



Consolidated Results of Operations

Fiscal Year Ended March 31, 2021

USS Co., Ltd.
May 2021

Results of Operations

Fiscal Year Ended March 2021

FY3/2021 Results

- Net sales ¥74.8 billion (down 4.2% YoY)
Operating profit ¥36.2 billion (up 0.6% YoY)
 - The downturn in auto auctions ended in 1Q and performance started recovering in 2Q.
 - The number of used car exports decreased due to COVID-19.
 - Supported by high auction prices, the used vehicle purchase and selling segment saw a significant increase in profits despite a decline in number of cars sold.
 - Recycle business sales were down but earnings increased as the recycling volume declined but prices of materials were high.
- Extraordinary loss of ¥21.7 billion involving JAA and HAA Kobe
 - Following the acquisitions of JAA and HAA Kobe in 2017, these two companies started using USS auction standards. This change reduced the number of vehicles consigned and contracted at these two companies and lowered the initial outlook for earnings. As a result, a goodwill impairment loss of ¥18.8 billion was posted for the HAA Kobe auction site. In addition, there was a ¥2.9 billion loss for the removal of non-current assets associated with customers at the auction sites of JAA and HAA Kobe.

FY3/2022 (Forecast)

- Net sales ¥77.6 billion
 - FY3/2022 plan is 2,800 thousand vehicles consigned, 1,708 thousand vehicles contracted and a contract completion ratio of 61.0%.
- Operating profit ¥38.4 billion

Earnings Distributions

- Plan to pay ¥55.5 for FY3/21
- Plan to pay ¥58.4 for FY3/22 ***aiming for the 22nd consecutive year of dividend increases**
 - Dividend policy: Increased the consolidated payout ratio to at least 55% starting in FY3/2020

FY3/2021 – Summary of Consolidated Results of Operations

- Sales was down 4.2% YoY to ¥74.87 billion, operating profit was up 0.6% to ¥36.22 billion, and profit attributable to owners of parent decreased 80.5% to ¥4.0 billion.
- Extraordinary loss of ¥21.7 billion involving JAA and HAA Kobe
- Although the number of vehicles consigned decreased because of COVID-19, operating profit and ordinary profit increased due to a recovery that started after the end of the state of emergency in May 2020.

(Million yen)

	FY3/2020	FY3/2021	Year on year	Plan (as of Nov. 9, 2020)	VS. plan
Net sales	78,143	74,874	95.8%	71,200	105.2%
Cost of sales (Per sales)	30,954 (39.6%)	28,341 (37.9%)	91.6%	28,310 (39.8%)	100.1%
Gross profit (Per sales)	47,188 (60.4%)	46,533 (62.1%)	98.6%	42,889 (60.2%)	108.5%
Selling, general and administrative expenses (Per sales)	11,179 (14.3%)	10,306 (13.8%)	92.2%	10,289 (14.5%)	100.2%
Operating profit (Per sales)	36,009 (46.1%)	36,227 (48.4%)	100.6%	32,600 (45.8%)	111.1%
Ordinary profit (Per sales)	36,710 (47.0%)	36,996 (49.4%)	100.8%	33,300 (46.8%)	111.1%
Profit attributable to owners of parent (Per sales)	20,634 (26.4%)	4,022 (5.4%)	19.5%	22,100 (31.0%)	18.2%

We revised the forecast for the fiscal year ended March 2121 on May 6, 2121.

Since the actual results were at par with the revised forecast, we have presented the plan figures released on November 9.

4Q FY3/2021 – Summary of Consolidated Results of Operations

■ Record-high operating profit and ordinary profit in the 4Q (Jan.- Mar.)

(Million yen)

	4Q FY3/19	4Q FY3/20	4Q FY3/21	Year on year
Net sales	21,569	19,958	20,910	104.8%
Cost of sales (Per sales)	8,573 (39.7%)	7,817 (39.2%)	7,774 (37.2%)	99.4%
Gross profit (Per sales)	12,996 (60.3%)	12,141 (60.8%)	13,135 (62.8%)	108.2%
Selling, general and administrative expenses (Per sales)	2,986 (13.8%)	2,880 (14.4%)	2,667 (12.8%)	92.6%
Operating profit (Per sales)	10,009 (46.4%)	9,260 (46.4%)	10,468 (50.1%)	113.0%
Ordinary profit (Per sales)	10,452 (48.5%)	9,476 (47.5%)	10,625 (50.8%)	112.1%
Profit attributable to owners of parent (Per sales)	7,066 (32.8%)	2,363 (11.8%)	▲ 13,693 (-)	-

FY3/2021 – Reasons for Change in Operating Profit (Actual)

Net sales

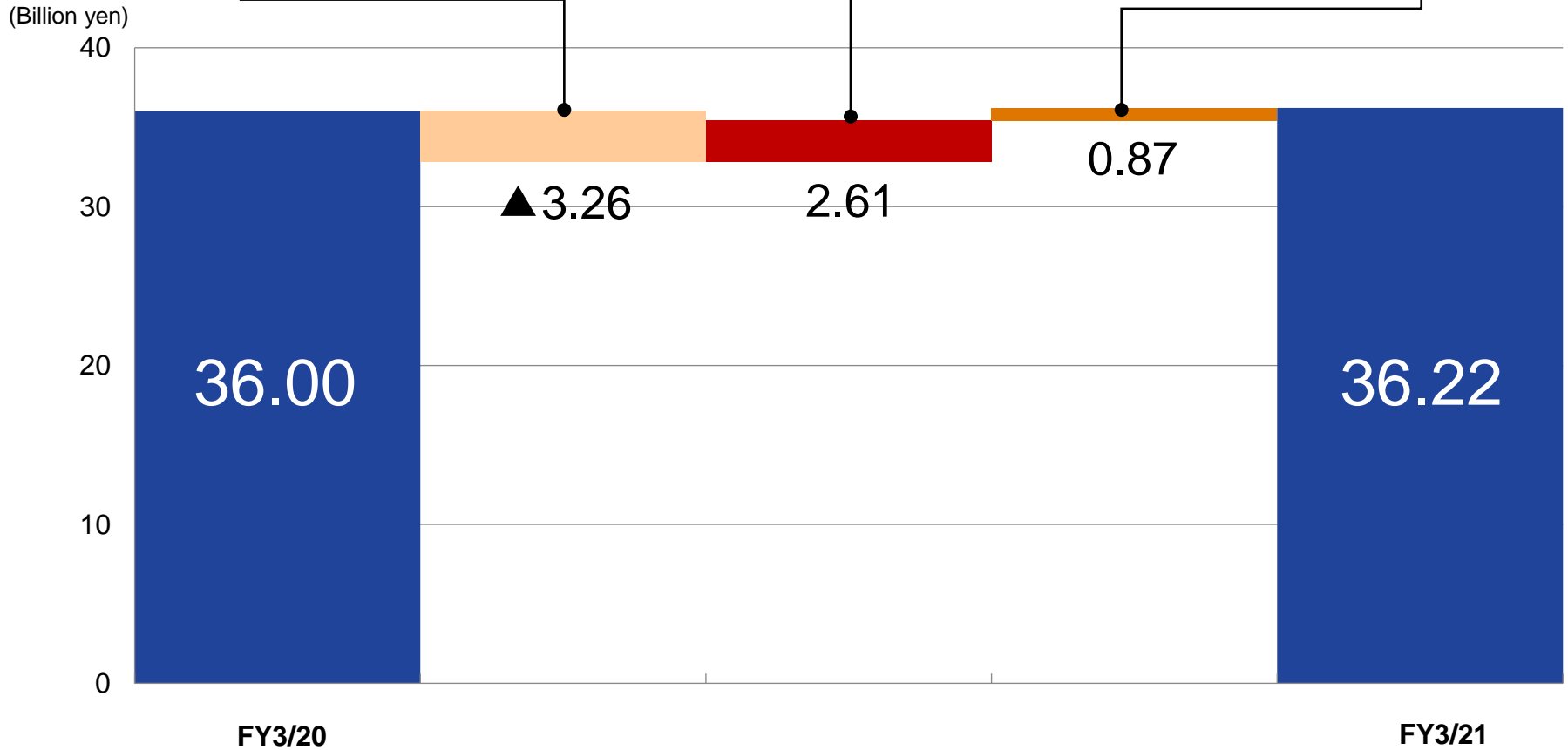
Increase in fee rates	1.73bn
Decrease in vehicles consigned	▲4.61bn
Used vehicle sales/purchases	▲0.45bn

Cost of sales

Decrease in cost of goods sold	1.62bn
Decrease in rent	0.26bn
Decrease in employee salaries and bonuses	0.24bn
Decrease in purchases	0.17bn
Decrease in outsourcing expense	0.14bn

SG&A expenses

Decrease in goodwill amortization	0.24bn
Decrease in employee salaries and bonuses	0.10bn
Decrease in sales promotion expenses	0.08bn
Decrease in advertising expenses	0.07bn
Decrease in cost of transportation	0.07bn
Decrease in welfare expense	0.06bn



4Q FY3/2021 – Reasons for Change in Operating Profit (Actual)

Net sales

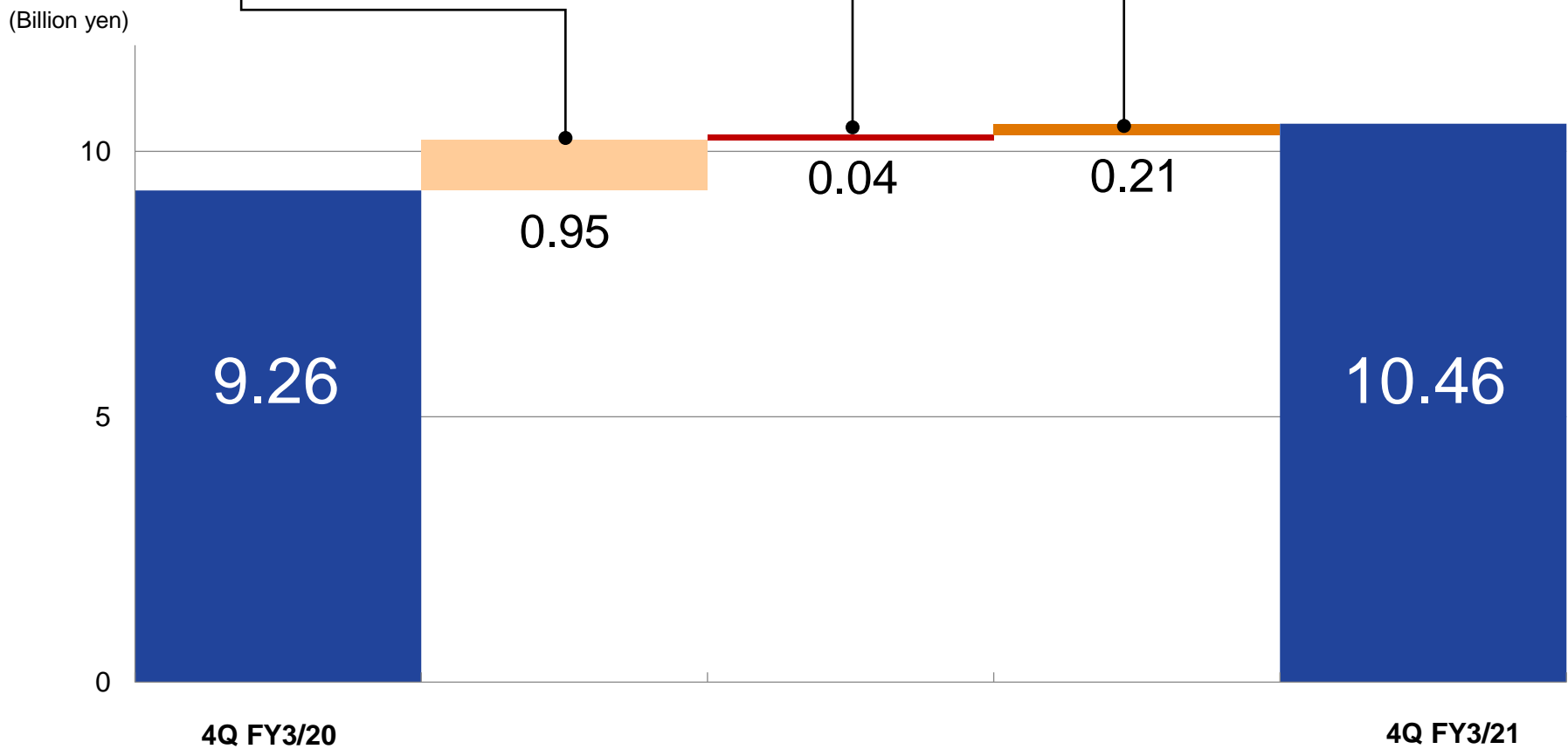
Increase in contract completion rate	0.71bn
Increase in fee rates	0.40bn
Used vehicle sales/purchases	0.20bn
Decrease in vehicles consigned	▲0.32bn

Cost of sales

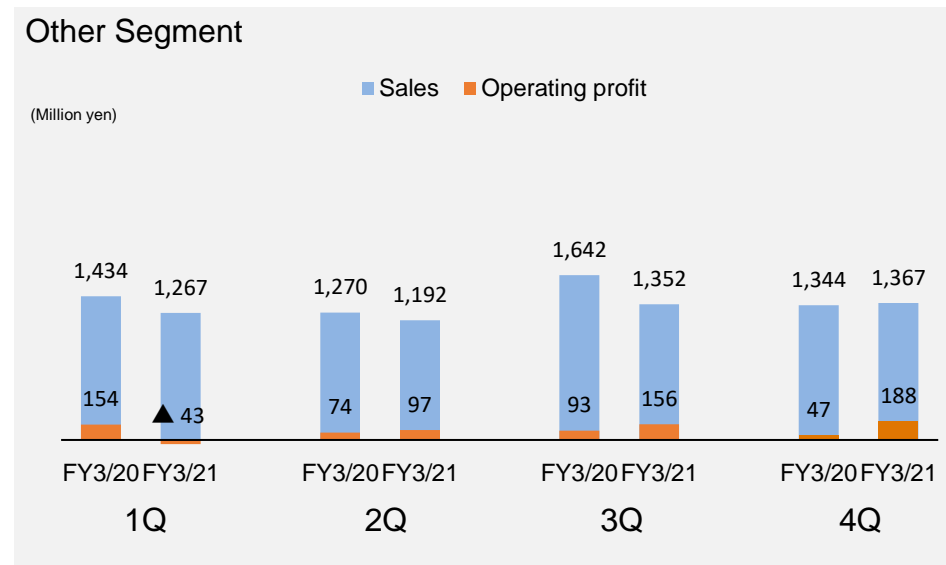
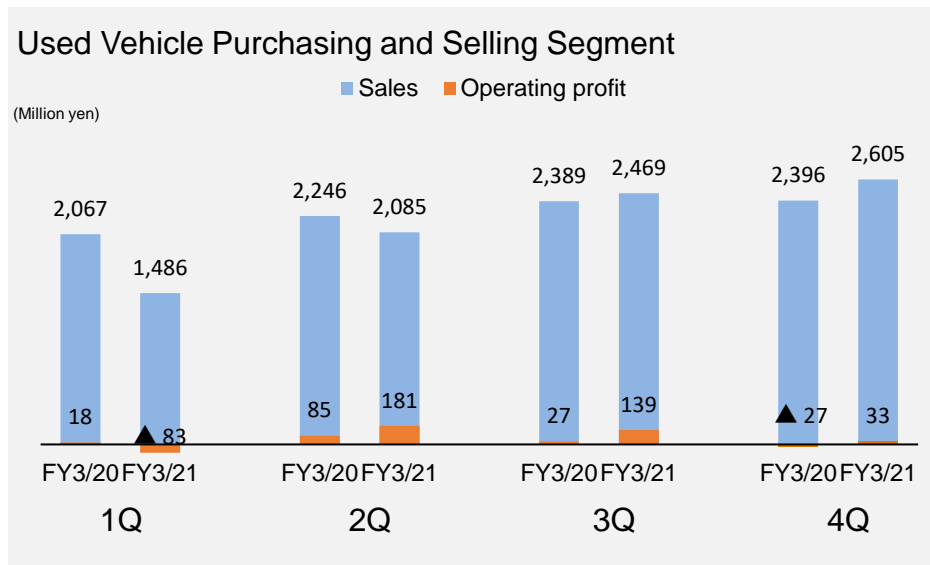
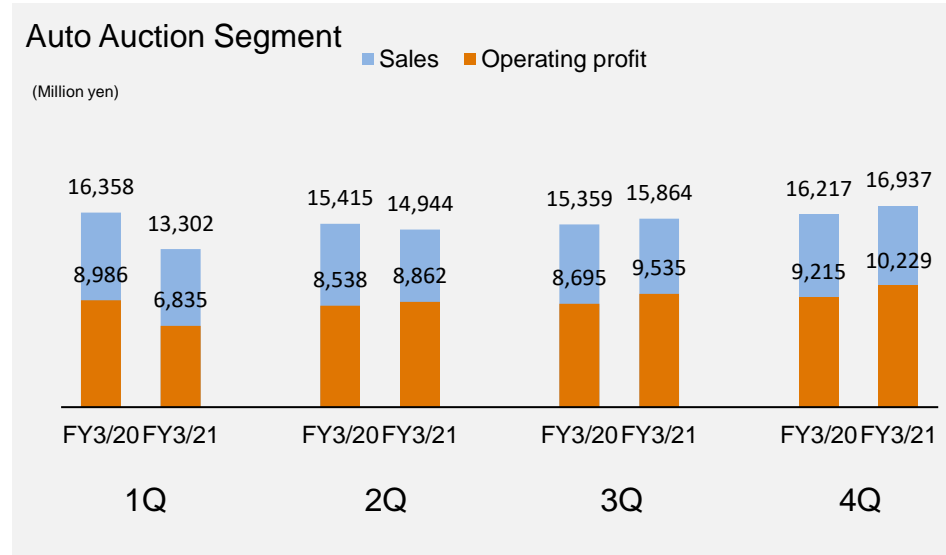
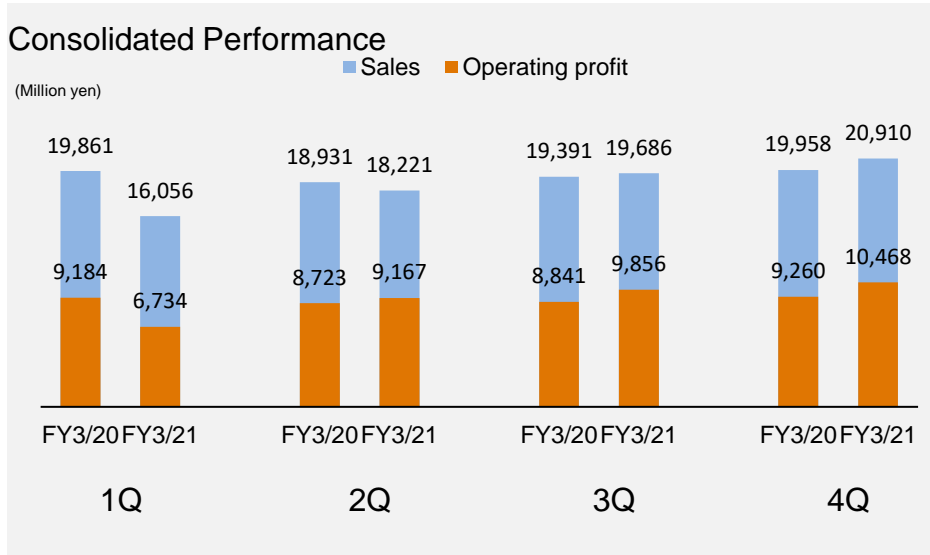
Decrease in purchases	0.18bn
Increase in cost of materials purchased	▲0.15bn

SG&A expenses

Decrease in goodwill amortization	0.07bn
Decrease in welfare expense	0.06bn



FY3/2021 – Business Segment Quarterly Performance (Year-on-year change)



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

- Net cash used in investing activities increased mainly because of payments for constructing a multi-level parking structure at the R-Nagoya Auction Site and for purchasing leasehold at the HAA Kobe Auction Site.
- The primary use of cash in financing activities was dividends paid.
- Equity ratio: 81.3%

Consolidated Balance Sheets (Summary)

(Million yen)

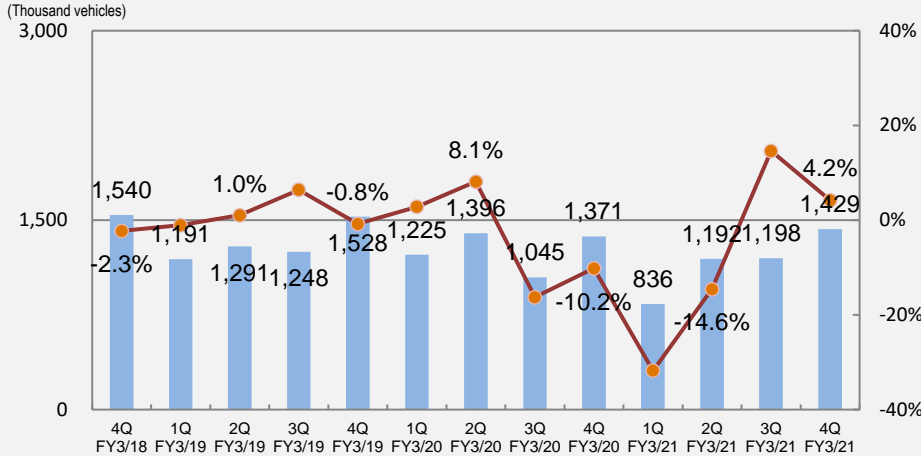
	FY3/20	FY3/21		FY3/20	FY3/21
Current assets	68,096	81,528	Current liabilities	24,497	26,922
Cash and deposits	50,729	67,770	Payables due to member dealers at auction	8,721	11,788
Receivables due from member dealers at auction, etc.	17,367	13,757	Other	15,776	15,133
Non-current assets	151,037	129,171	Non-current liabilities	10,656	10,253
Property, plant and equipment	106,747	103,302	Total liabilities	35,153	37,175
Other	44,289	25,869	Total net assets	183,980	173,524
Total assets	219,133	210,699	Total liabilities and net assets	219,133	210,699

Consolidated Statements of Cash Flows (Summary)

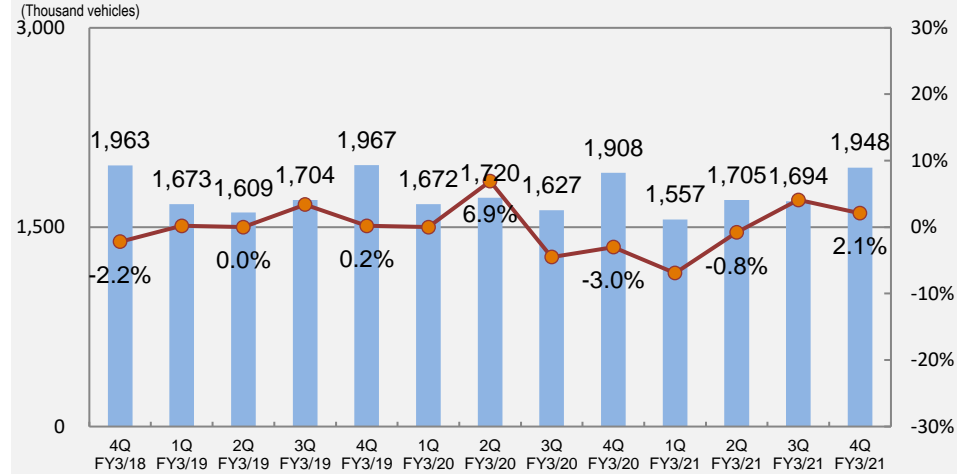
(Million yen)

	FY3/19	FY3/20	FY3/21	Changes
Net cash provided by (used in) operating activities	32,894	27,245	38,407	11,161
Net cash provided by (used in) investing activities	▲1,496	▲4,906	▲9,330	▲4,424
Free cash flow	31,398	22,339	29,076	6,736
Net cash provided by (used in) financing activities	▲19,668	▲16,963	▲15,035	1,927
Capital expenditures (Terms of cash flows)	2,428	4,523	8,985	4,461
Depreciation	5,299	5,037	5,334	297

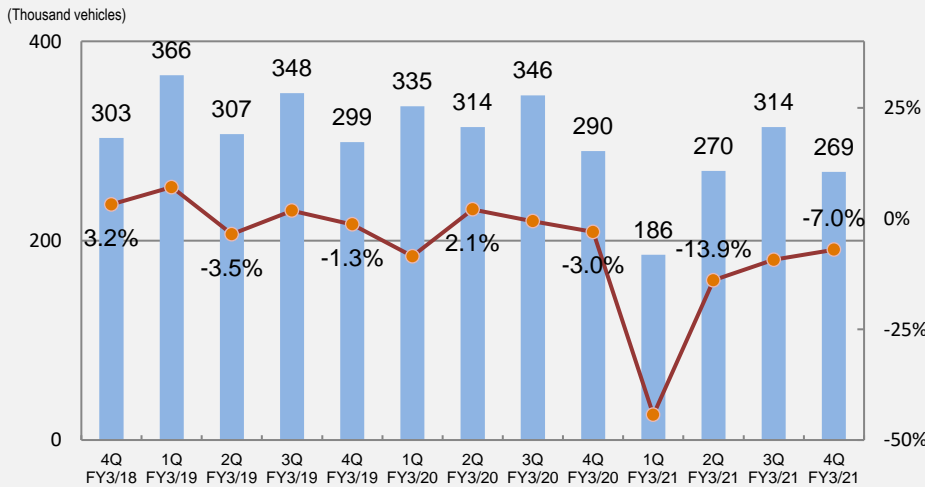
New Car Registrations and YoY Changes



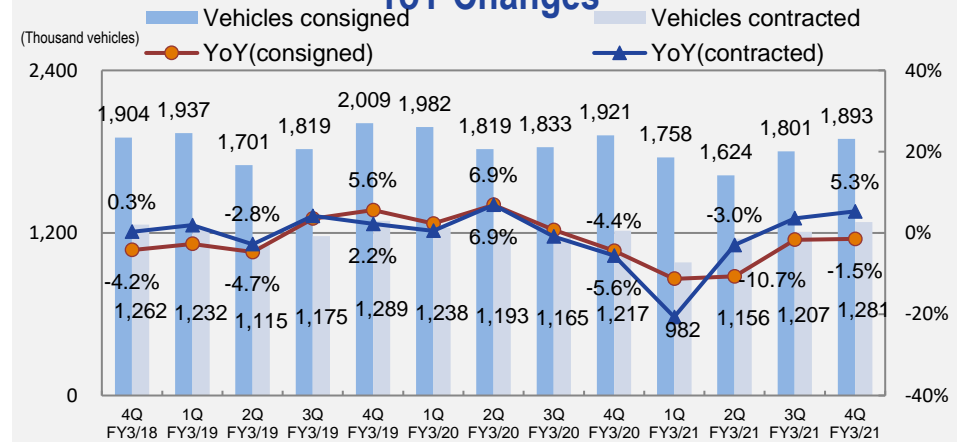
Used Car Registrations and YoY Changes



Used Car Exports and YoY Changes



AA Market: Vehicles Consigned and Contracted and YoY Changes



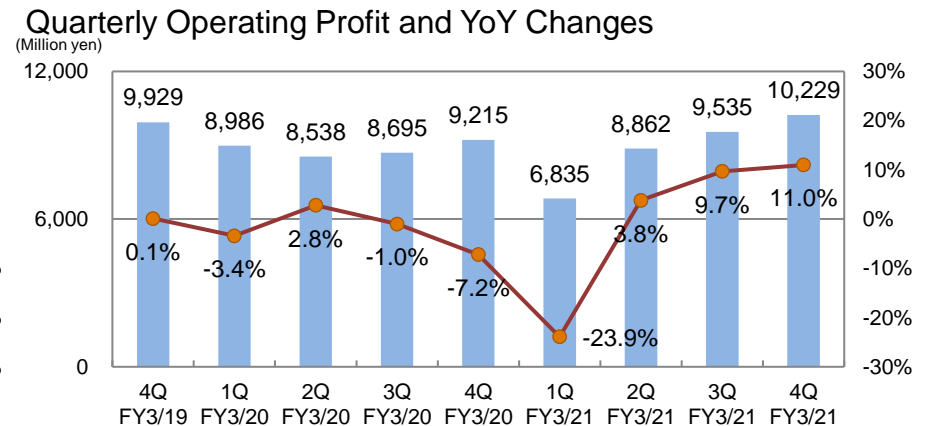
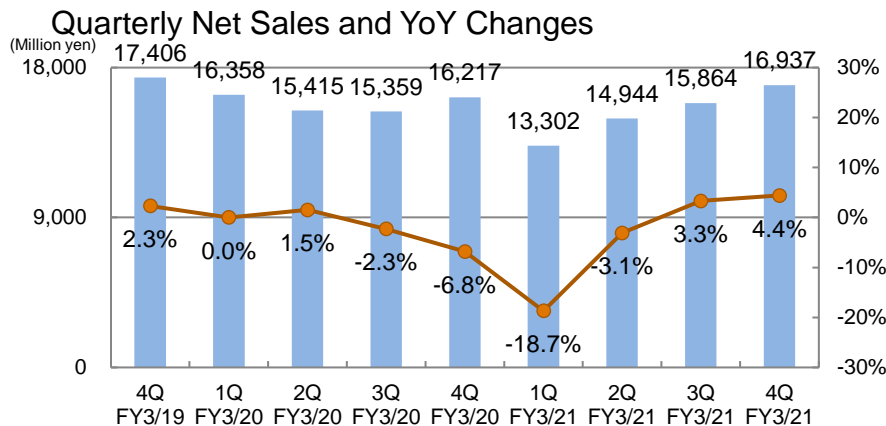
Auto Auction Segment (1)

- Vehicles consigned decreased 9.0% YoY to 2,661 thousand; contract completions decreased 5.2% YoY to 1,680 thousand (contract completion rate: 63.2% against 60.6% in the previous fiscal year)
- Although auction fees decreased because of the smaller number of vehicles consigned and contracted, operating profit increased because of decreases in guarantees involving purchases of low-priced vehicles and in personnel expenses.

Auto Auction Segment Performance

(Million yen)

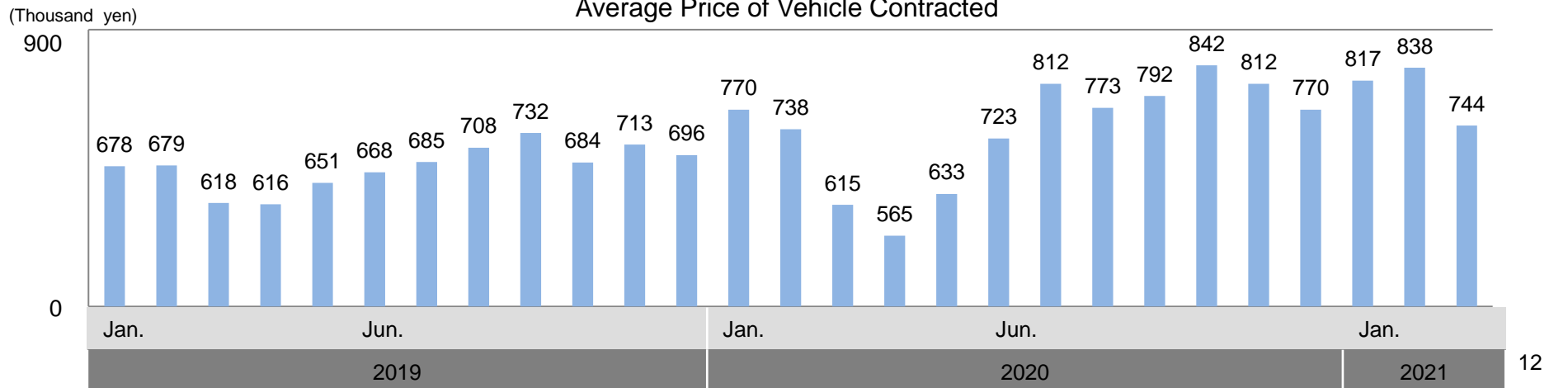
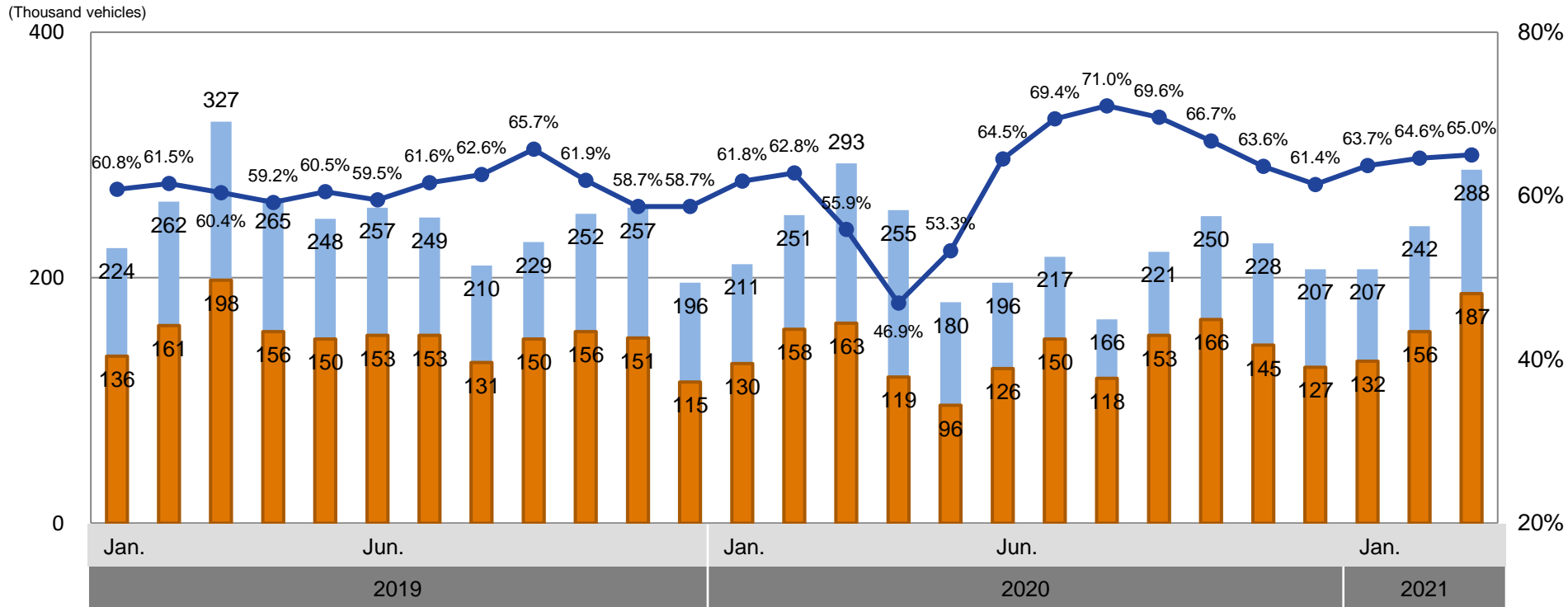
	FY3/2019	FY3/2020	FY3/2021	Year on year
Net sales	64,684	63,350	61,048	96.4%
Consignment fees	15,269	15,047	14,151	94.0%
Contract completion fees	14,898	14,499	14,088	97.2%
Successful bid fees	22,313	21,758	21,573	99.2%
Other	12,203	12,044	11,234	93.3%
Operating profit	36,323	35,436	35,463	100.1%
Operating margin	55.8%	55.6%	57.7%	-



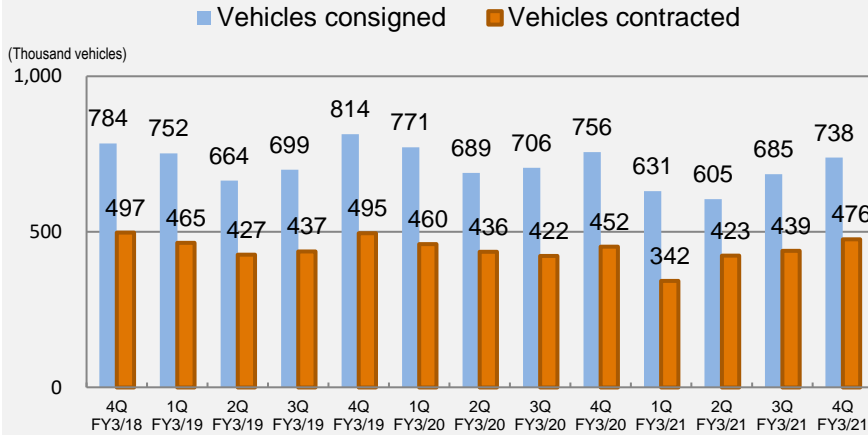
* Net sales are sales to external customers and operating profit is based on business segment earnings. Operating margins are calculated by dividing segment profit by segment sales.

Auto Auction Segment (2) Monthly Data

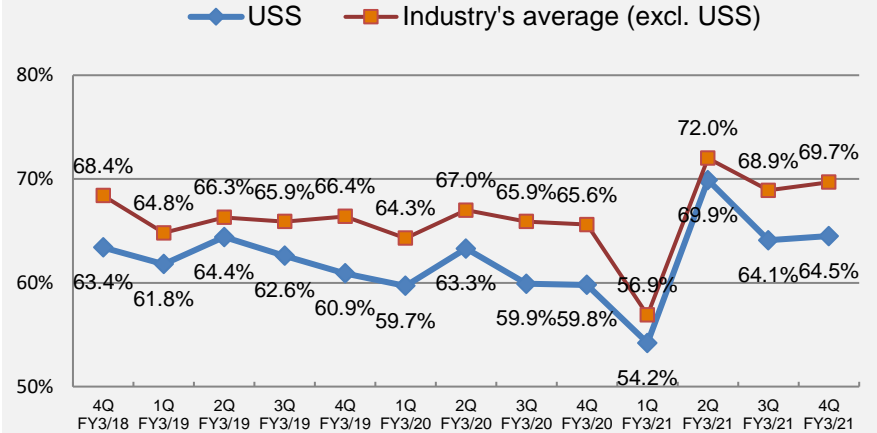
■ Vehicles consigned
 ■ Vehicles contracted
 ● Contract completion rate



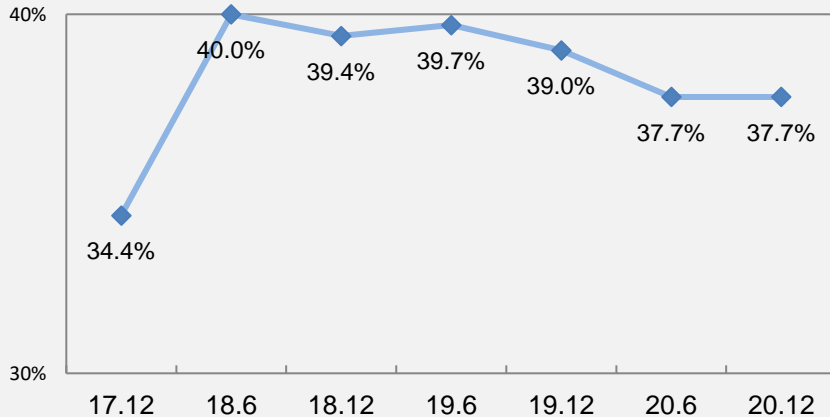
No. of Vehicles Consigned and Vehicles Contracted



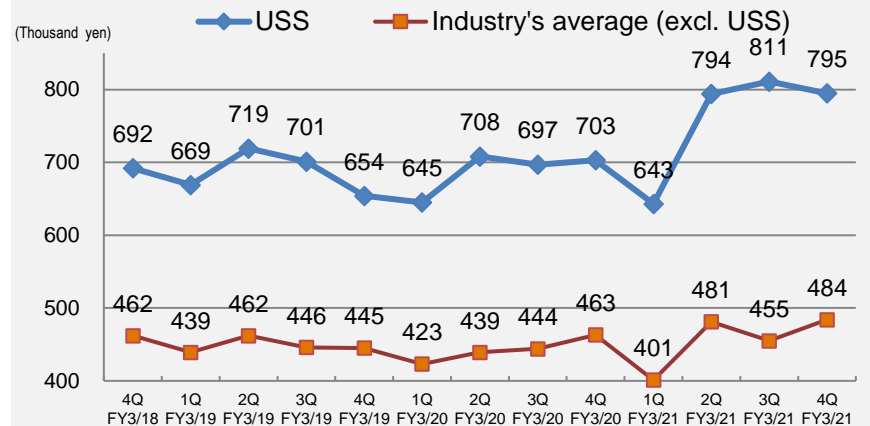
Contract Completion Rate



Market Share



Average Price of Vehicle Contracted

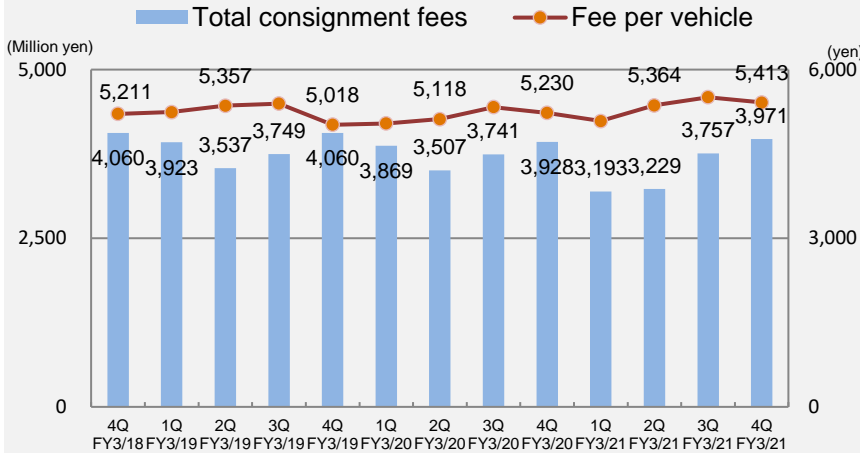


* Period ending in December: 12-month data; Period ending in June: 6-month data.

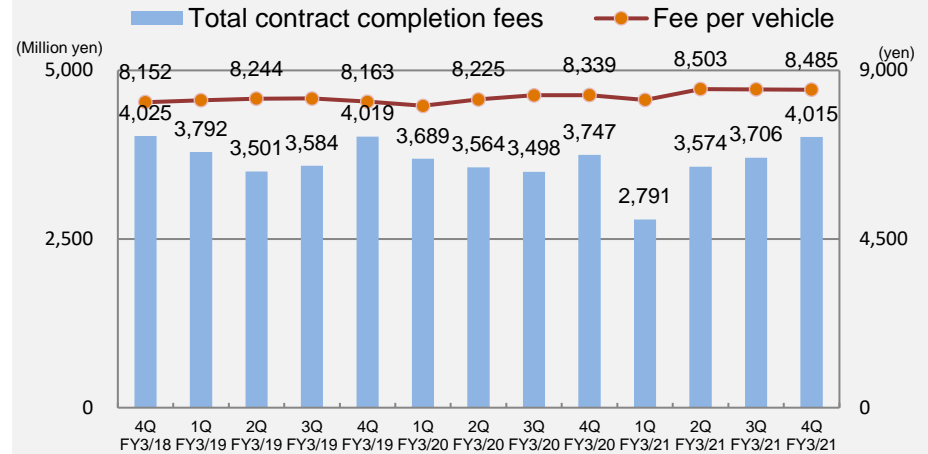
* The results of JAA, and of HAA Kobe are included from October 2017.

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

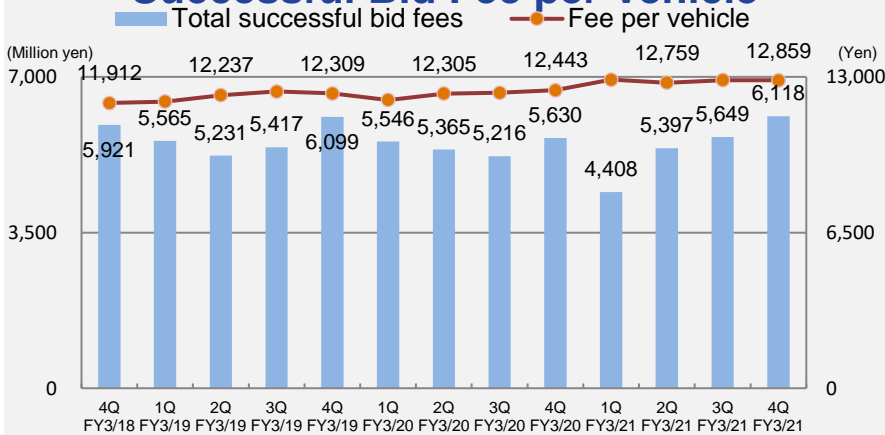
Total Consignment Fees and Consignment Fee per Vehicle



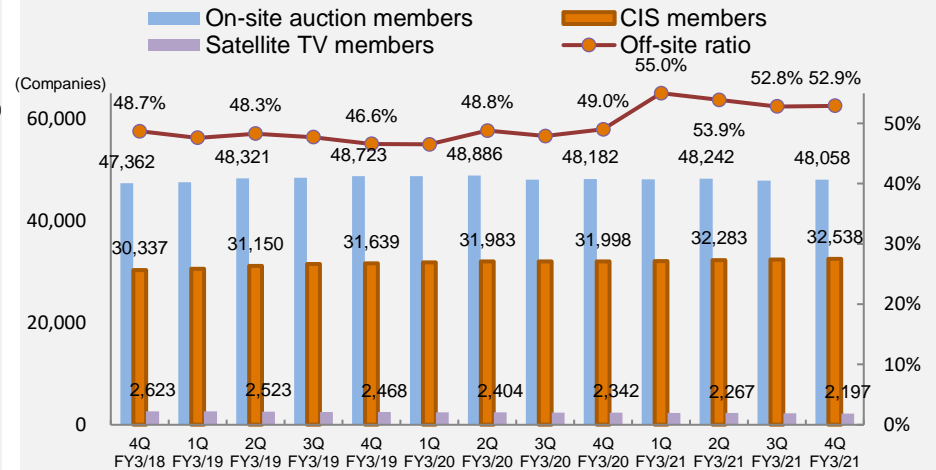
Total Contract Completion Fees and Contract Completion Fee per Vehicle



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, 2020 to March 31, 2021

(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	FY3/21	FY3/20	FY3/21	FY3/20	YoY change	FY3/21	FY3/20	YoY change	FY3/21	FY3/20
Tokyo	49	49	617,968	662,972	93.2%	418,525	441,547	94.8%	67.7%	66.6%
Nagoya	49	49	442,949	501,171	88.4%	251,495	263,145	95.6%	56.8%	52.5%
Osaka	49	49	203,665	211,353	96.4%	110,658	109,542	101.0%	54.3%	51.8%
Kyushu	49	48	187,467	192,538	97.4%	114,398	110,511	103.5%	61.0%	57.4%
Yokohama	48	50	175,997	198,179	88.8%	115,310	122,944	93.8%	65.5%	62.0%
Sapporo	49	49	132,298	140,841	93.9%	90,973	90,757	100.2%	68.8%	64.4%
R-Nagoya	48	50	115,941	144,196	80.4%	96,276	117,353	82.0%	83.0%	81.4%
Shizuoka	49	48	99,829	94,433	105.7%	62,839	61,257	102.6%	62.9%	64.9%
Kobe	49	49	72,663	82,643	87.9%	42,697	48,193	88.6%	58.8%	58.3%
Okayama	49	48	68,261	73,453	92.9%	49,648	48,494	102.4%	72.7%	66.0%
Gunma	49	48	52,040	57,395	90.7%	35,207	37,586	93.7%	67.7%	65.5%
Tohoku	49	49	50,410	56,703	88.9%	37,384	40,320	92.7%	74.2%	71.1%
Niigata	49	49	47,168	42,908	109.9%	25,575	21,200	120.6%	54.2%	49.4%
Saitama	48	49	45,263	49,888	90.7%	25,675	29,301	87.6%	56.7%	58.7%
Fukuoka	49	49	40,942	47,355	86.5%	25,379	30,352	83.6%	62.0%	64.1%
Hokuriku	49	48	18,352	18,060	101.6%	12,963	12,308	105.3%	70.6%	68.2%
JAA	49	49	73,581	82,008	89.7%	40,796	44,811	91.0%	55.4%	54.6%
HAA	49	48	216,290	267,956	80.7%	125,012	142,822	87.5%	57.8%	53.3%
Total	879	878	2,661,084	2,924,052	91.0%	1,680,810	1,772,443	94.8%	63.2%	60.6%

* Data of the Shikoku auction site that was included in the Okayama auction site data is included in the HAA Kobe auction site data from January 2020.

* One auction was canceled at 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	FY3/19	266,046	232,114	254,075	224,212	206,245	234,019	1,416,711	234,741	257,451	207,046	224,051	262,464	327,663	1,513,416	2,930,127
	YoY Change	13.5	26.4	16.1	14.4	21.6	11.5	16.8	▲1.5	2.8	▲3.4	11.1	7.3	▲3.0	1.7	8.5
	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
No. of Vehicles Contracted	FY3/19	159,017	147,501	158,657	143,599	131,988	152,066	892,828	152,009	161,603	123,834	136,324	161,389	198,004	933,163	1,825,991
	YoY Change	14.9	26.7	14.2	12.7	17.4	9.3	15.5	▲0.1	2.9	▲5.3	5.3	2.6	▲5.9	▲0.4	6.8
	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
Contract Completion Rate	FY3/19	59.8	63.5	62.4	64.0	64.0	65.0	63.0	64.8	62.8	59.8	60.8	61.5	60.4	61.7	62.3
	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

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

Used Vehicle Purchasing and Selling Segment

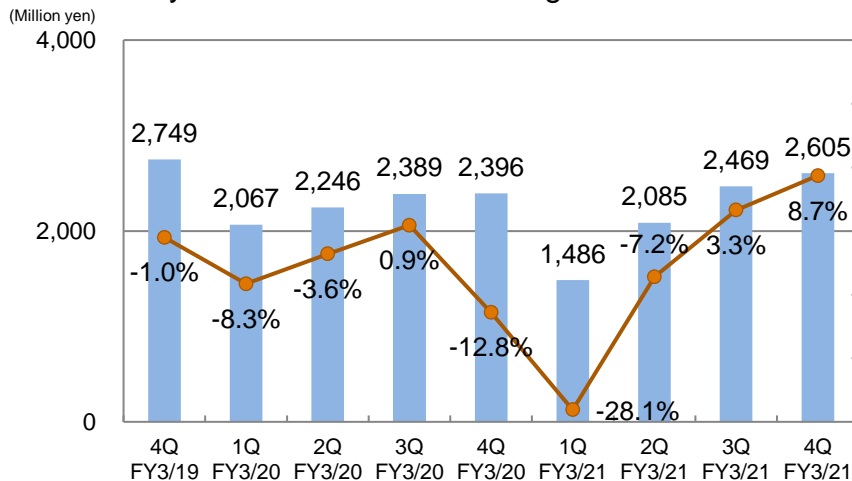
- At Rabbit, which purchases used vehicles, the sales volume decreased, but after the declaration of a state of emergency was lifted in May 2020, gross profit per vehicle improved due to higher auction prices, resulted lower sales but higher profits. (Net sales decreased 2.2% YoY to ¥4,947 million, Operating profit increased 121.3% to ¥142 million)
- In the accident-damaged vehicle purchasing and selling business, the sales volume decreased, but after the emergency declaration was lifted in May 2020, the gross profit per vehicle increased, as a result, sales were down but profits were higher. (Net sales decreased 8.4% YoY to ¥3,699 million, Operating profit increased 231.2% to ¥129 million)

Used Vehicle Purchasing and Selling Segment Performance

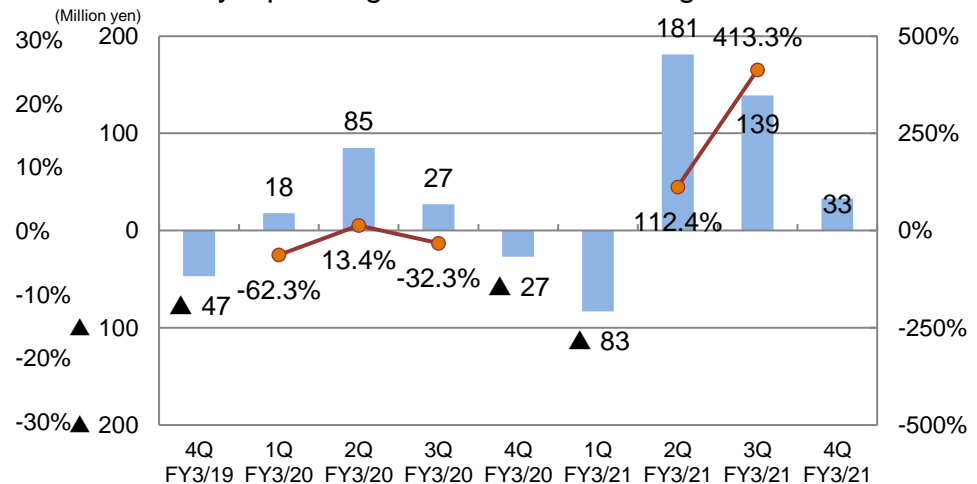
(Million yen)

	FY3/2019	FY3/2020	FY3/2021	Year on year
Net sales	9,701	9,099	8,646	95.0%
Operating profit	116	103	271	262.8%
Operating margin	1.2%	1.1%	3.1%	-

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

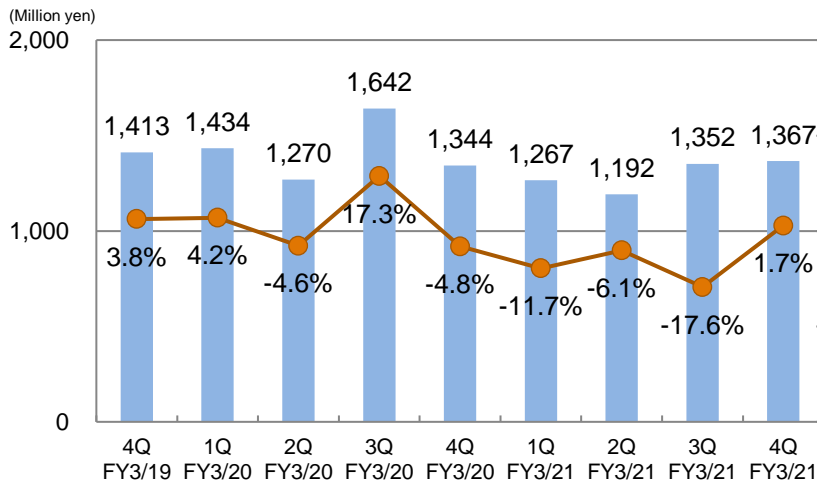
- In the recycle business, the combination of a smaller recycling volume but an increase in the price of ferrous scrap resulted in lower sales but higher earnings. (Net sales decreased 6.4% YoY to ¥4,829 million, Operating profit increased 21.6% to ¥376 million)
- Operating loss in the used vehicle export clearing service business* because of a smaller volume of orders received caused by a big downturn in the number of used vehicles exported. (Net sales decreased 41.5% YoY to ¥263 million, Operating loss ¥29 million (operating profit of ¥32 million in FY3/20) *USS shut down this business on March 31, 2021 and the company that operated this business has started liquidation proceedings.

Other Segment Performance

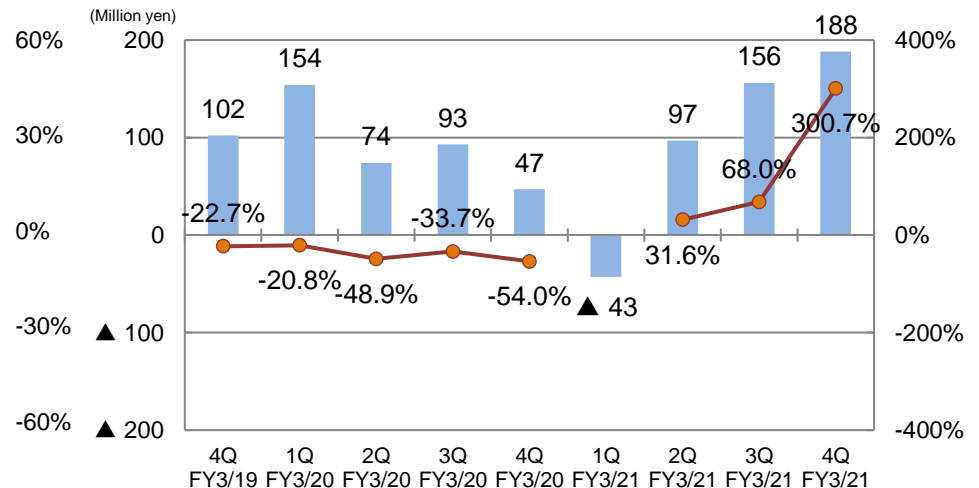
(Million yen)

	FY3/2019	FY3/2020	FY3/2021	Year on year
Net sales	5,522	5,692	5,180	91.0%
Operating profit	583	369	400	108.4%
Operating margin	10.5%	6.4%	7.7%	-

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.

Consolidated Forecast for FY3/2022

- Although the outlook is still unclear because of the COVID-19 crisis, the forecast is based on the expectation that the recovery of the automobile auction market will continue.

(Million yen)

	FY3/20 (Actual)	FY3/21 (Actual)	FY3/22 (Forecast)	VS. previous year
Net sales	78,143	74,874	77,600	103.6%
Gross profit (Per sales)	47,188 (60.4%)	46,533 (62.1%)	47,620 (61.4%)	102.3%
Operating profit (Per sales)	36,009 (46.1%)	36,227 (48.4%)	38,400 (49.5%)	106.0%
Ordinary profit (Per sales)	36,710 (47.0%)	36,996 (49.4%)	39,100 (50.4%)	105.7%
Profit attributable to owners of parent (Per sales)	20,634 (26.4%)	4,022 (5.4%)	26,500 (34.1%)	658.8%
Profit per share (Yen)	82.44	16.13	106.29	659.0%
Capital expenditures (Terms of cash flows)	4,523	8,985	4,400	49.0%
Depreciation	5,037	5,334	4,909	92.0%
Auto Auction Business (excl. JBA)				
Auto Auction Business (excl. JBA)	FY3/20 (Actual)	FY3/21 (Actual)	FY3/22 (Forecast)	VS. previous year
No. of vehicles consigned (Thousands)	2,924	2,661	2,800	105.2%
No. of vehicles contracted (Thousands)	1,772	1,680	1,708	101.6%
Contract completion rate	60.6%	63.2%	61.0%	-

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

Net sales

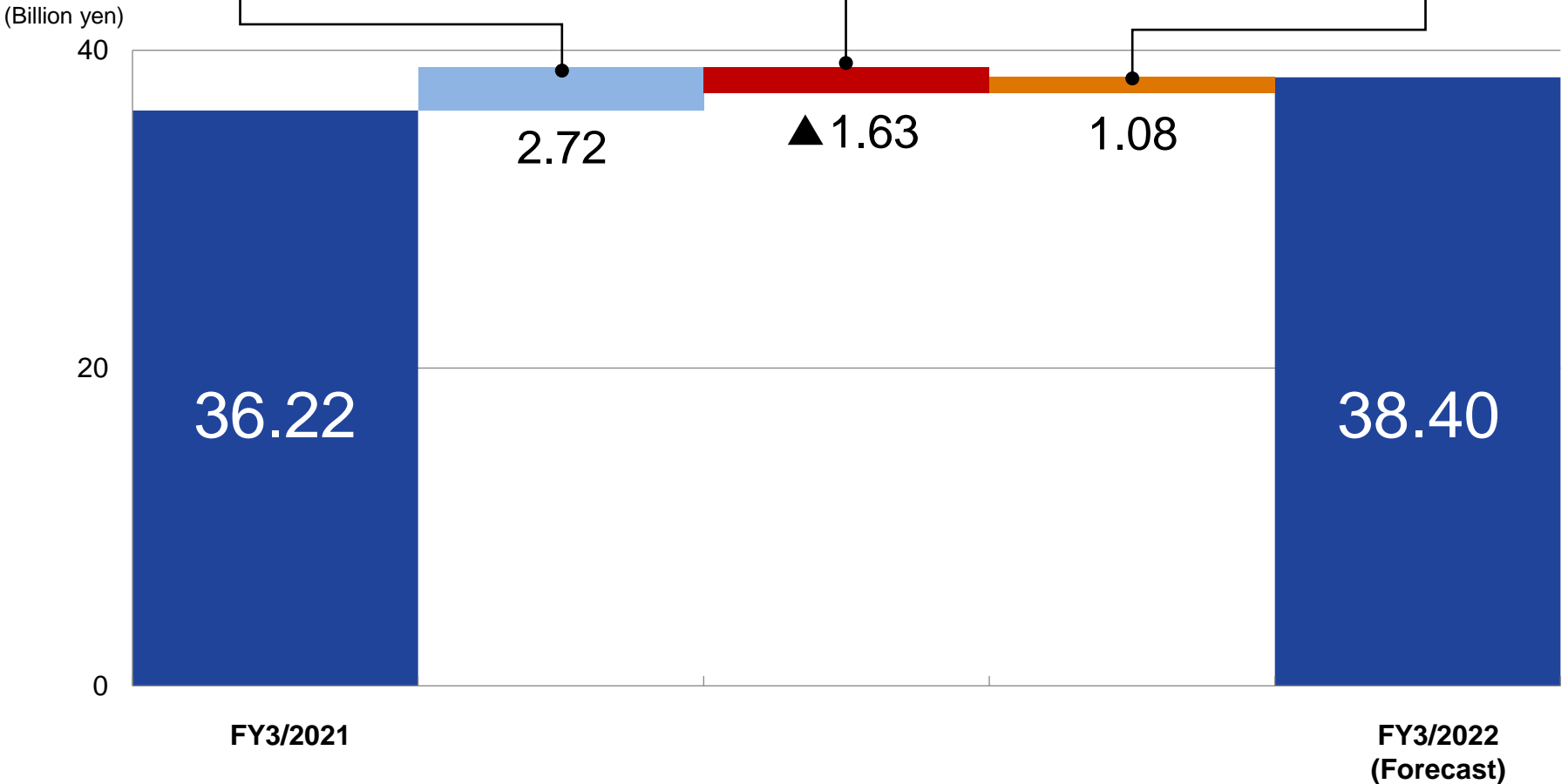
Increase in vehicles consigned 2.60bn
 Increase in recycling 0.94bn
 Used vehicle sales/purchases 0.40bn
 Decrease in contract completion rate ▲1.28bn

Cost of sales

Increase in purchases ▲0.79bn
 Increase in cost of goods sold ▲0.74bn

SG&A expenses

Decrease in goodwill amortization 1.20bn



(Million yen)

	FY3/20 (Actual)	FY3/21 (Actual)	FY3/22 (Forecast)	VS. previous year
Net sales				
Auto auction	63,350	61,048	62,695	102.7%
Used vehicle purchasing and selling	9,099	8,646	9,051	104.7%
Other	5,692	5,180	5,853	113.0%
Total	78,143	74,874	77,600	103.6%
Operating profit (Per sales)	36,009 (46.1%)	36,227 (48.4%)	38,400 (49.5%)	106.0%

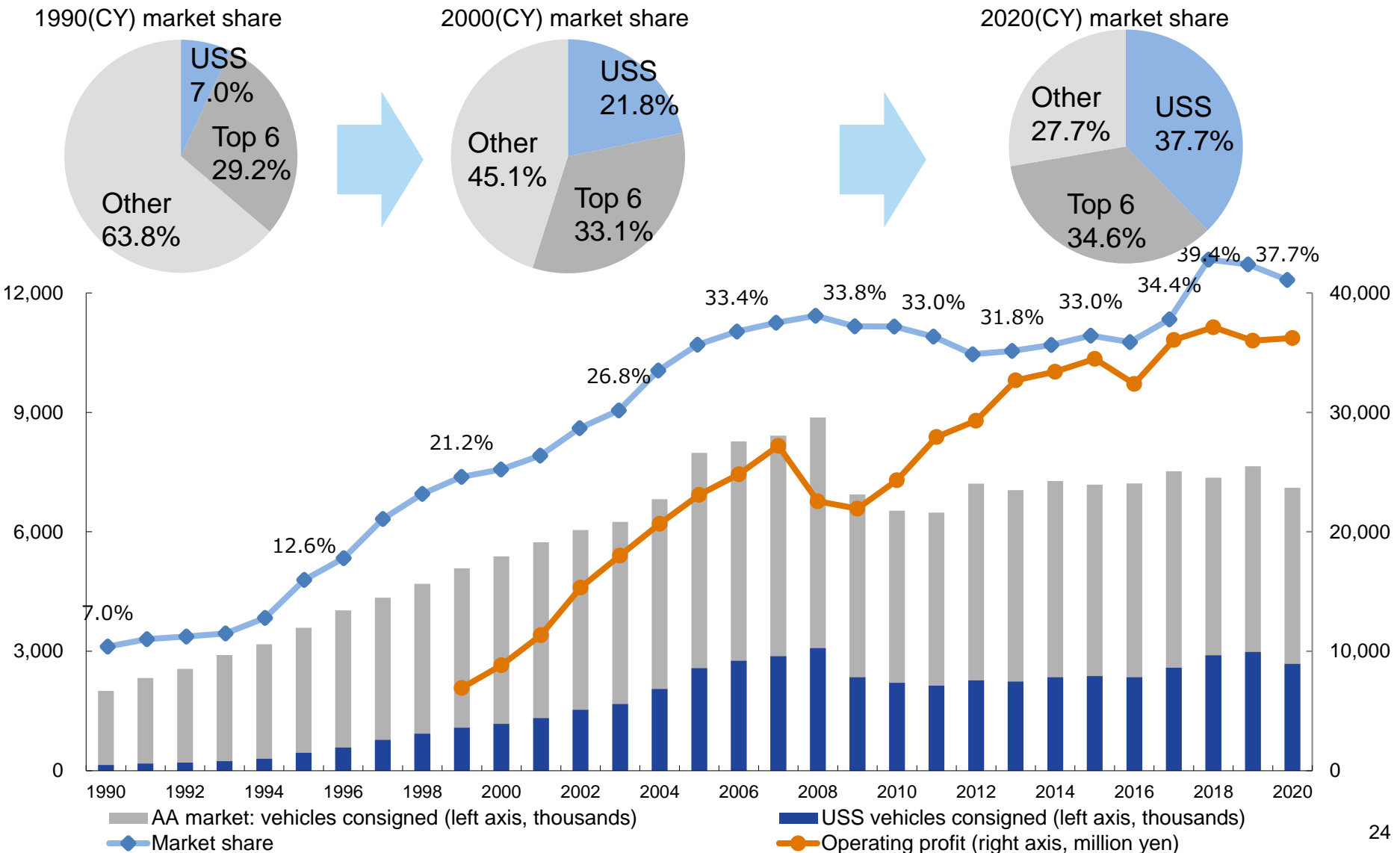
Market Overview

Strategy for Creating Value Over the Medium Term

Used Car Auction Market and USS Market Share

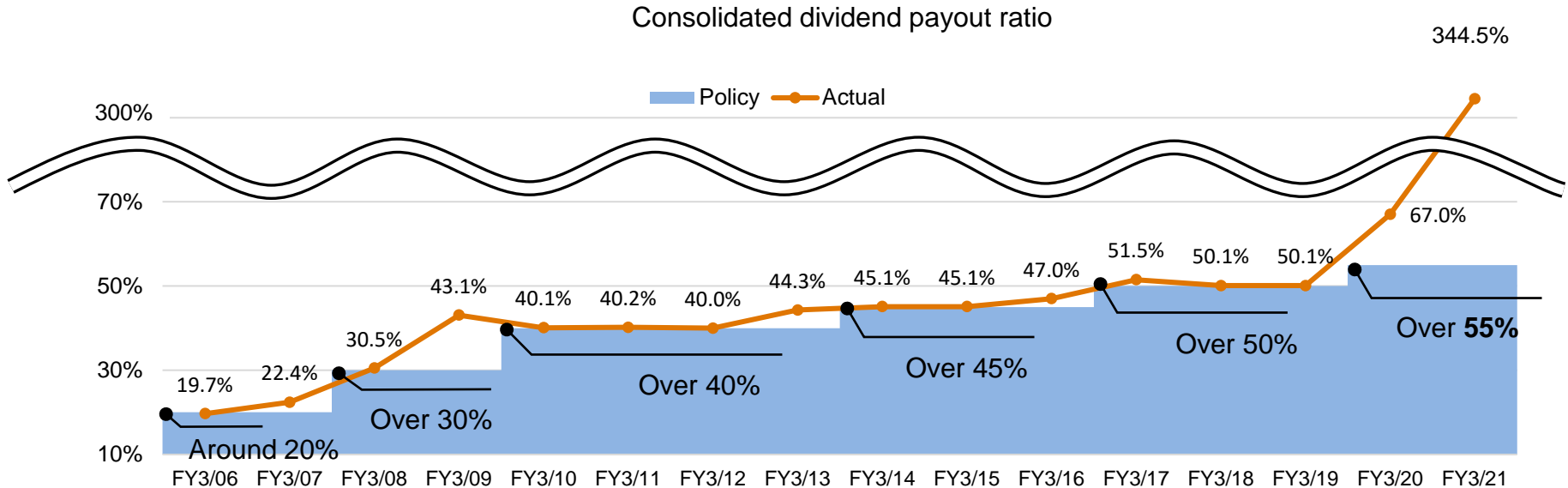
■ Maintained higher market shares and profit in the period of sluggish markets following the financial crisis of 2008-2009.

■ The JAA acquisition significantly raised the USS Group's market share



Increase shareholder distributions while continuing investment for growth

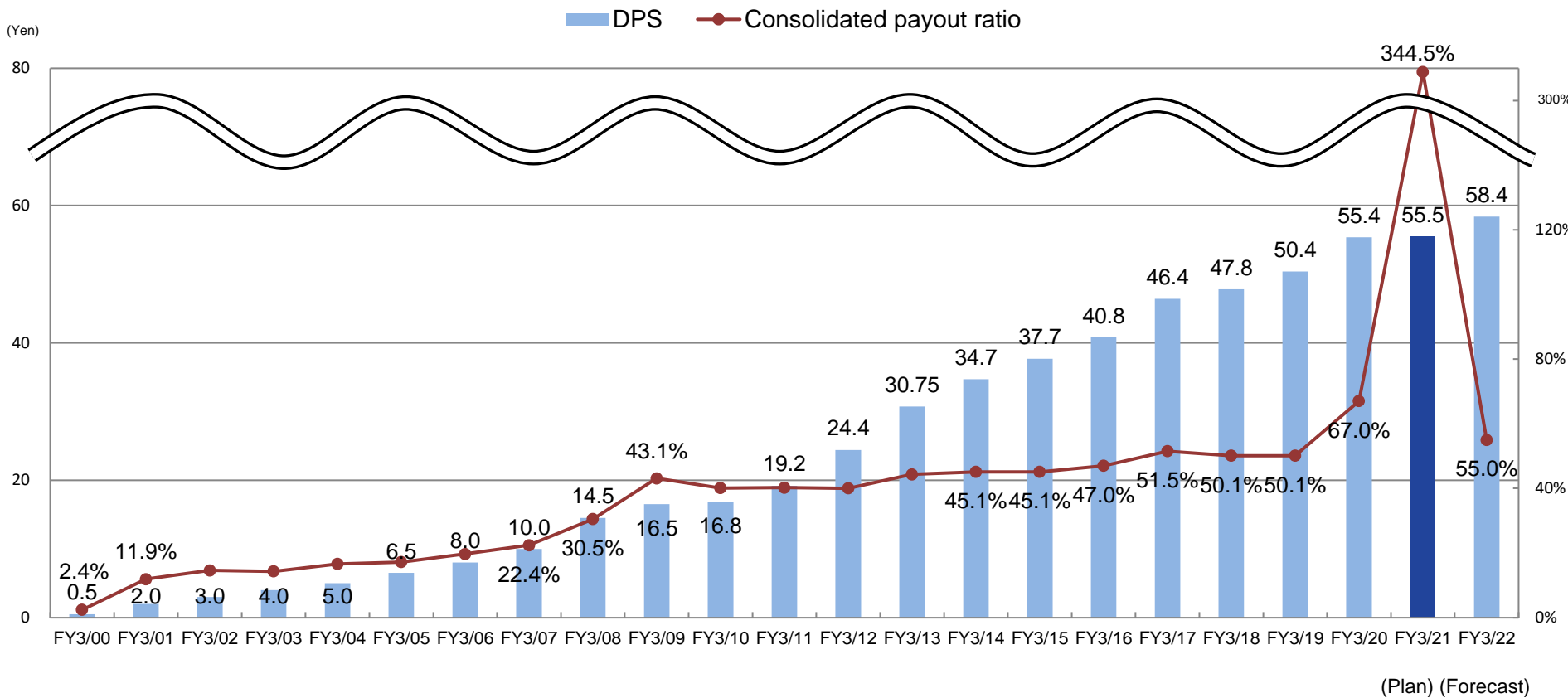
■ Consolidated dividend payout ratio: Over **55%** from FY3/2020



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

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

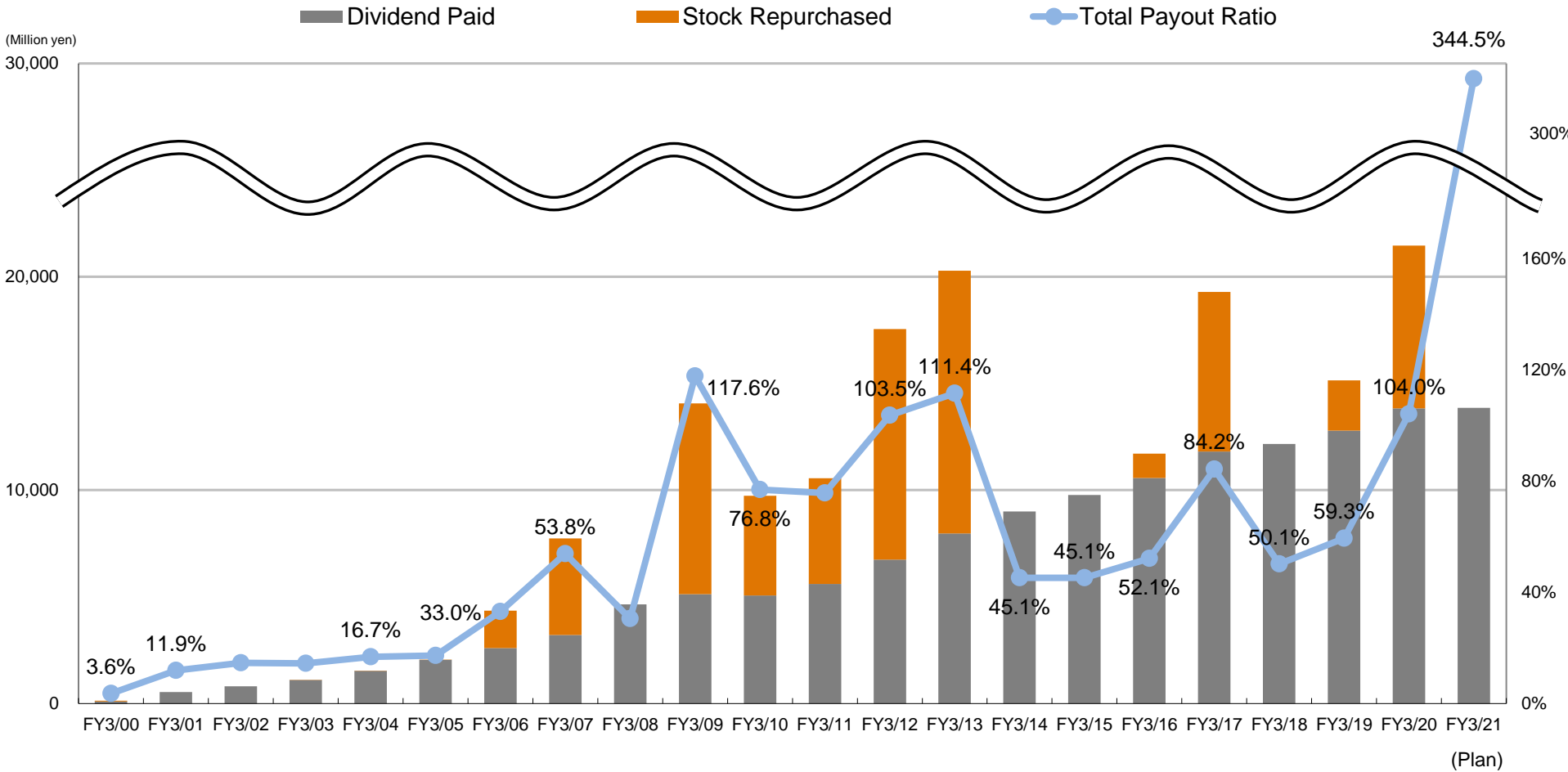
- Plan to pay **55.5 yen** dividend per share for FY3/2021 (up 0.1 yen)
- Plan to pay **58.4 yen** dividend per share for FY3/2022 (up 2.9 yen)
- Forecasting **22 consecutive years** of dividend growth since listing



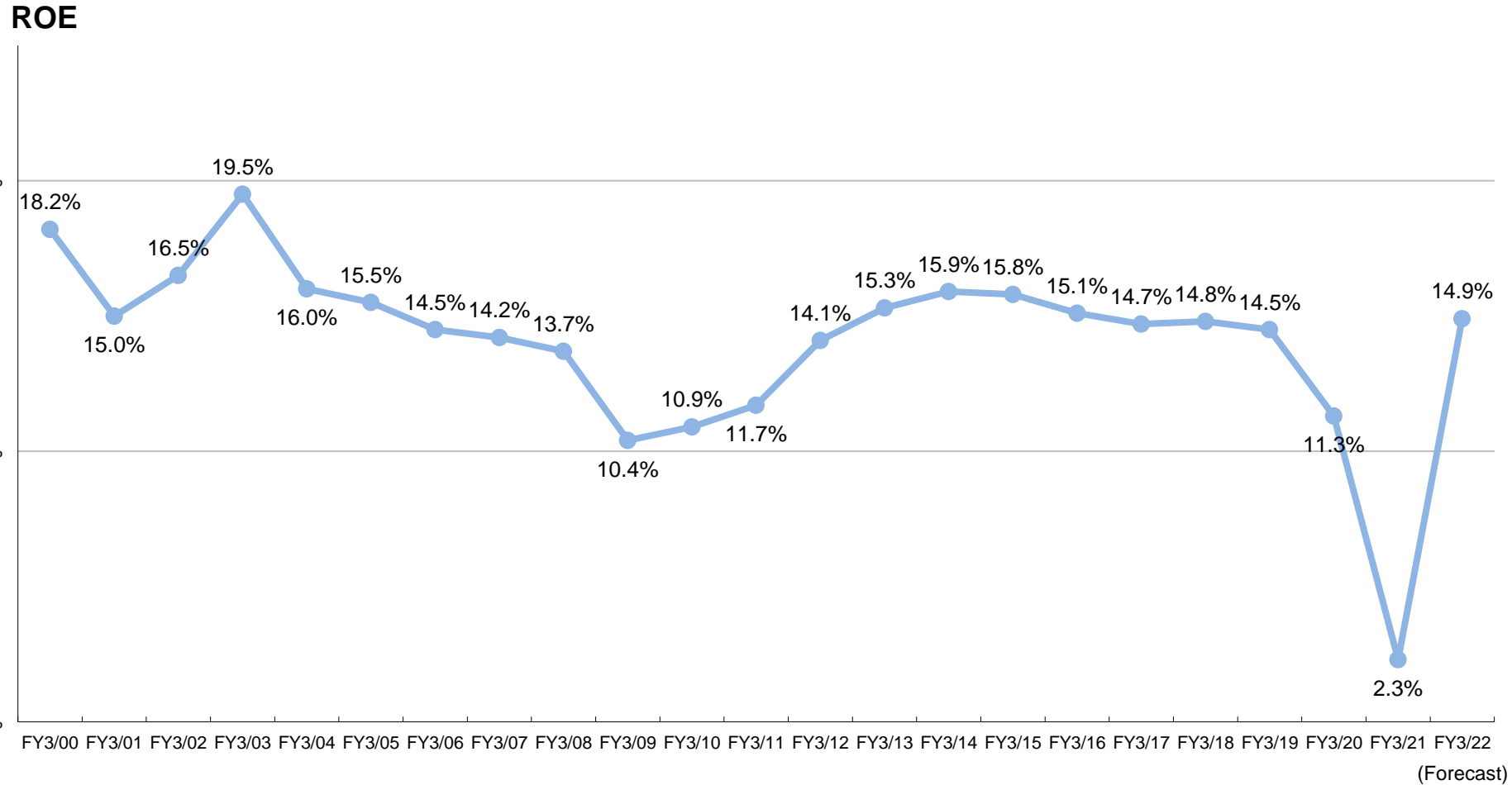
*Dividend per share is retroactively adjusted to the number of shares outstanding as of the effective date (October 1, 2013) of the stock split.

Earnings Distributions – Total Payout Ratio

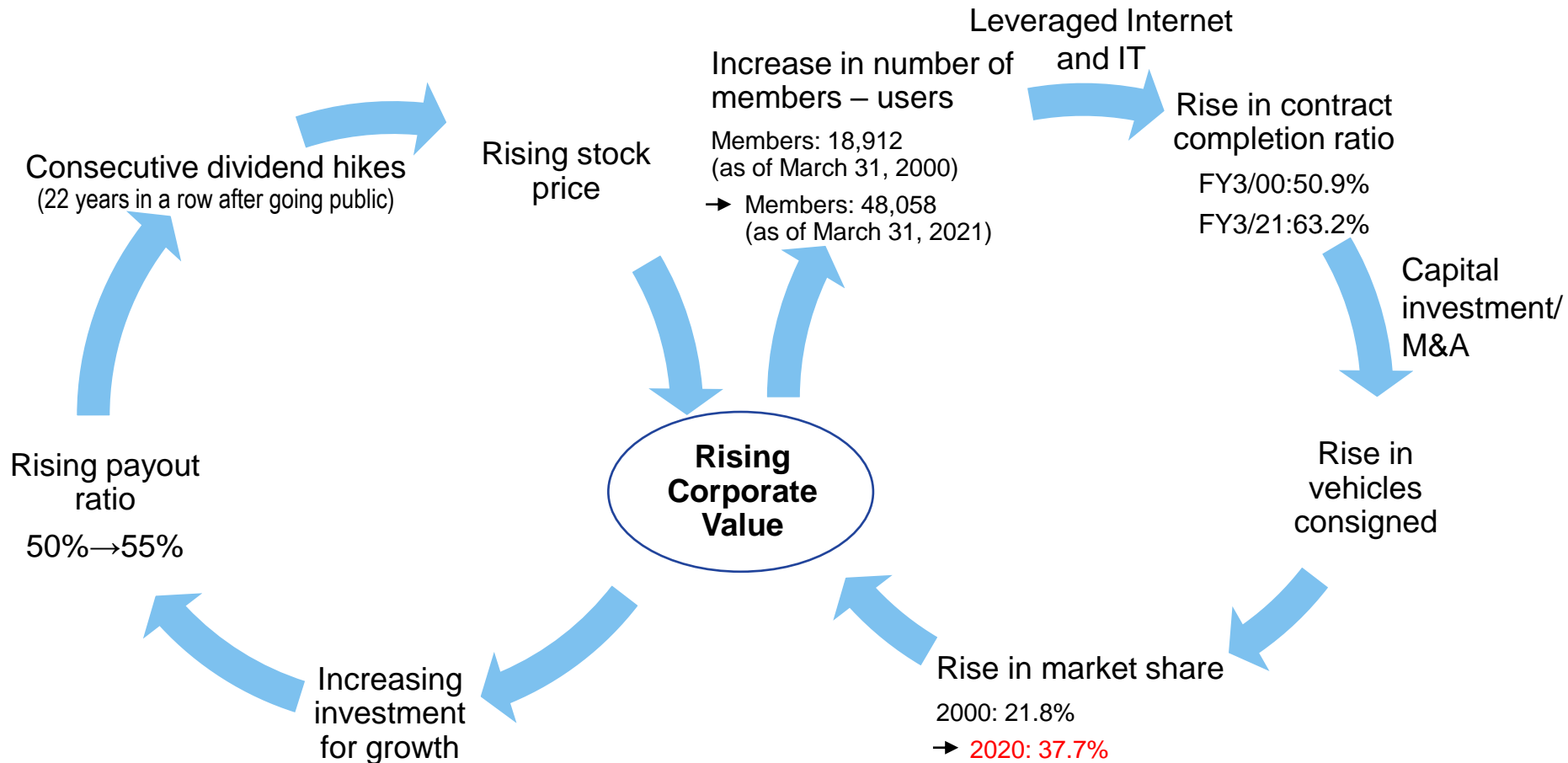
■ Flexible stock repurchases while maintaining stable dividend.



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



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

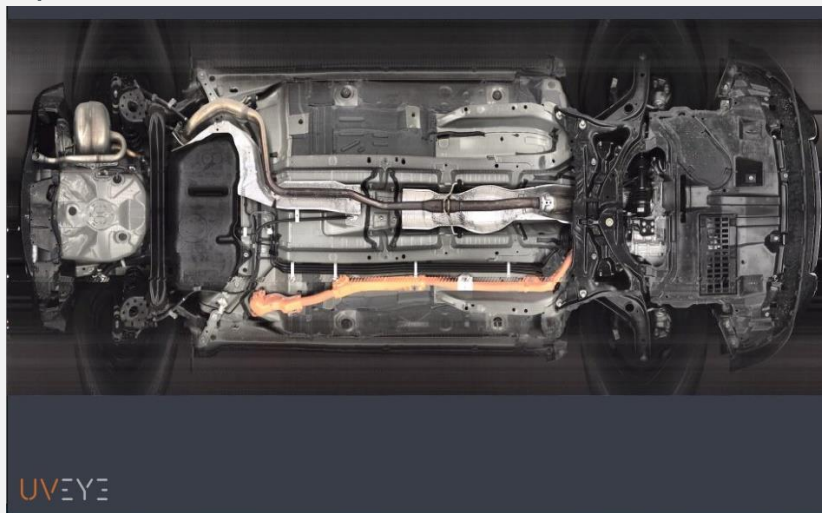


Auto Auction Segment – DX initiatives (1)

- Started using new systems for vehicle inspections in order to find defects that are not readily visible

Underbody imaging system

This system is used to inspect underneath vehicles, including tires and wheels. A specialized unit takes pictures that allow finding tiny scratches, dents and other external defects under a vehicle and sides of tires & wheels that are overlooked by a conventional visual inspection.

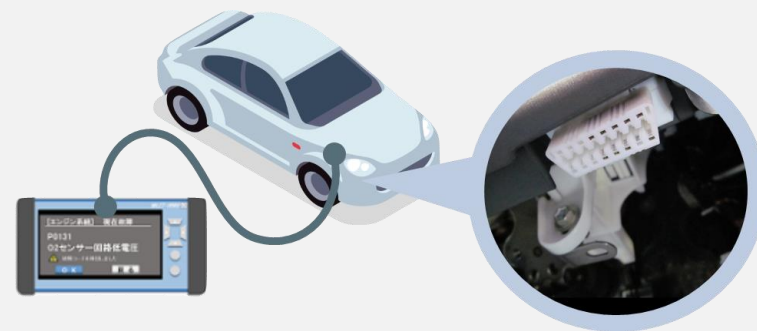


A picture of the underbody of a car

*Accessible only to USS Internet auction members

Inspections using on-board diagnostic system scans

USS has become the first auto auction company to use on-board diagnostic system scanners for vehicle inspections. These inspections cover brakes, engines, safety devices and other components. Auction sites use a special section for the sale of vehicles that pass this inspection.



How a diagnostic scanner detects problems

Auto Auction Segment – DX initiatives (2)

- Started work on the digitalization of the auction sheet (entry form). Commenced test operations at the Nagoya and other sites with the aim of launching full-scale operations by the close of the fiscal year ending in March 2022.
Digitization will lead to more efficient auction operations, improve member convenience and expand the range of its applications.

Now

Members write vehicle information on a paper auction sheet and submit it to USS.
→ A USS inspector inspects the vehicle and writes the evaluation by hand on the auction sheet.

Introduction of digital entry sheet

The member willing to consign a vehicle reads a QR code on the vehicle inspection certificate from a dedicated website, vehicle information can be easily digitized.
The vehicle information will be reflected on the USS inspector's inspection tablet, and the inspector will then enter* the inspection results on the tablet.

* The expressions in the inspection result are unified, as the system employs a selective format for the degrees of scratches and dents.



Inspection tablet

Contact Information

**General Affairs Department,
Supervisory Office,
USS Co., Ltd.**

TEL : +81-52-689-1129

E-mail : irinfo@ussnet.co.jp

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

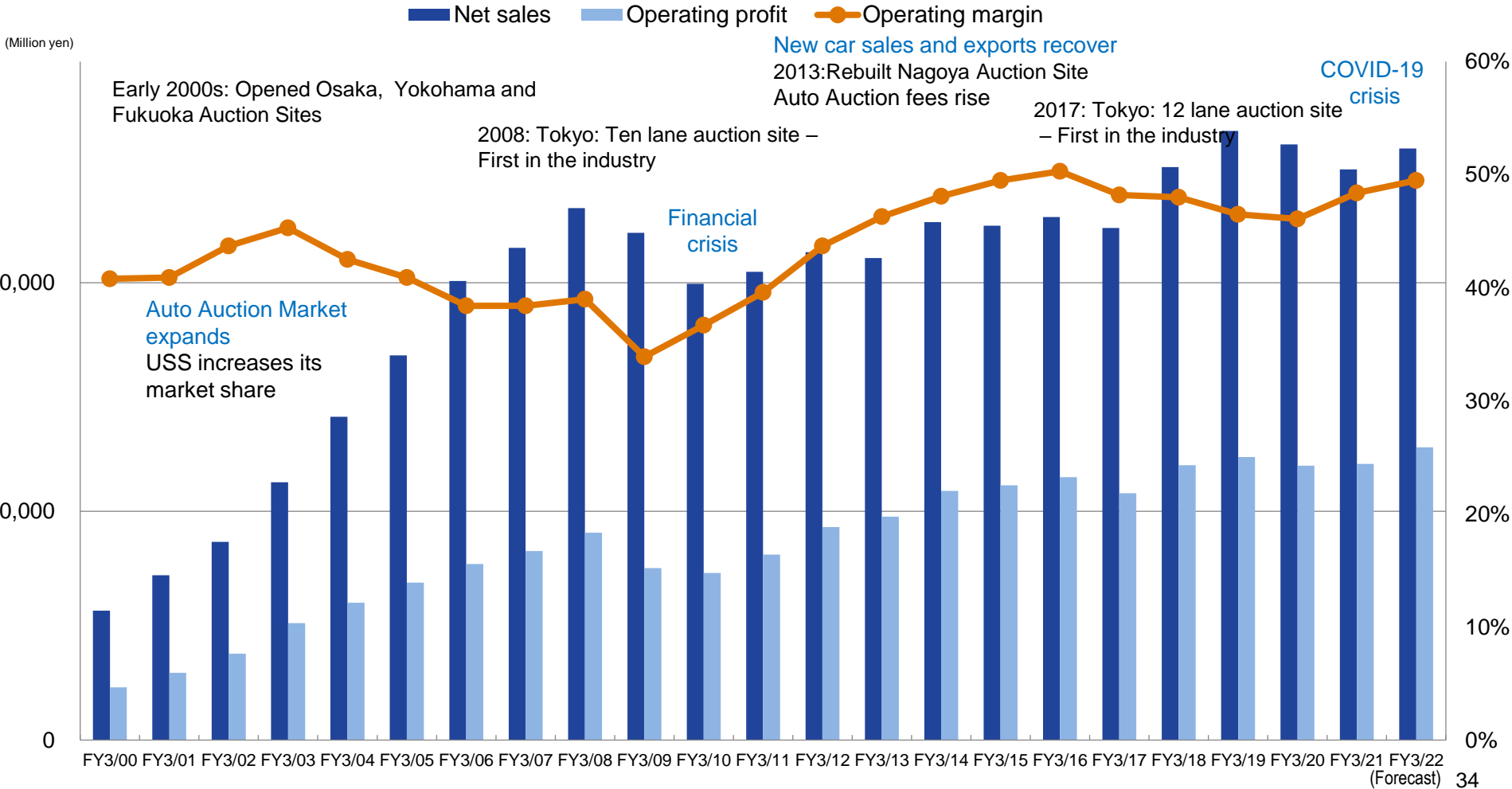
Reference

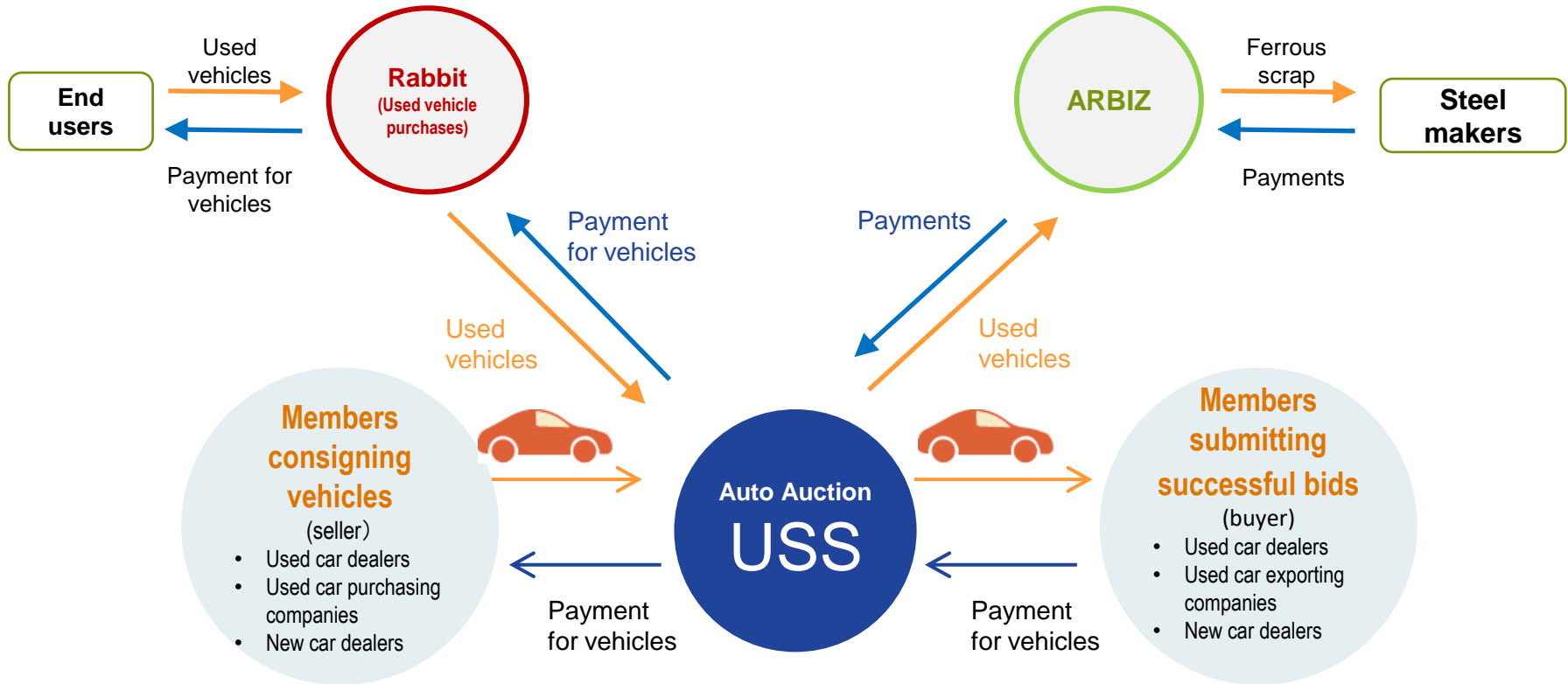
History of USS Long-term Growth

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%





Consignment fee
Ave. **8,000yen**

Contract completion fee
Ave. **8,000yen**

Successful bid fee
Ave. **8,000yen**

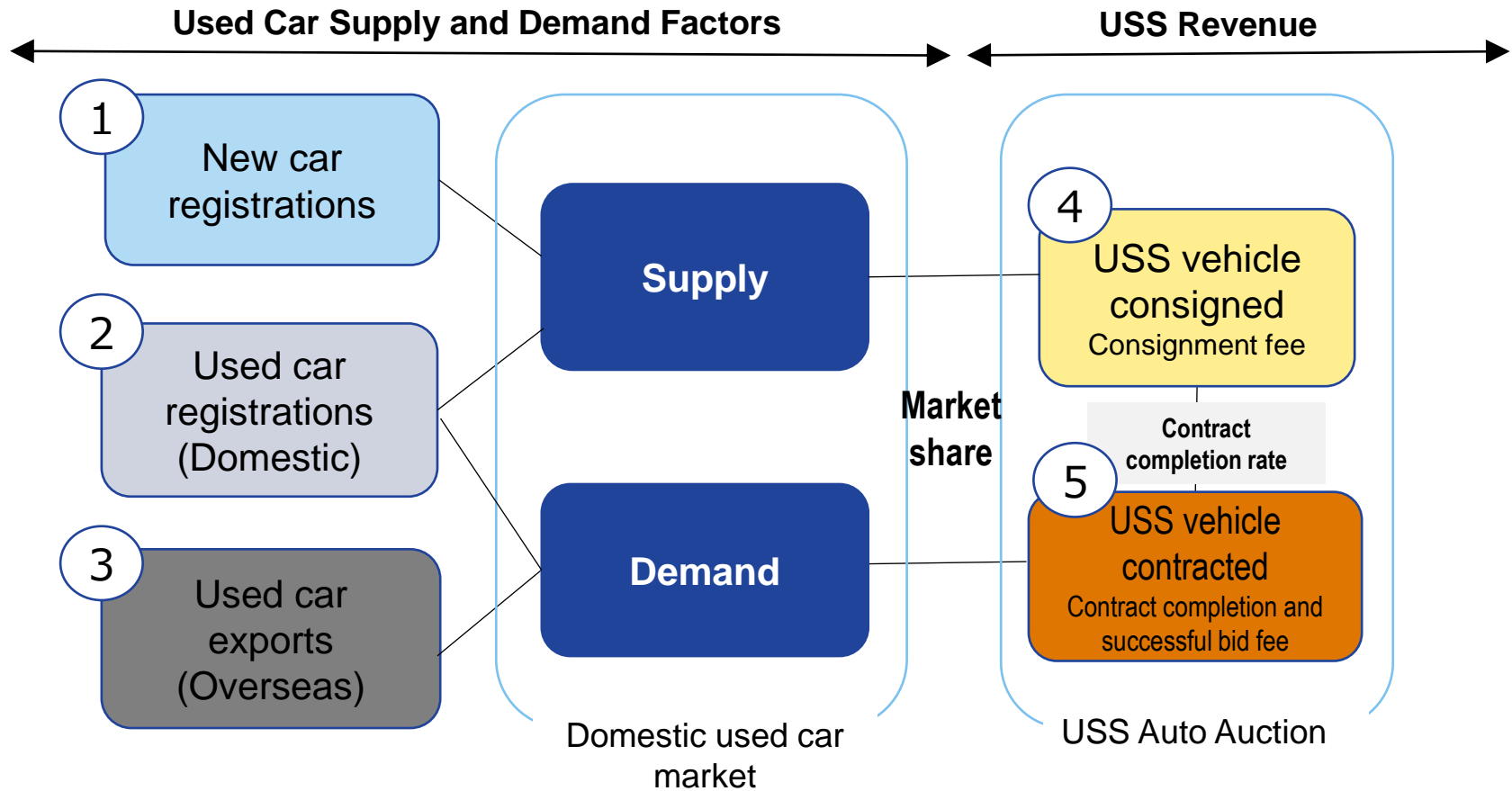
Vehicles consigned
2.66 million units/year
(FY3/2021)

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

Contract completion rate
63.2% (FY3/2021)

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.



- 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)

