



# Consolidated Results of Operations

## Fiscal Year Ended March 31, 2022

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USS Co., Ltd.  
May 2022

# Results of Operations

## Fiscal Year Ended March 2022

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## FY3/2022 Results

- Net sales ¥81.4 billion (up 8.8% YoY)  
Operating profit ¥41.5 billion (up 14.8% YoY)
  - The number of vehicles traded in decreased because of the downturn in new car sales. The number of vehicles handled and the contract completion ratio increased due to the strong demand for used cars.
  - Used car exports were up 17.3% year-on-year and down 5.0% compared to 2019 (pre-pandemic)
  - In the used vehicle purchasing and selling segment, sales increased but earnings were down because of a decline in the number of vehicles purchased despite high prices at used vehicle auctions.
  - In the recycle business, sales and earnings increased because high prices of metal scrap raised sales and gross profit and there was a large number and volume of industrial plant demolition projects.

## FY3/2023 (Forecast)

- Net sales ¥84.1 billion
  - FY3/2023 plan is 2,860 thousand vehicles consigned, 1,850 thousand vehicles contracted and a contract completion ratio of 64.7%.
- Operating profit ¥43.1 billion

## Earnings Distributions

- Plan to pay ¥66.2 for FY3/22
- Plan to pay ¥67.4 for FY3/23 \* **Aiming for 23 consecutive years growth**
  - Dividend policy: the consolidated payout ratio is at least 55%
- Acquisition of treasury stock in progress
  - Repurchased shares with an authorization of ¥10 billion/6 million shares (progress by April: 91% (in terms of value))
  - Company plans to promptly retire all the treasury shares leaving shares equivalent to 5% of the total number of issued shares.

# FY3/2022 – Summary of Consolidated Results of Operations

- Sales was up 8.8% YoY to ¥81.48 billion, operating profit was up 14.8% to ¥41.57 billion, and profit attributable to owners of parent up 639.5% to ¥29.74 billion.
- Record-high sales, operating profit, ordinary profit and profit attributable to owners of parent

(Million yen)

	FY3/2021	FY3/2022	Year on year	Plan (as of Nov. 8, 2021)	VS. plan
Net sales	74,874	81,482	108.8%	77,600	105.0%
Cost of sales (Per sales)	28,341 (37.9%)	30,710 (37.7%)	108.4%	29,979 (38.6%)	102.4%
Gross profit (Per sales)	46,533 (62.1%)	50,772 (62.3%)	109.1%	47,620 (61.4%)	106.6%
Selling, general and administrative expenses (Per sales)	10,306 (13.8%)	9,197 (11.3%)	89.2%	9,220 (11.9%)	99.8%
Operating profit (Per sales)	36,227 (48.4%)	41,574 (51.0%)	114.8%	38,400 (49.5%)	108.3%
Ordinary profit (Per sales)	36,996 (49.4%)	42,374 (52.0%)	114.5%	39,100 (50.4%)	108.4%
Profit attributable to owners of parent (Per sales)	4,022 (5.4%)	29,745 (36.5%)	739.5%	26,500 (34.1%)	112.2%

# FY3/2022 – Reasons for Change in Operating Profit (Actual)

**Net sales**

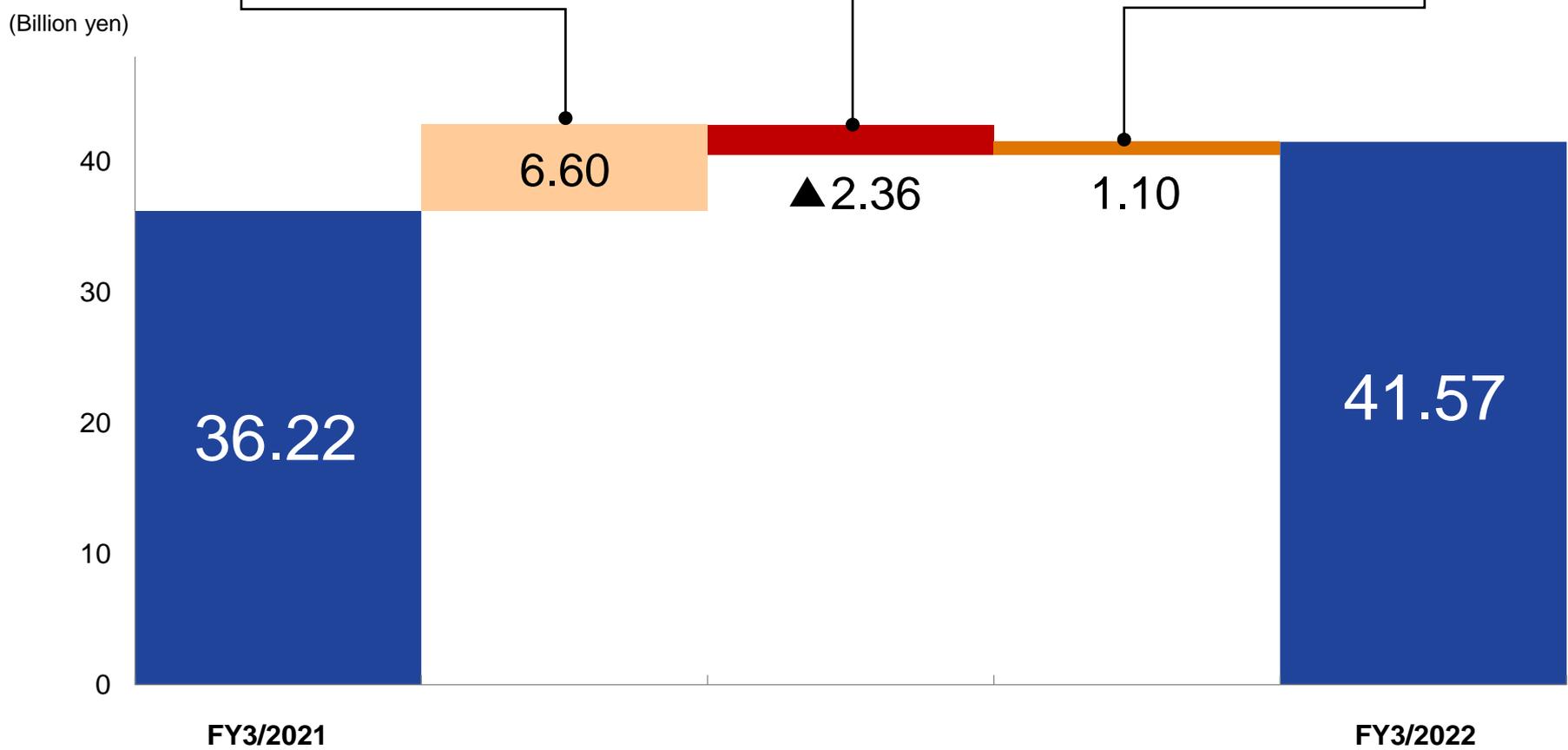
Increase in recycling	2.40bn
Increase in vehicles consigned	1.32bn
Increase in contract completion rate	1.31bn
Increase in fee rates	0.91bn
Used vehicle sales/purchases	0.65bn

**Cost of sales**

Increase in cost of materials purchased	▲0.77bn
Increase in cost of goods sold	▲0.73bn
Increase in purchases	▲0.66bn
Increase in employee salaries and bonuses	▲0.25bn

**SG&A expenses**

Decrease in goodwill amortization	1.20bn
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# Net Sales and Operating Profit by Business Segment

(Million yen)

Net sales	FY3/2020	FY3/2021	FY3/2022	Year on year
Auto auction	63,350	61,048	64,858	106.2%
Used vehicle purchasing and selling	9,099	8,646	9,300	107.6%
Other	5,692	5,180	7,323	141.4%
<b>Total</b>	<b>78,143</b>	<b>74,874</b>	<b>81,482</b>	<b>108.8%</b>
Operating profit (operating margin)	FY3/2020	FY3/2021	FY3/2022	Year on year
Auto auction	35,436 (55.6%)	35,463 (57.7%)	40,217 (61.7%)	113.4%
Used vehicle purchasing and selling	103 (1.1%)	271 (3.1%)	136 (1.5%)	50.2%
Other	369 (6.4%)	400 (7.7%)	1,200 (16.4%)	300.1%
Elimination of inter-segment transactions	100	91	19	21.2%
<b>Total</b>	<b>36,009 (46.1%)</b>	<b>36,227 (48.4%)</b>	<b>41,574 (51.0%)</b>	<b>114.8%</b>

\* 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.

- Proceeds from the sale of shares of subsidiaries and associates and the purchase of property, plant and equipment were the main source of cash from investing activities
- The primary use of cash in financing activities was dividends paid and acquisition of treasury shares.
- Equity ratio: 78.4%

## Consolidated Balance Sheets (Summary)

(Million yen)

	FY3/21	FY3/22
Current assets	81,528	103,872
Cash and deposits	67,770	79,380
Receivables due from member dealers at auction, etc.	13,757	24,491
Non-current assets	129,171	125,481
Property, plant and equipment	103,302	100,379
Other	25,869	25,102
Current assets	210,699	229,354

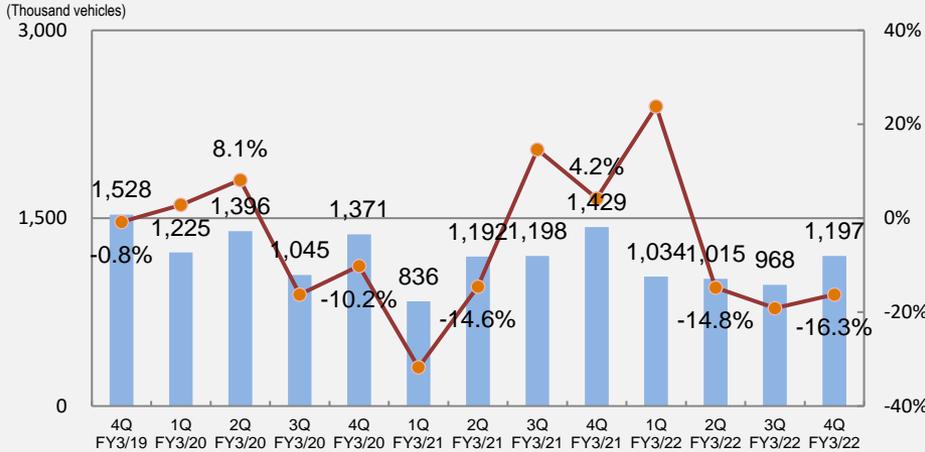
	FY3/21	FY3/22
Current liabilities	26,922	37,884
Payables due to member dealers at auction	11,788	21,213
Other	15,133	16,670
Non-current liabilities	10,253	8,996
Total liabilities	37,175	46,880
Total net assets	173,524	182,473
Total liabilities and net assets	210,699	229,354

## Consolidated Statements of Cash Flows (Summary)

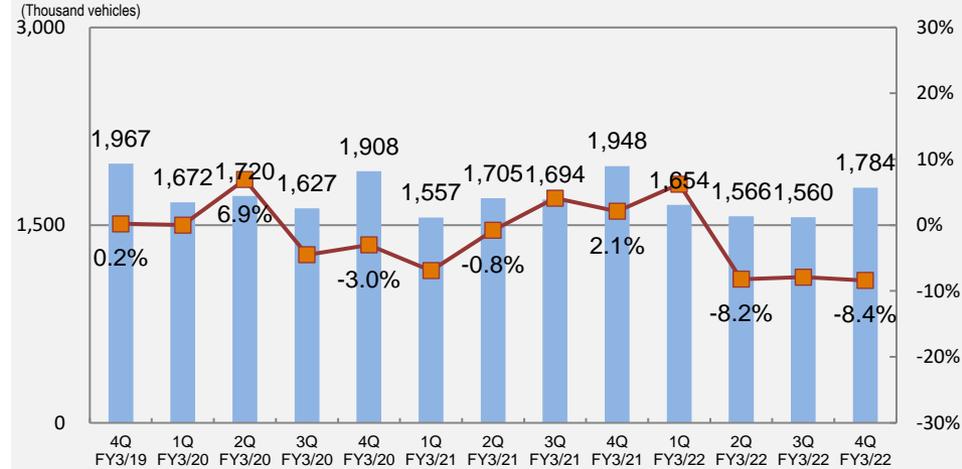
(Million yen)

	FY3/20	FY3/21	FY3/22	Changes
Net cash provided by (used in) operating activities	27,245	38,407	36,630	▲1,777
Net cash provided by (used in) investing activities	▲4,906	▲9,330	▲1,339	7,990
Free cash flow	22,339	29,076	35,290	6,213
Net cash provided by (used in) financing activities	▲16,963	▲15,035	▲24,680	▲9,644
Capital expenditures (Terms of cash flows)	4,523	8,985	2,036	▲6,949
Depreciation	5,037	5,334	4,959	▲374

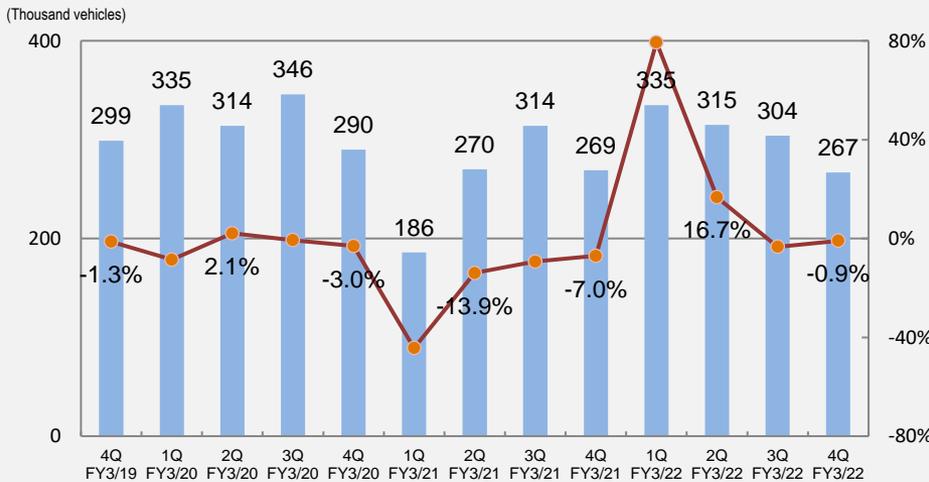
## New Car Registrations and YoY Changes



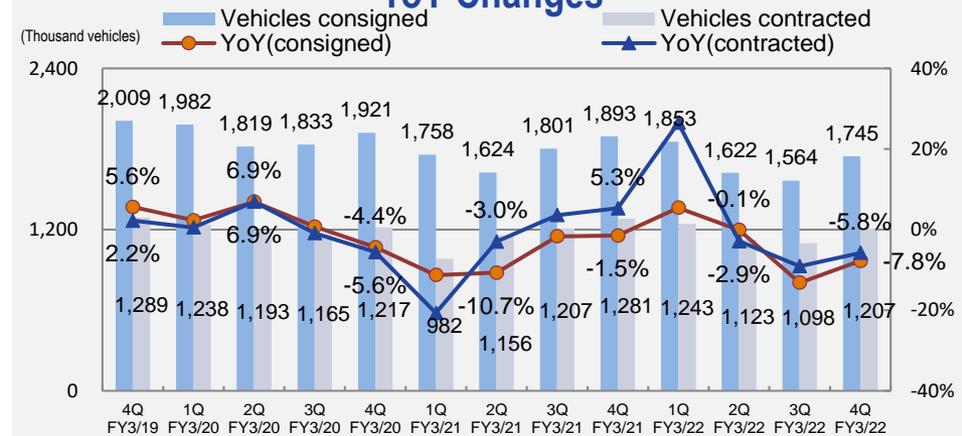
## Used Car Registrations and YoY Changes



## Used Car Exports and YoY Changes



## AA Market: Vehicles Consigned and Contracted and YoY Changes



# Auto Auction Segment (1)

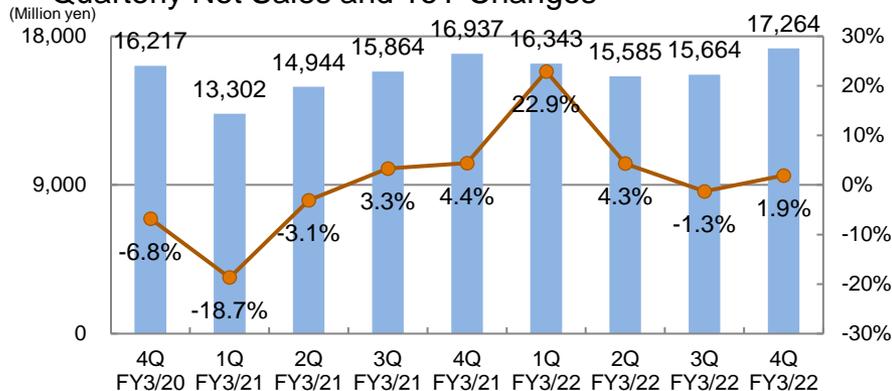
- Vehicles consigned increased 2.7% YoY to 2,731 thousand; contract completions increased 6.3% YoY to 1,787 thousand (contract completion rate: 65.4% against 63.2% in the previous fiscal year)
- Sales and earnings increased because of the larger number of vehicles handled, the higher contract completion rate and other reasons.

## Auto Auction Segment Performance

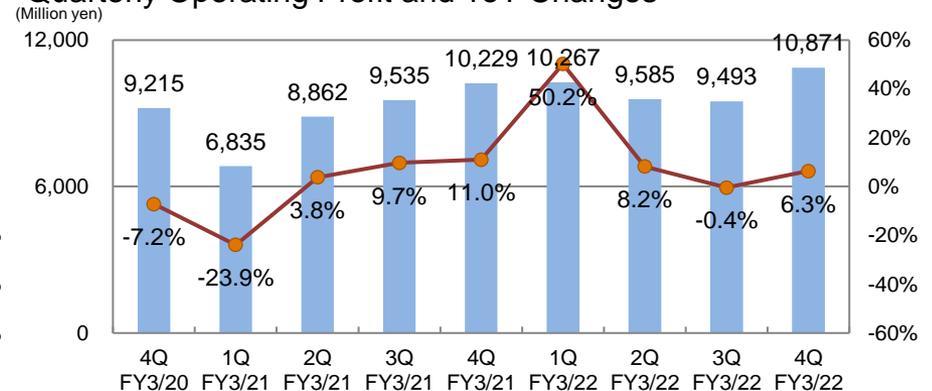
(Million yen)

	FY3/2020	FY3/2021	FY3/2022	Year on year
Net sales	63,350	61,048	64,858	106.2%
Consignment fees	15,047	14,151	15,198	107.4%
Contract completion fees	14,499	14,088	15,088	107.1%
Successful bid fees	21,758	21,573	23,076	107.0%
Other	12,044	11,234	11,494	102.3%
Operating profit	35,436	35,463	40,217	113.4%
Operating margin	55.6%	57.7%	61.7%	-

### Quarterly Net Sales and YoY Changes



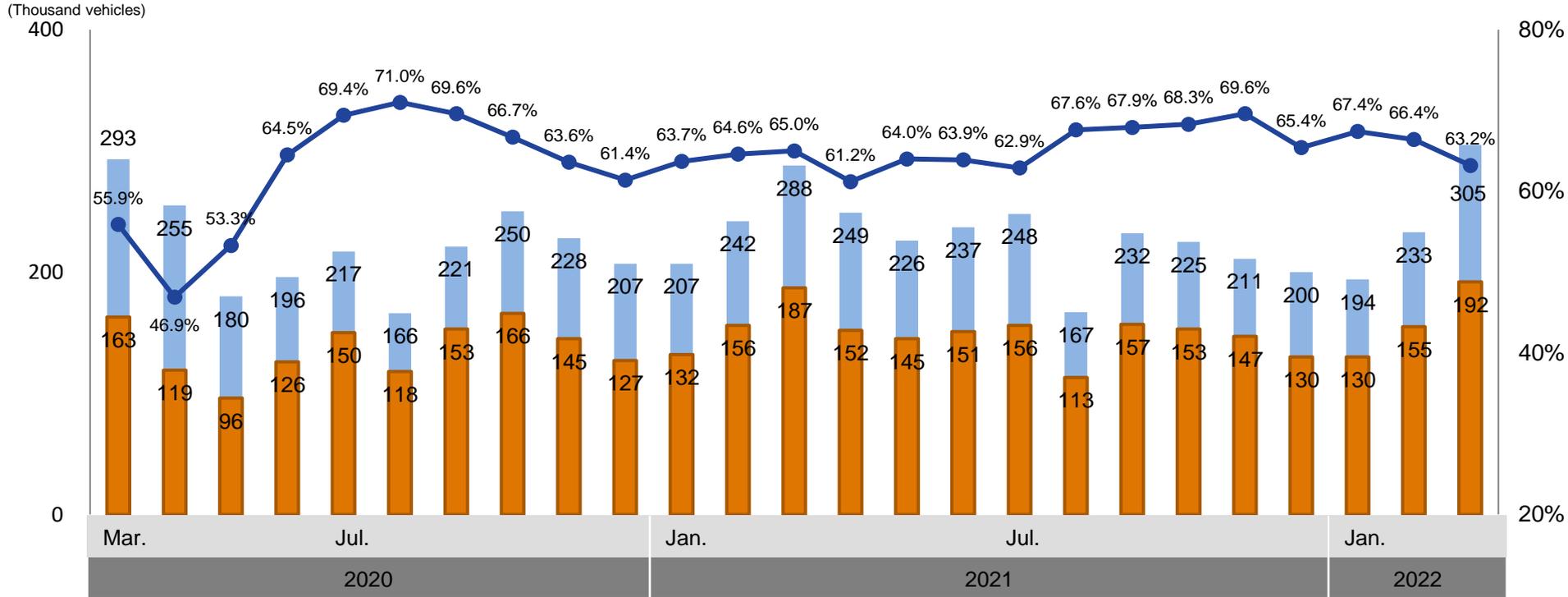
### Quarterly Operating Profit and YoY Changes



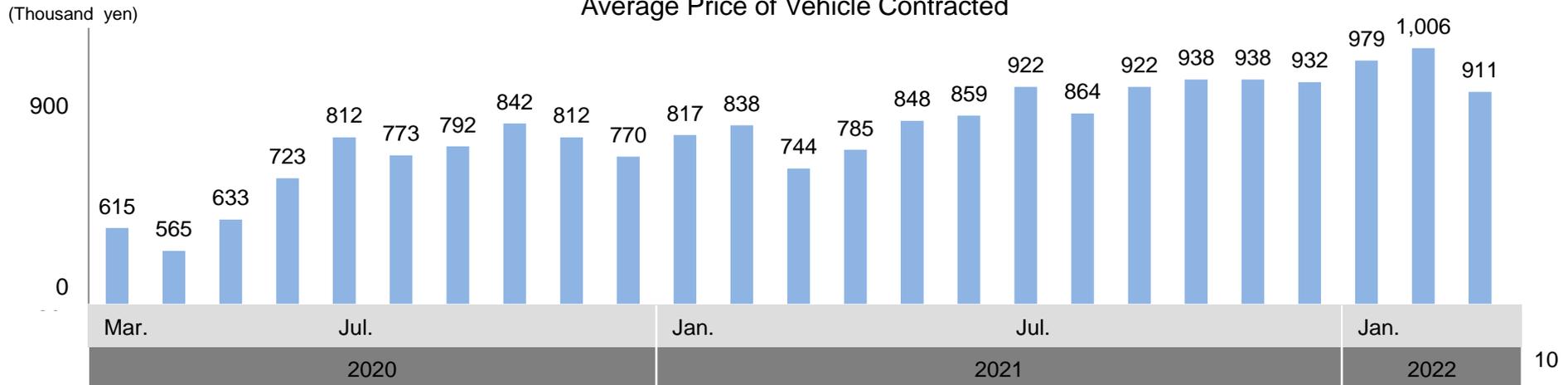
\* Net sales are sales to external customers and operating profit is based on business segment earnings. Operating margins are calculated by dividing segment profit by segment sales.

# Auto Auction Segment (2) Monthly Data

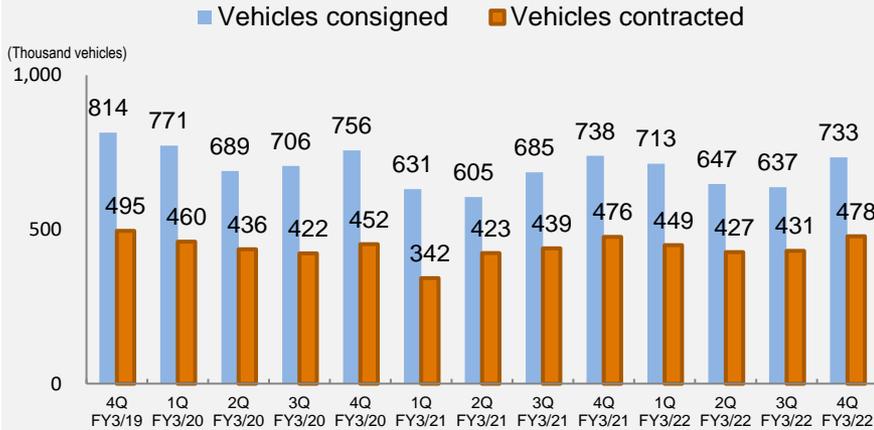
■ Vehicles consigned   
 ■ Vehicles contracted   
 ● Contract completion rate



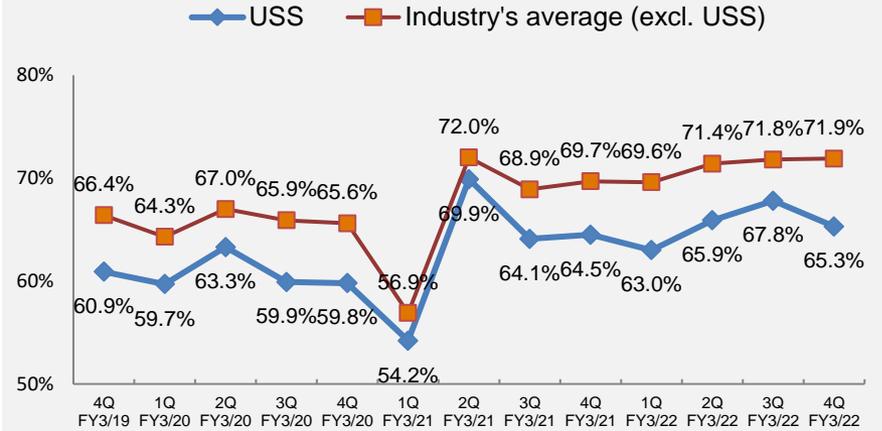
## Average Price of Vehicle Contracted



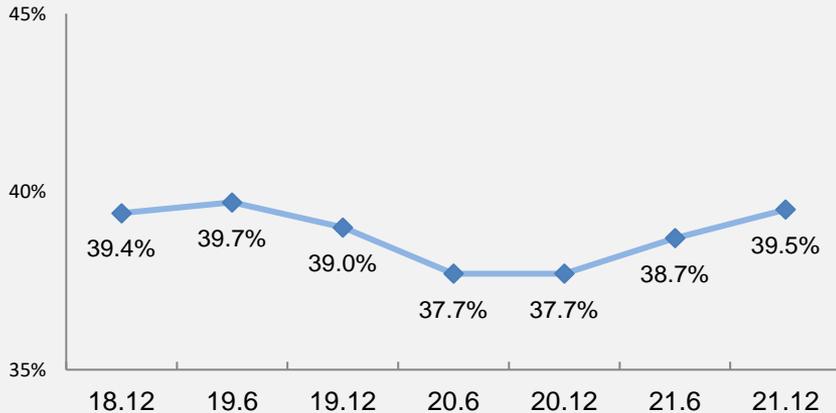
## No. of Vehicles Consigned and Vehicles Contracted



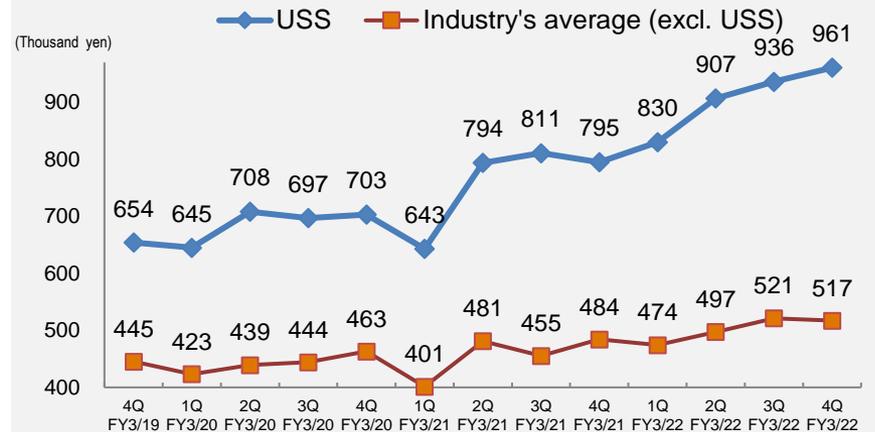
## Contract Completion Rate



## Market Share



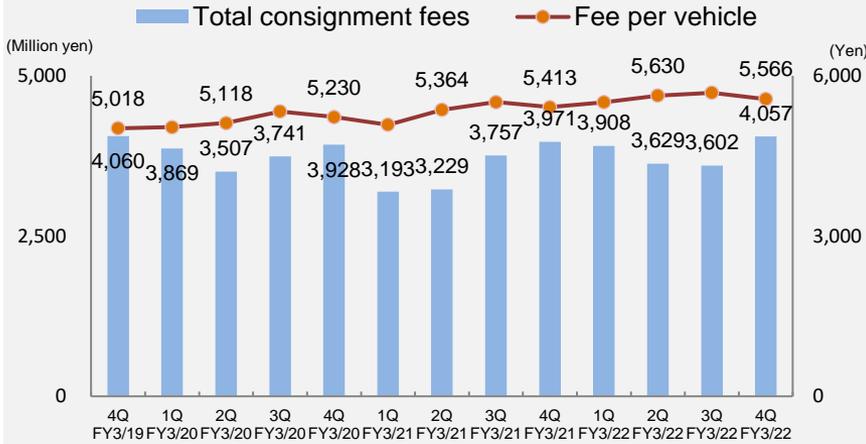
## Average Price of Vehicle Contracted



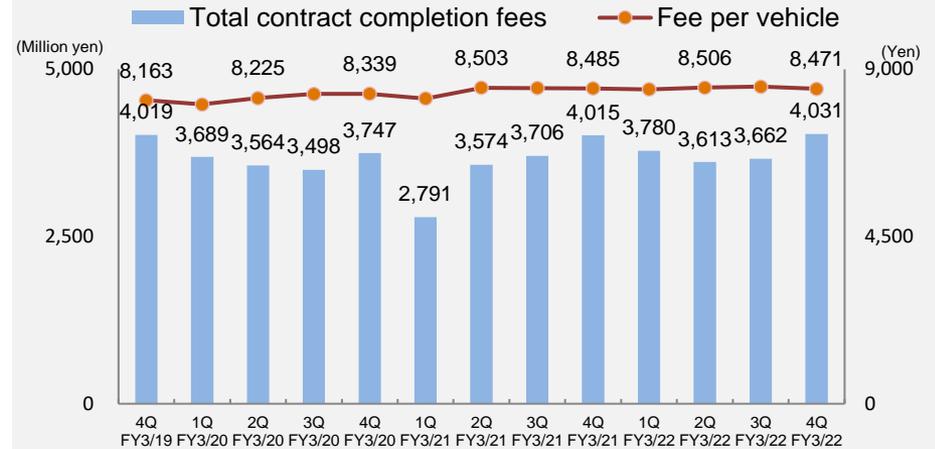
\* Period ending in December: 12-month data; Period ending in June: 6-month data.

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

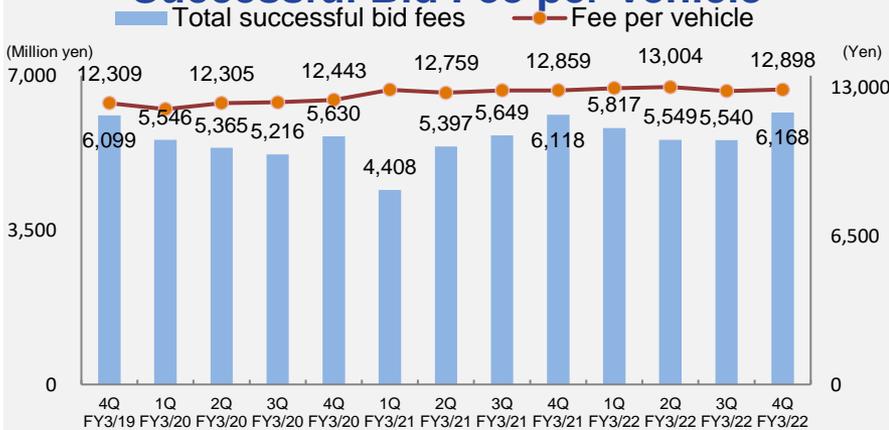
## Total Consignment Fees and Consignment Fee per Vehicle



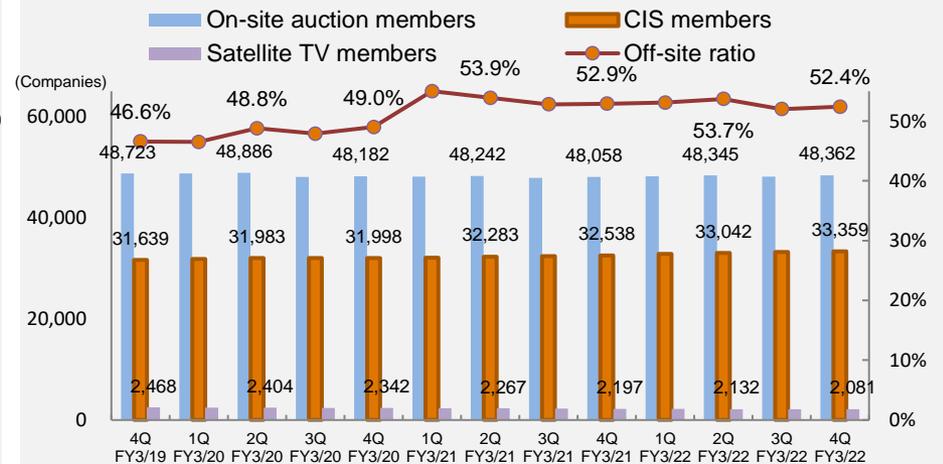
## Total Contract Completion Fees and Contract Completion Fee per Vehicle



## 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 April 2019.

# Auto Auction Segment (5)

From April 1, 2021 to March 31, 2022

(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	FY3/22	FY3/21	FY3/22	FY3/21	YoY change	FY3/22	FY3/21	YoY change	FY3/22	FY3/21
Tokyo	49	49	666,861	617,968	107.9%	459,229	418,525	109.7%	68.9%	67.7%
Nagoya	49	49	453,432	442,949	102.4%	266,162	251,495	105.8%	58.7%	56.8%
Kyushu	49	49	201,249	187,467	107.4%	132,213	114,398	115.6%	65.7%	61.0%
Osaka	49	49	196,185	203,665	96.3%	113,646	110,658	102.7%	57.9%	54.3%
Yokohama	49	48	178,895	175,997	101.6%	121,518	115,310	105.4%	67.9%	65.5%
Sapporo	48	49	130,874	132,298	98.9%	93,079	90,973	102.3%	71.1%	68.8%
Shizuoka	49	49	108,780	99,829	109.0%	67,204	62,839	106.9%	61.8%	62.9%
R-Nagoya	49	48	100,577	115,941	86.7%	86,660	96,276	90.0%	86.2%	83.0%
Kobe	48	49	81,851	72,663	112.6%	48,244	42,697	113.0%	58.9%	58.8%
Okayama	49	49	64,490	68,261	94.5%	50,556	49,648	101.8%	78.4%	72.7%
Tohoku	48	49	52,666	50,410	104.5%	42,371	37,384	113.3%	80.5%	74.2%
Gunma	49	49	51,384	52,040	98.7%	35,841	35,207	101.8%	69.8%	67.7%
Niigata	48	49	48,081	47,168	101.9%	28,413	25,575	111.1%	59.1%	54.2%
Saitama	49	48	46,379	45,263	102.5%	28,565	25,675	111.3%	61.6%	56.7%
Fukuoka	48	49	35,007	40,942	85.5%	22,476	25,379	88.6%	64.2%	62.0%
Hokuriku	49	49	17,874	18,352	97.4%	12,863	12,963	99.2%	72.0%	70.6%
JAA	48	49	72,381	73,581	98.4%	38,960	40,796	95.5%	53.8%	55.4%
HAA Kobe	49	49	224,703	216,290	103.9%	139,302	125,012	111.4%	62.0%	57.8%
<b>Total</b>	<b>876</b>	<b>879</b>	<b>2,731,669</b>	<b>2,661,084</b>	<b>102.7%</b>	<b>1,787,302</b>	<b>1,680,810</b>	<b>106.3%</b>	<b>65.4%</b>	<b>63.2%</b>

\* In the previous fiscal term, one auction was canceled as the Saitama Auction Site due to a lightning strike in August 2020.

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

# Auto Auction Segment (6)

(Vehicles, %)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	First Half	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Second Half	Fiscal Year
No. of Vehicles Consigned	FY3/20	265,360	248,623	257,709	249,936	210,323	229,142	1,461,093	252,790	257,226	196,407	211,406	251,864	293,266	1,462,959	2,924,052
	YoY Change	▲0.3	7.1	1.4	11.5	2.0	▲2.1	3.1	7.7	▲0.1	▲5.1	▲5.6	▲4.0	▲10.5	▲3.3	▲0.2
	FY3/21	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 Change	▲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
	FY3/22	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 Change	▲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
No. of Vehicles Contracted	FY3/20	156,986	150,529	153,217	153,889	131,750	150,541	896,912	156,496	151,044	115,291	130,627	158,104	163,969	875,531	1,772,443
	YoY Change	▲1.3	2.1	▲3.4	7.2	▲0.2	▲1.0	0.5	3.0	▲6.5	▲6.9	▲4.2	▲2.0	▲17.2	▲6.2	▲2.9
	FY3/21	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 Change	▲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
	FY3/22	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 Change	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
Contract Completion Rate	FY3/20	59.2	60.5	59.5	61.6	62.6	65.7	61.4	61.9	58.7	58.7	61.8	62.8	55.9	59.8	60.6
	FY3/21	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
	FY3/22	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

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

# Used Vehicle Purchasing and Selling Segment

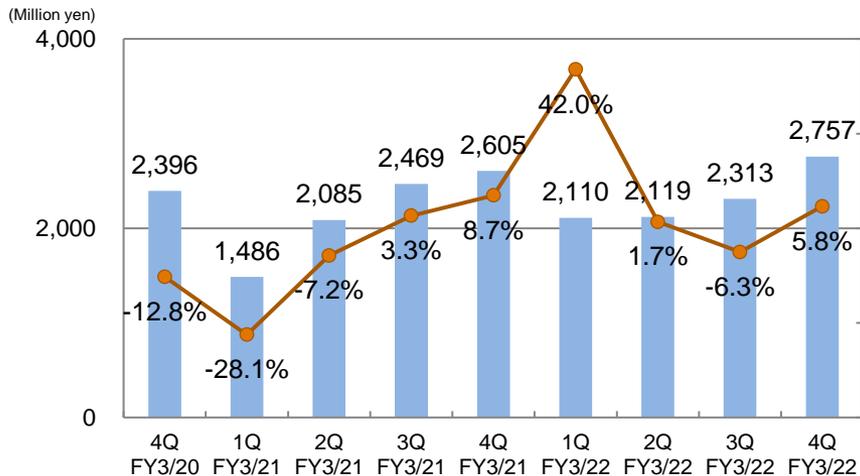
- At Rabbit, which purchases used vehicles, sales increased but earnings were lower. Auction prices of used vehicles were high but the cost of buying used vehicles increased and the number of vehicles purchased decreased. (Net sales increased 7.1% YoY to ¥5,296 million, Operating profit decreased 46.8% YoY to ¥75 million)
- In the accident-damaged vehicle purchasing and selling business, sales increased but earnings were down as the number of high-priced vehicles handled increased, but the number of vehicles sold decreased. (Net sales increased 8.2% YoY to ¥4,004 million, Operating profit decreased 53.2% YoY to ¥60 million)

## Used Vehicle Purchasing and Selling Segment Performance

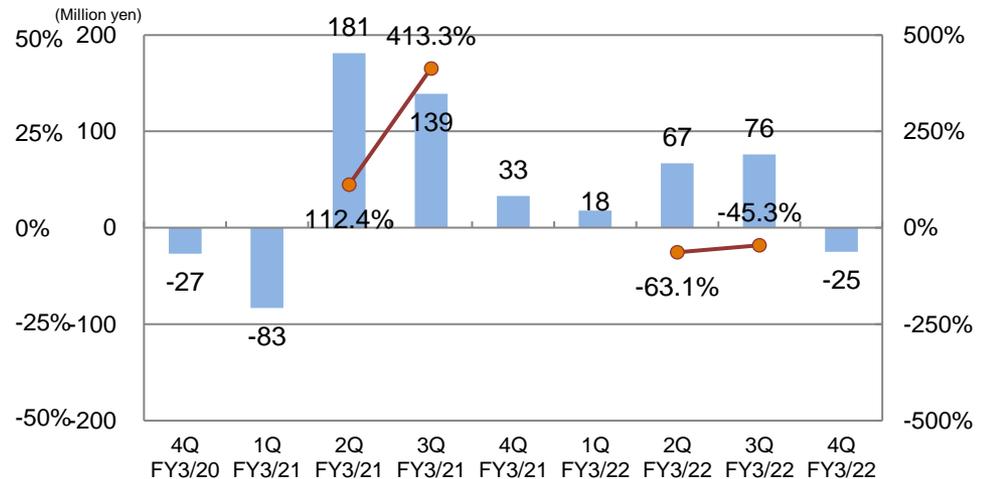
(Million yen)

	FY3/2020	FY3/2021	FY3/2022	Year on year
Net sales	9,099	8,646	9,300	107.6%
Operating profit	103	271	136	50.2%
Operating margin	1.1%	3.1%	1.5%	-

### Quarterly Net Sales and YoY Changes



### Quarterly 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.

# Other Segment

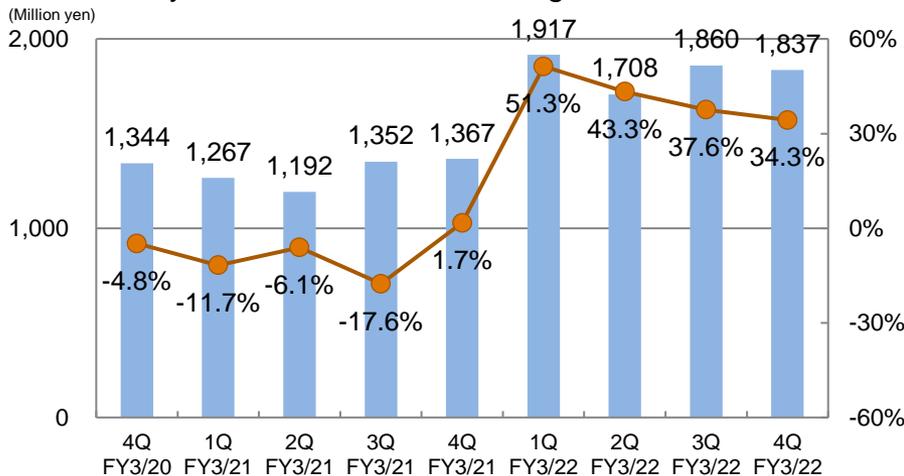
- In the recycle business, sales and earnings increased because high prices of metal scrap raised sales and gross profit and there was a large number and volume of industrial plant demolition projects. (Net sales increased 49.9% YoY to ¥7,238 million, Operating profit increased 203.6% to ¥1,142 million)

## Other Segment Performance

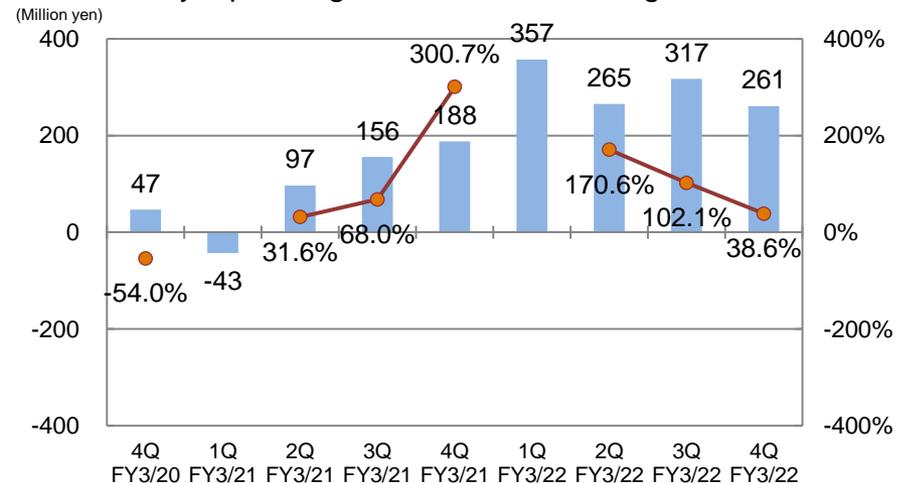
(Million yen)

	FY3/2020	FY3/2021	FY3/2022	Year on year
Net sales	5,692	5,180	7,323	141.4%
Operating profit	369	400	1,200	300.1%
Operating margin	6.4%	7.7%	16.4%	-

### Quarterly Net Sales and YoY Changes



### Quarterly 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.

# Consolidated Forecast for FY3/2023

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- USS takes steps to further upgrade convenience and services for members and maintain a large number of vehicles consigned in order to raise its share of Japan's auto auction market.

	(Million yen)			
	FY3/21 (Actual)	FY3/22 (Actual)	FY3/23 (Forecast)	VS. previous year
Net sales	74,874	81,482	84,100	103.2%
Gross profit (Per sales)	46,533 (62.1%)	50,772 (62.3%)	52,685 (62.6%)	103.8%
Operating profit (Per sales)	36,227 (48.4%)	41,574 (51.0%)	43,100 (51.2%)	103.7%
Ordinary profit (Per sales)	36,996 (49.4%)	42,374 (52.0%)	43,800 (52.1%)	103.4%
Profit attributable to owners of parent (Per sales)	4,022 (5.4%)	29,745 (36.5%)	30,000 (35.7%)	100.9%
Profit per share (Yen)	16.13	119.80	122.34	102.1%
Capital expenditures (Terms of cash flows)	8,985	2,036	6,800	333.9%
Depreciation	5,334	4,959	4,770	96.2%
Auto Auction Business (excl. JBA)	FY3/21 (Actual)	FY3/22 (Actual)	FY3/23 (Forecast)	VS. previous year
No. of vehicles consigned (Thousands)	2,661	2,731	2,860	104.7%
No. of vehicles contracted (Thousands)	1,680	1,787	1,850	103.5%
Contract completion rate	63.2%	65.4%	64.7%	-

# FY3/2023 – Reasons for Change in Operating Profit (Forecast)

## Net sales

Increase in vehicles consigned 2.50bn  
 Used vehicle sales/purchases 0.68bn  
 Decrease in contract completion rate ▲0.45bn

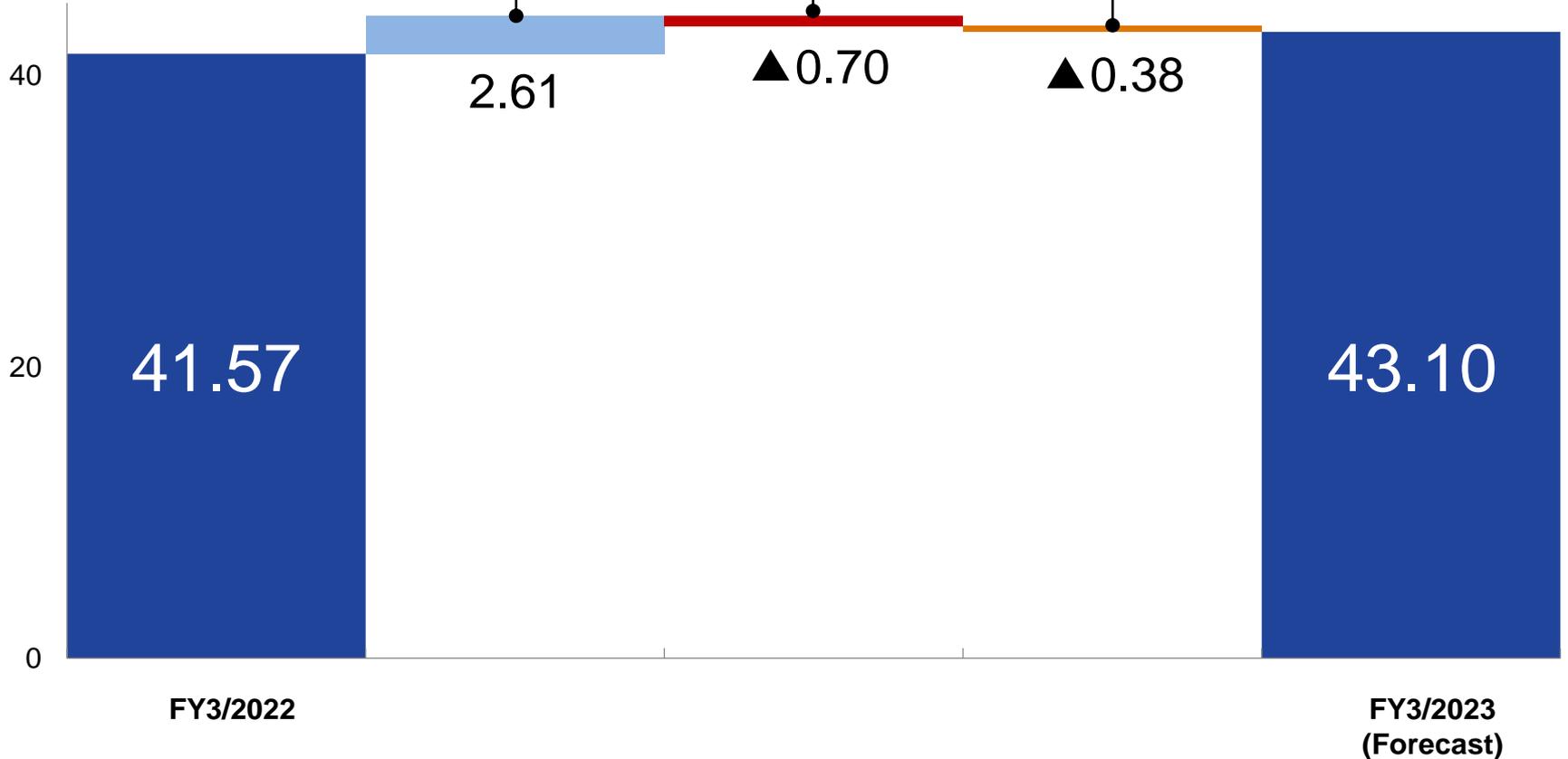
## Cost of sales

Increase in cost of goods sold ▲0.46bn  
 Increase in purchases ▲0.33bn

## SG&A expenses

Increase in sales promotion expenses ▲0.16bn  
 Increase in taxes and dues ▲0.05bn  
 Increase in employee salaries and bonuses ▲0.04bn

(Billion yen)



(Million yen)

	FY3/21 (Actual)	FY3/22 (Actual)	FY3/23 (Forecast)	VS. previous year
<b>Net sales</b>				
Auto auction	61,048	64,858	67,035	103.4%
Used vehicle purchasing and selling	8,646	9,300	9,989	107.4%
Other	5,180	7,323	7,074	96.6%
<b>Total</b>	<b>74,874</b>	<b>81,482</b>	<b>84,100</b>	<b>103.2%</b>
<b>Operating profit (Per sales)</b>	<b>36,227 (48.4%)</b>	<b>41,574 (51.0%)</b>	<b>43,100 (51.2%)</b>	<b>103.7%</b>

# Market Overview

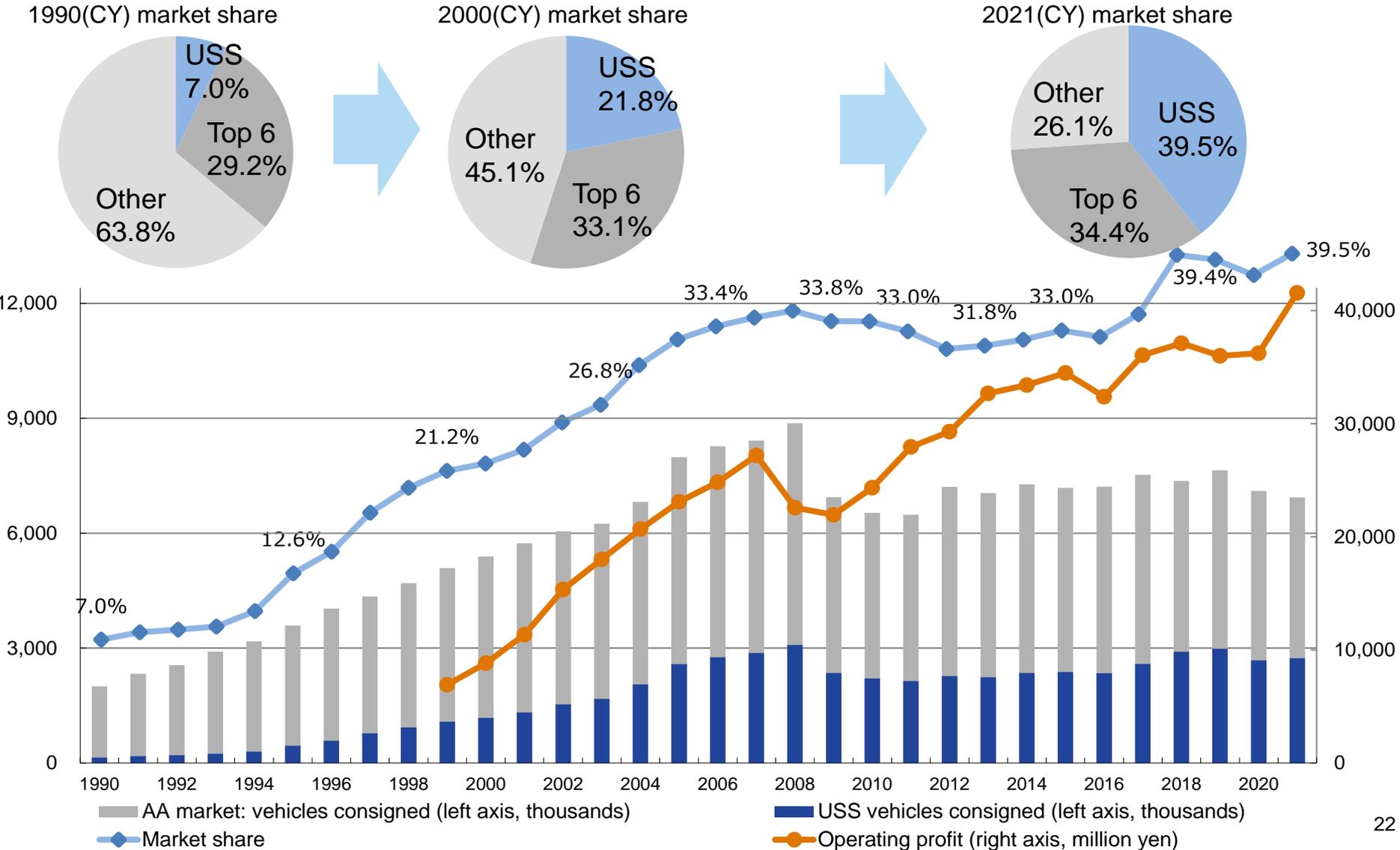
## Strategy for Creating Value Over the Medium Term

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# 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.

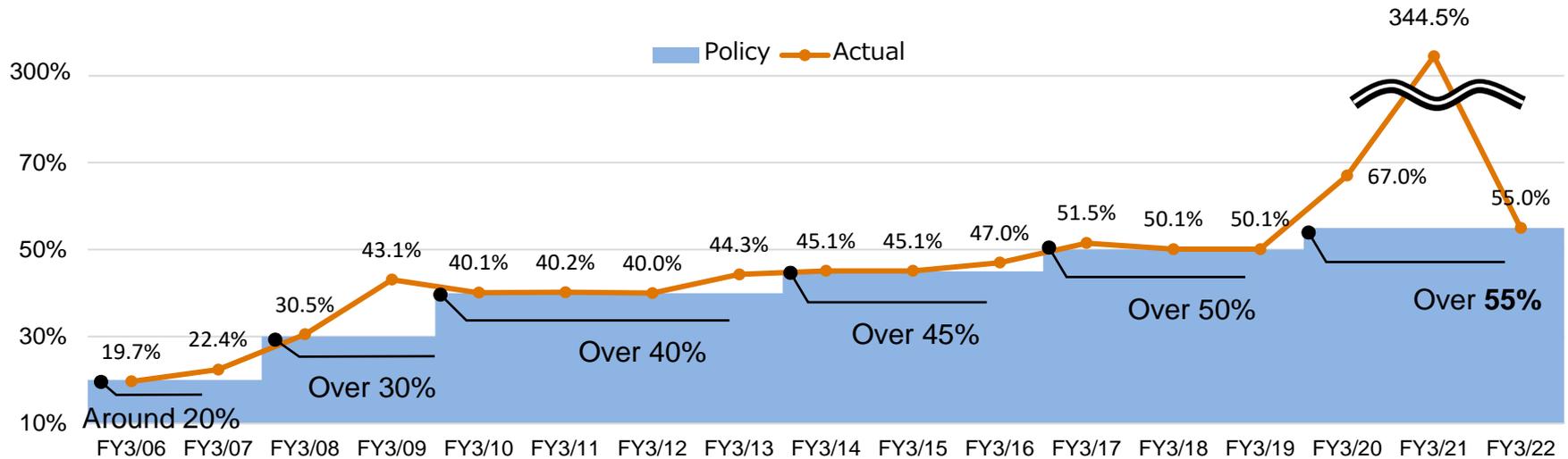
■ The JAA acquisition significantly raised the USS Group's market share (August 2017 M&A of the company)



## Increase shareholder distributions while continuing investment for growth

■ Consolidated dividend payout ratio: Over **55%** from FY3/2020

Consolidated dividend payout ratio



■ Return on equity (ROE): Medium-term goal is at least 15%

- **Stock repurchases:** Buy back stock with flexibility, with due consideration to cash flows, capital investment plans and the market environment

## **Stock Repurchase Data (latest figures) (trade date basis)**

Type of shares	Common shares
Period of acquisition	From November 9, 2021 to April 30, 2022
Aggregate number of shares repurchased	4,887,600 shares
Aggregate value of shares repurchased	9,146,554,100 yen
Method of acquisition	On the market

(Scheduled to repurchase 6 million shares for 10 billion yen (maximum) in the period from November 9, 2021 to May 31, 2022.)

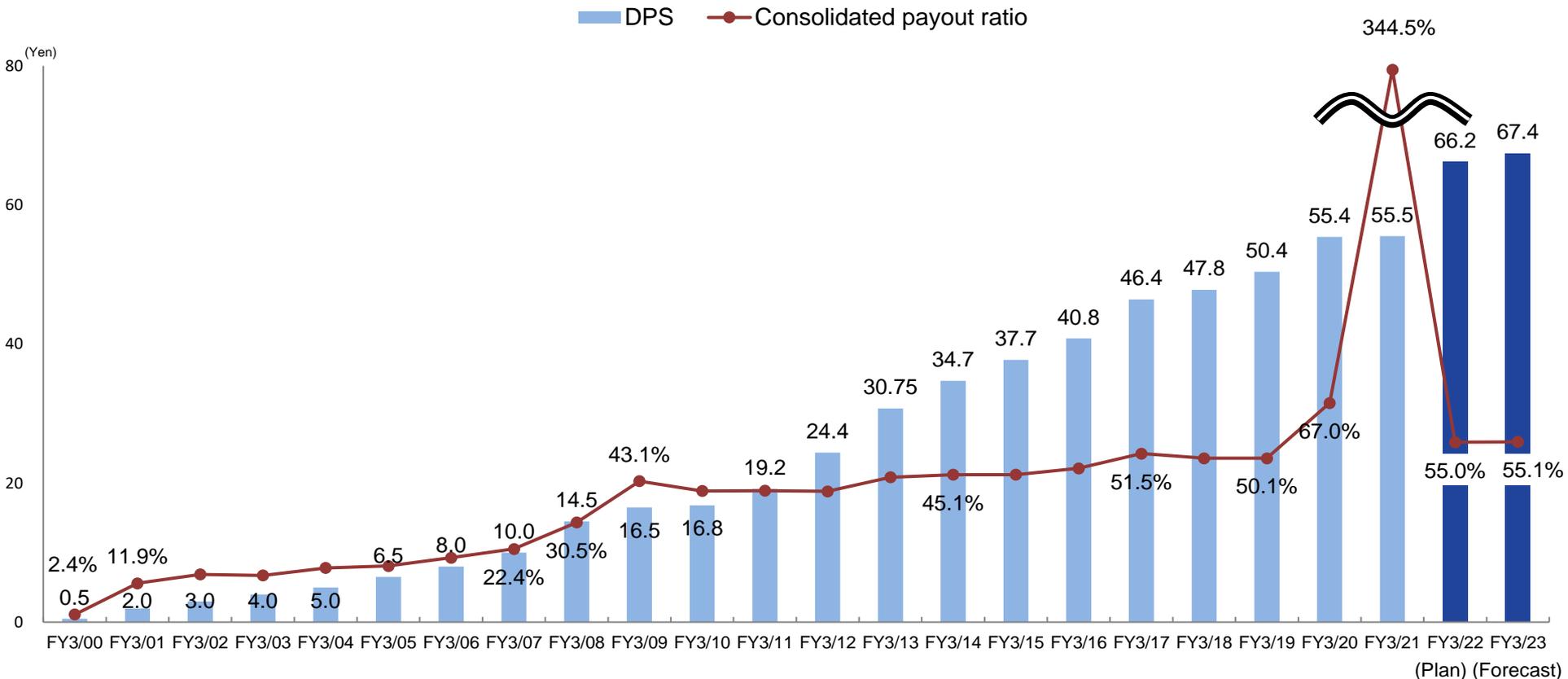
## **Policy on retirement of treasury shares**

As of September 30, 2021, the Company held 20.3% of the total number of issued shares as treasury stock. After completing the acquisition of treasury shares the Company plans to promptly retire all the treasury shares leaving shares equivalent to 5% of the total number of issued shares.

The Company will disclose further information when the total number of shares to be retired and the scheduled retirement date have been decided.

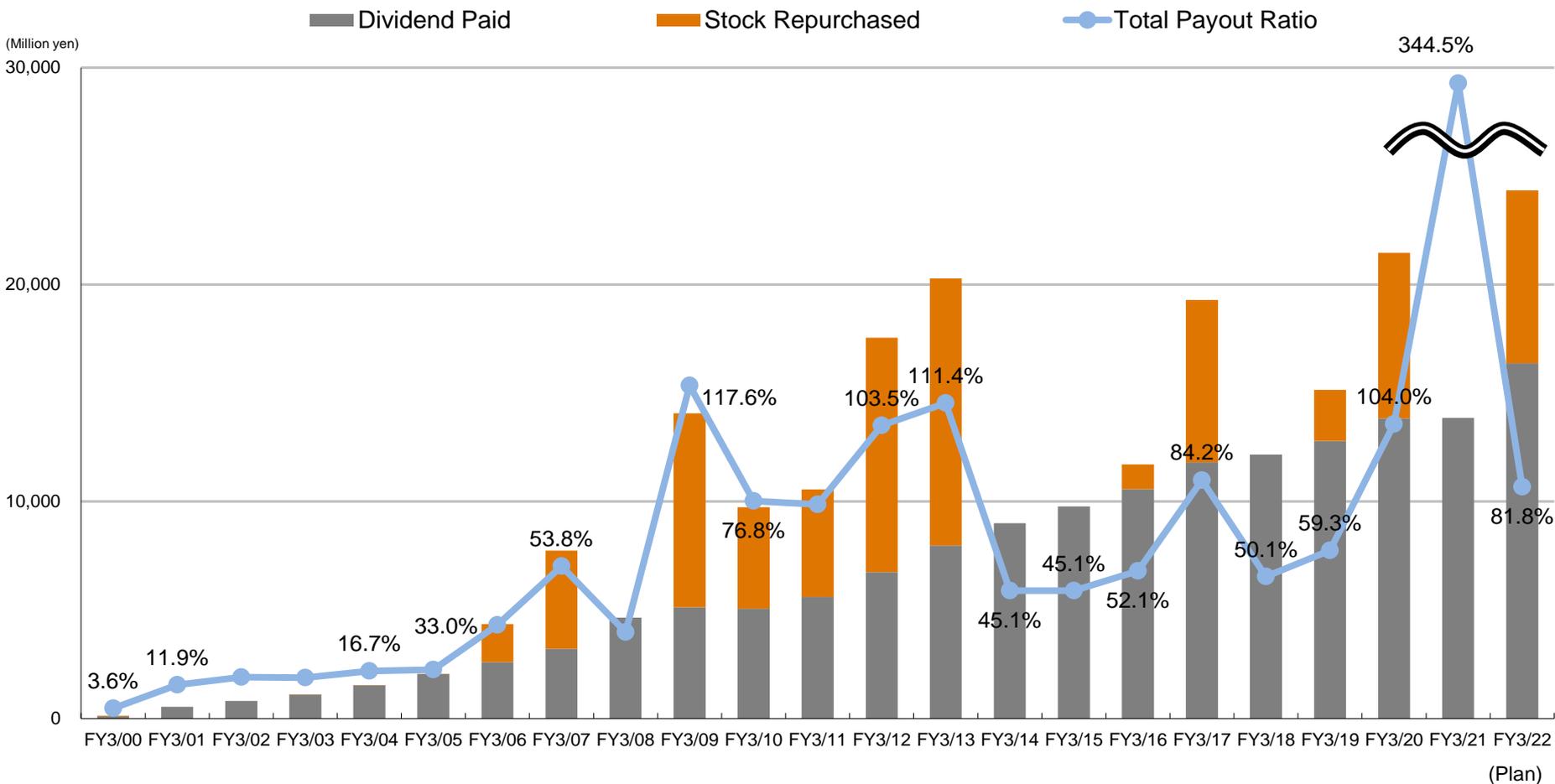
# Earnings Distributions – Dividend Policy

- Plan to pay **66.2 yen** dividend per share for FY3/2022 (up 10.7 yen)
- Plan to pay **67.4 yen** dividend per share for FY3/2023 (up 1.2 yen)
- Forecasting **23 consecutive years** of dividend growth since listing



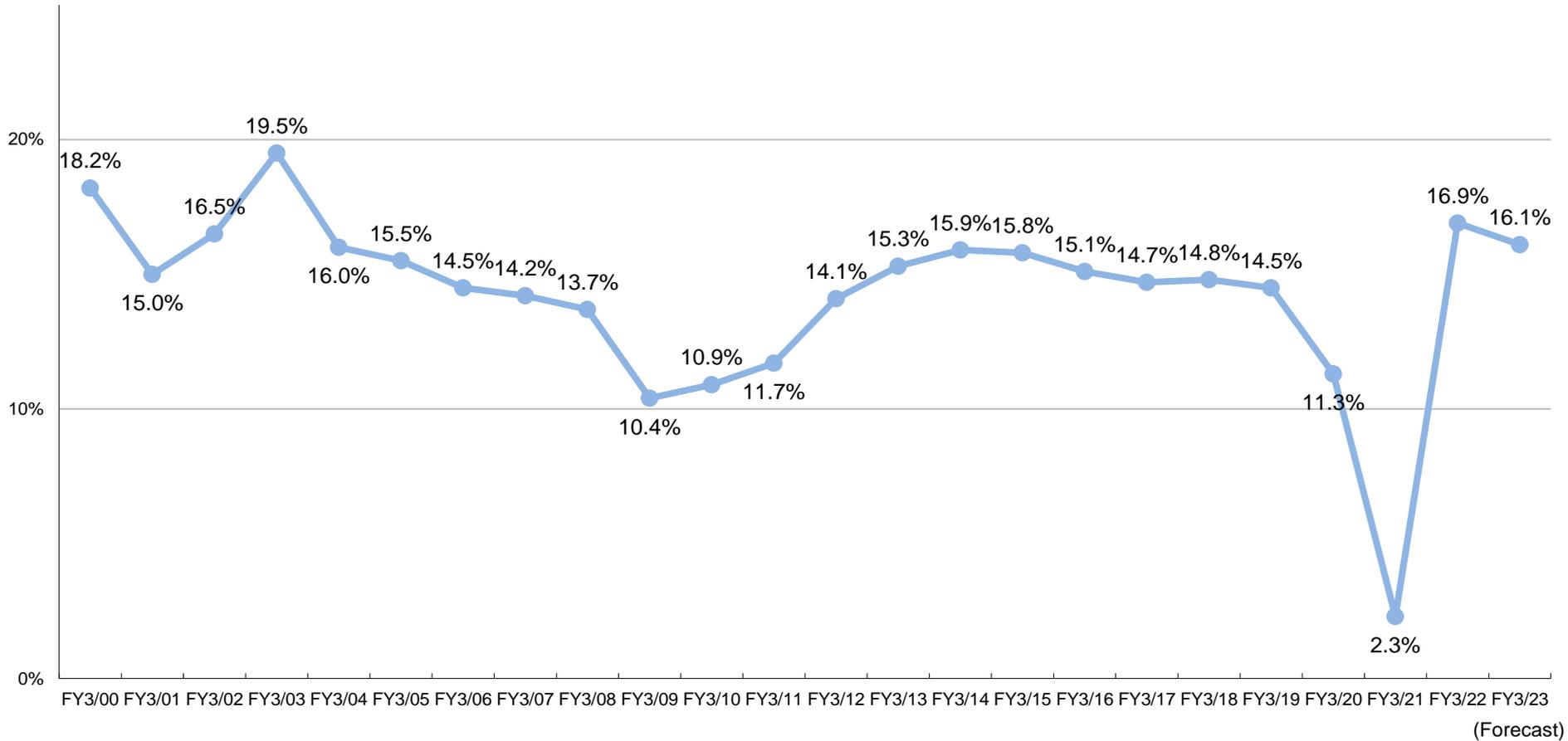
\*Dividend per share is retroactively adjusted to the number of shares outstanding as of the effective date (October 1, 2013) of the stock split.

■ Flexible stock repurchases while maintaining stable dividend.

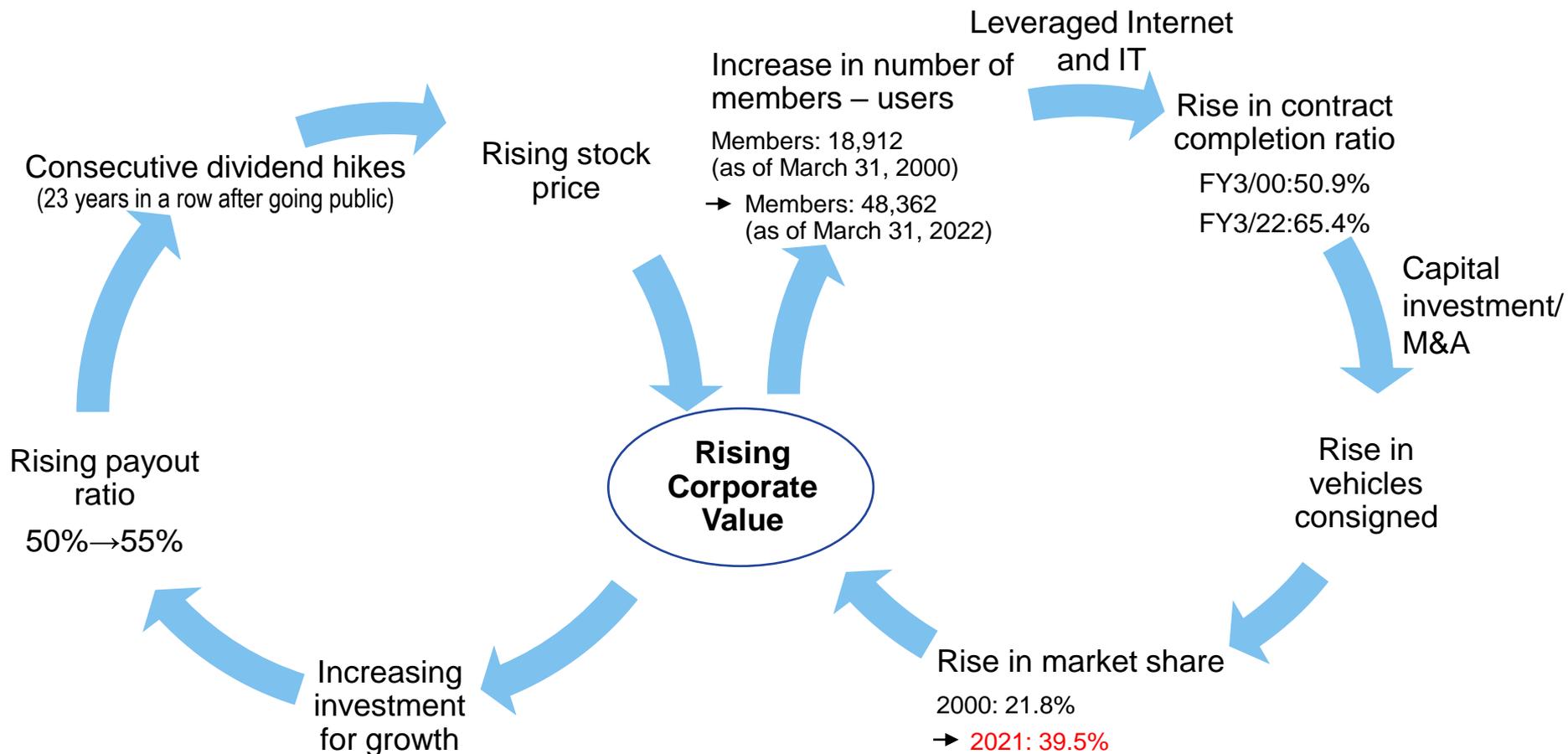


■ No change in the medium-term ROE target of at least 15%.

## ROE



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



- USS plans to begin disclosing information based on the Task Force on Climate-related Financial Disclosures (TCFD) in June 2022.
  - USS plans to begin announcing its Scope 1, 2 and 3 CO<sub>2</sub> emissions and medium-term target for lowering CO<sub>2</sub> emissions.
    - \* Scope 1: Greenhouse gas emissions directly from business operations (burning fuel, industrial processes) Scope 2: Indirect greenhouse gas emissions due to the use of electricity, heat and steam supplied by other companies Scope 3: Indirect greenhouse gas emissions from sources other than those in Scope 1 and 2 (emissions of other companies associated with the activities of USS)
  
- Activities
  - Increase the use of renewable energy (solar electricity) at auction sites
  
- On May 10, 2022, the board of directors approved a resolution to start using external ESG evaluations\* as part of the evaluation indicators used to determine the remuneration of directors and executive officers.
  - \* External ESG evaluations are the ESG ratings of MSCI and CDP.
  
- USS received a “C” score in the climate change category based on a survey of companies conducted by the CDP, a non-profit charity that runs a global disclosure system for environmental impacts.



**Information about the USS policies and activities concerning ESG is in the Integrated Report that was issued in 2021.**

Integrated Report 2021 <https://www.ussnet.co.jp/en/ir/library/annual/>

## 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, USED CAR Co., Ltd., Trade Statistics of Japan Ministry of Finance

# Reference

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# History of USS Long-term Growth

## Before 2000

1982: Held the first auction with only 255 vehicles consigned  
 1988: Expanded the Nagoya Auction Site. The number of POS seats was 570 (the largest in Japan).  
 Early nineties: Opened Kyushu and Tokyo Auction Sites  
 Late nineties: Opened Okayama, Shizuoka, Sapporo and West Tokyo (currently the Saitama auction site) Auction Sites

2017: JAA acquisition raises Tokyo/Nagoya/Osaka area market share to more than 40%

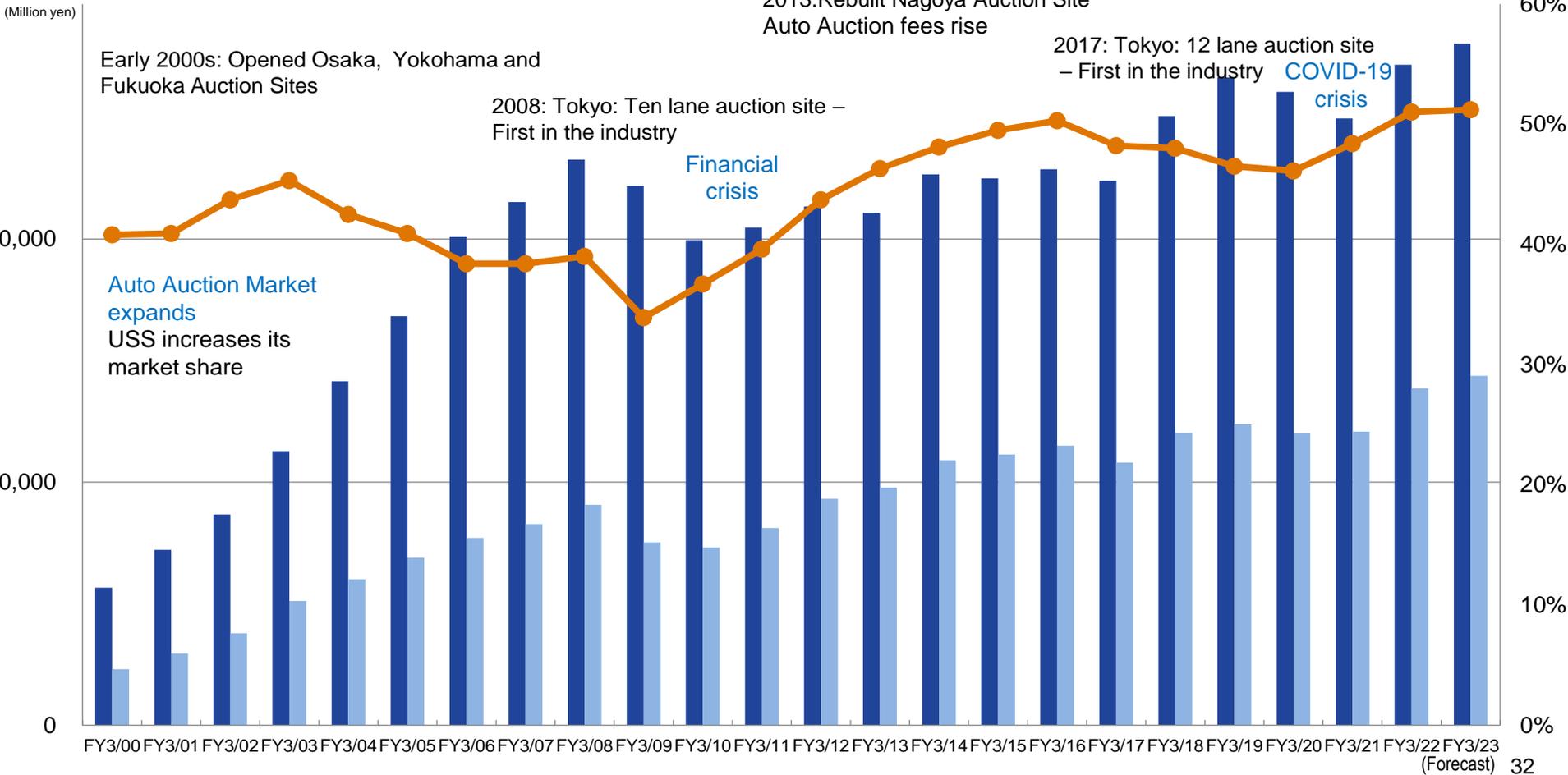
■ Net sales    ■ Operating profit    ● Operating margin

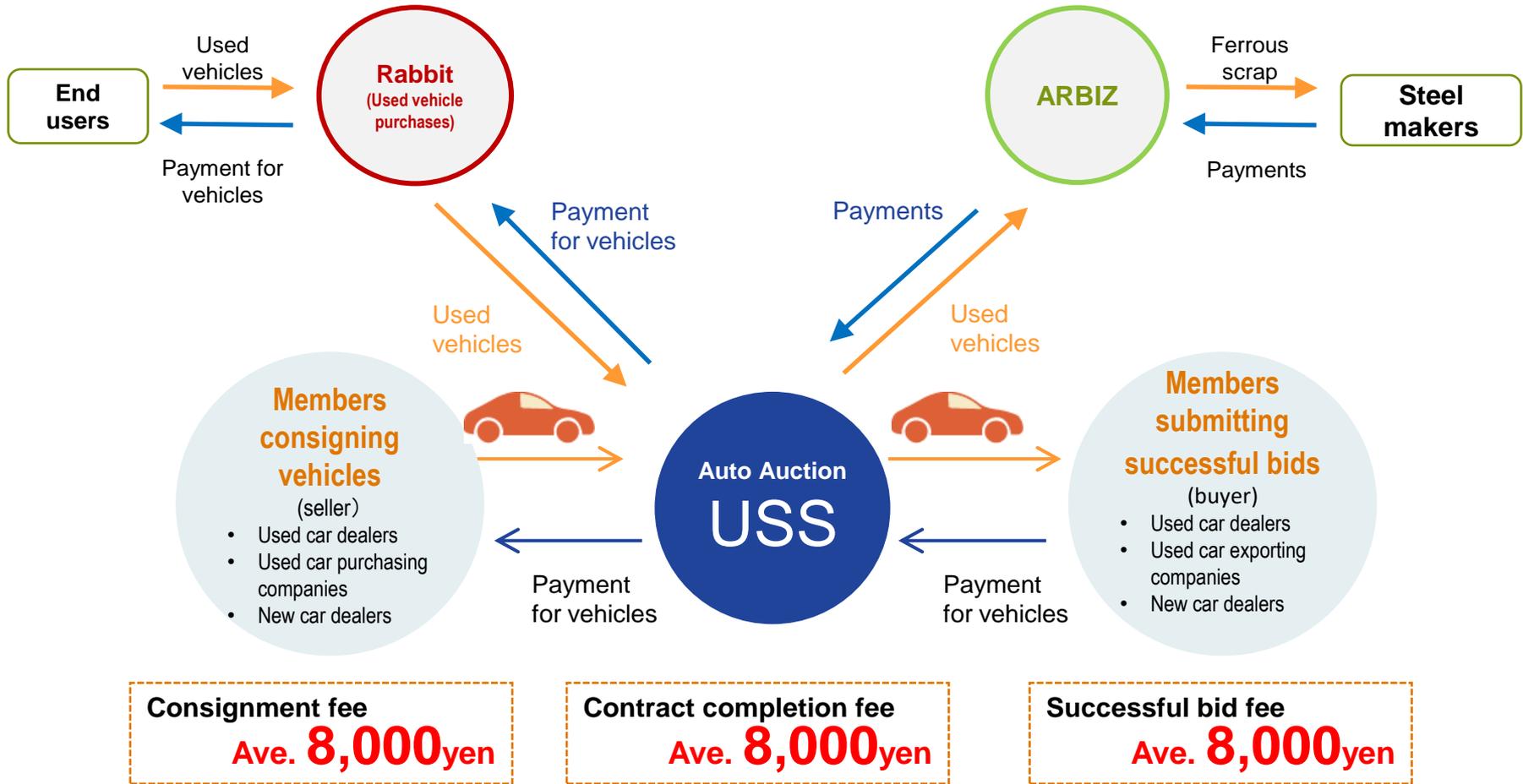
New car sales and exports recover

2013: Rebuilt Nagoya Auction Site  
 Auto Auction fees rise

2017: Tokyo: 12 lane auction site – First in the industry

COVID-19 crisis





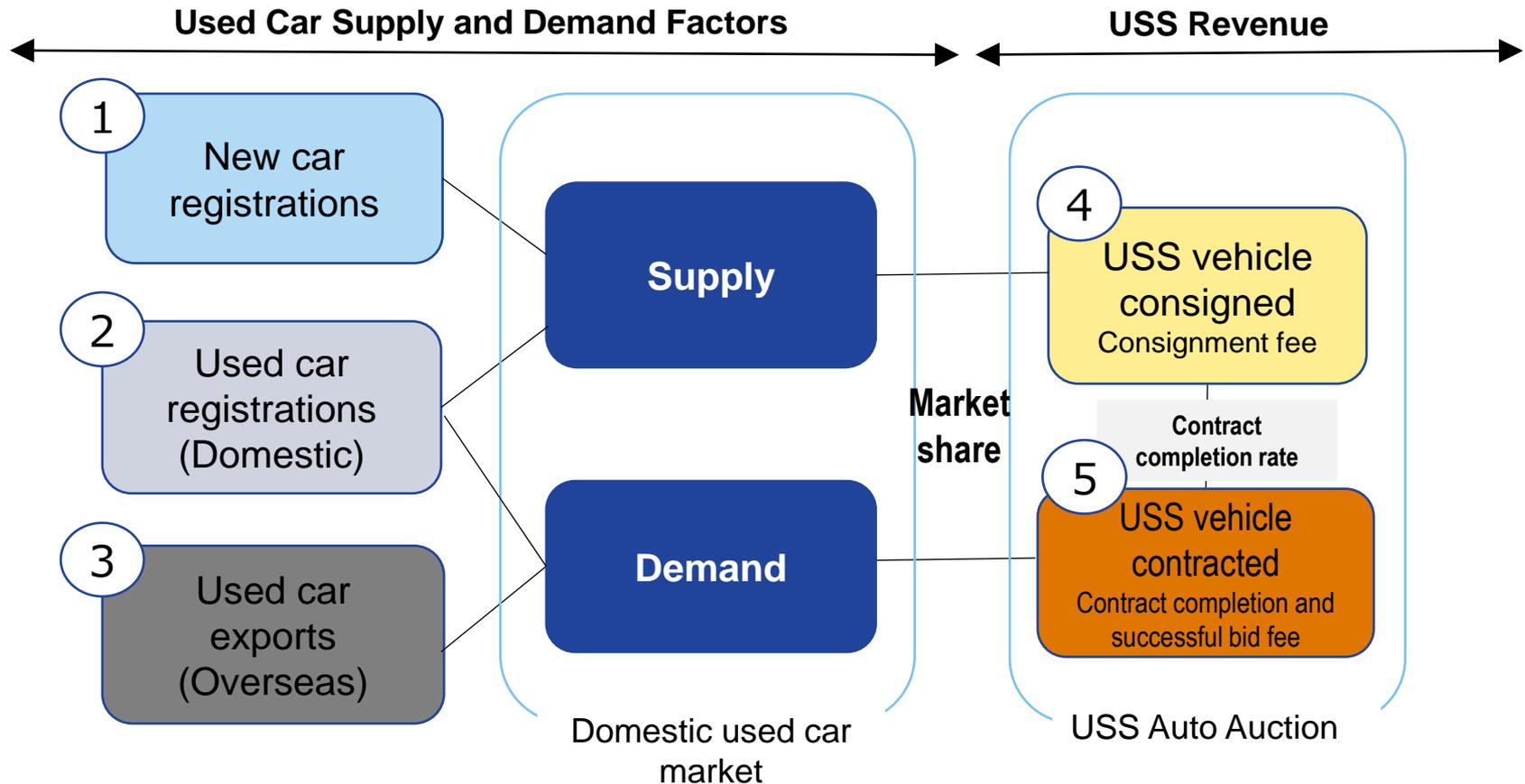
Vehicles consigned  
**2.73** million units/year  
 (FY3/2022)

USS's fee per unit  
**Ave. 24,000yen**

Contract completion rate  
**65.4%** (FY3/2022)

# Automobile Market and USS Revenue

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



# New/Used Car Registrations and Auto Auction Market

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

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

