



USS Co., Ltd.

Financial Results Briefing for the Fiscal Year Ended March 2026

May 13, 2026

Event Summary

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[Event Name]	Financial Results Briefing for the Fiscal Year Ended March 2026	
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[Venue Size]		
[Participants]		
[Number of Speakers]	3	
	Yukihiro Ando	Chairman and Representative Director, Chief Executive Officer
	Dai Seta	President and Representative Director, Chief Operating Officer
	Masafumi Yamanaka	Director, Executive Vice President, Officer of the Supervisory Office
[Analyst Names]*	Ryozo Minagawa	SMBC Nikko Securities
	Jiro Kojima	Daiwa Securities

*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

Presentation

Moderator: Thank you very much for taking time out from your busy schedule to attend the USS Co., Ltd. financial results briefing for the fiscal year ended March 2026. Welcome.

We will be explaining our financial results in accordance with the presentation materials posted on our website today, so please have them ready at hand or look at the projected presentation materials.

In attendance today are: Mr. Ando, Chairman and Representative Director, Chief Executive Officer; Mr. Seta, President and Representative Director, Chief Operating Officer; and Mr. Yamanaka, Director, Executive Vice President, Officer of the Supervisory Office.

The presentation will be done in a recorded video. We will then switch to a live online session for the Q&A session, so please ask any questions you may have at that time.

Now, please watch the video of the financial results presentation.

[Video Begins]

Ando: I am Ando from USS. Thank you very much for taking time out from your busy schedule to attend our financial results briefing for the fiscal year ended March 2026.

I would like to focus on the current situation, the outlook, and future growth strategies. We would like to take as many questions as time permits, so please do not hesitate to contact us.

Highlights of FY2025



FY2025 Results	FY2026 Forecast	Earnings Distributions
<ul style="list-style-type: none">■ Net sales ¥113.8 billion (up 9.5% YoY)■ Operating profit ¥59.8 billion (up 10.4% YoY)<ul style="list-style-type: none">• USS Auto Auction result in FY2025: vehicles consigned was 3.50 million (up 9.4% YoY), contract completions was 2.34 million (up 9.4% YoY), contract completion rate was 67.0%.• In the used vehicle purchasing and selling segment, despite a decrease in the number of vehicles sold, sales declined while earnings increased due to factors such as the robustness of auction prices.• In the recycling business, increased orders for large plant demolition projects led to higher sales and earnings.	<ul style="list-style-type: none">■ Net sales ¥119.8 billion (up 5.2% YoY)<ul style="list-style-type: none">• Plans for FY2026 is 3.56 million vehicles consigned at auctions, 2.36 million contracted vehicles, and contract completion ratio of 66.3%.■ Operating profit ¥61.0 billion (up 1.9% YoY)■ Capital expenditures of about ¥40.0 billion (2-year total for FY2026 - FY2027)	<ul style="list-style-type: none">■ Dividend forecast FY2025 ¥54.7 (plan) FY2026 ¥55.0* (forecast) <i>* This will be the 27th consecutive year of dividend increases.</i>■ Total payout ratio : at least 100% (by FY2027) Dividend payout ratio : at least 60% ROE target : 20% or higher

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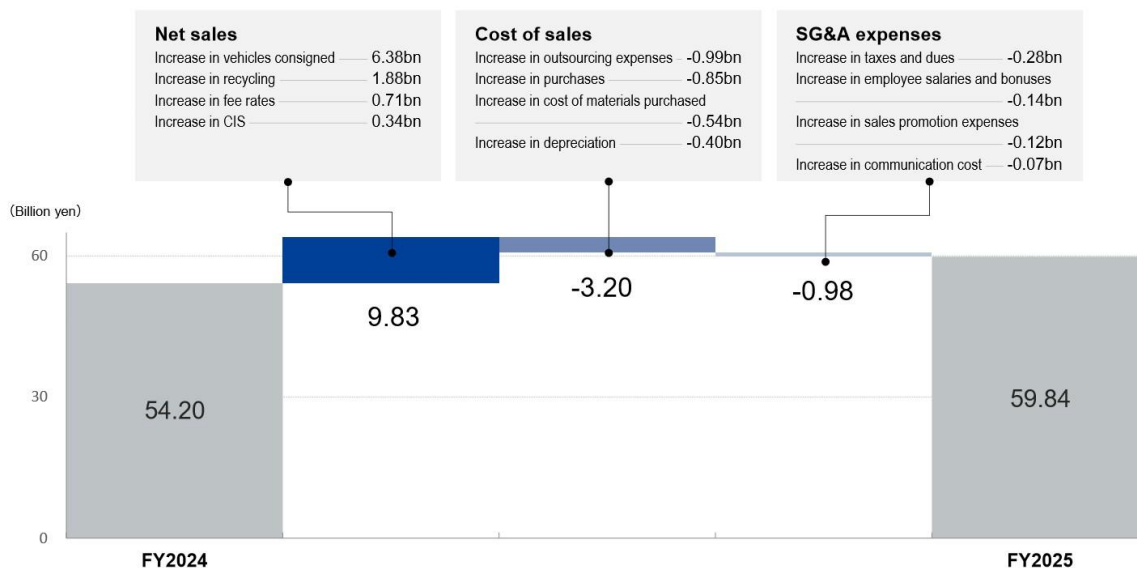
First, please look at page four, the first three highlights of today's explanation.

First, the financial results. In FY2025, we achieved record highs in both sales and profit, with net sales of JPY113.8 billion and an operating profit of JPY59.8 billion. This was due to the fact that the number of vehicles consigned in the auto auction business reached a record high of 3.5 million vehicles, and the contract completion rate remained high at 67%.

The second is the forecast for FY2026. Net sales are expected to be JPY119.8 billion and operating profit JPY61 billion. In this section, I will discuss our future growth strategy.

Third, the earnings distributions. The annual dividend for FY2025 is planned to be JPY54.7, an increase of JPY11.3 from the previous year. In addition, the annual dividend for FY2026 is planned to be JPY55, up by JPY0.3. Moreover, today we completed a share repurchase at a cost of JPY18 billion. I will explain the details later.

FY2025 Reasons for Change in Operating Profit (Actual)



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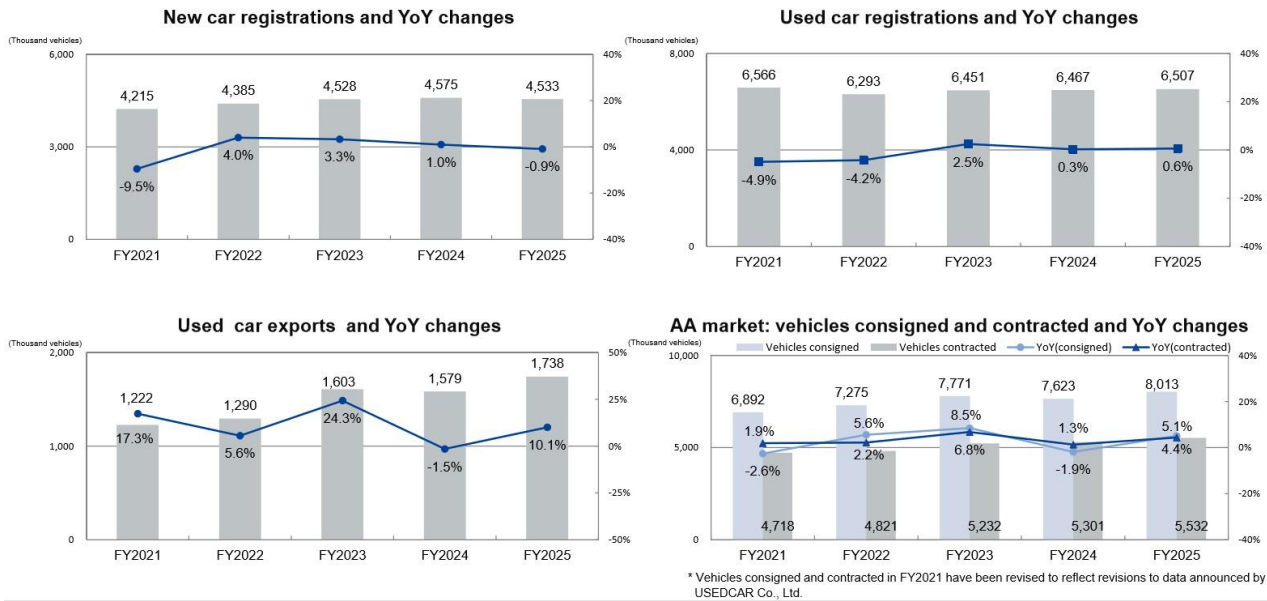
Continuing on, please look at page seven. Here, I would like to explain the reasons for the change in operating profit in FY2025.

First of all, I will explain the first reason, which is net sales. In the mainstay auto auction business, the number of vehicles consigned remained strong at 3.5 million, up 300,000 vehicles from the previous year. In addition to this, auction fee income increased significantly due to the revision of USS JAPAN fees for participating in auctions via a dedicated terminal.

The next reason is cost of sales. The increase in outsourcing expenses was due to an increase in premises work outsourcing expenses in line with the increase in the number of vehicles consigned. The increase in purchases was due to an increase in demolition projects in the plant recycling business. The increase in the cost of materials purchased was mainly due to the handling of aluminum products in the resource recycling business.

Another reason is SG&A expenses. The increase in taxes and dues was due to the real estate acquisition tax related to the new Yokohama venue, which was newly built and reconstructed in January 2026.

Automobile Market



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Next, please look at page nine. The automobile market is explained here.

First, new car registrations were 99.1% of the previous year's total, slightly lower than the previous year.

On the other hand, used car registrations were 100.6% of the previous year's level, remaining almost unchanged from the previous year.

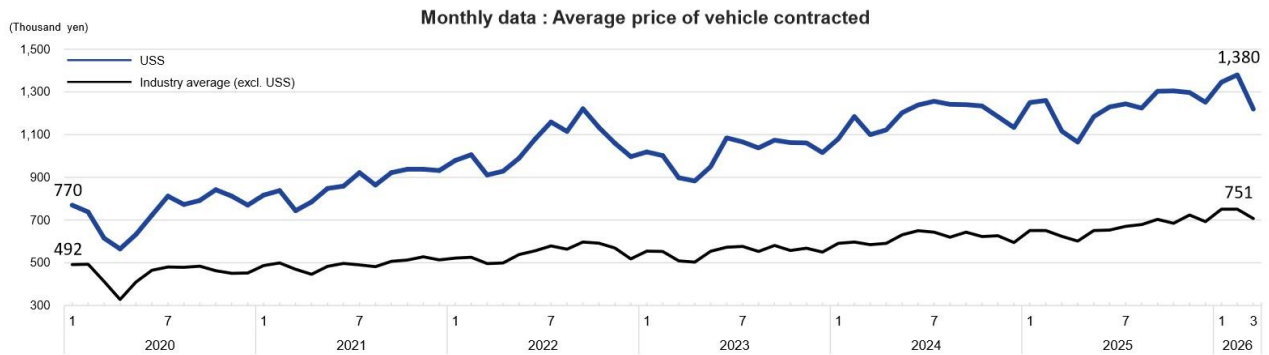
Furthermore, used car exports, which are estimated to account for about 1/3 of used car demand, increased 10% from the previous year to reach 1.73 million vehicles. Demand for used cars in Japan continued to be very strong.

Against this backdrop, the total number of vehicles consigned in the auction market increased to 8 million vehicles. The number of vehicles consigned remained steady despite the sluggish growth in the number of new car registrations.

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.

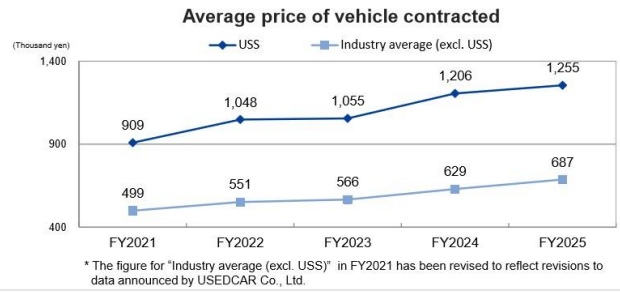
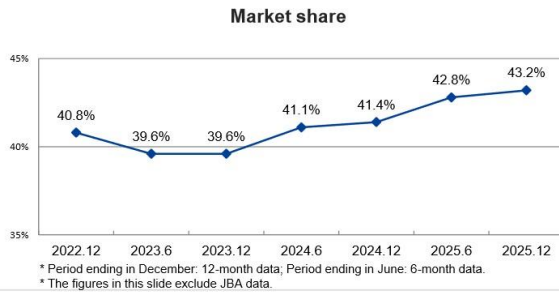
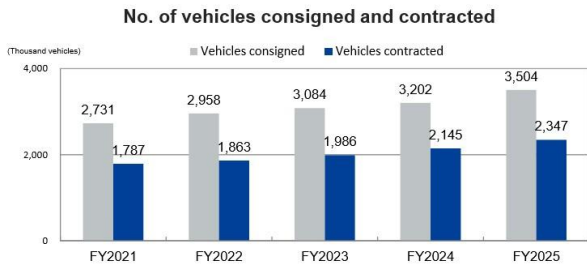
Now, please look at page 11. This slide shows a comparison between USS and the rest of the industry regarding the average price of vehicles contracted.

The gap between the unit price of USS and the industry average continued to widen, most recently to over JPY600,000.

The reason for this is clear: better priced cars will congregate in larger venues where they can sell for more money, and since good cars can be purchased at USS, even more buyers gather at USS.

USS has an overwhelming advantage in older, higher-unit-price vehicles. We will further refine the strengths of this platform that we have built up in the 40 years since our establishment and continue to lead the market as the industry's top runner.

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



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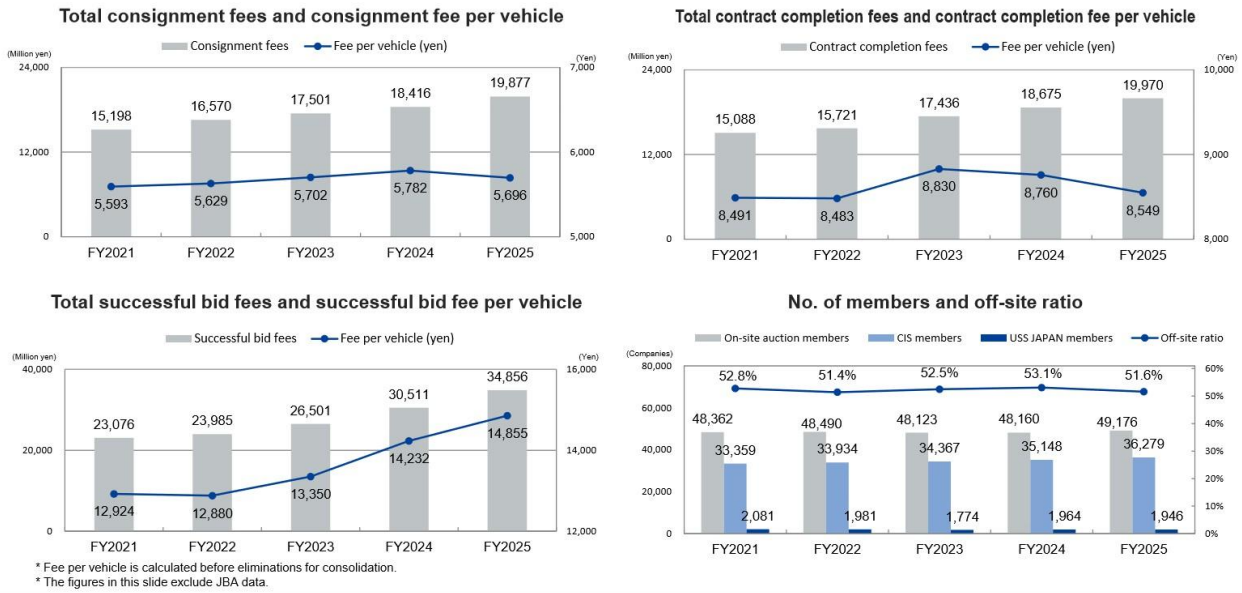
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Next, please look at page 12. On this slide, I would like to explain the results of our auto auction segment.

First, the market share is shown in the lower left-hand corner. Our market share in FY2025 increased to 43.2%. The reason was that the number of lanes had been sequentially increased at three major sites over the past two years, starting with the Tokyo site, followed by Nagoya and Osaka. This had increased convenience for members, and the number of vehicles consigned steadily increased. The pace of market share expansion also accelerated.

We are also seeing a solid response to our sales activities that leverage our strengths as a high-selling venue. We will continue to maintain this strong performance and work firmly toward achieving a 50% market share.

Auto Auction Segment (4) Fees, etc.



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Next, please look at page 13. Here, I will explain about fees.

Successful bid fees per vehicle increased due to a JPY3,000 increase in the USS JAPAN successful bid fees effective April 2025.

On the other hand, consignment fees per vehicle and contract completion fees per vehicle declined due to an increase in the ratio of large-lot members and higher rebates.

However, as a result of the growth in the overall number of vehicles handled, the total amount of fees increased significantly. We did not see any reluctance to buy due to the fee revisions, and we view the transition as having been smooth.

Used Vehicle Purchasing and Selling Segment



In the Rabbit used vehicle purchasing and selling business, despite the high level of auction prices, sales increased while earnings decreased due to factors such as a decrease in the number of vehicles sold.

Net sales ¥ **7,432** million
(up 1.7% YoY)

Operating profit ¥ **120** million
(down 37.2% YoY)

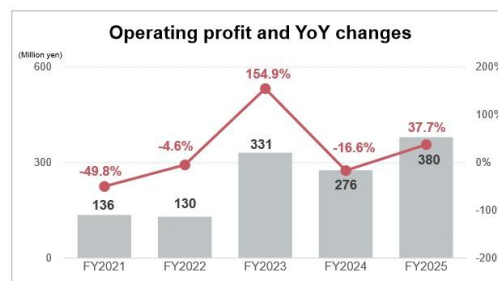
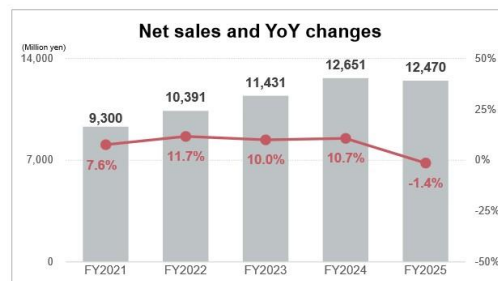
In the accident-damaged vehicle purchasing and selling business, despite a decrease in the number of vehicles sold, sales declined while earnings increased due to factors such as an increase gross profit per vehicle sold.

Net sales ¥ **5,038** million
(down 5.7% YoY)

Operating profit ¥ **260** million
(up 206.1% YoY)

Used vehicle purchasing and selling segment performance (Million yen)

	FY2023	FY2024	FY2025	Year on year
Net sales	11,431	12,651	12,470	98.6%
Operating profit	331	276	380	137.7%
Operating margin	2.9%	2.2%	3.1%	-



* 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.

Next, please look at page 14. This section describes our used vehicle purchasing and selling segment.

As for the Rabbit business, despite the high level of auction prices, sales were JPY7.4 billion, up by 1% YoY, while operating profit was JPY120 million, down by 37% YoY, due to factors such as a decrease in the number of vehicles handled. Higher sales but lower profit were the results.

Next is the accident-damaged vehicle purchasing and selling business. Despite a decrease in the number of vehicles sold due to factors such as an increase in gross profit per vehicle sold, increased profit despite lower sales were the results. Sales were JPY5 billion, down by 5% YoY, and operating profit was JPY260 million, up by 206% YoY.

Recycling Segment



In the resource recycling business, nonferrous metal prices trended upward, but increased depreciation expenses led to higher sales and lower earnings.

Net sales ¥ **5,957** million
(up 11.1% YoY)

Operating profit ¥ **301** million
(down 36.3% YoY)

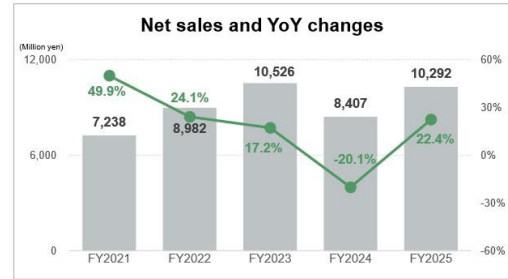
In the industrial plant recycling business, increased orders for large plant demolition projects led to higher sales and earnings.

Net sales ¥ **4,334** million
(up 42.3% YoY)

Operating profit ¥ **372** million
(up 436.0% YoY)

Recycling segment performance (Million yen)

	FY2023	FY2024	FY2025	Year on year
Net sales	10,526	8,407	10,292	122.4%
Operating profit	1,164	542	673	124.1%
Operating margin	11.1%	6.5%	6.5%	-



* 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.

Continuing on, please look at page 15. Now, I will explain about the recycling segment.

First, the resource recycling business. Non-ferrous metal prices trended upward, but increased depreciation expenses led to higher sales and lower profit. Sales were JPY5.9 billion, up 11% YoY, while operating profit was JPY300 million, down 36% YoY.

Next, the industrial plant recycling business. Increased orders for large plant demolition projects led to higher sales and profit. Sales were JPY4.3 billion, up 42% YoY, and operating profit was JPY370 million, up 436% YoY.

FY2026 Consolidated Forecast



- The forecast is based on the outlook for a recovery in sales of new cars and a larger number of vehicles consigned at auctions.
- The goal is a larger market share by making substantial capital expenditures at major auction sites and other locations.

(Million yen)

	FY2024 (Actual)	FY2025 (Actual)	FY2026 (Forecast)	VS. previous year
Net sales	104,021	113,854	119,800	105.2%
Gross profit (per sales)	64,821 (62.3%)	71,451 (62.8%)	73,172 (61.1%)	102.4%
Operating profit (per sales)	54,206 (52.1%)	59,847 (52.6%)	61,000 (50.9%)	101.9%
Ordinary profit (per sales)	54,883 (52.8%)	60,590 (53.2%)	61,800 (51.6%)	102.0%
Profit attributable to owners of parent (per sales)	37,636 (36.2%)	41,360 (36.3%)	41,600 (34.7%)	100.6%
EPS (yen)	78.65	88.78	91.35	102.9%
Capital expenditures (cash payments)	4,270	11,038	7,400	67.0%
Depreciation	4,637	5,070	5,600	110.4%
Auto Auction Business (excl. JBA)	FY2024 (Actual)	FY2025 (Actual)	FY2026 (Forecast)	VS. previous year
No. of vehicles consigned (thousands)	3,202	3,504	3,560	101.6%
No. of vehicles contracted (thousands)	2,145	2,347	2,362	100.6%
Contract completion rate	67.0%	67.0%	66.3%	-

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Continuing on, please look at page 17. From here, I will explain the full-year consolidated forecast.

For the full year, we forecast net sales of JPY119.8 billion, an operating profit of JPY61 billion, and a net income of JPY41.6 billion. We plan to steadily repeat record highs in both sales and profit.

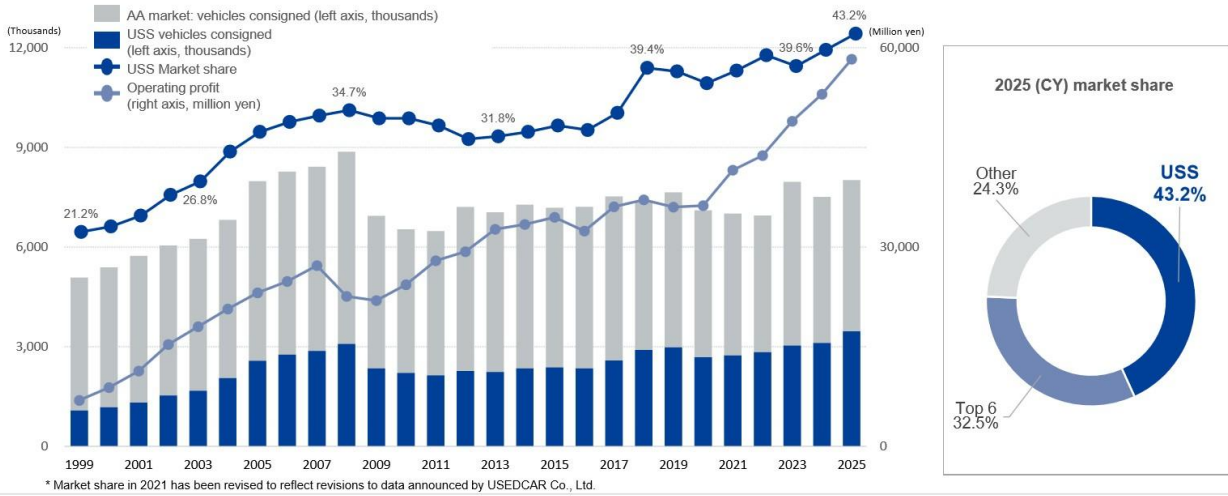
The number of vehicles consigned at auto auctions is projected at 3.56 million, and the contract completion ratio is expected to be 66.3%. Despite some uncertainties in the external environment, such as the situation in Iran, the auction volume for the month of April was off to a good start.

The reasons for the change in the forecast and the segment-by-segment forecast are on the next page and onward. We hope you will take a look at them later.

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%.



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Now, please look at page 21. From here, I would now like to explain the market environment surrounding our company and our medium- to long-term initiatives.

The slide shows the market share from 1990 to the present. By 2025, our market share was 43.2%, solidifying our leading position in the industry. We had been able to increase our market share by 3.6% over the past two years, up from 39.6% two years ago.

The size of the market share in the auction business is the attractiveness of the venues. A virtuous cycle is created: the more market share is expanded, the more quality cars and buyers are attracted, and the more expensive they sell.

That is why we will not be satisfied with this position but will aim to achieve a 50% share of the market in the medium-to long-term as our next goal.

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%.



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Continuing on, please look at page 22. This slide is an explanation of our medium-to long-term management goals.

In the growth phase from here on, we will clarify our selection and concentration, and we will focus resources in the auto auction business to achieve a 50% share of the market.

While we accelerate investment, we will also emphasize capital efficiency. We have already achieved our ROE target of 20%.

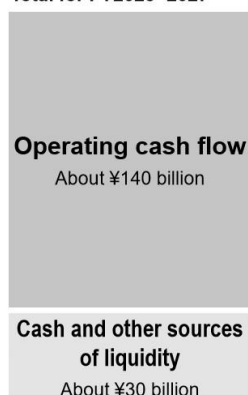
For earnings distributions, last year, we committed to a 100% total payout ratio for a limited period of three years. Our shareholder-oriented approach will remain unchanged.

Cash Allocation Policy



- 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

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.

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Next, please look at page 23. I will explain our cash allocation for FY2025 through FY2027.

As for the results for FY2025, we achieved a total payout ratio of 100%, as promised. Earning distributions were JPY41.3 billion, including dividends and share buybacks.

For the current fiscal year, the Company repurchased JPY18 billion of its own shares today. Furthermore, we plan to increase dividends for the 27th consecutive year.

As for growth investments, we have recently built and reconstructed the Yokohama site and began auctions at the new site in January of this year.

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

As the largest auction site in Western Japan, we are planning to construct a new building and expand the multi-story parking facility. After its acquisition in 2017, the HAA Kobe site overcame a reduction in the number of vehicles due to the optimization of membership criteria and fee structures, and is now experiencing a clear expansion trend. By expanding capacity, we aim to effectively capture the recovering demand and further strengthen the revenue base in the Western Japan area.

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.

Next, please look at page 24. Next is plans for investment for growth.

Our auctions are currently very active. The Tokyo site already reached the limit of its current size, since in March and April, our auctions consecutively handled more than 20,000 vehicles.

At the HAA Kobe site as well, 9,500 vehicles were consigned for the final auction in March.

Both sites need to expand their capacities as soon as possible.

In order to capture this strong momentum, we will rebuild the existing facilities and add multi-story parking facilities at both the Tokyo and HAA Kobe sites to enhance our ability to accommodate vehicles.

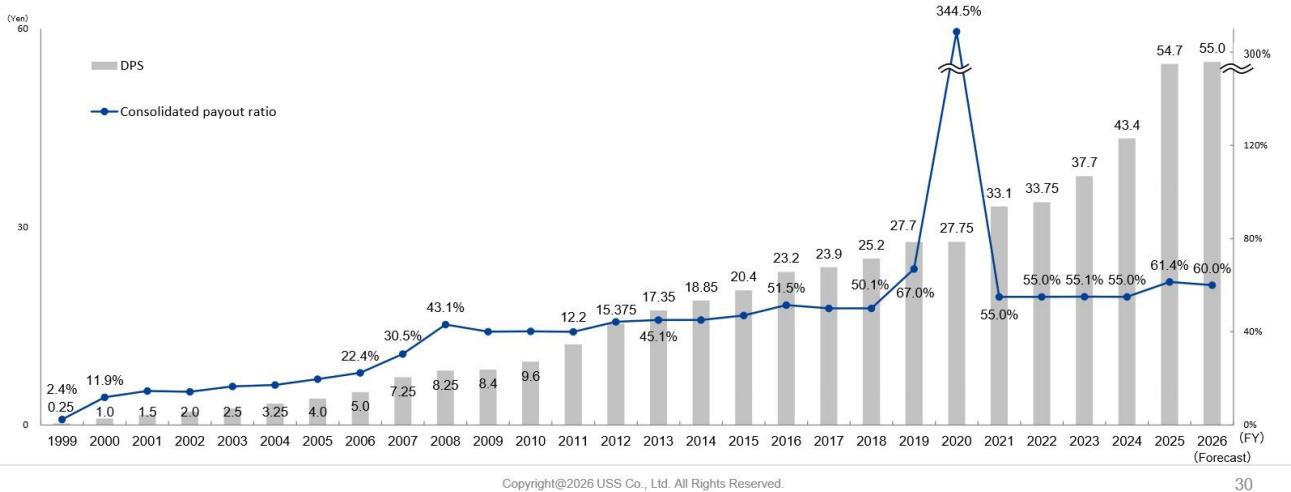
In addition, we will continue to focus on the training of vehicle inspectors who support our credibility as well as digitalization to make it easier for members to participate in the auction.

With these investments in sites, systems, and human resources as the pillars of growth, we will further solidify our position as an industry leader.

Earnings Distributions – Dividend Policy



- Plan to pay 54.7 yen dividend per share for FY2025 (consolidated payout ratio at least 60%).
- Plan to pay 55.0 yen dividend per share for FY2026 (consolidated payout ratio at least 60%).
- Forecasting 27 consecutive years of dividend growth since listing.



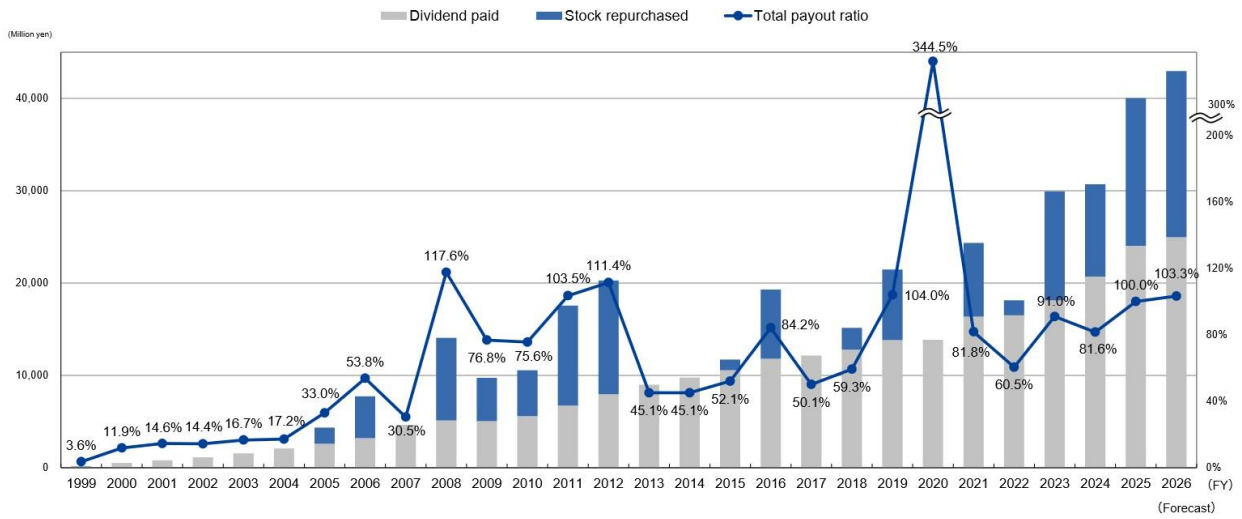
Now, please look at page 30. This slide shows the changes in dividends since the stock was listed.

As explained at the beginning of the presentation, we plan to pay an annual dividend of JPY54.7 for FY2025. For the following fiscal year, FY2026, we plan to pay a dividend of JPY55. Through this, we aim to increase dividends for 27 consecutive fiscal years.

Earnings Distributions – Total Payout Ratio



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



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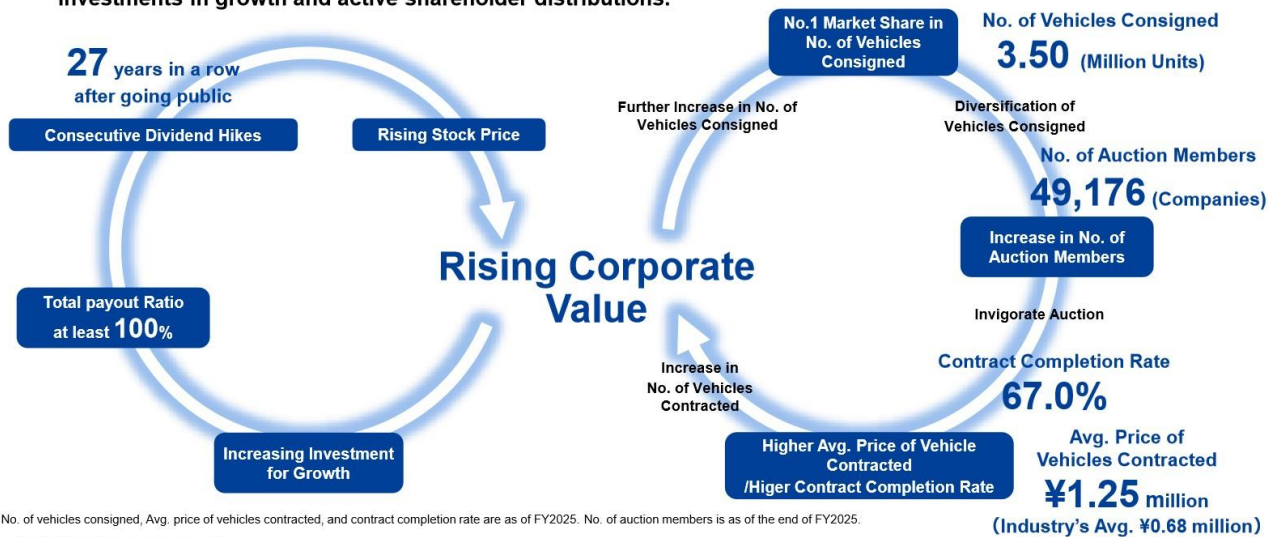
The slide you see is for the changes in the total payout ratio.

In the three years from FY2025, we will further strengthen shareholder distributions and significantly increase the total payout ratio to at least 100%.

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.



* 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.

Last but not least, please look at this slide. This slide shows our future growth and shareholder distributions.

As we have explained, we are convinced that our company's sustainable growth and further enhancement of corporate value will only be achieved by simultaneously continuing aggressive investments for business growth and high levels of shareholder distributions.

We hope that all our shareholders and investors will look forward to our future growth and continue to support us.

That concludes my presentation. Thank you very much.

[END]

Document Notes

- Portions of the document where the audio is unclear are marked with [inaudible].
- Portions of the document where the audio is obscured by technical difficulty are marked with [TD].
- Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.
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