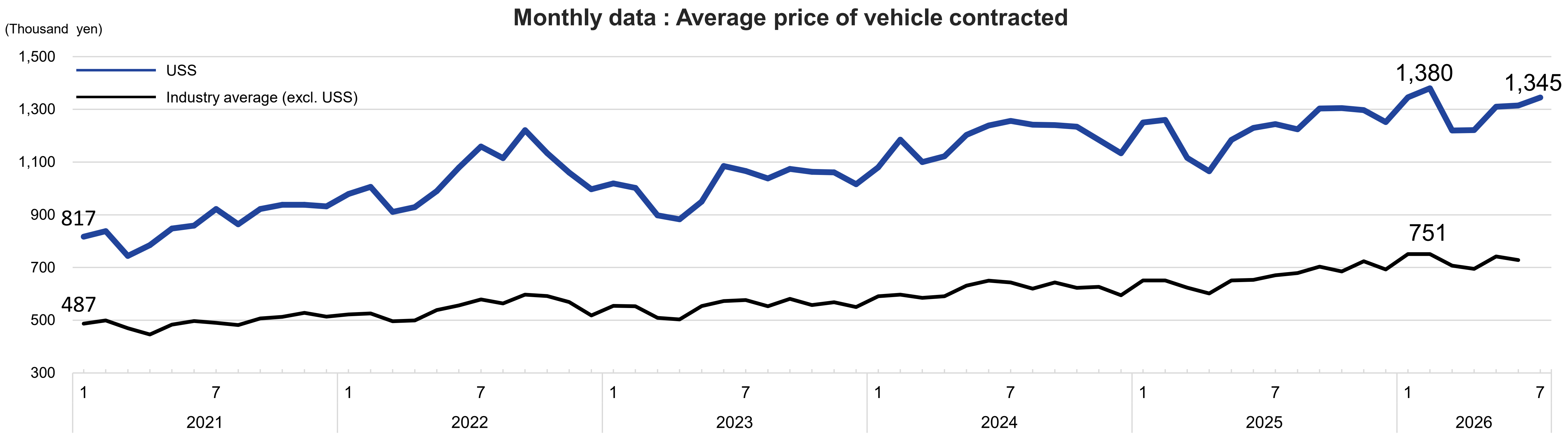



* Net sales are sales to external customers and operating profit is based on business segment earnings. Operating margins are calculated by dividing segment profit by segment sales.

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

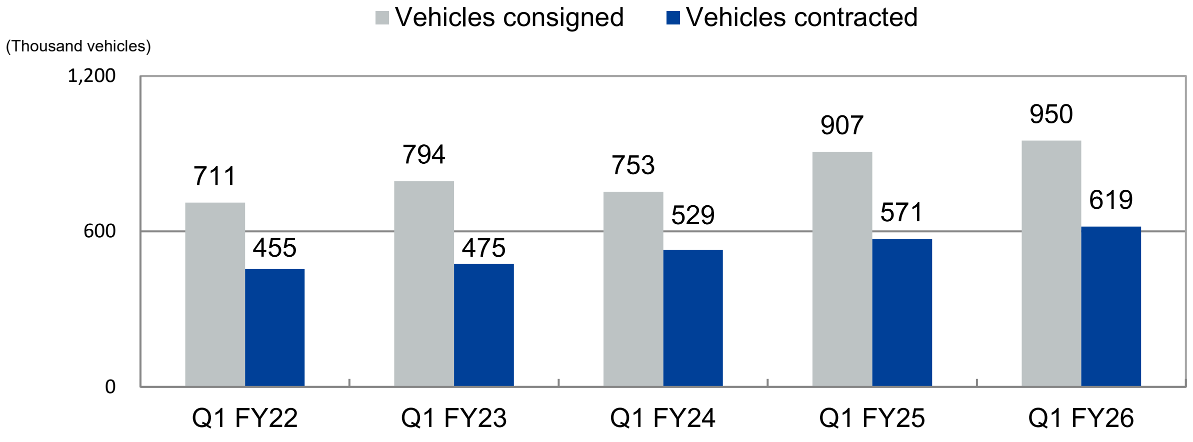
- **The average price of vehicles contracted remains high.**
- **In February 2026, recorded the highest average price of vehicles contracted to date, reaching 1,380 thousand yen.**



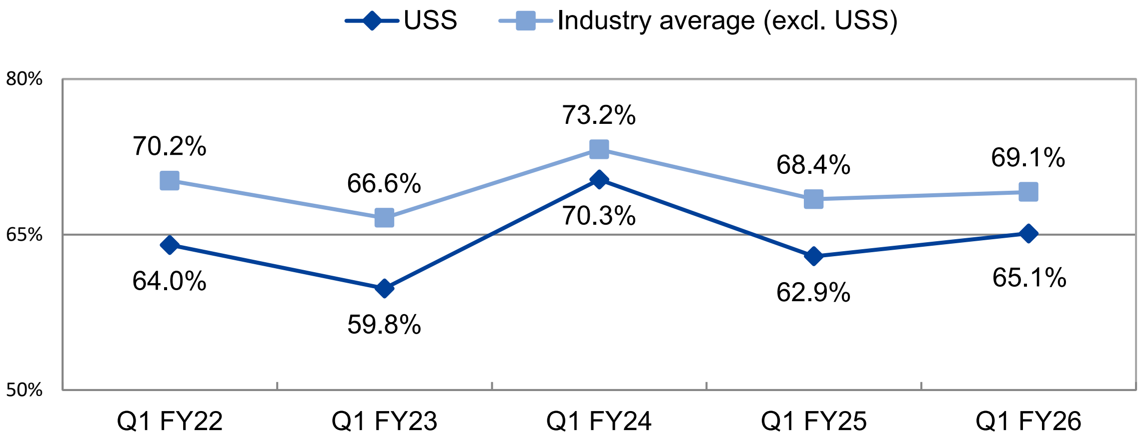

* In auto auctions in Japan, notwithstanding the vehicle contract price, consignment fees, contract completion fees and successful bid fees are fixed for each category. Therefore, commission does not fluctuate with the amount of the contracted price of a vehicle.

# Auto Auction Segment (3) No. of Vehicles Consigned and Contracted, etc.

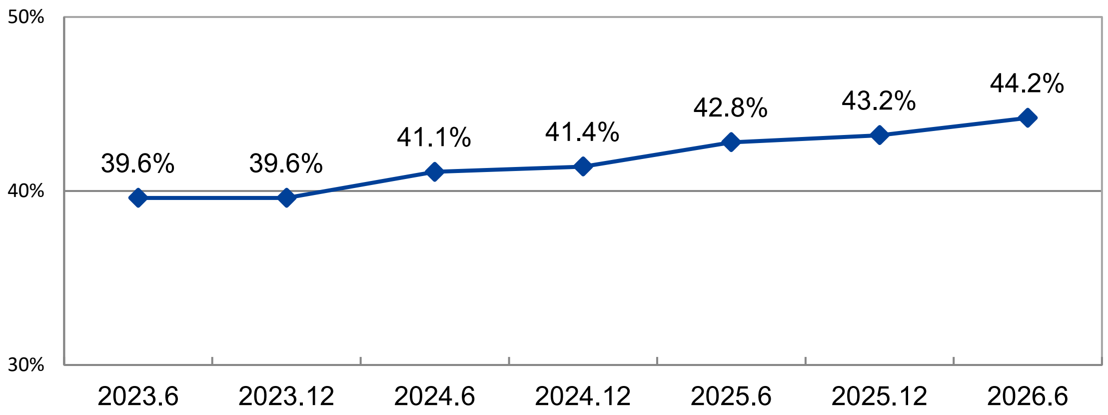
## No. of vehicles consigned and contracted




## Contract completion rate

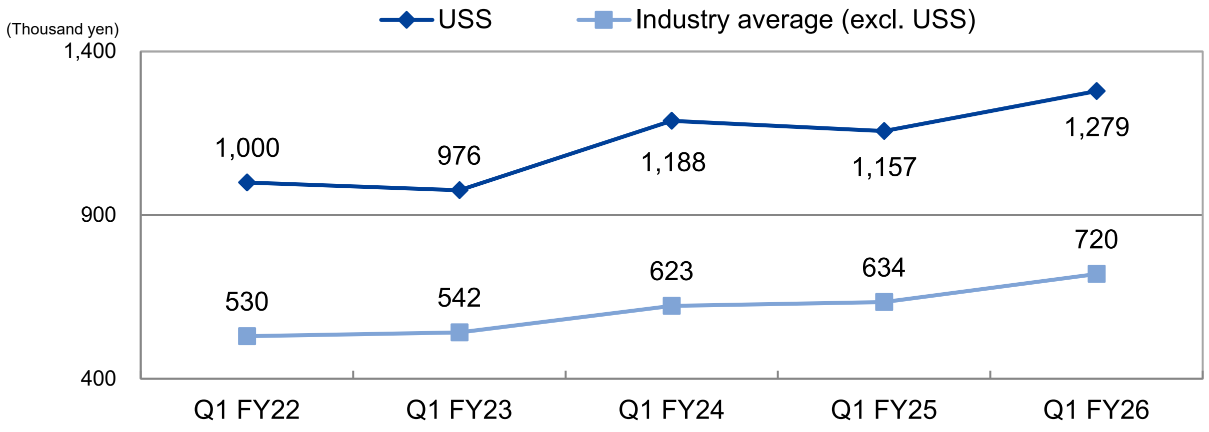



## Market share




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

## Average price of vehicle contracted



# Auto Auction Segment (4)　Fees, etc.

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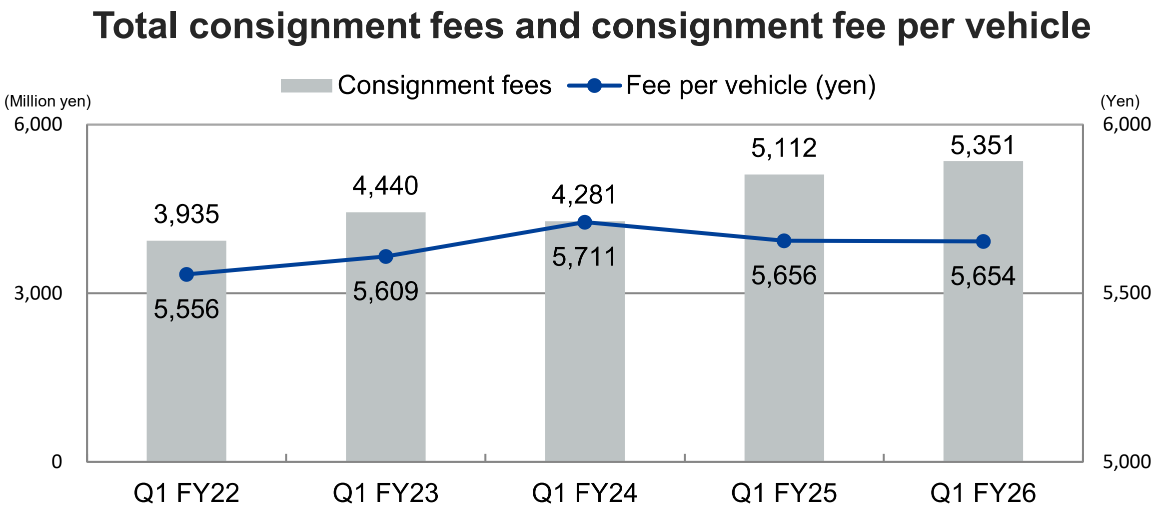
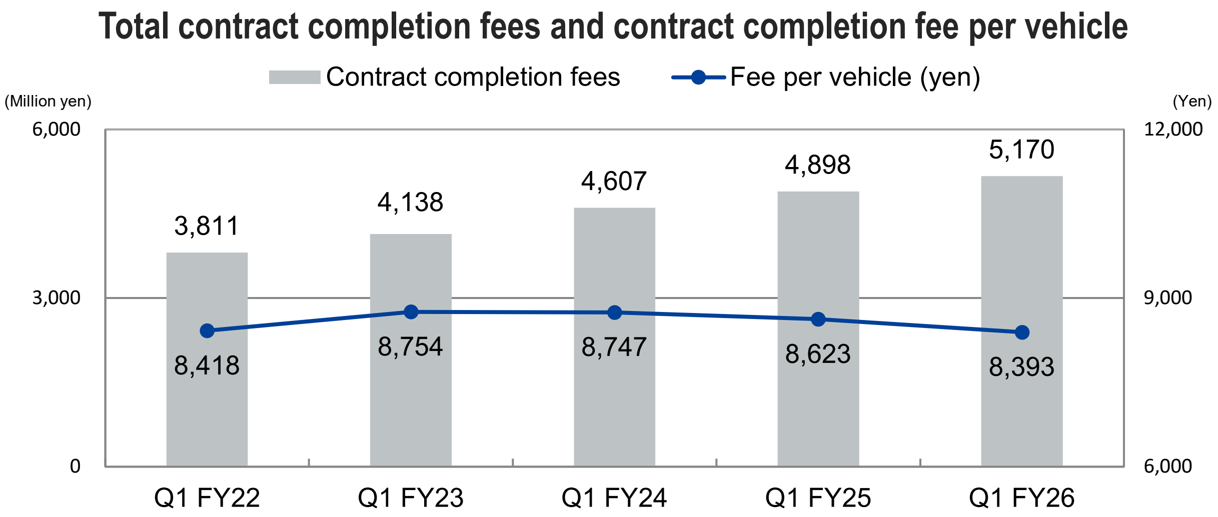
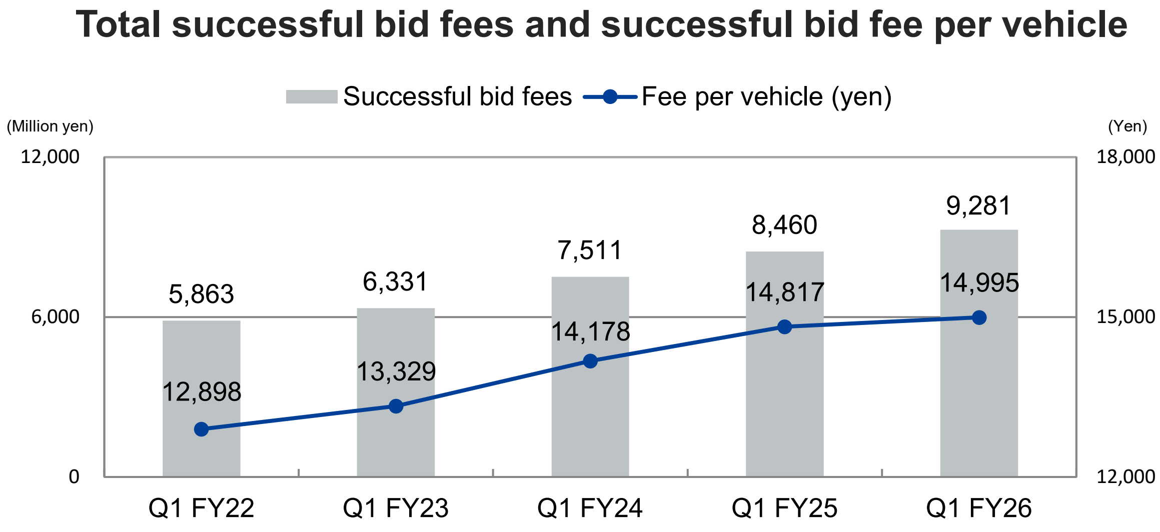
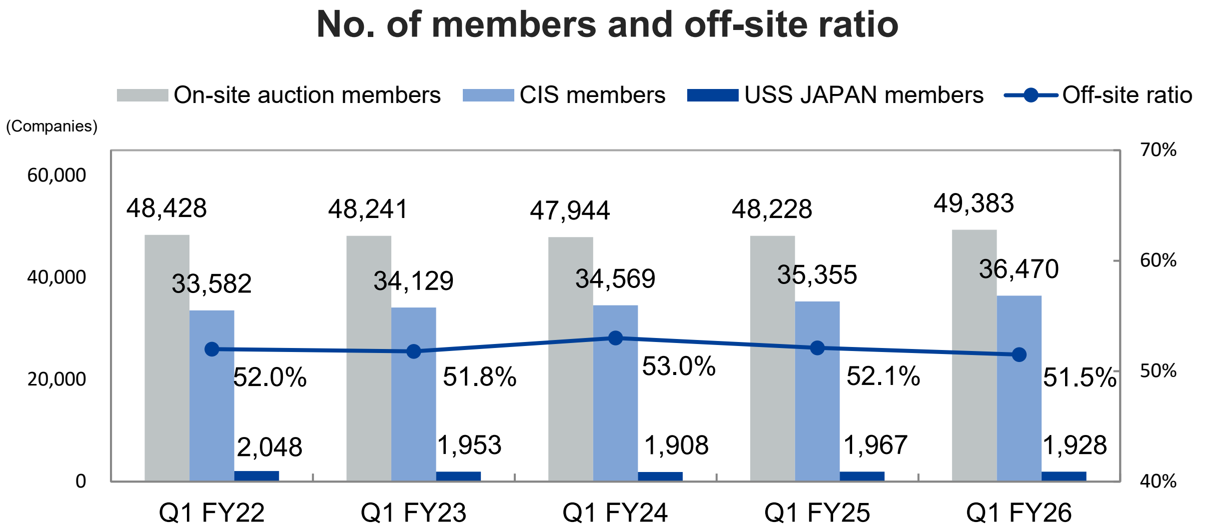



* Fee per vehicle is calculated before eliminations for consolidation.
* The figures in this slide do not include JBA data.

# Used Vehicle Purchasing and Selling Segment

In the Rabbit used vehicle purchasing and selling business, sales and earnings increased because of an increase in vehicles sold and an increase in the gross profit per vehicle sold.

**Net sales ¥1,891 million**
(up 16.0% YoY)

**Operating profit ¥25 million**
(Operating loss ¥10 million in Q1 FY25)

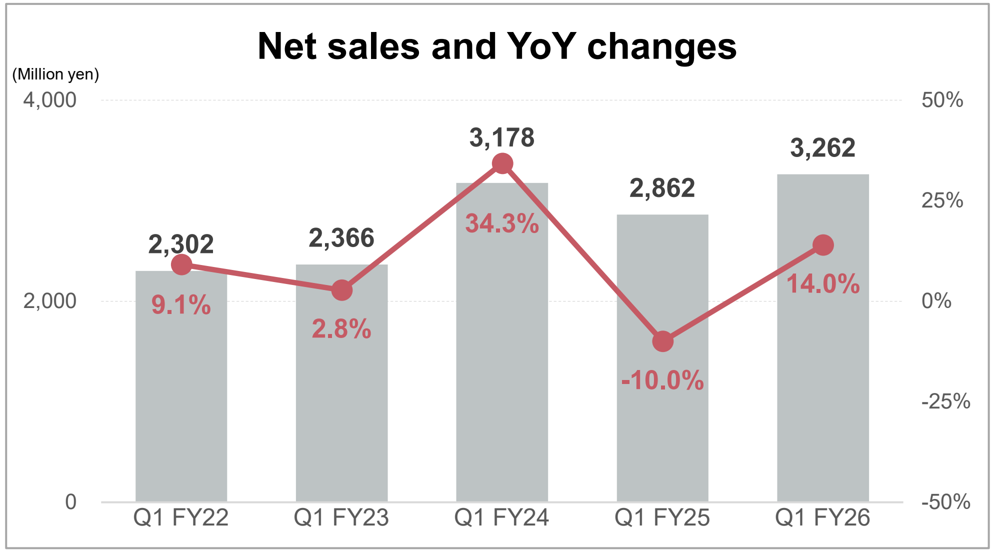
In the accident-damaged vehicle purchasing and selling business, sales and earnings increased because of an increase in the gross profit per vehicle sold.

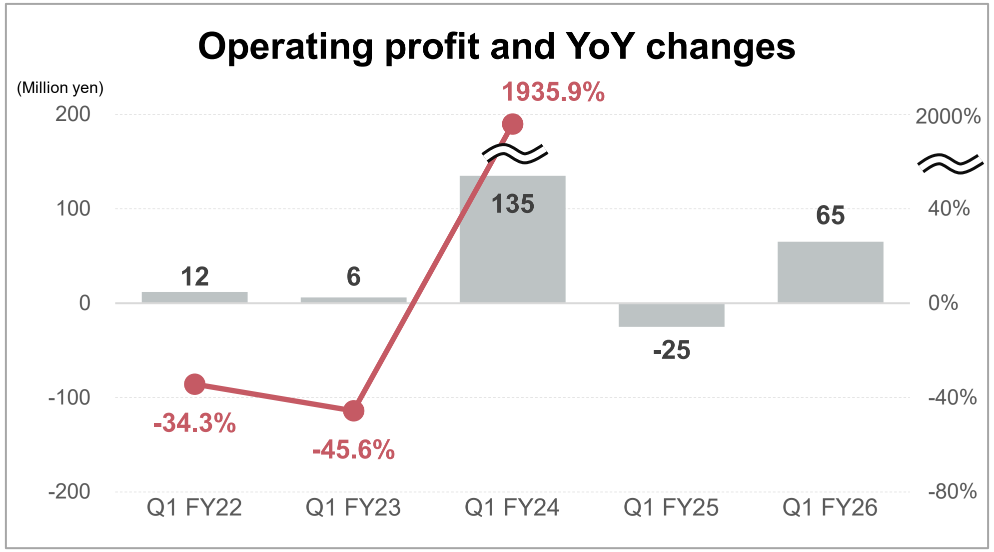
**Net sales ¥1,370 million**
(up 11.3% YoY)

**Operating profit ¥39 million**
(Operating loss ¥15 million in Q1 FY25)

Used vehicle purchasing and selling segment performance in Q1

| | Q1 FY24 | Q1 FY25 | Q1 FY26 | Year on year |
|---|---|---|---|---|
| Net sales | 3,178 | 2,862 | 3,262 | 114.0% |
| Operating profit | 135 | -25 | 65 | - |
| Operating margin | 4.2% | - | 2.0% | - |




* 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

USS Used car System Solutions

**In the resource recycling business, sales and earnings increased, driven by higher metal prices and increased volumes of metal scrap handled.**

**Net sales ¥1,910 million** (up 41.6% YoY)

**Operating profit ¥98 million** (up 73.0% YoY)

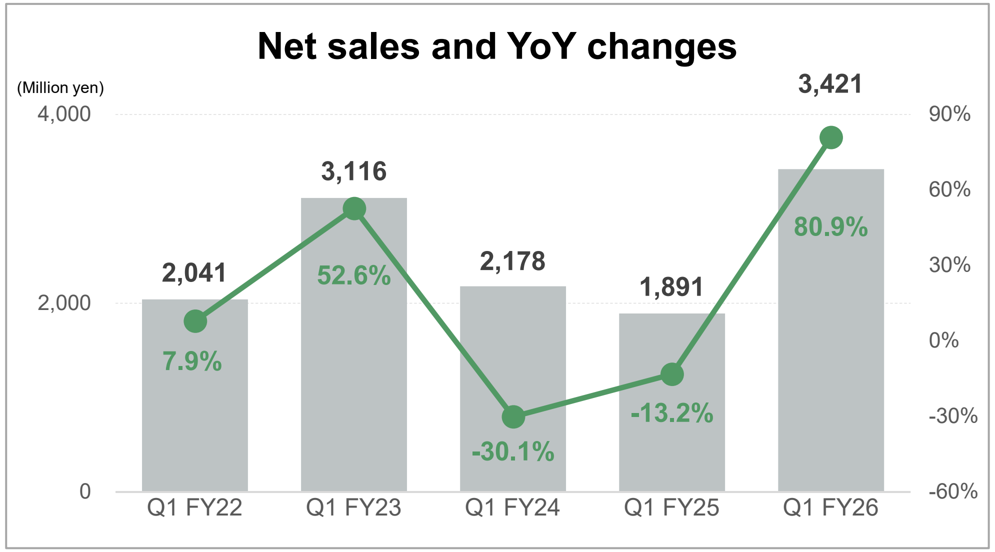
**In the industrial plant recycling business, an increase in large-scale plant demolition projects led to higher sales and earnings.**

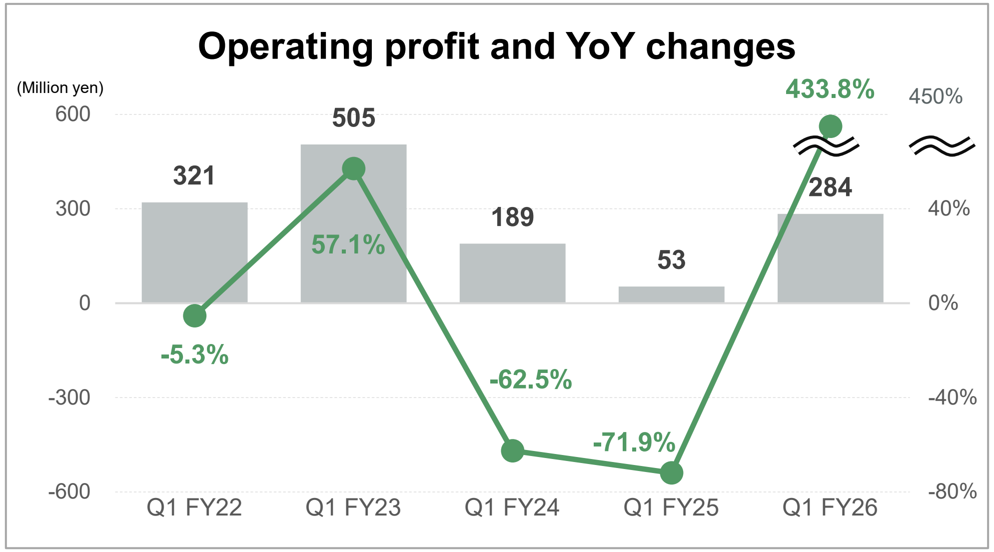
**Net sales ¥1,510 million** (up 178.7% YoY)

**Operating profit ¥185 million** (Operating loss ¥3 million in Q1 FY25)

**Recycling segment performance in Q1**

| | Q1 FY24 | Q1 FY25 | Q1 FY26 | Year on year |
|---|---|---|---|---|
| Net sales | 2,178 | 1,891 | 3,421 | 180.9% |
| Operating profit | 189 | 53 | 284 | 533.8% |
| Operating margin | 8.7% | 2.8% | 8.3% | - |




* 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.

FY2026

# Consolidated Forecast

# FY2026 Consolidated Forecast

USS Used car System Solutions

- The FY2026 sales and earnings forecasts are higher because of the favorable market conditions in the Q1 and an increase in vehicles consigned resulting primarily from sales activities that took advantage of the reputation of USS auction sites as locations where vehicles are sold at high prices. Vehicles contracted increased too. As a result, the fiscal year forecast was revised to reflect this performance.
- Revision of vehicles handled at auctions : 3.61 million vehicles consigned (1.6% above the previous plan); 2.39 million vehicles contracted (1.4% above the previous plan); contract completion ratio of 66.3% vs. 66.3% in the previous plan

(Million yen)

| | FY25 (Actual) | FY26 initial plan (May 12, 2026) | Changes | FY26 revised plan (Aug. 4, 2026) | Revised plan vs FY25 |
|---|---|---|---|---|---|
| Net sales | 113,854 | 119,800 | 2,000 | 121,800 | 107.0% |
| Gross profit (per sales) | 71,451 (62.8%) | 73,172 (61.1%) | 1,617 | 74,790 (61.4%) | 104.7% |
| Operating profit (per sales) | 59,847 (52.6%) | 61,000 (50.9%) | 1,600 | 62,600 (51.4%) | 104.6% |
| Ordinary profit (per sales) | 60,590 (53.2%) | 61,800 (51.6%) | 1,600 | 63,400 (52.1%) | 104.6% |
| Profit attributable to owners of parent (per sales) | 41,360 (36.3%) | 41,600 (34.7%) | 1,000 | 42,600 (35.0%) | 103.0% |
| EPS (yen) | 88.78 | 91.35 | 2.11 | 93.46 | 105.3% |
| | | | | | |
| Capital expenditures (cash payments) | 11,038 | 7,400 | - | 7,400 | 67.0% |
| Depreciation | 5,070 | 5,600 | -9 | 5,590 | 110.3% |

| Auto Auction Business (excl. JBA) | FY25 (Actual) | FY26 initial plan (May 12, 2026) | Changes | FY26 revised plan (Aug. 4, 2026) | Revised plan vs FY25 |
|---|---|---|---|---|---|
| No. of vehicles consigned (thousands) | 3,504 | 3,560 | 56 | 3,616 | 103.2% |
| No. of vehicles contracted (thousands) | 2,347 | 2,362 | 34 | 2,396 | 102.1% |
| Contract completion rate | 67.0% | 66.3% | - | 66.3% | - |

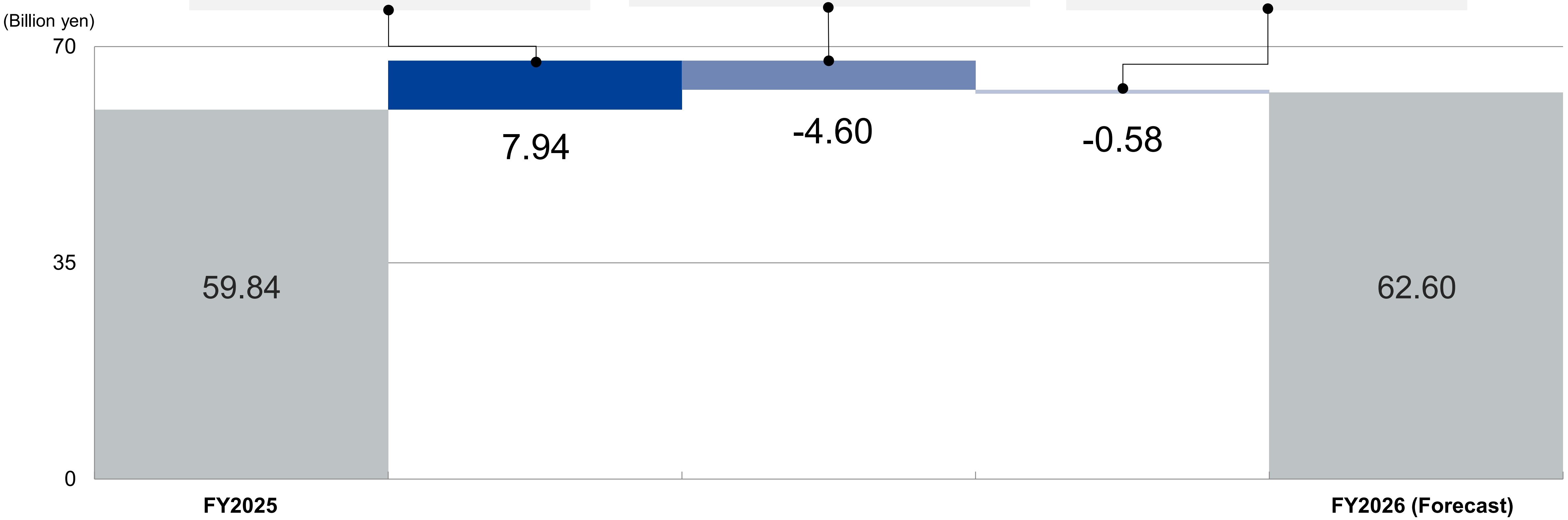
# FY2026 Reasons for Change in Operating Profit (Forecast)

USS Used car System Solutions

**Net sales**
Increase in vehicles consigned 2.37bn
Increase in CIS 1.94bn
Increase in recycling 1.75bn
Increase in fee rates 1.14bn
Increase in the used vehicle purchasing and selling 0.72bn

**Cost of sales**
Increase in purchases -0.92bn
Increase in outsourcing expenses -0.89bn
Increase in cost of goods sold -0.59bn
Increase in cost of materials purchased -0.52bn
Increase in employee salaries and bonuses -0.52bn
Increase in depreciation -0.47bn

**SG&A expenses**
Increase in sales promotion expenses -0.19bn
Increase in employee salaries and bonuses -0.18bn
Increase in commission expenses -0.12bn



# FY2026 Forecast by Business Segment

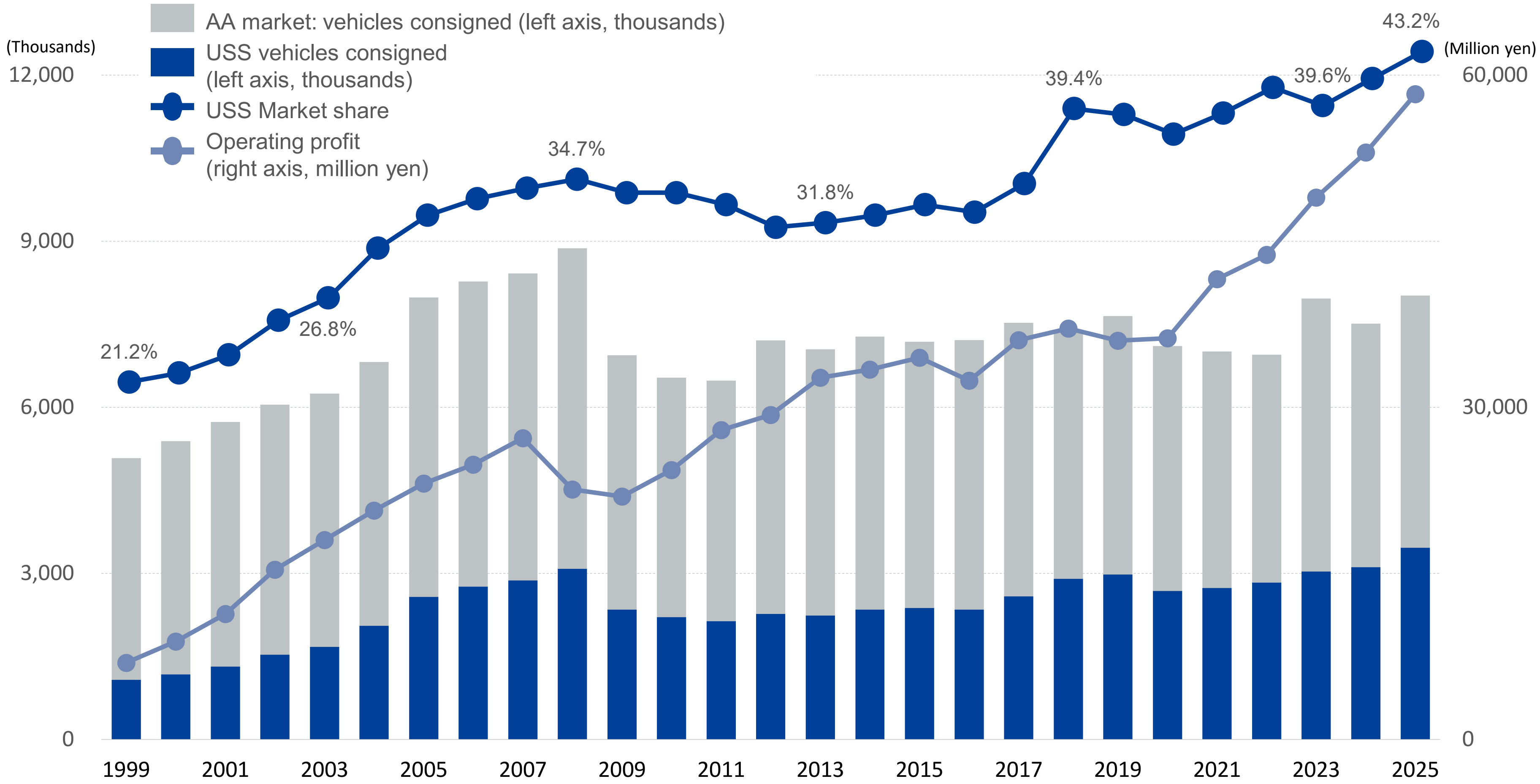
(Million yen)

| | FY25 (Actual) | FY26 initial plan (May 12, 2026) | Changes | FY26 revised plan (Aug. 4, 2026) | Revised plan vs FY25 |
|---|---|---|---|---|---|
| **Net sales** | | | | | |
| Auto auction | 89,702 | 93,010 | 1,876 | 94,887 | 105.8% |
| Used vehicle purchasing and selling | 12,470 | 13,077 | 116 | 13,193 | 105.8% |
| Recycling | 10,292 | 12,008 | 39 | 12,047 | 117.1% |
| Other | 1,388 | 1,703 | -32 | 1,671 | 120.4% |
| **Total** | **113,854** | **119,800** | **2,000** | **121,800** | **107.0%** |
| **Operating profit (per sales)** | **59,847 (52.6%)** | **61,000 (50.9%)** | **1,600** | **62,600 (51.4%)** | **104.6%** |

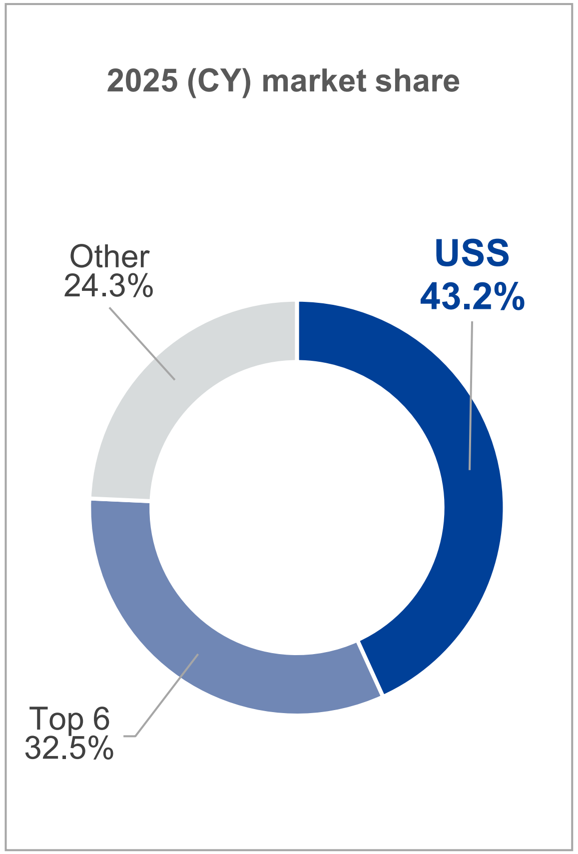
# Market Overview and Strategy for Creating Value Over the Medium-term

# 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 medium/long-term goal is a market share of 50%.**



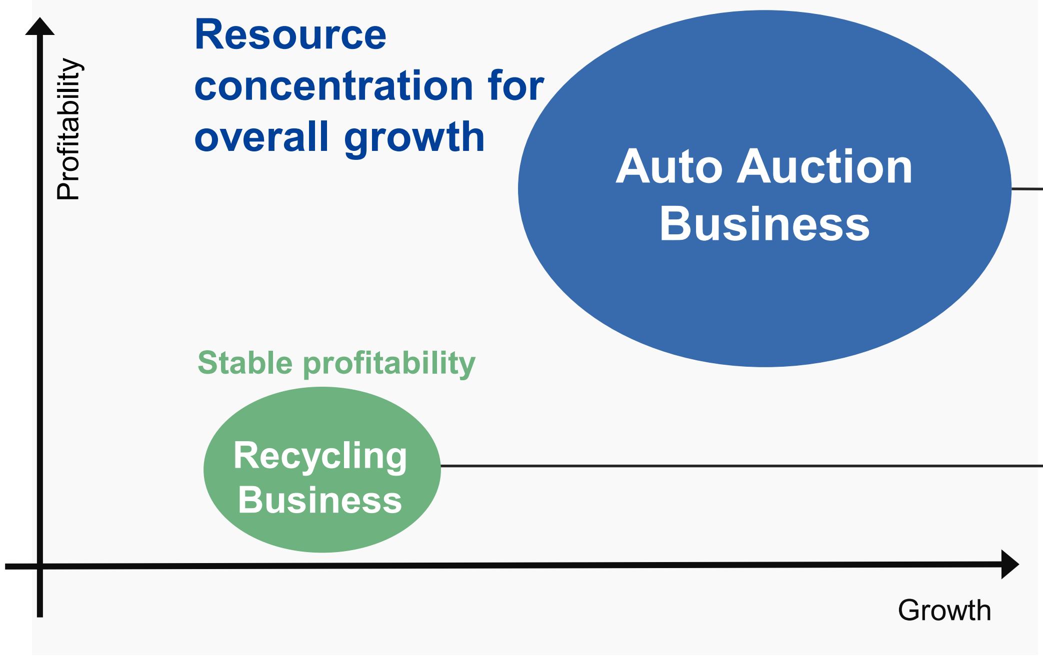

* Market share in 2021 has been revised to reflect revisions to data announced by USEDCAR Co., Ltd.



# Medium-to Long-Term Management Goal

- Focus resources on market share growth in the core auto auction business for higher profitability of the entire USS Group.
- Raised the ROE goal from 15% or higher to 20% or higher and the dividend payout ratio goal from at least 55% to at least 60%.

**Positioning of USS Group businesses**




**Goals for individual businesses**

Market share **50**%

Recycling Business sales in FY2028

¥**20.0** billion

**Consolidated financial goals**

ROE **20**% or higher

Payout ratio at least **60**%

Total payout ratio at least **100**%

# Cash Allocation Policy

USS Used car System Solutions

- Make investments needed for medium to long-term growth while keeping the shareholder distribution payout ratio 100%.
- Investments for growth of approximately ¥50 billion during the three-year period ending with FY2027.

**Total for FY2025 -2027**

**Operating cash flow**
About ¥140 billion

**Cash and other sources of liquidity**
About ¥30 billion

**Earnings distributions**
About ¥120 billion

**Investments for growth**
About ¥50 billion

## Operating cash flow

FY2025 (Actual) : ¥45.5 billion （※）

Thanks to the strong performance of the auto auction business, we are on track as planned.

## Earnings distributions

FY2025 (Actual) : ¥41.3 billion

By the consolidated dividend payout ratio of at least 60% and flexible stock repurchase, we achieved total payout ratio of at least 100%.

## Investments for growth

FY2025 (Actual) : ¥10.8 billion

In January 2026, the Yokohama auction site was newly constructed.

※To eliminate fluctuations due to the day of the week on the closing date, the figures displayed exclude the impact of increases and decreases in receivables and payables with member dealers at auction transactions.

# Investment for Growth

## Main growth investment plans for improving corporate value in the medium to long term

### Auto Auction Business

**Tokyo Site (After FY2027) About ¥20 billion**

To further expand the processing capacity of Japan’s largest auction site, which handles approximately 17,800 vehicles per auction, we plan to rebuild the existing facility that has been in operation for 20 years, after securing the vehicle storage space in advance.

**HAA Kobe Site (After FY2027) About ¥15 billion**

By expanding capacity, we aim to effectively capture the recovering demand and further strengthen the revenue base in the Western Japan area. As the largest auction site in Western Japan, we are planning to expand the multi-story parking facility and construct a new building.

**Fukuoka Site (After FY2027) About ¥2 billion**

As part of strengthening our operational base in the Kyushu area, we are planning to construct a new building at the Fukuoka site. Enhancing our competitive advantage in the Kyushu area by centering on collaboration with the Kyushu site.

**Auto auction operations IT system ( ~ FY2027) About ¥5 billion**

### Recycling Business

**Resource recycling business (ARBIZ) ¥3 billion**

ARBIZ is promoting the commercialization of various resource recycling operations, including a direct aluminum recycling business, and aims to promptly commercialize the recycling of solar panels, which are expected to be discarded in large quantities in the future, thereby fostering a new revenue stream.

# Medium-term Business Plan and Raising the ROE

- In FY2025, raised the goal for the ROE, an indicator of efficient capital use, from 15% or higher to 20% or higher.
- Plan to accomplish this goal by repurchasing stock to reduce equity while expanding business operations for higher earnings.

### KPI for raising the ROE and actions

**ROE target: 20% or higher**

- **Business expansion**
  Market share target 50%
  - System investment (digital transformation)
  - Auction site renovations and enlargements
  - Business alliances and M&A
- **Capitalization strategies**
  Total payout ratio target at least 100%
  - Dividend policy
  - Acquisition of treasury shares

### ROE formula/improvement measures

$$\text{ROE (\%)} = \frac{\text{Profit}}{\text{Equity}}$$

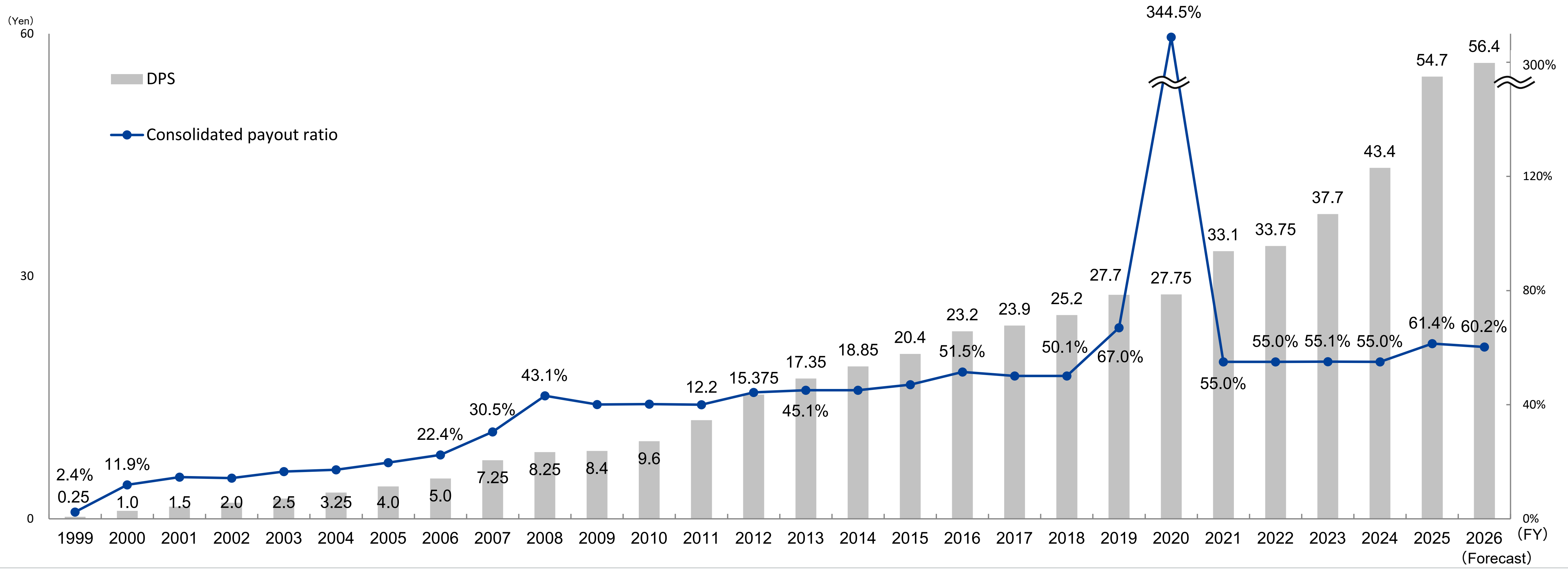
Profit ↑ Business growth for higher earnings

Equity ↓ Stock repurchases and other measures for lower equity

# Earnings Distributions – Dividend Policy

USS Used car System Solutions

- The dividend forecast for FY2026 has been increased from 55.0 yen to 56.4 yen, 1.7 yen more than the FY2025 dividend.
- Forecasting 27 consecutive years of dividend growth since listing.



# Earnings Distributions – Stock Repurchase

- **In order to further reinforce its commitment to shareholder returns, USS implemented a facility share repurchase by SMBC Nikko(Japanese ASR).**
- **On May 13, 2026, USS completed the planned repurchase of approximately 18 billion yen (10,332,900 shares).**
- **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.**

**Results of acquisition**

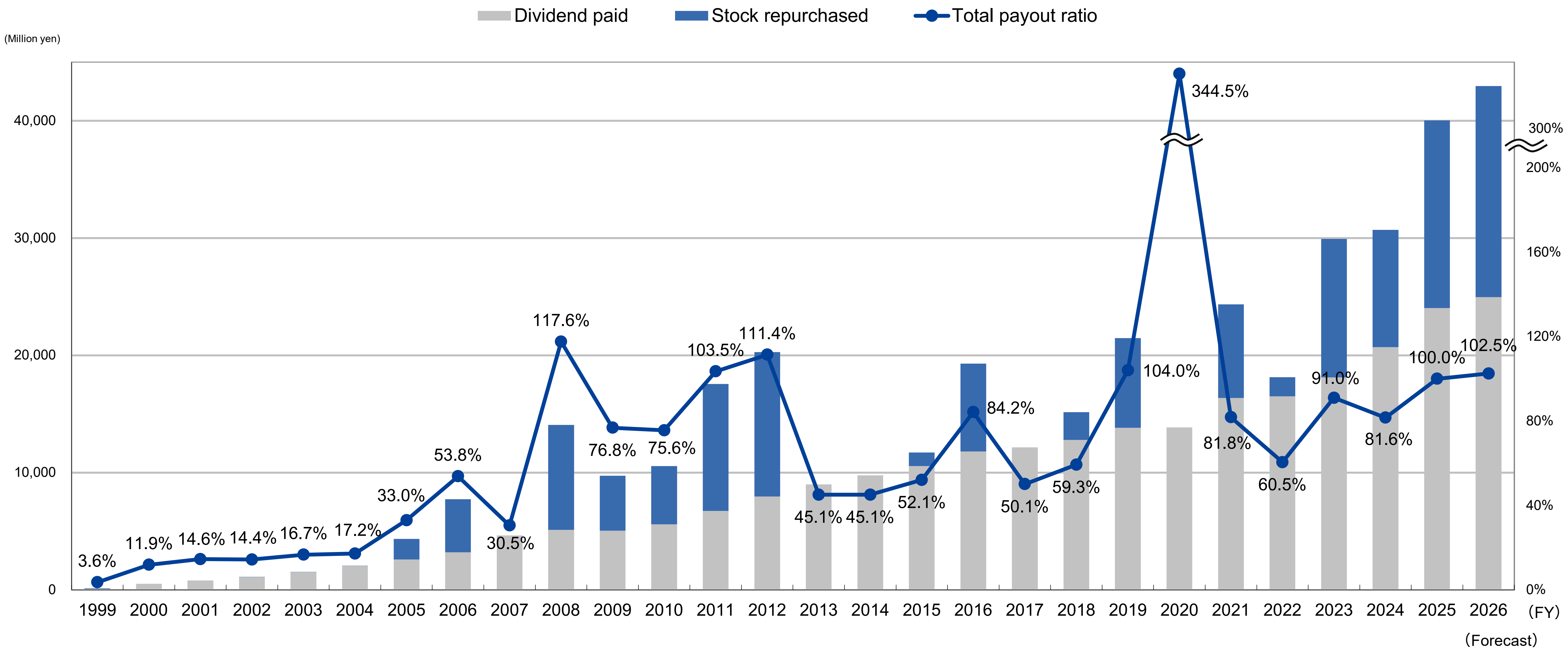
| | |
|---|---|
| **Type of shares** | Common stock |
| **Period of repurchase** | May 13, 2026 |
| **Total number of shares repurchased** | 10,332,900 shares |
| **Aggregate value of shares repurchased** | 17,999,911,800 yen |

*For details of the share repurchase, please refer to the USS's IR information entitled "Notice regarding Share Repurchase through the Off-Auction Own Share Repurchase Trading (ToSTNeT-3) System (Share Repurchase through a Facility Share Repurchase (Japanese ASR)) " dated May 12, 2026.

# Earnings Distributions – Total Payout Ratio

USS Used car System Solutions

■ **Policy for shareholder distributions: Total shareholder distributions of at least 100% (from FY2025 to FY2027).**



# 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.

**27** years in a row
after going public

Consecutive Dividend Hikes

Rising Stock Price

Total payout Ratio
at least **100**%

Increasing Investment for Growth

# Rising Corporate Value

No.1 Market Share in No. of Vehicles Consigned

No. of Vehicles Consigned
**3.50** (Million Units)

Further Increase in No. of Vehicles Consigned

Diversification of Vehicles Consigned

No. of Auction Members
**49,176** (Companies)

Increase in No. of Auction Members

Invigorate Auction

Contract Completion Rate
**67.0%**

Increase in No. of Vehicles Contracted

Higher Avg. Price of Vehicle Contracted
/Higer Contract Completion Rate

Avg. Price of Vehicles Contracted
**¥1.25** million
(Industry's Avg. ¥0.68 million)

* No. of vehicles consigned, Avg. price of vehicles contracted, and contract completion rate are as of FY2025. No. of auction members is as of the end of FY2025.

* Industry's Avg. is the Avg. excluding USS.

## Contact Information

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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, USEDCAR Co., Ltd., Trade Statistics of Japan Ministry of Finance

# Reference

# Business Models for USS

**Vehicles consigned**

**3.50 million**

(FY2025)

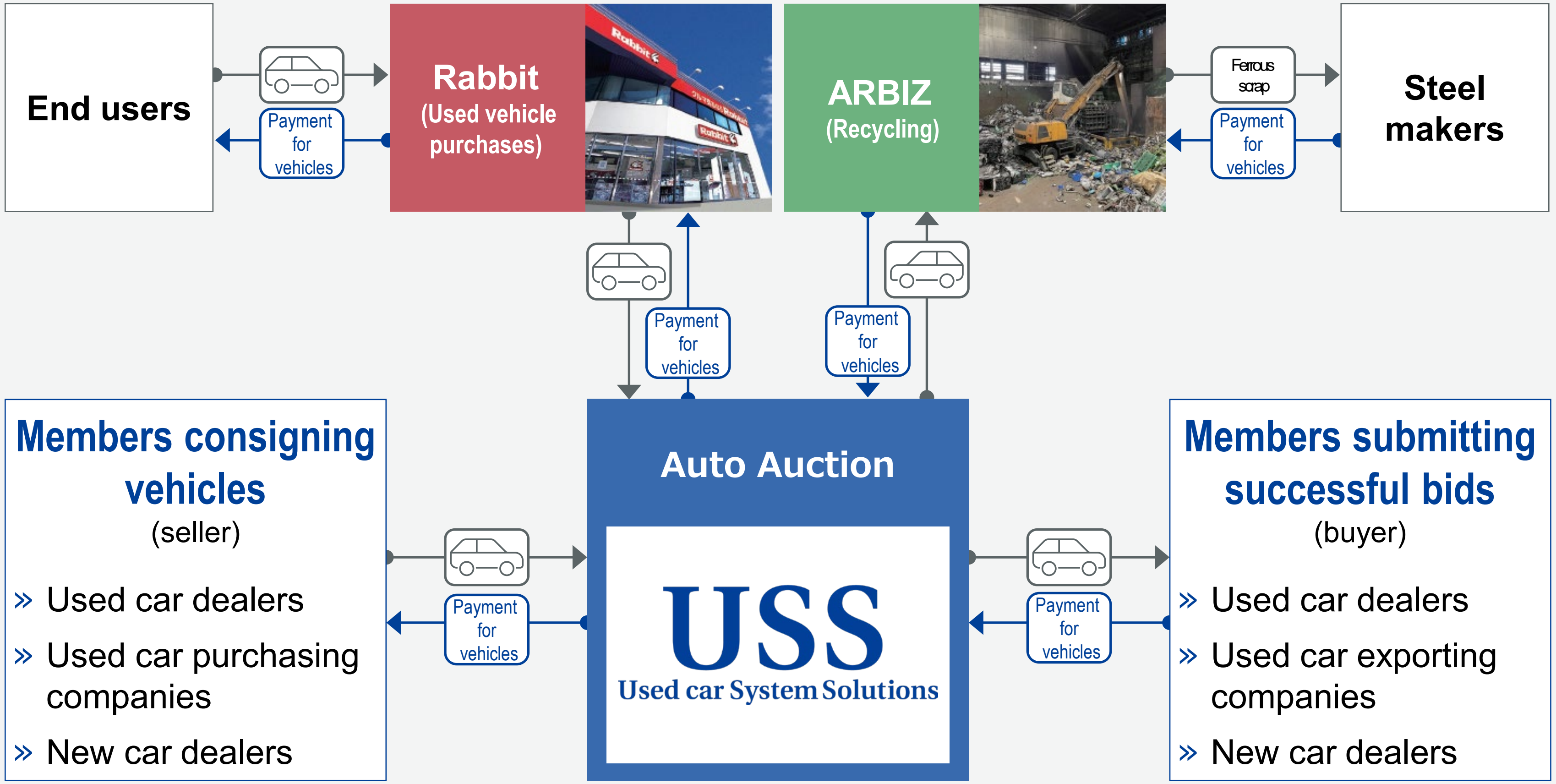
**USS's fee per unit**

**Approx. 28,000yen**

**Contract completion rate**

**67.0%**

(FY2025)




Consignment fee

**Approx. 8,000yen**

Contract completion fee

**Approx. 10,000yen**

Successful bid fee

**Approx. 10,000yen**

# Pricing Power Derived from Solid Positioning

USS Used car System Solutions

■ **Revising auction fee flexibly without interrupting a tendency to increase No. of vehicles consigned and contracted.**

## Cases of Auction Fee Increases Since 2023

**2026.4**
**Increasing CIS monthly fee**
Monthly fee：11,800 yen ➡ 16,800 yen

**2025.4**
**Increasing JAPAN successful bid fee** (1)
Dedicated terminal：12,000 yen ➡ 15,000 yen

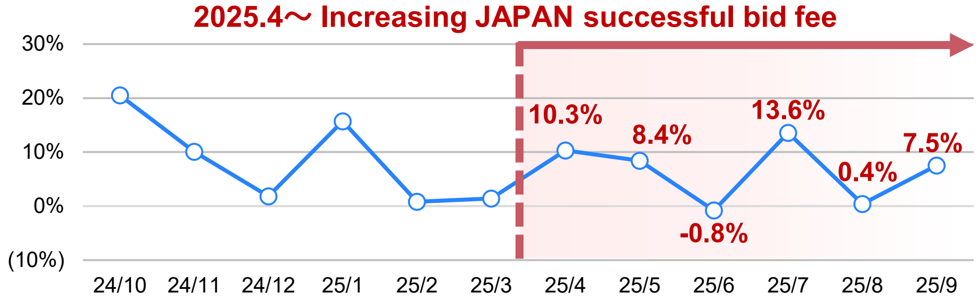
**2024.4**
**Increasing CIS successful bid fee**
Bid with setting limits：14,000 yen ➡ 17,000 yen
Internet Live：17,000 yen ➡ 20,000 yen
One-click bidding：15,000 yen ➡ 20,000 yen

**2023.4**
**Increasing contract completion fee at 9 sites** (2)
＋500 yen ～ 2,000 yen in multiple corners
**Increasing successful bid fee at all sites except Tokyo and Nagoya sites** (3)
＋500 yen ～ 3,000 yen in all corners

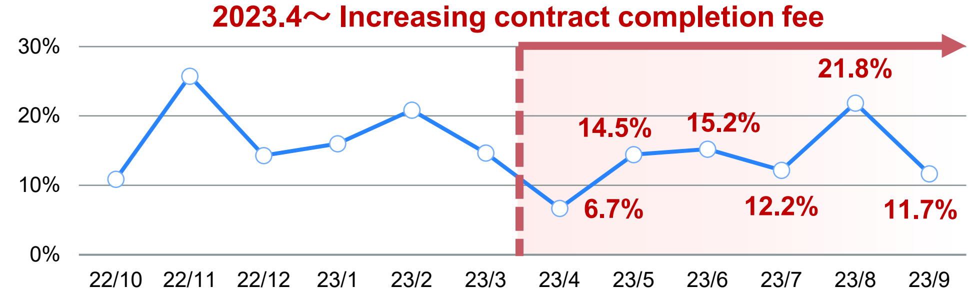
**2023.1**
**Increasing successful bid fee and contract completion fee at Tokyo and Nagoya sites**
＋500 yen ～ 2,000 yen in the majority of corners

## Impact on No. of Vehicles Consigned and Contracted when Auction Fee Increases

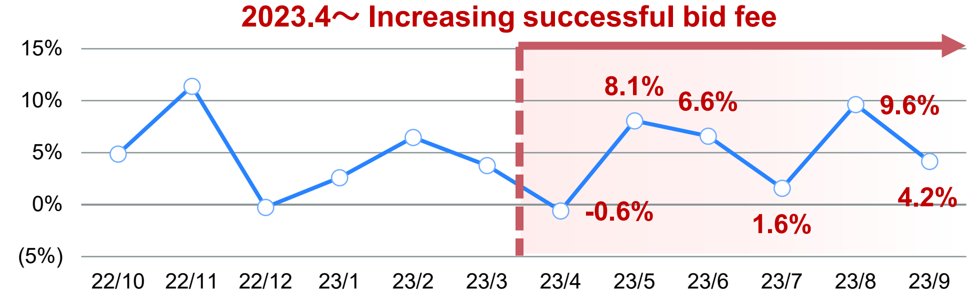
1 YoY changes of No. of vehicles off-site contracted (24/10-25/9)




2 YoY changes of No. of vehicles consigned (22/10-23/9)



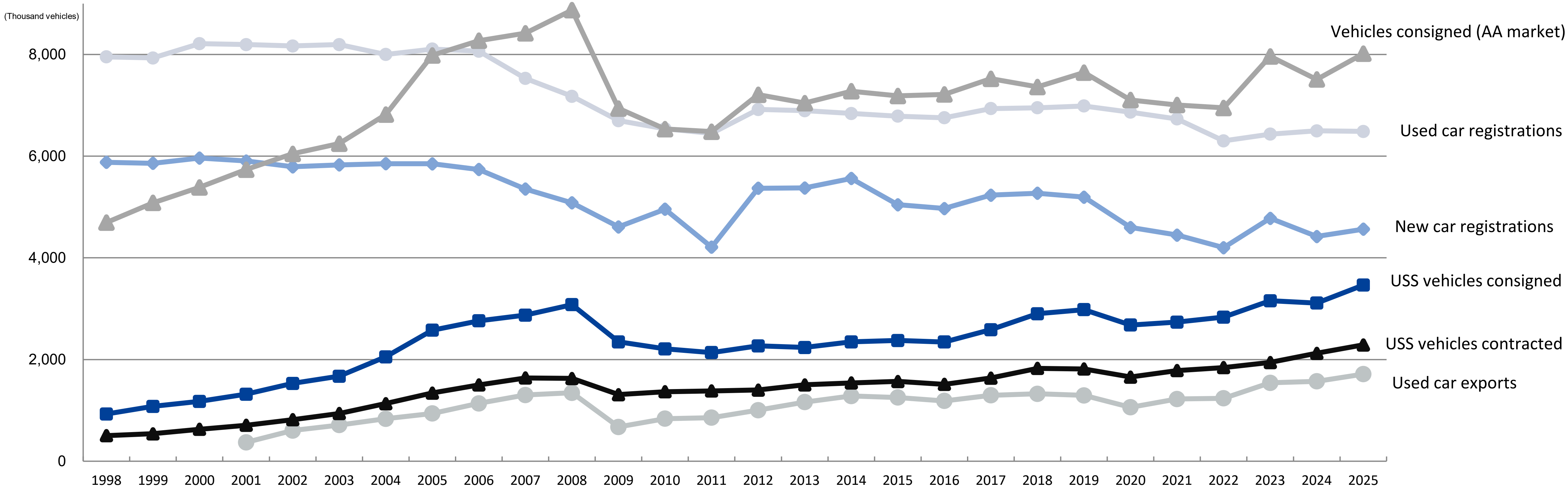

3 YoY changes of No. of vehicles contacted (22/10-23/9)



# 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 June)

(Number of auctions held, Vehicles)

| | Number of auctions | | Number of consigned vehicles | | | Number of contracted completions | | | Contract completion rate | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 FY26 | Q1 FY25 | Q1 FY26 | Q1 FY25 | YoY change | Q1 FY26 | Q1 FY25 | YoY change | Q1 FY26 | Q1 FY25 |
| Tokyo | 12 | 12 | 237,919 | 221,681 | 107.3% | 159,153 | 142,448 | 111.7% | 66.9% | 64.3% |
| Nagoya | 12 | 12 | 139,624 | 134,728 | 103.6% | 86,794 | 79,926 | 108.6% | 62.2% | 59.3% |
| HAA Kobe | 12 | 12 | 93,169 | 91,726 | 101.6% | 60,946 | 56,185 | 108.5% | 65.4% | 61.3% |
| Kyushu | 12 | 12 | 77,515 | 66,929 | 115.8% | 56,315 | 48,342 | 116.5% | 72.7% | 72.2% |
| Yokohama | 12 | 12 | 68,839 | 67,035 | 102.7% | 42,637 | 39,931 | 106.8% | 61.9% | 59.6% |
| Osaka | 12 | 12 | 59,004 | 59,295 | 99.5% | 31,926 | 32,126 | 99.4% | 54.1% | 54.2% |
| Sapporo | 12 | 12 | 47,943 | 44,508 | 107.7% | 32,629 | 30,335 | 107.6% | 68.1% | 68.2% |
| Kobe | 12 | 12 | 32,264 | 28,012 | 115.2% | 19,970 | 18,000 | 110.9% | 61.9% | 64.3% |
| R-Nagoya | 12 | 12 | 26,146 | 29,899 | 87.4% | 21,487 | 21,863 | 98.3% | 82.2% | 73.1% |
| Shizuoka | 12 | 12 | 25,555 | 26,962 | 94.8% | 15,977 | 16,115 | 99.1% | 62.5% | 59.8% |
| Tohoku | 12 | 12 | 23,968 | 21,164 | 113.2% | 17,764 | 15,632 | 113.6% | 74.1% | 73.9% |
| JAA | 12 | 12 | 23,690 | 22,688 | 104.4% | 9,109 | 9,261 | 98.4% | 38.5% | 40.8% |
| Okayama | 12 | 12 | 21,894 | 21,154 | 103.5% | 17,222 | 16,618 | 103.6% | 78.7% | 78.6% |
| Gunma | 12 | 12 | 19,140 | 18,328 | 104.4% | 11,956 | 11,521 | 103.8% | 62.5% | 62.9% |
| Niigata | 12 | 12 | 17,497 | 15,974 | 109.5% | 10,527 | 8,996 | 117.0% | 60.2% | 56.3% |
| Saitama | 12 | 12 | 16,014 | 17,033 | 94.0% | 10,917 | 11,070 | 98.6% | 68.2% | 65.0% |
| Fukuoka | 12 | 12 | 11,116 | 13,173 | 84.4% | 6,506 | 7,084 | 91.8% | 58.5% | 53.8% |
| Hokuriku | 5 | 12 | 6,672 | 5,122 | 130.3% | 5,303 | 3,901 | 135.9% | 79.5% | 76.2% |
| Shikoku | - | - | 2,411 | 2,287 | 105.4% | 1,864 | 1,745 | 106.8% | 77.3% | 76.3% |
| Total | 209 | 216 | 950,380 | 907,698 | 104.7% | 619,002 | 571,099 | 108.4% | 65.1% | 62.9% |

* The figures in this slide exclude JBA data. * Beginning with the current fiscal period, the auction results of the Shikoku Site, which were previously included in HAA Kobe Site, are presented separately.
* The Nagoya Site and the Hokuriku Site were linked to conduct joint auctions. Accordingly, for the purpose of counting the number of auctions, each joint auction has been counted as a single auction.
The number of auctions held for the current period, assuming the same conditions as in the previous year, is 216.

# 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 | FY2024 | 259,384 | 238,380 | 255,968 | 248,875 | 227,094 | 258,112 | 1,487,813 | 291,463 | 300,874 | 246,285 | 255,828 | 285,371 | 334,368 | 1,714,189 | 3,202,002 |
| | YoY | -11.5 | 5.0 | -6.9 | -0.8 | 7.7 | -6.8 | -3.0 | 15.5 | 8.6 | 4.6 | 20.2 | 6.9 | 9.2 | 10.5 | 3.8 |
| | FY2025 | 327,914 | 290,251 | 289,533 | 306,955 | 233,141 | 276,888 | 1,724,682 | 314,395 | 292,696 | 256,699 | 272,007 | 294,698 | 349,260 | 1,779,755 | 3,504,437 |
| | YoY | 26.4 | 21.8 | 13.1 | 23.3 | 2.7 | 7.3 | 15.9 | 7.9 | -2.7 | 4.2 | 6.3 | 3.3 | 4.5 | 3.8 | 9.4 |
| | FY2026 | 348,991 | 281,669 | 319,720 | 352,947 | | | 1,303,327 | | | | | | | - | 1,303,327 |
| | YoY | 6.4 | -3.0 | 10.4 | 15.0 | | | - | | | | | | | - | - |
| No. of Vehicles Contracted | FY2024 | 176,964 | 171,292 | 181,720 | 175,922 | 156,107 | 176,284 | 1,038,289 | 194,290 | 190,922 | 147,754 | 165,560 | 188,436 | 219,907 | 1,106,869 | 2,145,158 |
| | YoY | 9.2 | 20.9 | 5.9 | 10.8 | 14.1 | -1.8 | 9.2 | 19.4 | 8.3 | 1.9 | 14.4 | -0.1 | 0.5 | 6.8 | 8.0 |
| | FY2025 | 200,476 | 187,194 | 183,429 | 203,188 | 162,263 | 194,631 | 1,131,181 | 216,185 | 199,242 | 169,328 | 189,320 | 205,104 | 237,206 | 1,216,385 | 2,347,566 |
| | YoY | 13.3 | 9.3 | 0.9 | 15.5 | 3.9 | 10.4 | 8.9 | 11.3 | 4.4 | 14.6 | 14.4 | 8.8 | 7.9 | 9.9 | 9.4 |
| | FY2026 | 224,073 | 185,404 | 209,525 | 225,196 | | | 844,198 | | | | | | | - | 844,198 |
| | YoY | 11.8 | -1.0 | 14.2 | 10.8 | | | - | | | | | | | - | - |
| Contract Completion Rate | FY2024 | 68.2 | 71.9 | 71.0 | 70.7 | 68.7 | 68.3 | 69.8 | 66.7 | 63.5 | 60.0 | 64.7 | 66.0 | 65.8 | 64.6 | 67.0 |
| | FY2025 | 61.1 | 64.5 | 63.4 | 66.2 | 69.6 | 70.3 | 65.6 | 68.8 | 68.1 | 66.0 | 69.6 | 69.6 | 67.9 | 68.3 | 67.0 |
| | FY2026 | 64.2 | 65.8 | 65.5 | 63.8 | | | 64.8 | | | | | | | - | 64.8 |

* The figures in this slide exclude JBA data.

# Appendix – Trends in the Used Car Auction Industry

## Industry trends

(Thousand vehicles)

| | FY2023 | | | | FY2024 | | | | FY2025 | | | | FY2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| New car registrations | 1,069 | 1,156 | 1,171 | 1,131 | 996 | 1,172 | 1,121 | 1,285 | 1,060 | 1,119 | 1,100 | 1,253 | 1,133 | | | |
| YoY change | 20.3% | 11.8% | 8.4% | -18.1% | -6.8% | 1.3% | -4.3% | 13.6% | 6.4% | -4.5% | -1.9% | -2.5% | 7.0% | | | |
| Used car registrations | 1,563 | 1,524 | 1,571 | 1,792 | 1,572 | 1,543 | 1,589 | 1,761 | 1,585 | 1,579 | 1,560 | 1,782 | 1,589 | | | |
| YoY change | 1.3% | 2.4% | 5.8% | 0.9% | 0.6% | 1.2% | 1.2% | -1.7% | 0.8% | 2.3% | -1.8% | 1.1% | 0.2% | | | |
| Used car exports | 407 | 395 | 419 | 381 | 393 | 366 | 431 | 388 | 436 | 436 | 451 | 413 | 442 | | | |
| YoY change | 25.3% | 35.6% | 18.7% | 19.1% | -3.5% | -7.2% | 2.7% | 1.7% | 11.1% | 19.1% | 4.6% | 6.5% | 1.3% | | | |

## Auto auction market

(Thousand vehicles)

| | FY2023 | | | | FY2024 | | | | FY2025 | | | | FY2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Vehicles consigned | 2,068 | 1,871 | 1,917 | 1,913 | 1,835 | 1,765 | 1,995 | 2,026 | 2,139 | 1,907 | 1,942 | 2,023 | 2,196 | | | |
| YoY change | 16.7% | 19.0% | 5.1% | -9.1% | -11.3% | -5.6% | 4.0% | 5.9% | 16.6% | 8.0% | -2.6% | -0.2% | 2.6% | | | |
| Vehicles contracted | 1,323 | 1,259 | 1,277 | 1,371 | 1,321 | 1,251 | 1,337 | 1,390 | 1,414 | 1,341 | 1,350 | 1,425 | 1,479 | | | |
| YoY change | 10.2% | 12.1% | 8.5% | 4.0% | -0.1% | -0.7% | 4.7% | 1.4% | 7.0% | 7.2% | 1.0% | 2.5% | 4.6% | | | |

# Appendix – Auto Auction

(Million yen)

| | FY2023 | | | | FY2024 | | | | FY2025 | | | | FY2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Net sales | 18,399 | 18,068 | 18,429 | 20,168 | 20,037 | 19,415 | 20,671 | 21,718 | 22,313 | 21,383 | 22,321 | 23,684 | 24,206 | | | |
| YoY change | 9.7% | 10.2% | 7.6% | 6.1% | 8.9% | 7.5% | 12.2% | 7.7% | 11.4% | 10.1% | 8.0% | 9.1% | 8.5% | | | |
| Operating profit | 11,477 | 11,330 | 11,735 | 12,871 | 13,102 | 12,522 | 13,397 | 14,251 | 14,614 | 13,799 | 14,732 | 15,437 | 15,728 | | | |
| YoY change | 9.7% | 13.6% | 13.7% | 11.8% | 14.2% | 10.5% | 14.2% | 10.7% | 11.5% | 10.2% | 10.0% | 8.3% | 7.6% | | | |

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

| | | FY2023 | | | | FY2024 | | | | FY2025 | | | | FY2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| No. of vehicles consigned (thousands) | | 794 | 738 | 764 | 786 | 753 | 734 | 838 | 875 | 907 | 816 | 863 | 915 | 950 | | | |
| No. of vehicles contracted (thousands) | | 475 | 475 | 484 | 552 | 529 | 508 | 532 | 573 | 571 | 560 | 584 | 631 | 619 | | | |
| Contract completion rate | USS | 59.8% | 64.3% | 63.3% | 70.2% | 70.3% | 69.2% | 63.6% | 65.5% | 62.9% | 68.6% | 67.7% | 69.0% | 65.1% | | | |
| | Industry average (excl. USS) | 66.6% | 69.3% | 68.8% | 72.7% | 73.2% | 72.0% | 69.5% | 70.9% | 68.4% | 71.7% | 71.0% | 71.7% | 69.1% | | | |
| Avg. price of vehicle contracted | USS (thousand yen) | 976 | 1,061 | 1,048 | 1,124 | 1,188 | 1,247 | 1,188 | 1,202 | 1,157 | 1,259 | 1,287 | 1,309 | 1,279 | | | |
| | Industry average (excl. USS) (thousand yen) | 542 | 572 | 560 | 591 | 623 | 636 | 616 | 641 | 634 | 684 | 700 | 735 | 720 | | | |
| Fees | Consignment fees (million yen) | 4,440 | 4,229 | 4,377 | 4,454 | 4,281 | 4,275 | 4,861 | 4,998 | 5,112 | 4,634 | 4,958 | 5,172 | 5,351 | | | |
| | Fee per vehicle (yen) | 5,609 | 5,753 | 5,752 | 5,699 | 5,711 | 5,855 | 5,827 | 5,739 | 5,656 | 5,694 | 5,765 | 5,671 | 5,654 | | | |
| | Contract completion fees (million yen) | 4,138 | 4,190 | 4,260 | 4,846 | 4,607 | 4,445 | 4,664 | 4,959 | 4,898 | 4,765 | 5,002 | 5,304 | 5,170 | | | |
| | Fee per vehicle (yen) | 8,754 | 8,875 | 8,855 | 8,833 | 8,747 | 8,800 | 8,805 | 8,693 | 8,623 | 8,547 | 8,598 | 8,439 | 8,393 | | | |
| | Successful bid fees (million yen) | 6,331 | 6,362 | 6,489 | 7,318 | 7,511 | 7,219 | 7,620 | 8,160 | 8,460 | 8,286 | 8,700 | 9,408 | 9,281 | | | |
| | Fee per vehicle (yen) | 13,329 | 13,403 | 13,413 | 13,266 | 14,178 | 14,215 | 14,307 | 14,228 | 14,817 | 14,803 | 14,888 | 14,904 | 14,995 | | | |
| Other | On-site auction members | 48,241 | 48,379 | 48,003 | 48,123 | 47,944 | 48,135 | 47,905 | 48,160 | 48,228 | 48,792 | 48,864 | 49,176 | 49,383 | | | |
| | CIS members | 34,129 | 34,246 | 34,238 | 34,367 | 34,569 | 34,842 | 34,971 | 35,148 | 35,355 | 35,735 | 36,219 | 36,279 | 36,470 | | | |
| | USS JAPAN members | 1,953 | 1,871 | 1,707 | 1,774 | 1,908 | 1,941 | 1,964 | 1,964 | 1,967 | 1,964 | 1,948 | 1,946 | 1,928 | | | |
| | Off-site ratio | 51.8% | 52.8% | 52.0% | 53.1% | 53.0% | 53.3% | 52.6% | 53.6% | 52.1% | 51.9% | 51.0% | 51.4% | 51.5% | | | |

* Fee per vehicle is calculated before eliminations for consolidation.
* The figures in this slide exclude JBA data.

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

## Used vehicle purchasing and selling

(Million yen)

| | FY2023 | | | | FY2024 | | | | FY2025 | | | | FY2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Net sales | 2,366 | 2,947 | 2,799 | 3,318 | 3,178 | 3,182 | 3,035 | 3,254 | 2,862 | 3,083 | 3,022 | 3,502 | 3,262 | | | |
| YoY change | 2.8% | 7.3% | 8.0% | 20.6% | 34.3% | 8.0% | 8.4% | -1.9% | -10.0% | -3.1% | -0.4% | 7.6% | 14.0% | | | |
| Operating profit | 6 | 138 | 111 | 75 | 135 | 142 | 8 | -9 | -25 | 148 | 121 | 136 | 65 | | | |
| YoY change | -45.6% | -30.7% | 846.3% | - | 1,935.9% | 3.3% | -92.6% | - | - | 4.0% | 1,381.4% | - | - | | | |

## Recycling

(Million yen)

| | FY2023 | | | | FY2024 | | | | FY2025 | | | | FY2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Net sales | 3,116 | 3,033 | 1,985 | 2,391 | 2,178 | 1,948 | 2,196 | 2,083 | 1,891 | 1,763 | 3,292 | 3,345 | 3,421 | | | |
| YoY change | 52.6% | 43.0% | -10.8% | -7.8% | -30.1% | -35.8% | 10.6% | -12.9% | -13.2% | -9.5% | 49.9% | 60.5% | 80.9% | | | |
| Operating profit | 505 | 348 | 117 | 192 | 189 | 62 | 130 | 160 | 53 | -13 | 263 | 370 | 284 | | | |
| YoY change | 57.1% | 69.5% | -57.6% | -63.6% | -62.5% | -82.2% | 10.4% | -16.5% | -71.9% | - | 102.1% | 131.2% | 433.8% | | | |

## Other

(Million yen)

| | FY2023 | | | | FY2024 | | | | FY2025 | | | | FY2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Net sales | 47 | 114 | 205 | 214 | 245 | 268 | 293 | 311 | 322 | 360 | 353 | 352 | 365 | | | |
| YoY change | 83.3% | 402.6% | 544.4% | 1,012.5% | 421.7% | 135.5% | 42.7% | 45.6% | 31.4% | 34.2% | 20.4% | 13.1% | 13.4% | | | |
| Operating profit | -24 | -17 | -13 | 36 | -1 | 40 | 33 | -49 | 31 | 30 | 30 | -31 | 37 | | | |
| YoY change | - | - | - | - | - | - | - | - | - | -23.8% | -9.2% | - | 17.2% | | | |

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