

Q1 FY2023

Consolidated Results of Operations

USS Co., Ltd.

August 2023

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Q1 FY2023

Results of Operations

Q1 FY23 Results

■ Net sales **¥23.9 billion**
(up 13.2% YoY)

■ Operating profit
¥11.9 billion
(up 10.6% YoY)

- USS Auto Auction result in Q1 FY2023: vehicles consigned was 0.79 million (up 11.7% YoY), contract completions was 0.47 million (up 4.4% YoY), contract completion rate was 59.8%
- In the used vehicle purchasing and selling segment, sales increased but earnings decreased as the number of vehicles sold was higher and prices at auctions declined.
- In the recycle segment, sales and earning increased because of the larger number of orders for large demolition projects.

FY23 Forecast

■ Net sales **¥92.4 billion**

- Plans for FY2023 is 3.00 million vehicles consigned at auctions, 1.88 million contracted vehicles, and a contract completion ratio of 62.7%

■ Operating profit **¥45.3 billion**

Earnings Distributions

■ FY2023 dividend forecast is **¥69.4**
This will be the 24th consecutive year of dividend increases.

- In FY2019, the basic policy for dividends was revised as consolidated payout ratio guideline increased to at least 55%.

■ Repurchase of stock

- USS repurchased 5 million shares of stock at a cost of ¥11.8 billion on June 21, 2023.

Q1 FY2023 Summary of Consolidated Results of Operations

- Sales was up 13.2% YoY to ¥23.92 billion, operating profit was up 10.6% to ¥11.97 billion, and profit attributable to owners of parent up 8.9% to ¥8.1 billion.
- Record-high sales, operating profit, ordinary profit and profit attributable to owners of parent

(Million yen)

	Q1 FY2021	(per sales)	Q1 FY2022	(per sales)	Q1 FY2023	(per sales)	Year on year
Net sales	20,370		21,136		23,929		113.2%
Cost of sales	7,521	36.9%	8,026	38.0%	9,464	39.6%	117.9%
Gross profit	12,848	63.1%	13,109	62.0%	14,465	60.4%	110.3%
Selling, general and administrative expenses	2,200	10.8%	2,288	10.8%	2,493	10.4%	108.9%
Operating profit	10,648	52.3%	10,820	51.2%	11,971	50.0%	110.6%
Ordinary profit	10,842	53.2%	10,996	52.0%	12,130	50.7%	110.3%
Profit attributable to owners of parent	7,348	36.1%	7,437	35.2%	8,102	33.9%	108.9%

Net Sales and Operating Profit by Business Segment

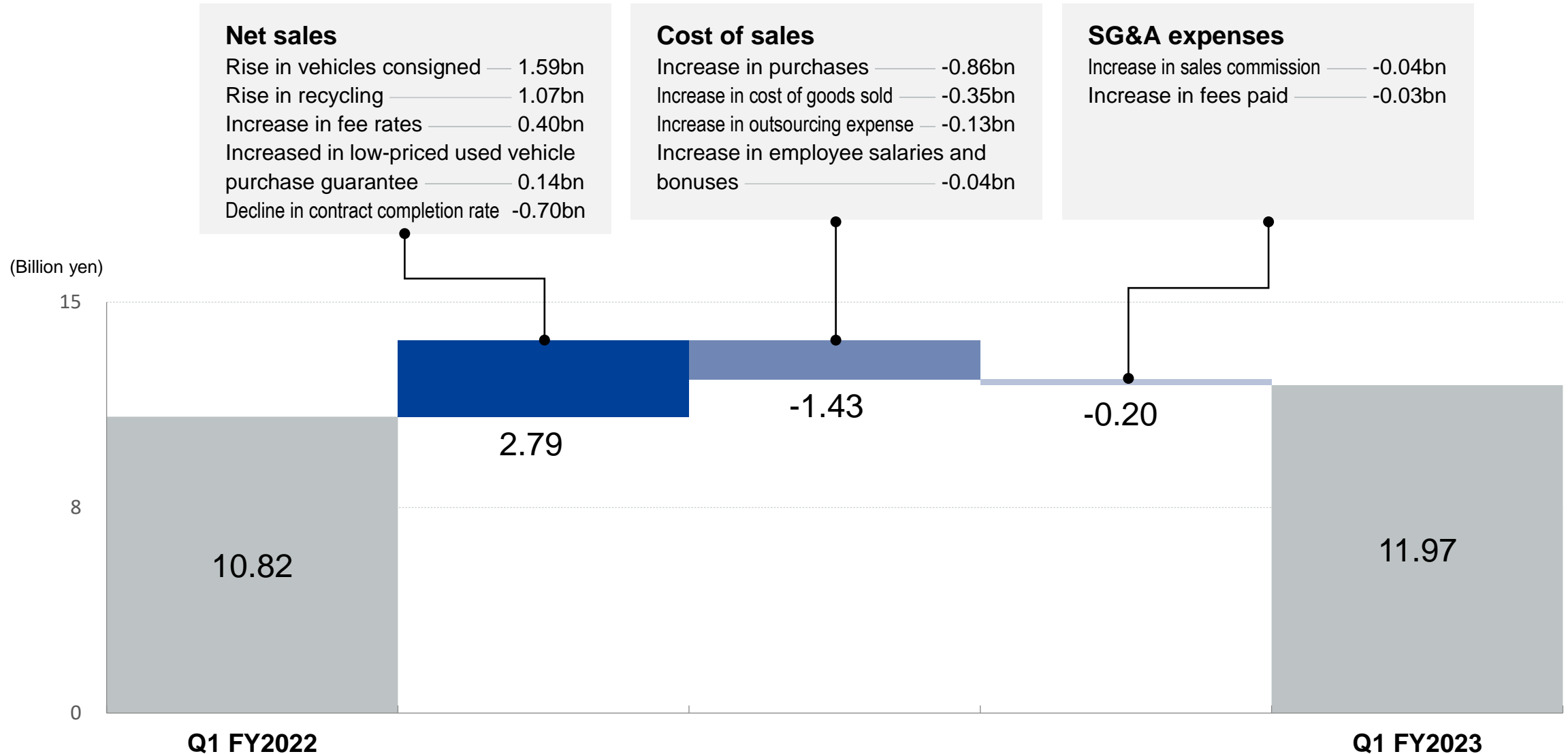
(Million yen)

Net sales	Q1 FY2021	Q1 FY2022	Q1 FY2023	Year on year
Auto auction	16,343	16,766	18,399	109.7%
Used vehicle purchasing and selling	2,110	2,302	2,366	102.8%
Recycling	1,892	2,041	3,116	152.6%
Other	24	25	47	183.3%
Total	20,370	21,136	23,929	113.2%
Operating profit (operating margin)	Q1 FY2021	Q1 FY2022	Q1 FY2023	Year on year
Auto auction	10,267 (62.5%)	10,462 (62.1%)	11,477 (62.1%)	109.7%
Used vehicle purchasing and selling	18 (0.9%)	12 (0.5%)	6 (0.3%)	54.4%
Recycling	340 (18.0%)	321 (15.8%)	505 (16.2%)	157.1%
Other	17 (70.2%)	19 (76.3%)	-24 (-)	-
Adjustment	4 (-)	4 (-)	6 (-)	133.7%
Total	10,648 (52.3%)	10,820 (51.2%)	11,971 (50.0%)	110.6%

*1 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.

*2 Beginning with Q2 FY2022, the recycle business, which was previously included in "other," is a reportable segment. Figures for "recycling" and "other" have been revised to conform with this change.

Q1 FY2023 Reasons for Change in Operating Profit (Actual)



Consolidated Balance Sheets and Statements of Cash Flows

- Increase in purchase of property, plant and equipment and purchase of intangible assets were the primary uses of cash for investing activities.
- The primary use of cash in financing activities was purchase of treasury shares and dividends paid.
- Equity ratio : 77.3%

Consolidated balance sheets (summary)

(Million yen)

	FY22	End of Q1 FY23		FY22	End of Q1 FY23
Current assets	116,057	106,057	Current liabilities	39,273	40,598
Cash and deposits	92,692	79,426	Payables due to member dealers at auction	22,595	26,859
Other	23,365	26,631	Other	16,678	13,739
Non-current assets	126,295	125,485	Non-current liabilities	8,925	8,885
Property, plant and equipment	100,604	100,253	Total liabilities	48,198	49,484
Other	25,690	25,231	Total net assets	194,154	182,058
Total assets	242,352	231,542	Total liabilities and net assets	242,352	231,542

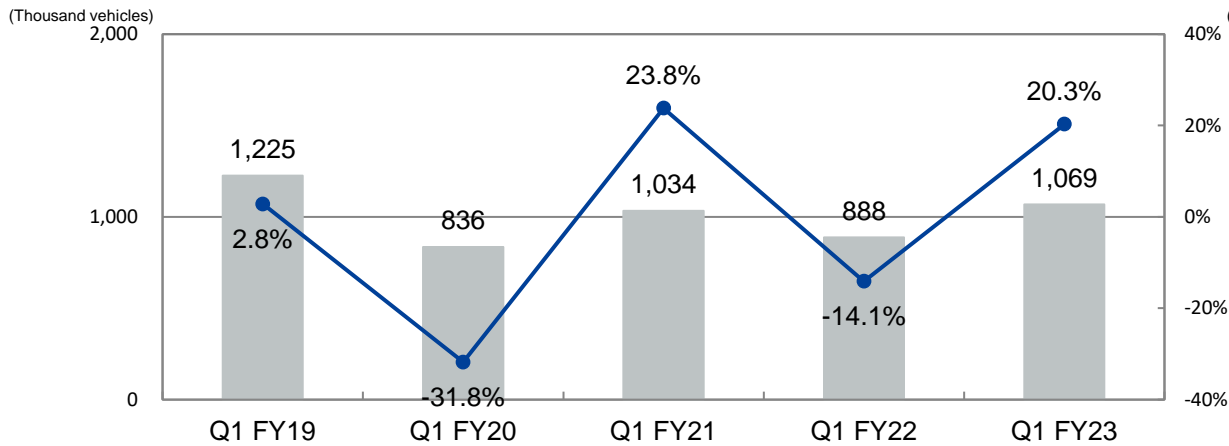
Consolidated statements of cash flows (summary)

(Million yen)

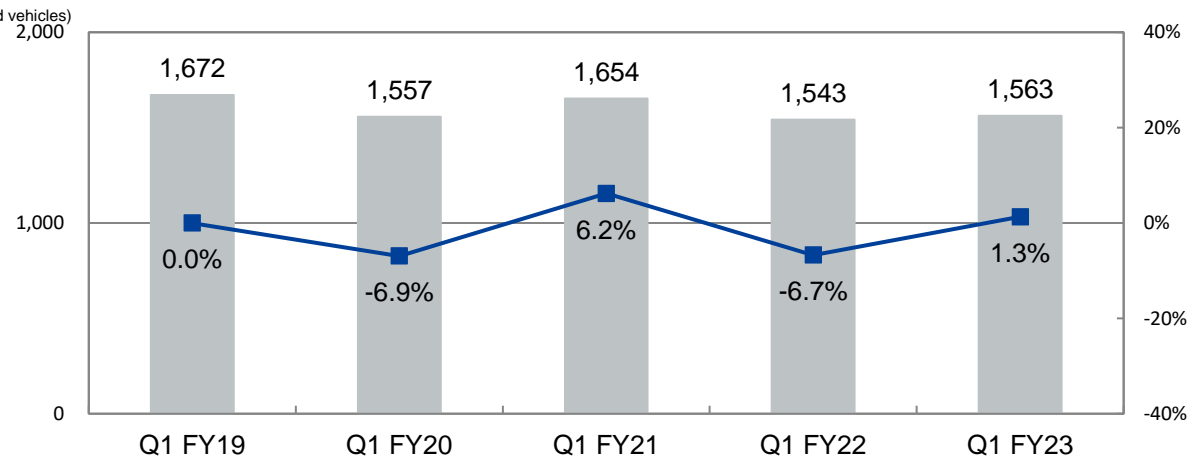
	Q1 FY21	Q1 FY22	Q1 FY23	Changes
Net cash provided by (used in) operating activities	2,529	3,304	7,210	3,905
Net cash provided by (used in) investing activities	-559	-2,599	-669	1,929
Free cash flow	1,969	705	6,540	5,835
Net cash provided by (used in) financing activities	-6,158	-9,380	-19,806	-10,425
Capital expenditures (Terms of cash flows)	562	599	668	68
Depreciation	1,219	1,116	1,100	-16

Automobile Market

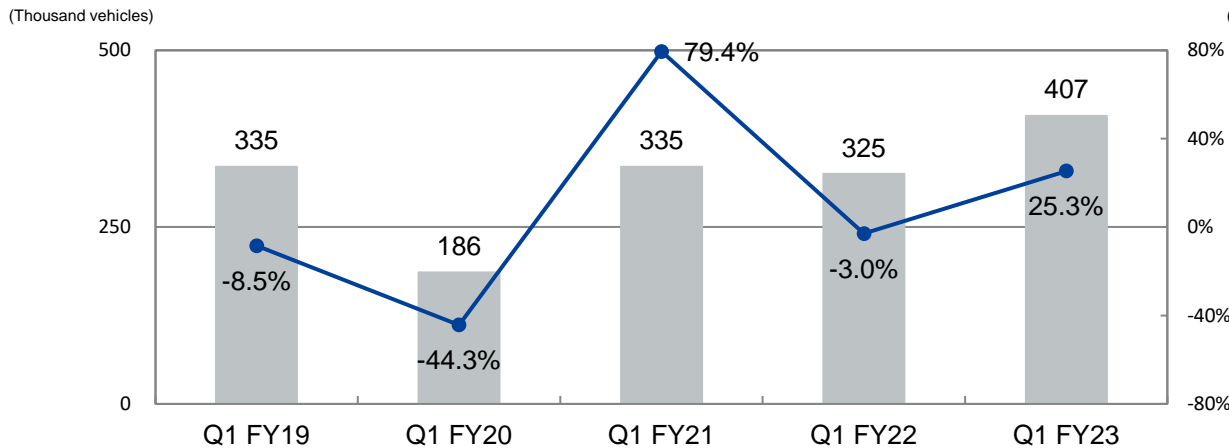
New car registrations and YoY changes



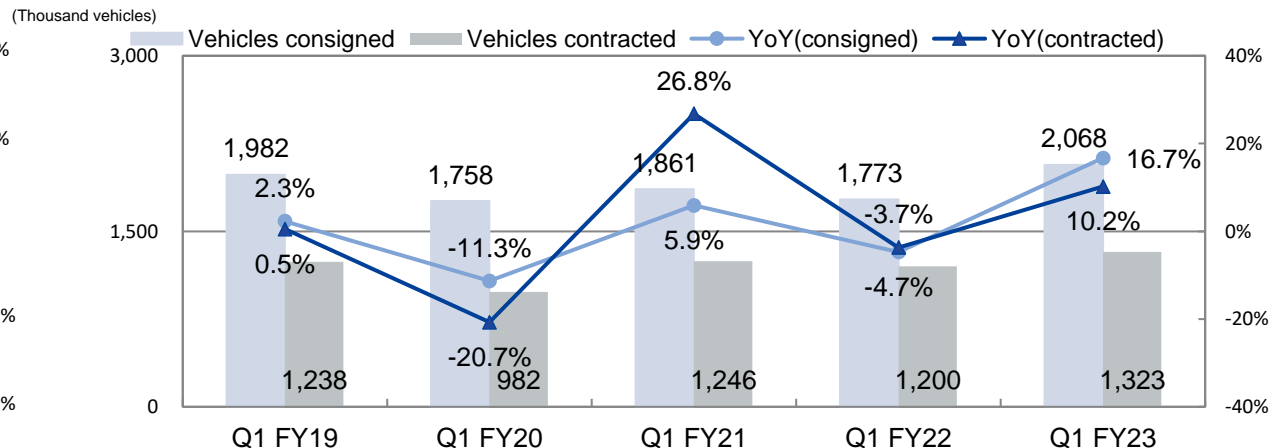
Used car registrations and YoY changes



Used car exports and YoY changes



AA market: vehicles consigned and contracted and YoY changes



* Vehicles consigned and contracted in Q1 FY21 have been revised to reflect revisions to data announced by USED CAR Co., Ltd.

Auto Auction Segment (1) Overview

- Sales and earnings increased mainly due to increase in number of vehicles consigned and contracted and increase in fee income from higher auction fees.

No. of vehicles consigned
794 thousand
up 11.7% YoY

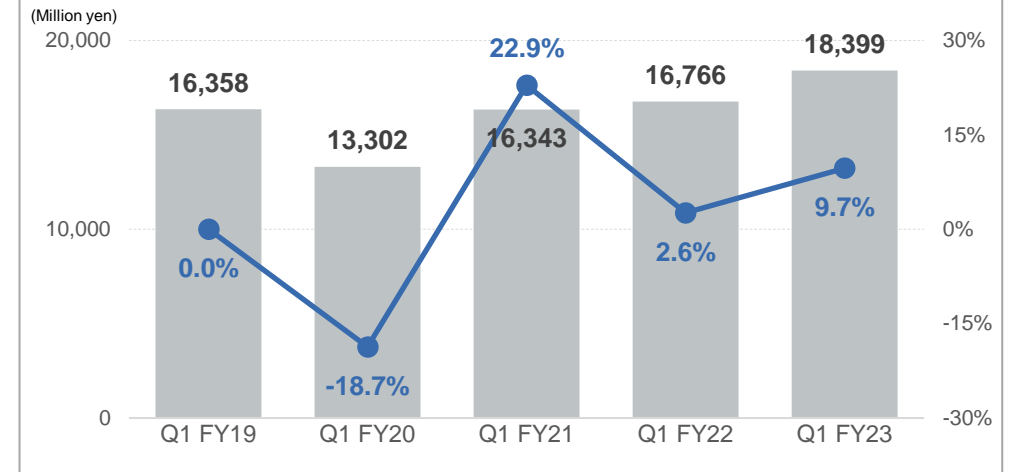
No. of contract completions
475 thousand
up 4.4% YoY

Contract completion rate
59.8%
64.0% (in Q1 FY22)

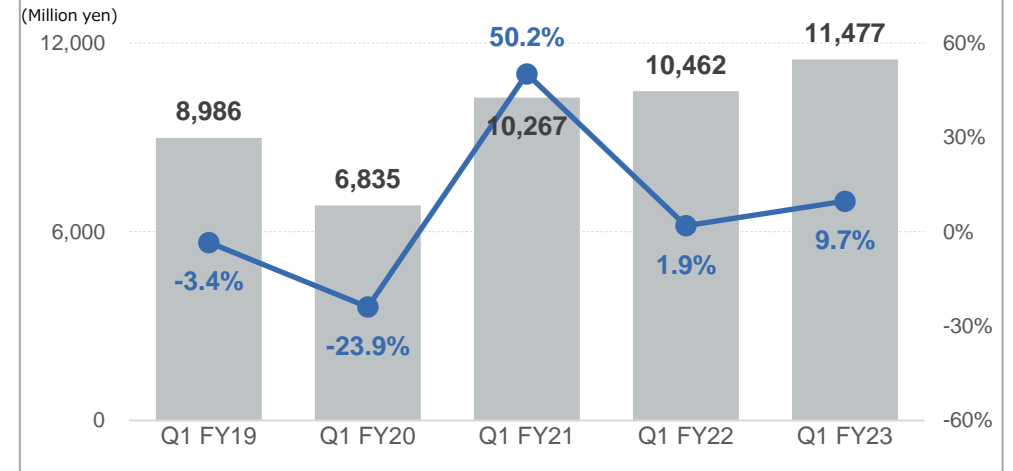
Auto auction segment performance in Q1

	Q1 FY21	Q1 FY22	Q1 FY23	Year on year
Net sales	16,343	16,766	18,399	109.7%
Consignment fees	3,908	3,935	4,440	112.8%
Contract completion fees	3,780	3,811	4,138	108.6%
Successful bid fees	5,817	5,863	6,331	108.0%
Other	2,836	3,155	3,488	110.6%
Operating profit	10,267	10,462	11,477	109.7%
Operating margin	62.5%	62.1%	62.1%	-

Net sales and YoY changes



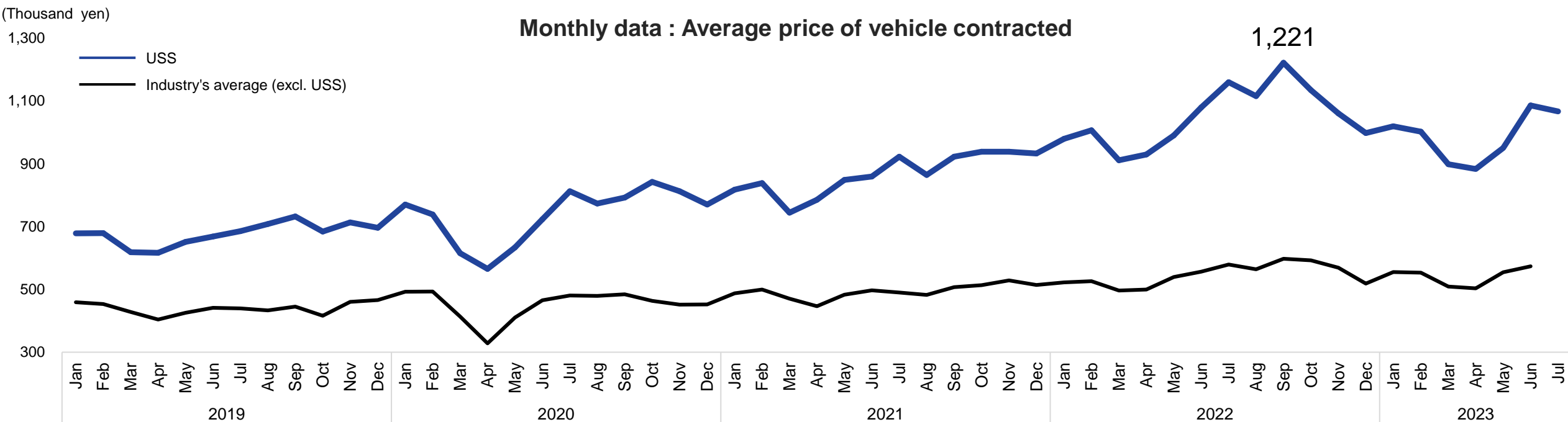
Operating profit and YoY changes



* 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) Average Price of Vehicle Contracted

- Lower supply of new cars because of shortage of auto parts → Decline in trade-in vehicles
→ Decline in the number of used cars on the market → Tight supply-demand balance
→ Spike in auction prices
- The average price of vehicles contracted remains high, although it has been declining since the September 2022 peak.

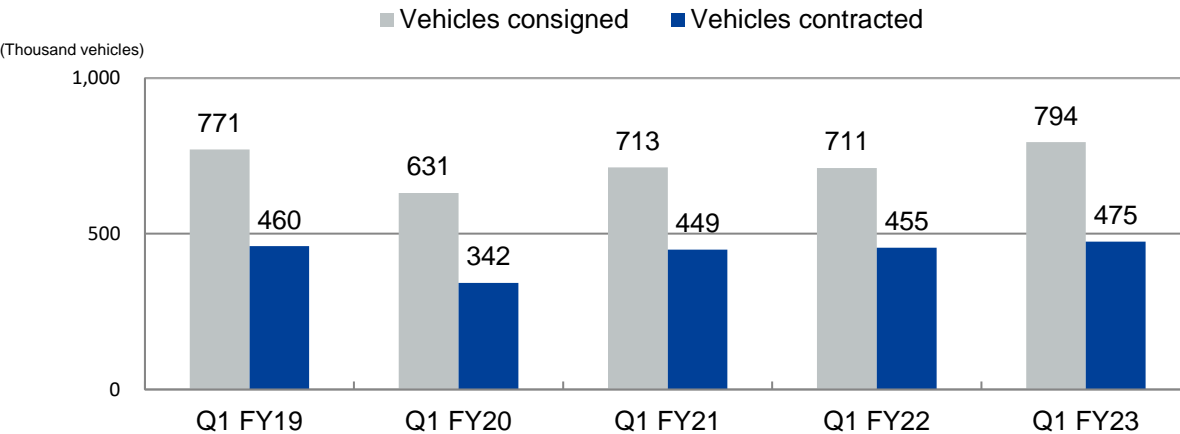


* In auto auctions in Japan, notwithstanding the vehicle contract price, consignment fees, contract completion fees and successful bid fees are fixed for each category. Therefore, commission does not fluctuate with the amount of the contracted price of a vehicle.

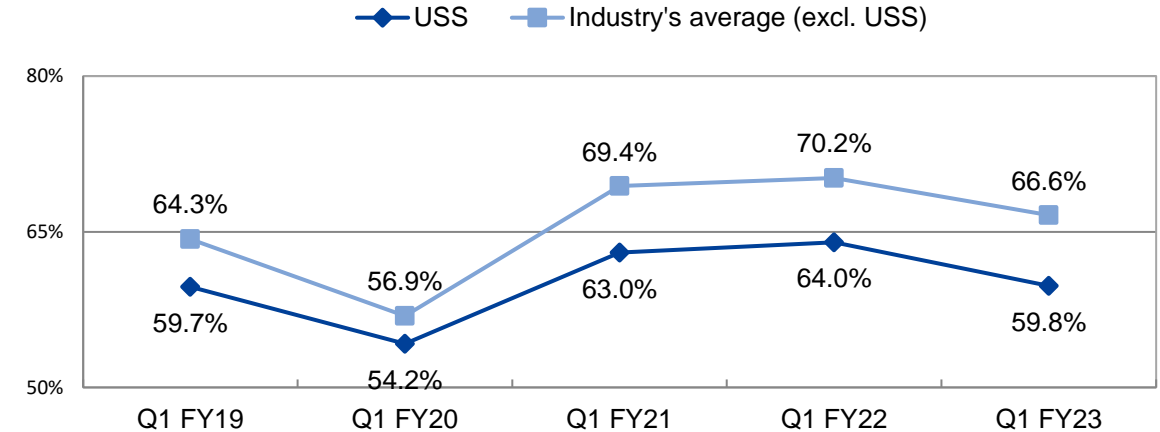
Auto Auction Segment (3)

No. of Vehicles Consigned and Contracted, etc.

No. of vehicles consigned and contracted

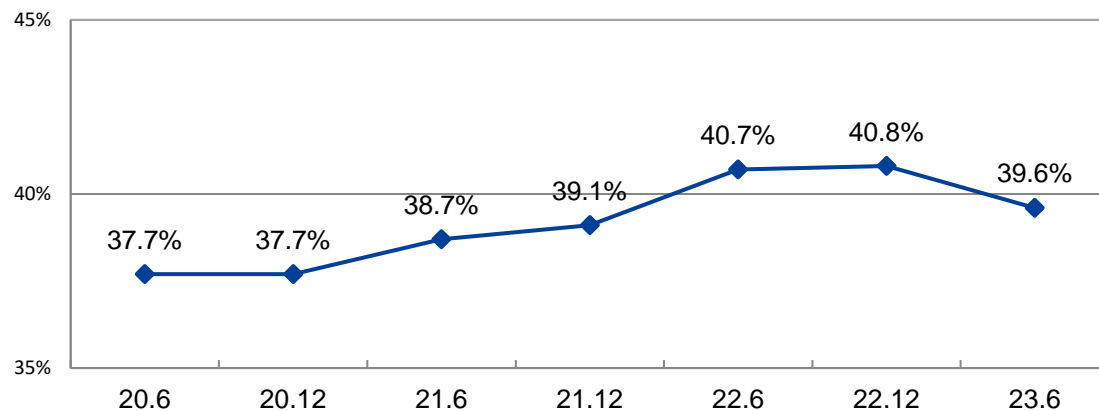


Contract completion rate



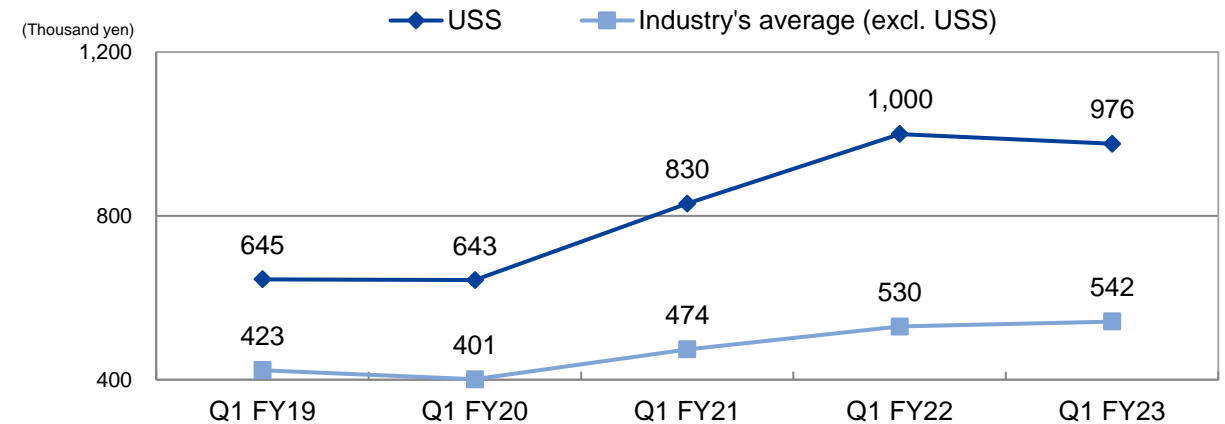
* The figure for "Industry's average (excl. USS)" in Q1 FY21 has been revised to reflect revisions to data announced by USED CAR Co., Ltd.

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. * Market share in Dec. 2021 and Jun. 2022 have been revised to reflect revisions to data announced by USED CAR Co., Ltd.

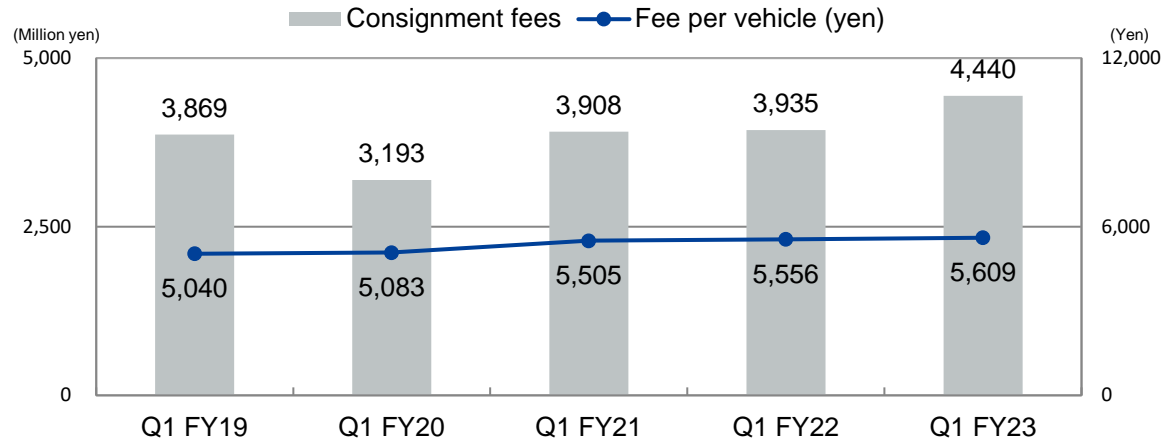
Average price of vehicle contracted



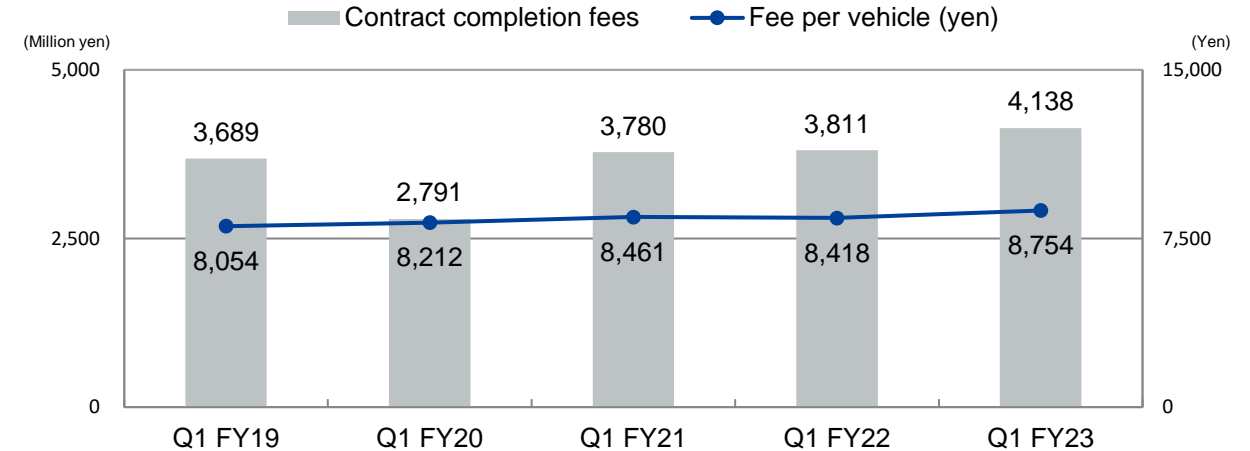
* The figure for "Industry's average (excl. USS)" in Q1 FY21 has been revised to reflect revisions to data announced by USED CAR Co., Ltd.

Auto Auction Segment (4) Fees, etc.

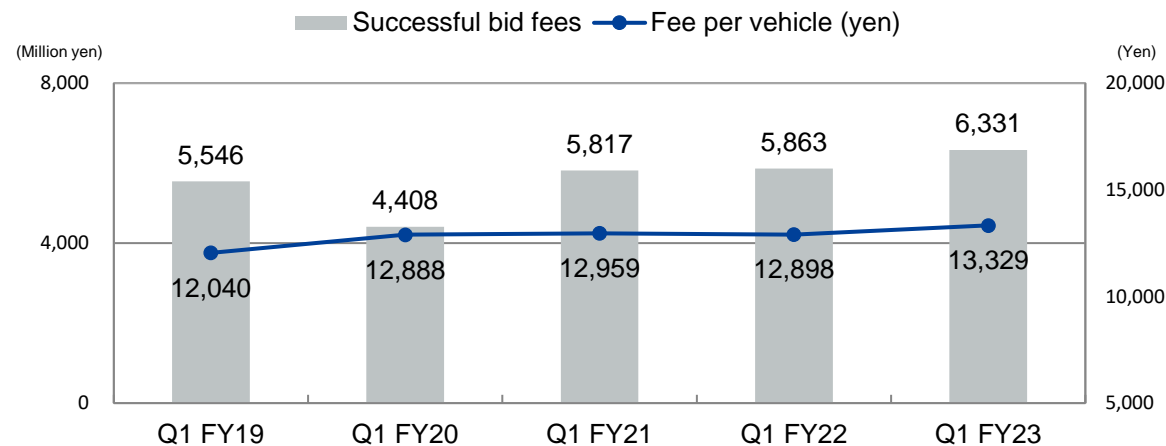
Total consignment fees and consignment fee per vehicle



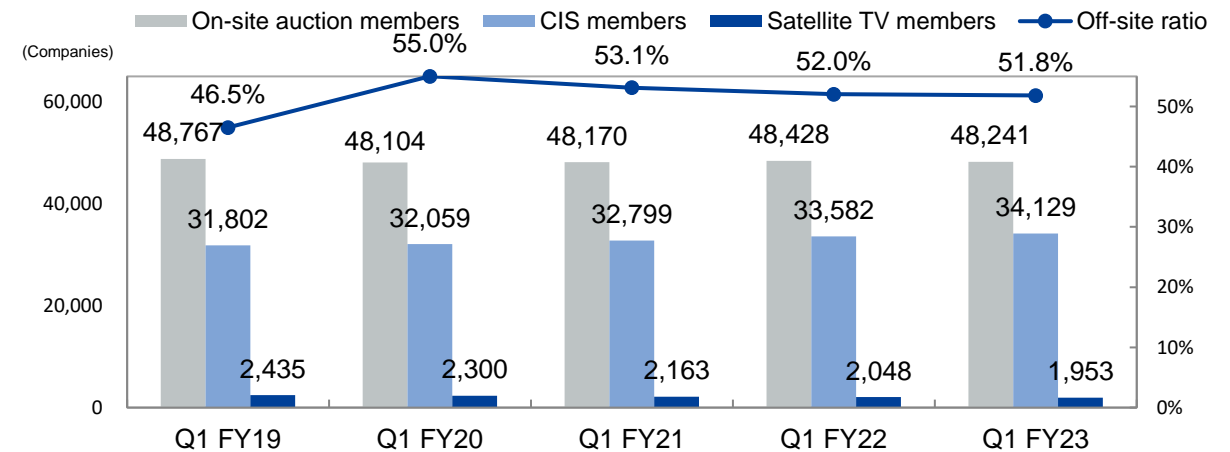
Total contract completion fees and contract completion fee per vehicle



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 FY2019.

Used Vehicle Purchasing and Selling Segment

In the Rabbit used vehicle purchasing business, sales and earnings were higher because of the larger number of vehicles sold.

Net sales **¥1,443** million
(up 8.2% YoY)

Operating profit **¥32** million
(up 2.7% YoY)

In the accident-damaged vehicle purchasing and selling business, the number of vehicles sold increased but there was an operating loss because of a downturn in selling prices of these vehicles at auctions.

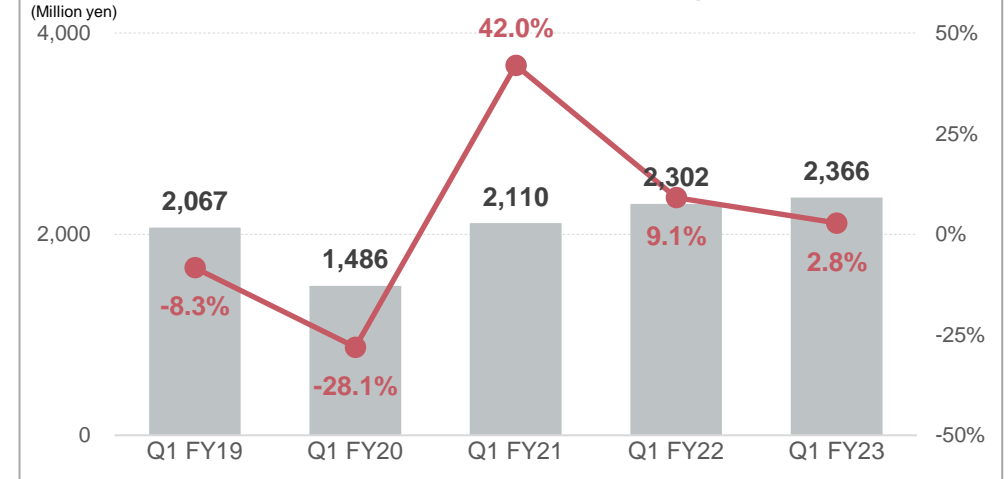
Net sales **¥922** million
(down 4.7% YoY)

Operating loss **¥26** million
(Operating loss ¥19 million in Q1 FY22)

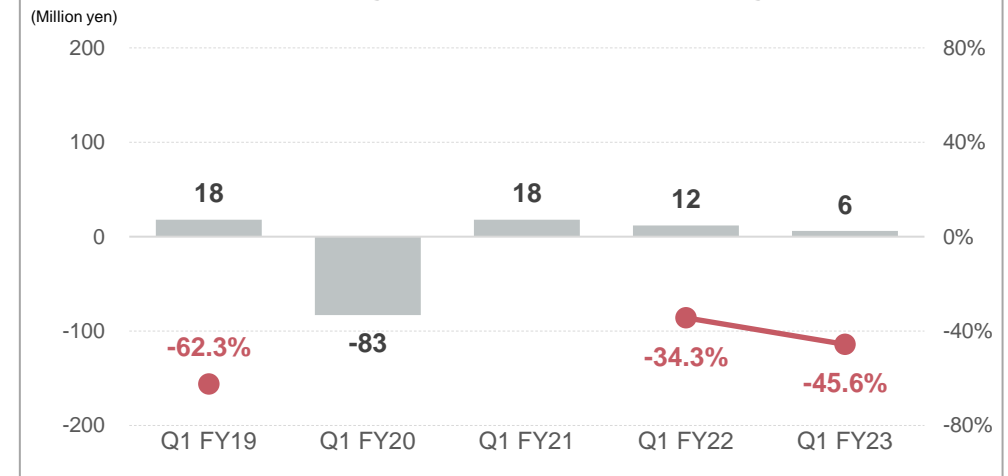
Used vehicle purchasing and selling segment performance in Q1

	Q1 FY21	Q1 FY22	Q1 FY23	Year on year
Net sales	2,110	2,302	2,366	102.8%
Operating profit	18	12	6	54.4%
Operating margin	0.9%	0.5%	0.3%	-

Net sales and YoY changes



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.

Recycling Segment

In the recycling segment, sales and earnings were down because of a lower volume of scrap metal handled and lower prices for recycled materials than in Q1 FY22.

Net sales **¥1,308** million
(down 11.8% YoY)

Operating profit **¥127** million
(down 46.4% YoY)

In the industrial plant recycle business, sales and earnings increased because of the larger number of orders for large demolition projects.

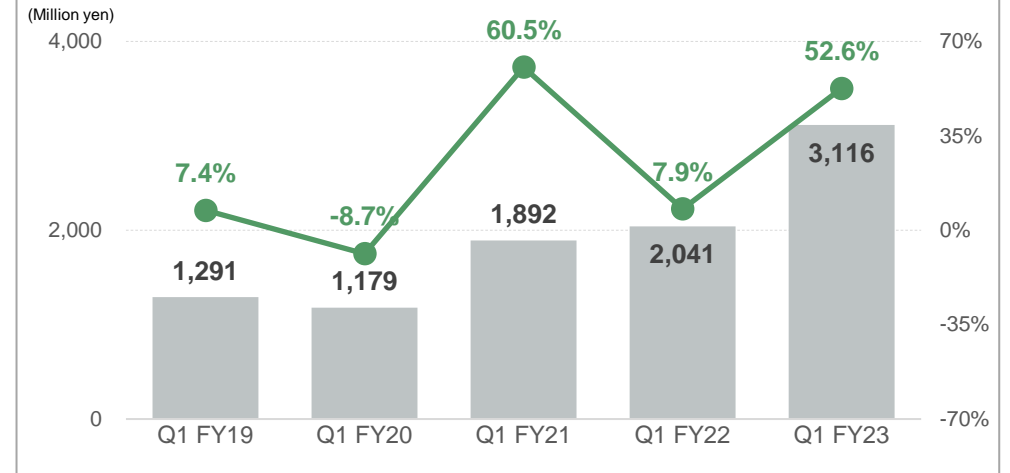
Net sales **¥1,808** million
(up 224.1% YoY)

Operating profit **¥378** million
(up 346.5% YoY)

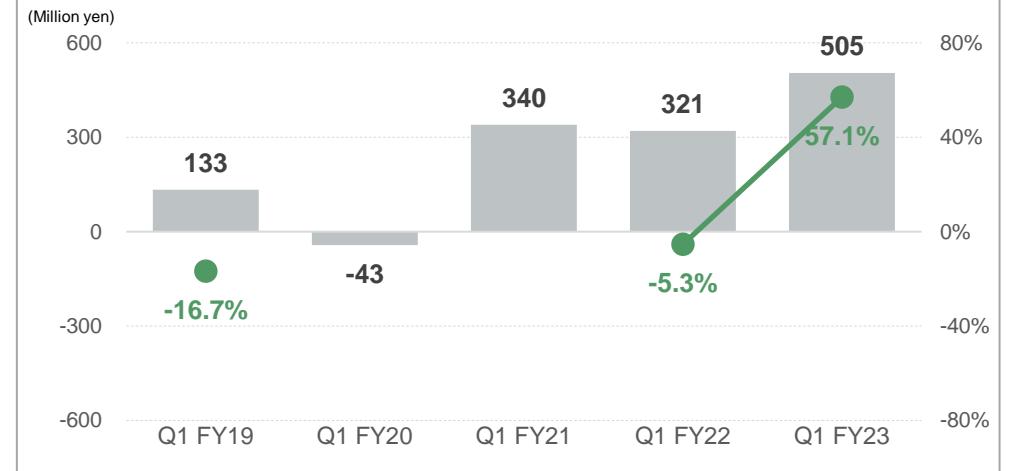
Recycling segment performance in Q1

	Q1 FY21	Q1 FY22	Q1 FY23	Year on year
Net sales	1,892	2,041	3,116	152.6%
Operating profit	340	321	505	157.1%
Operating margin	18.0%	15.8%	16.2%	-

Net sales and YoY changes



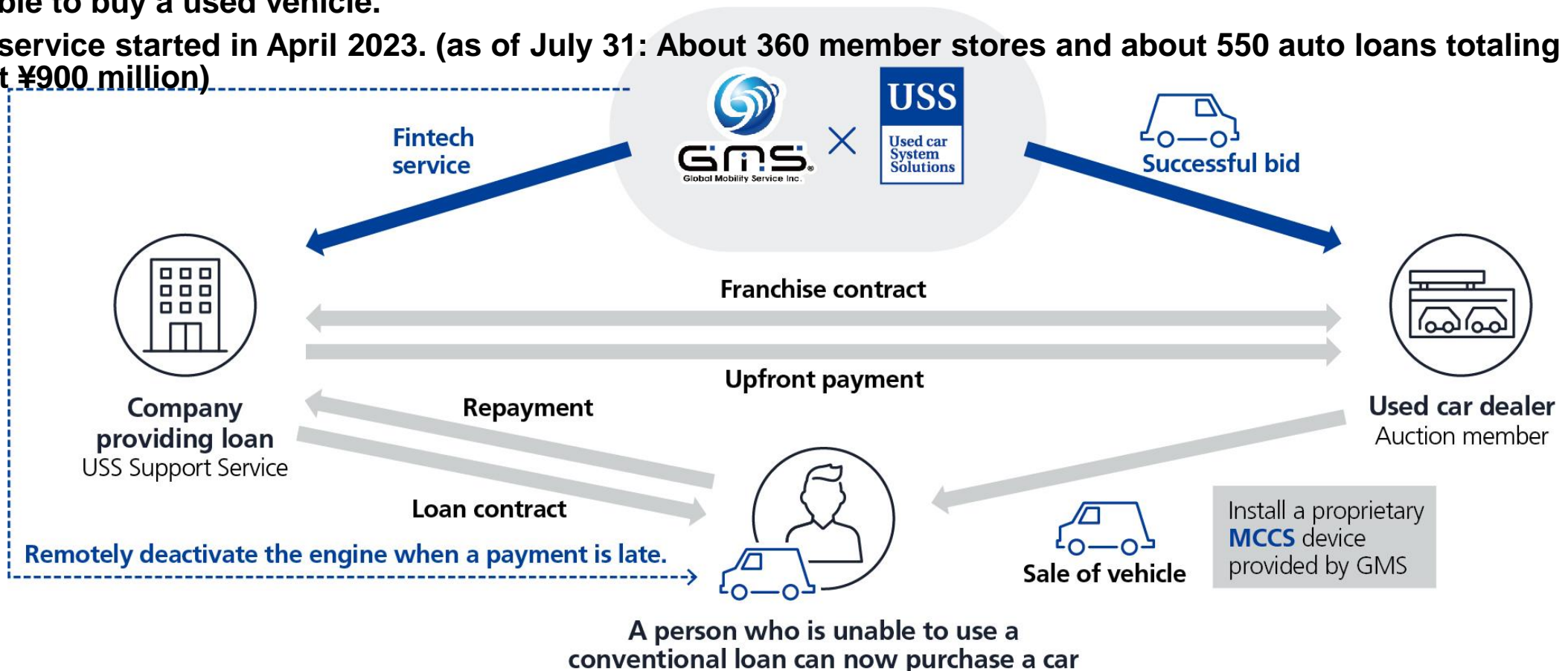
Operating profit and YoY changes



* 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.

TOPICS A New Automobile Loan Product Using a Tie-up with GMS

- USS established an equity and business alliance with Global Mobility Service, which is a provider of a diverse lineup of fintech services.
- The launch of this new automobile loan will enable people who previously were unable to obtain a loan for a variety of reasons to finally own a vehicle.
- This loan is expected to raise activity in the automobile auction market by increasing the number of people who are able to buy a used vehicle.
- This service started in April 2023. (as of July 31: About 360 member stores and about 550 auto loans totaling about ¥900 million)



FY2023
Consolidated Forecast

FY2023 Consolidated Forecast

■ No revisions to the FY2023 forecast announced May 9, 2023

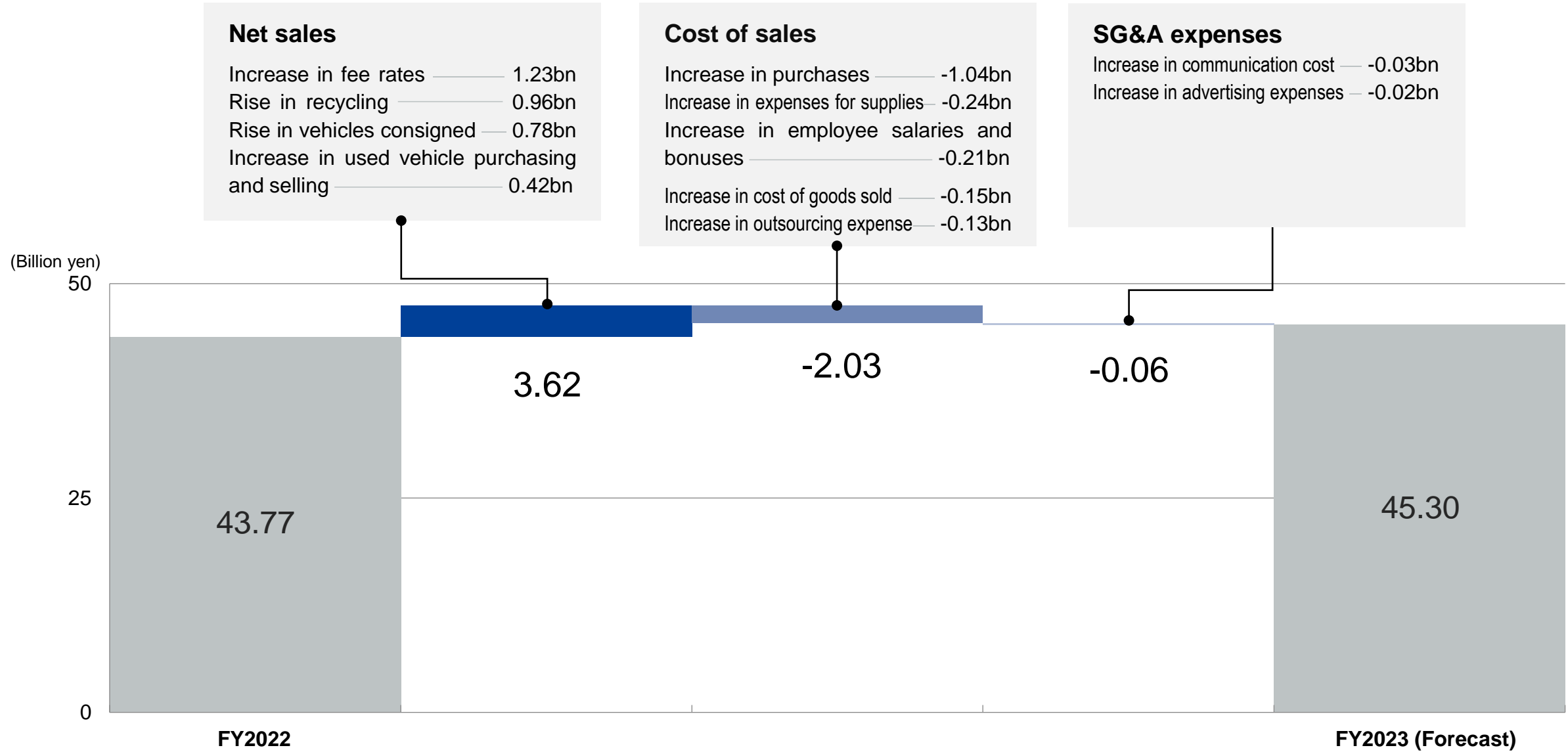
(Million yen)

	FY21 (Actual)	FY22 (Actual)	FY23 (Forecast)	VS. previous year
Net sales	81,482	88,778	92,400	104.1%
Gross profit (Per sales)	50,772 (62.3%)	53,642 (60.4%)	55,230 (59.8%)	103.0%
Operating profit (Per sales)	41,574 (51.0%)	43,778 (49.3%)	45,300 (49.0%)	103.5%
Ordinary profit (Per sales)	42,374 (52.0%)	44,491 (50.1%)	46,000 (49.8%)	103.4%
Profit attributable to owners of parent (Per sales)	29,745 (36.5%)	30,008 (33.8%)	30,800 (33.3%)	102.6%
Profit per share (Yen)	119.80	122.69	127.92	104.3%
Capital expenditures (Terms of cash flows)	2,036	4,567	4,400	96.3%
Depreciation	4,959	4,626	4,701	101.6%

* Profit per share (FY2023) is restated to reflect the changes in treasury shares to the end of June 2023.

Auto Auction Business (excl. JBA)	FY21 (Actual)	FY22 (Actual)	FY23 (Forecast)	VS. previous year
No. of vehicles consigned (Thousands)	2,731	2,958	3,000	101.4%
No. of vehicles contracted (Thousands)	1,787	1,863	1,880	100.9%
Contract completion rate	65.4%	63.0%	62.7%	-

FY2023 Reasons for Change in Operating Profit (Forecast)



FY2023 Forecast by Business Segment

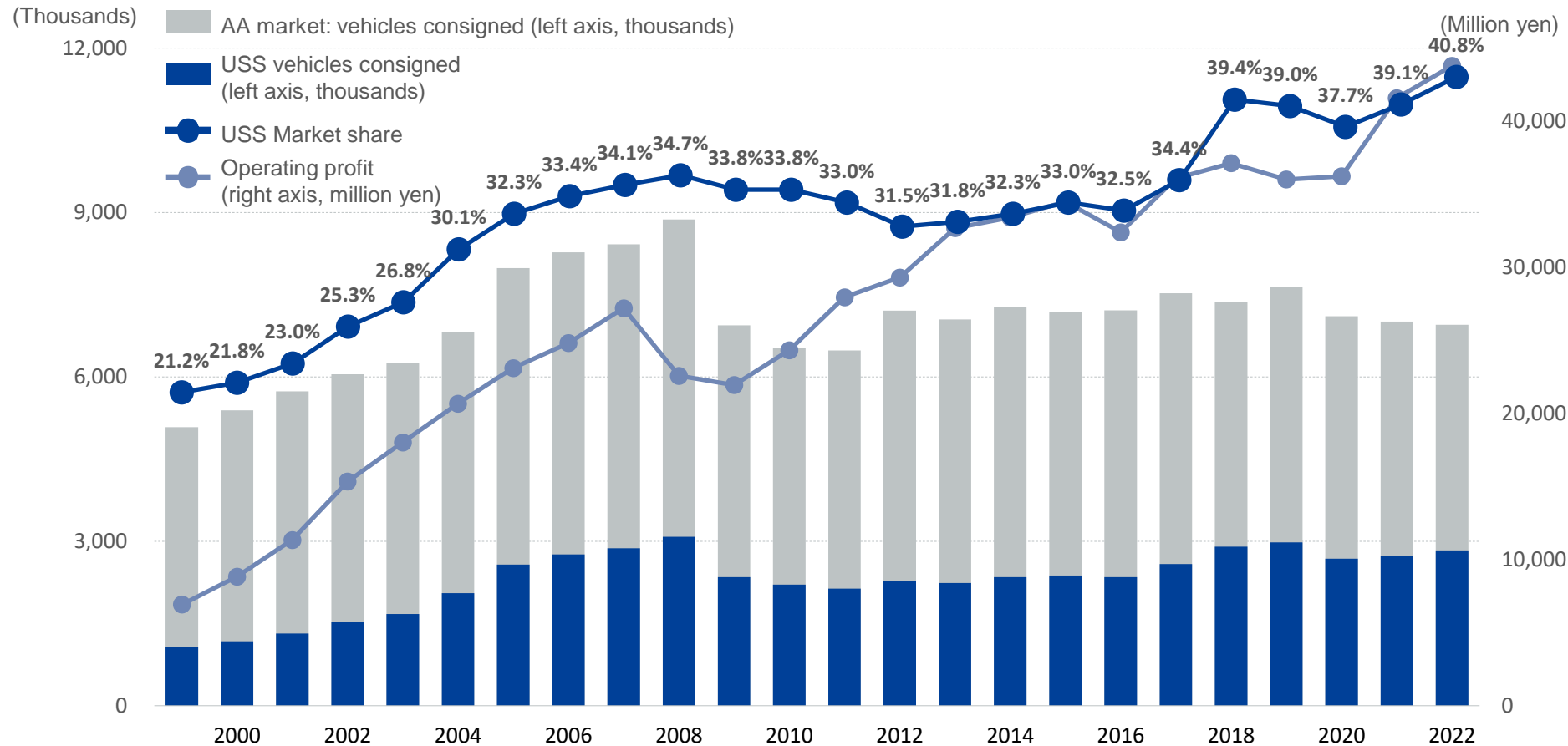
(Million yen)

	FY21 (Actual)	FY22 (Actual)	FY23 (Forecast)	VS. previous year
Net sales				
Auto auction	64,858	69,304	71,189	102.7%
Used vehicle purchasing and selling	9,300	10,391	10,820	104.1%
Recycling	7,238	8,982	9,952	110.8%
Other	85	99	438	440.3%
Total	81,482	88,778	92,400	104.1%
Operating profit (per sales)	41,574 (51.0%)	43,778 (49.3%)	45,300 (49.0%)	103.5%

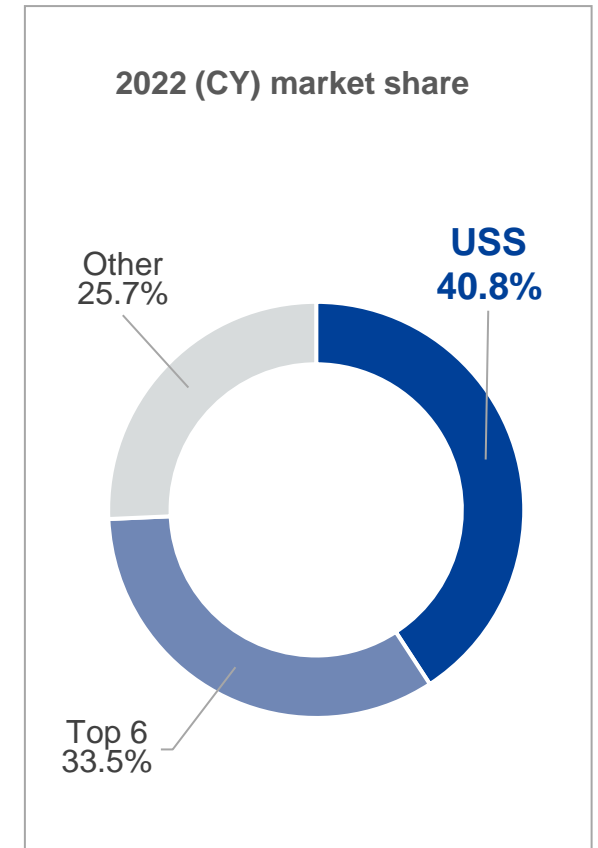
Market Overview and Strategy for Creating Value Over the Medium-term

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 goal is an even larger market share by using opportunities involving the growth of EV sales, emergence of self-driving vehicles and other changes

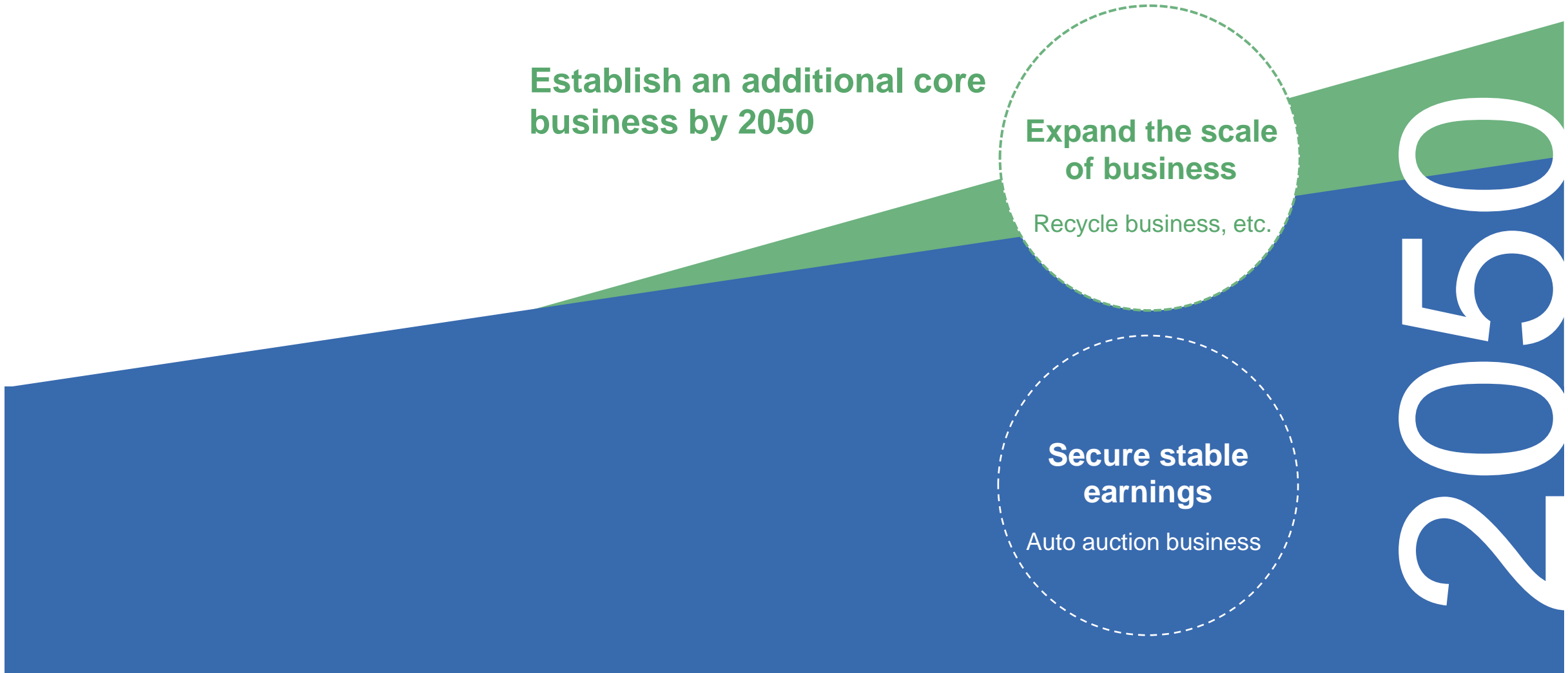


* Market share in 2021 has been revised to reflect revisions to data announced by USED CAR Co., Ltd.



Long-term Growth Vision

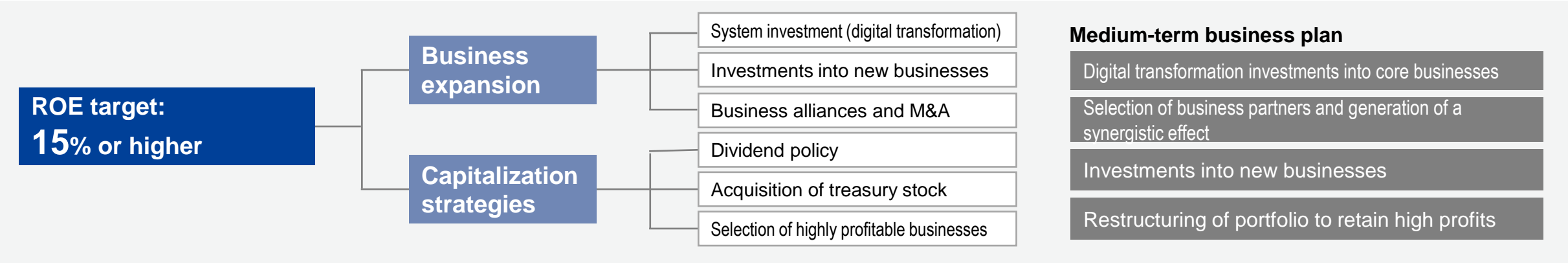
- Greater contributions to a circular economy and business expansion



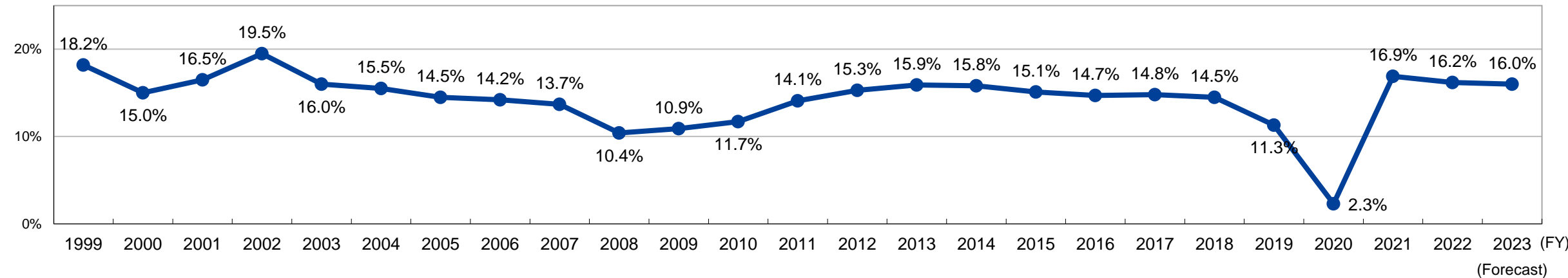
Medium-term Business Plan and Raising the ROE

■ The medium-term goal for the ROE is at least 15%.

Higher ROE and action in the medium-term business plan



ROE

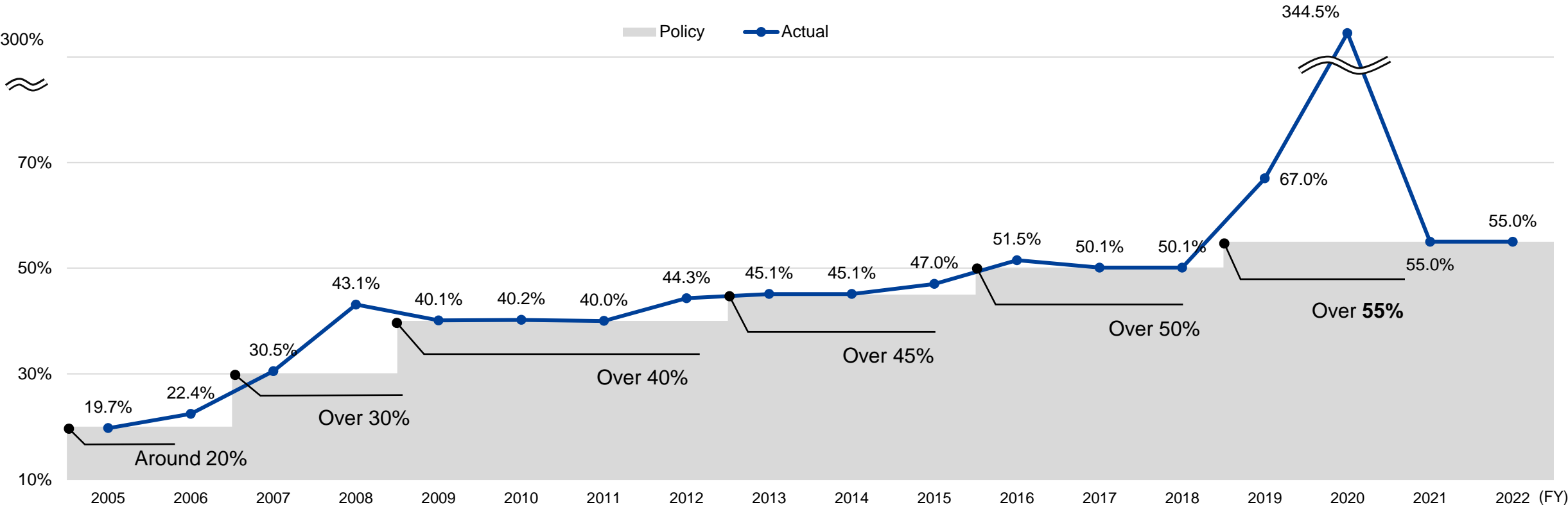


* ROE (FY2023) is restated to reflect the changes in treasury shares to the end of June 2023.

Basic Policy on Finance and Shareholder Distributions

- Increase shareholder distributions while continuing investment for growth
- Consolidated dividend payout ratio: Over 55% from FY2019

Consolidated dividend payout ratio

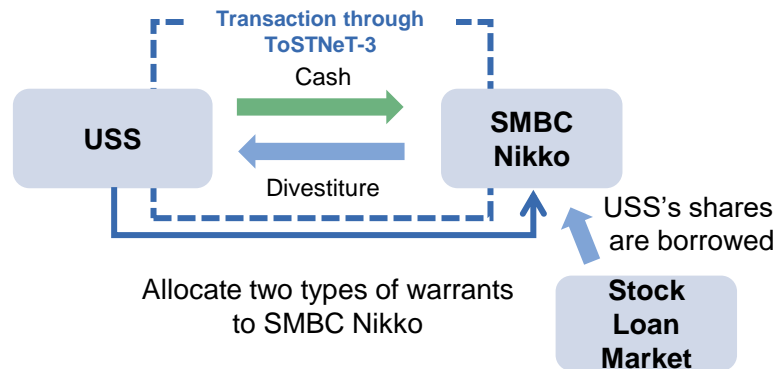


Share Repurchase (1)

- In order to further reinforce its commitment to shareholder returns, USS implemented a facility share repurchase by SMBC Nikko (Japanese ASR)
- On June 21, 2023, USS implemented the share repurchase and completed the repurchase of the anticipated number of shares, 5 million shares (approx. JPY 11.8 billion)
- 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

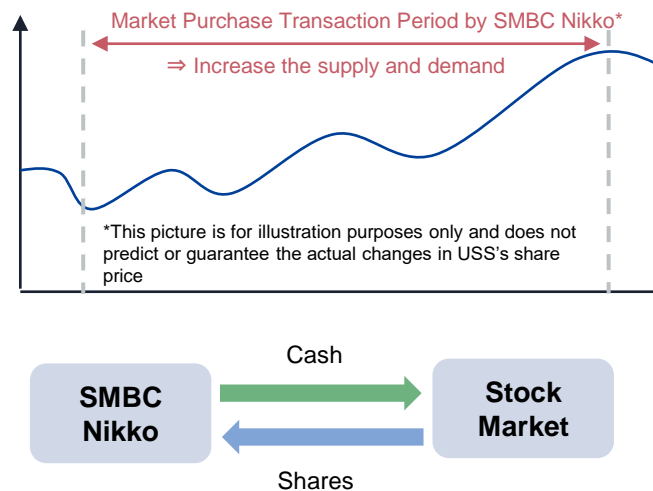
(1) Initial Transaction

- USS announces a share repurchase through ToSTNeT-3
- USS allocates two types of warrants to SMBC Nikko
- SMBC Nikko places a sell order of 5,000,000 shares (borrowed shares)
- USS completes the repurchase of 5,000,000 shares through ToSTNeT-3 (completion of the share repurchase)



(2) Market Purchase by SMBC Nikko

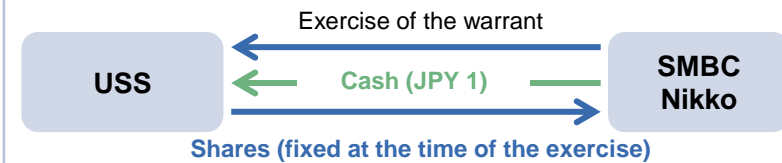
- SMBC Nikko repurchases USS's shares in the stock market within a certain period in order to return the number of shares it has borrowed
- The supply and demand of USS's shares are expected to increase as a result of the market purchase



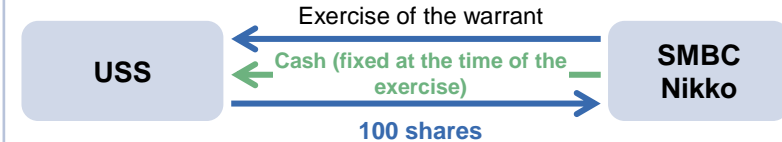
(3) Adjustment Transaction (Exercise of Warrant by SMBC Nikko)

- SMBC Nikko exercises either of warrants based on the share price movement during the exercise period (from September 22 to December 25, 2023)

When the share price Rises
(exercise of the warrant whose exercise price is fixed)



When the share price Falls
(exercise of the warrant whose number of shares issued is fixed)

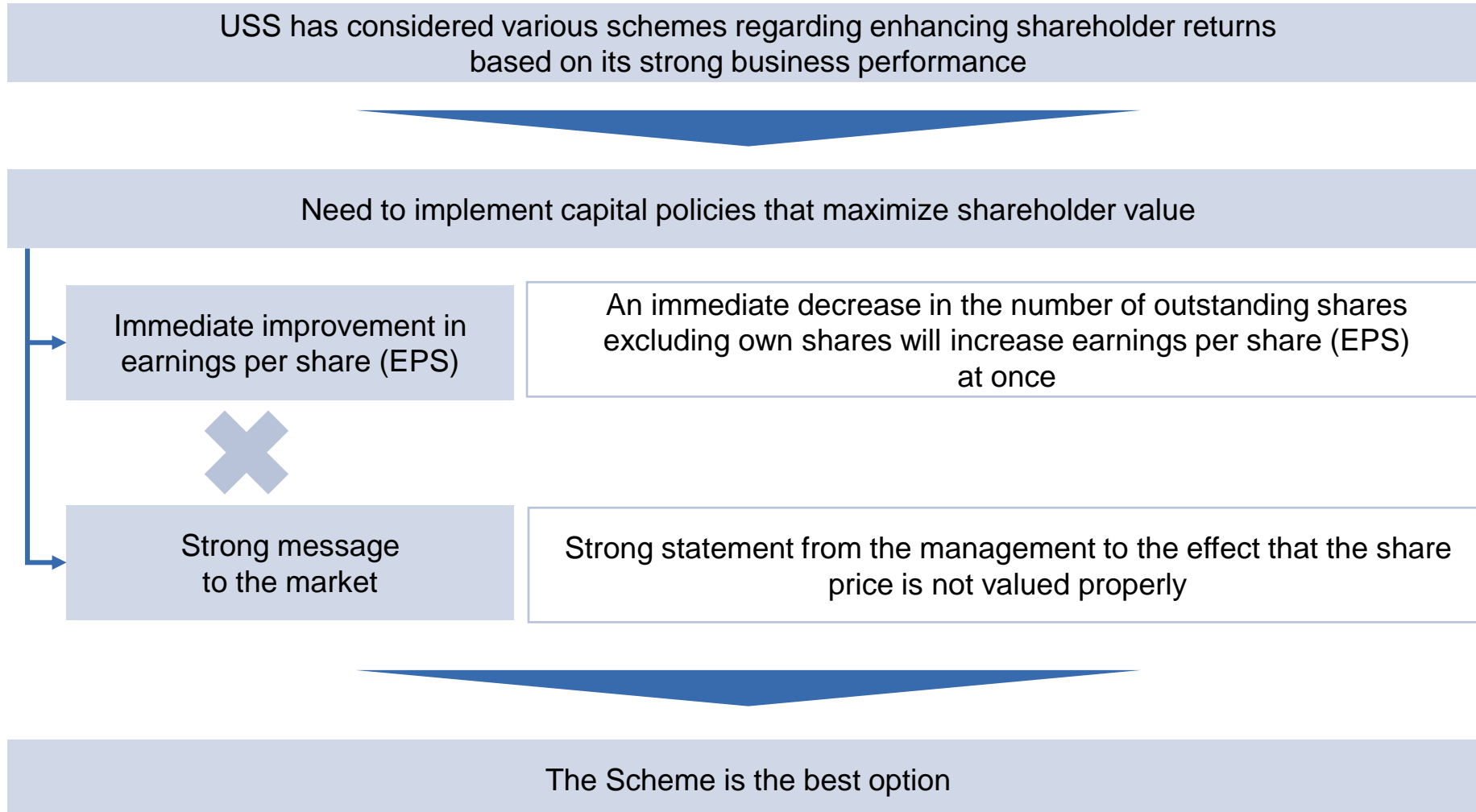


*For details of the share repurchase, please refer to the USS's IR information entitled "Notice regarding Share Repurchase through the Off-Auction Own Share Repurchase Trading (ToSTNeT-3) System (Share Repurchase through a Facility Share Repurchase (Japanese ASR))" dated June 20, 2023.

*The Market Purchase Transaction Period refers to the period from June 22, 2023 to the trading day prior to the exercise date of the warrant.

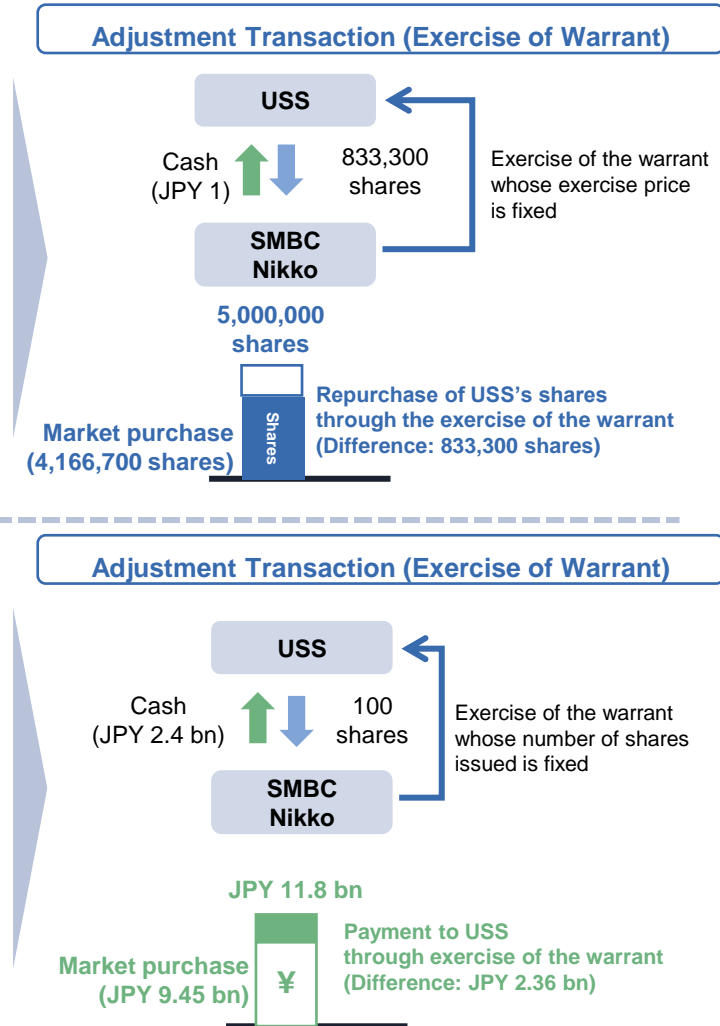
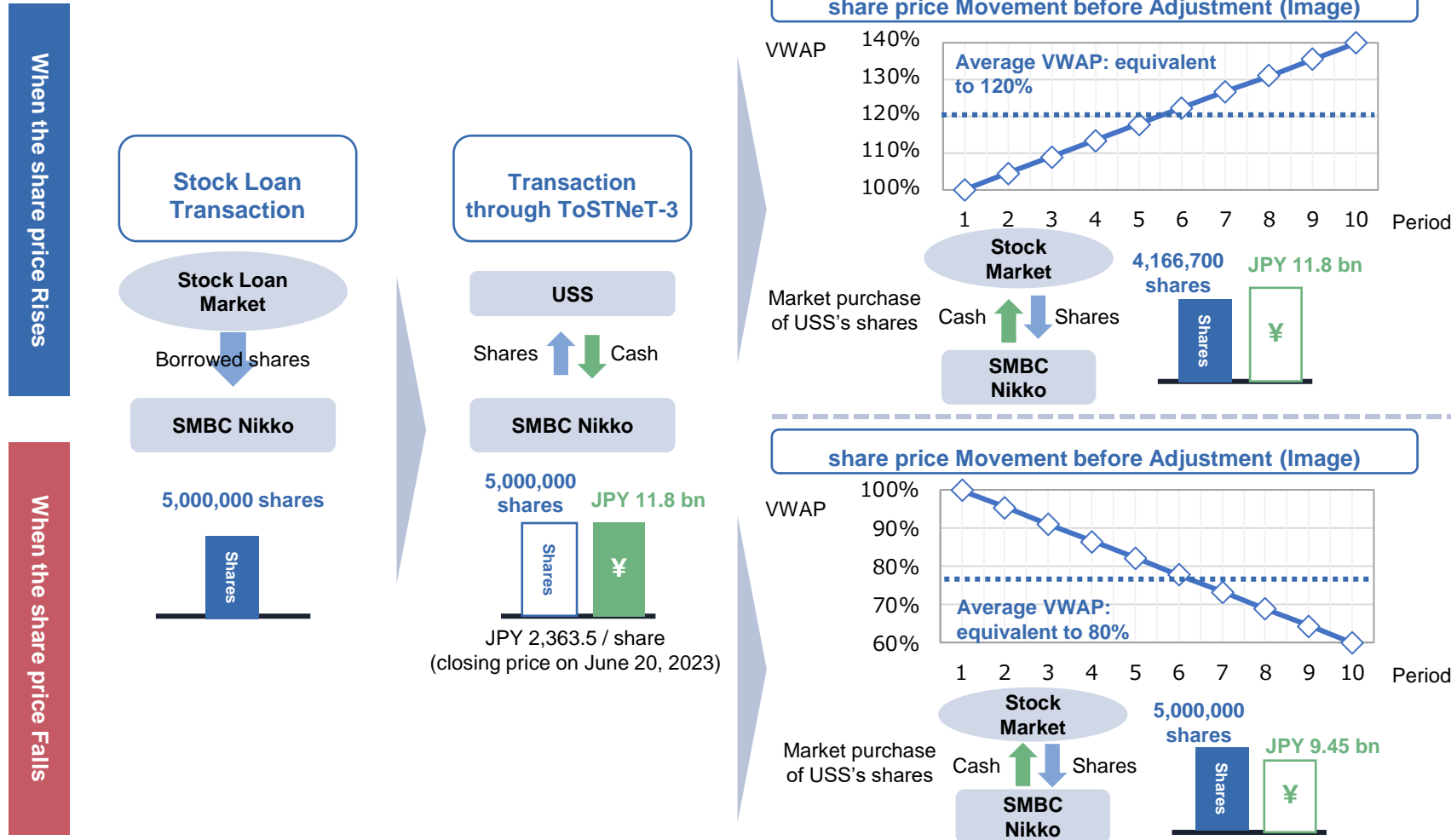
Share Repurchase (2)

■ Background to Adoption of the Scheme



Reference Information for Share Repurchase (1)

- The adjustment transaction using the warrants will generate the economic effects similar to those when repurchasing shares at the average VWAP during the post-adjustment period.



*The above is for the purpose of understanding the scheme and does not guarantee the actual changes in USS's share price and the details of the adjustment transaction.

*The average VWAP is calculated by multiplying the arithmetic average of the VWAP during the period by 99.90%, but the multiplication is not taken into account in the above case for simplicity.

Reference Information for Share Repurchase (2)

- The following shows the adjustment table depending on the share price movement.

	Deviation rate of average VWAP from per-share purchase price	Average VWAP(JPY)	Amount of share repurchase from SMBC Nikko (JPY million)	Number of share repurchase from SMBC Nikko	When the share price Rises		When the share price Falls	
					Number of shares purchased at average VWAP	Number of shares delivered	Amount of share repurchase at average VWAP (JPY million)	Exercise Price (JPY million)
When the share price Rises	20%	2,836.2	11,818	5,000,000	4,166,700	833,300		
	18%	2,788.9	11,818	5,000,000	4,237,300	762,700		
	16%	2,741.7	11,818	5,000,000	4,310,400	689,600		
	14%	2,694.4	11,818	5,000,000	4,386,000	614,000		
	12%	2,647.1	11,818	5,000,000	4,464,300	535,700		
	10%	2,599.9	11,818	5,000,000	4,545,500	454,500		
	8%	2,552.6	11,818	5,000,000	4,629,700	370,300		
	6%	2,505.3	11,818	5,000,000	4,717,000	283,000		
	4%	2,458.0	11,818	5,000,000	4,807,700	192,300		
	2%	2,410.8	11,818	5,000,000	4,902,000	98,000		
	0%	2,363.5	11,818	5,000,000	No exercise of warrants		No exercise of warrants	
When the share price Falls	-2%	2,316.2	11,818	5,000,000			11,581	236
	-4%	2,269.0	11,818	5,000,000			11,345	473
	-6%	2,221.7	11,818	5,000,000			11,108	709
	-8%	2,174.4	11,818	5,000,000			10,872	945
	-10%	2,127.2	11,818	5,000,000			10,636	1,182
	-12%	2,079.9	11,818	5,000,000			10,399	1,418
	-14%	2,032.6	11,818	5,000,000			10,163	1,654
	-16%	1,985.3	11,818	5,000,000			9,927	1,891
	-18%	1,938.1	11,818	5,000,000			9,690	2,127
	-20%	1,890.8	11,818	5,000,000			9,454	2,364

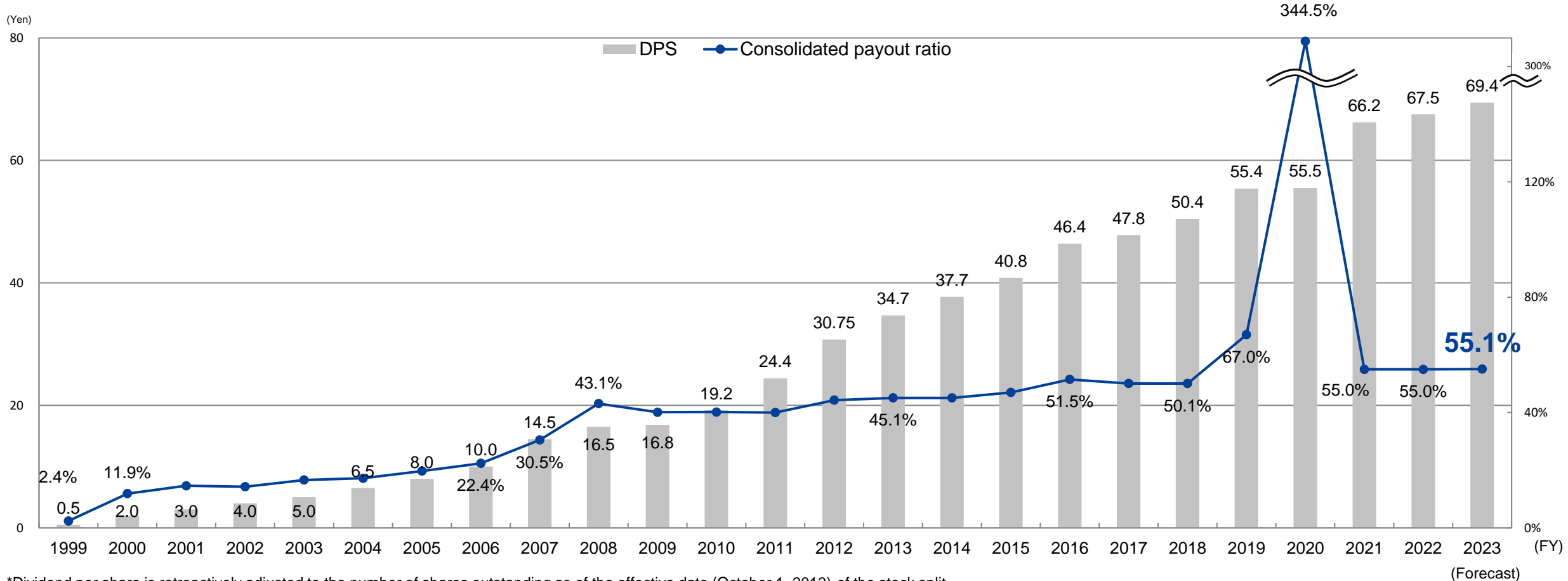
*The above is just an example of adjustment transaction and does not guarantee that the actual changes in USS's share price and the details of the adjustment transaction will fall within the above range.

*The average VWAP is calculated by multiplying the arithmetic average of the VWAP during the period by 99.90%.

*The amount of contribution at the time of the exercise of the warrant whose exercise amount is fixed (1 yen) and the number of shares at the time of the exercise of the warrant whose number of shares issued is fixed (100 shares) are not taken into account.

Earnings Distributions – Dividend Policy

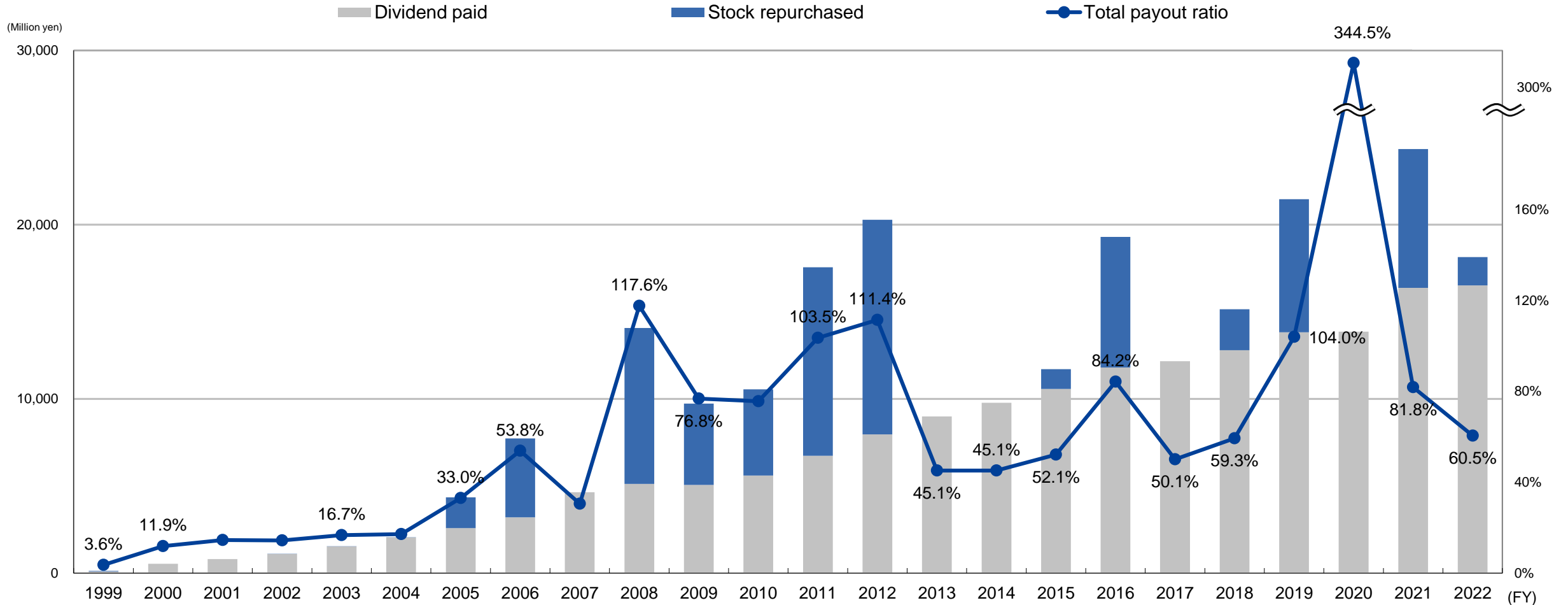
- Plan to pay 69.4 yen dividend per share for FY2023 (up 1.9 yen)
- Forecasting 24 consecutive years of dividend growth since listing



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

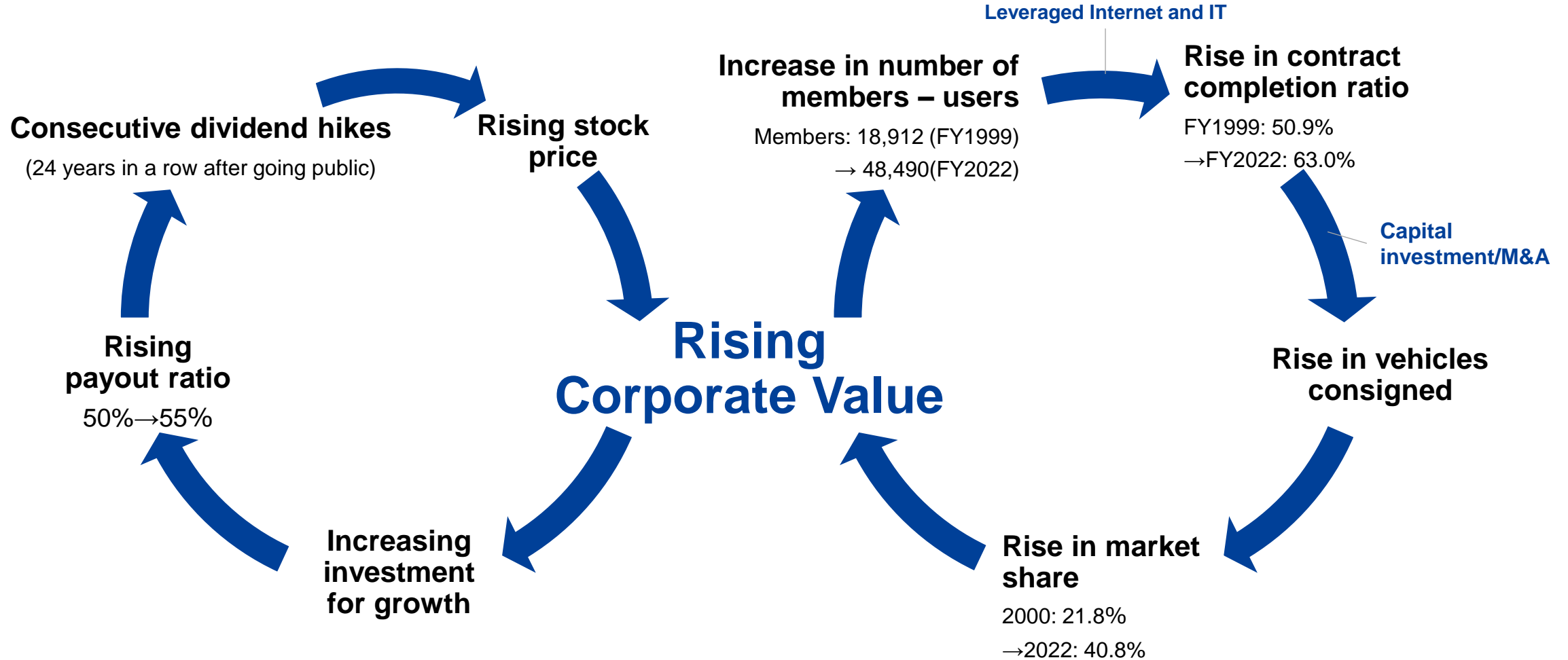
Earnings Distributions – Total Payout Ratio

- Flexible stock repurchases while maintaining stable dividend.



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



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

Business Models for USS

Vehicles consigned

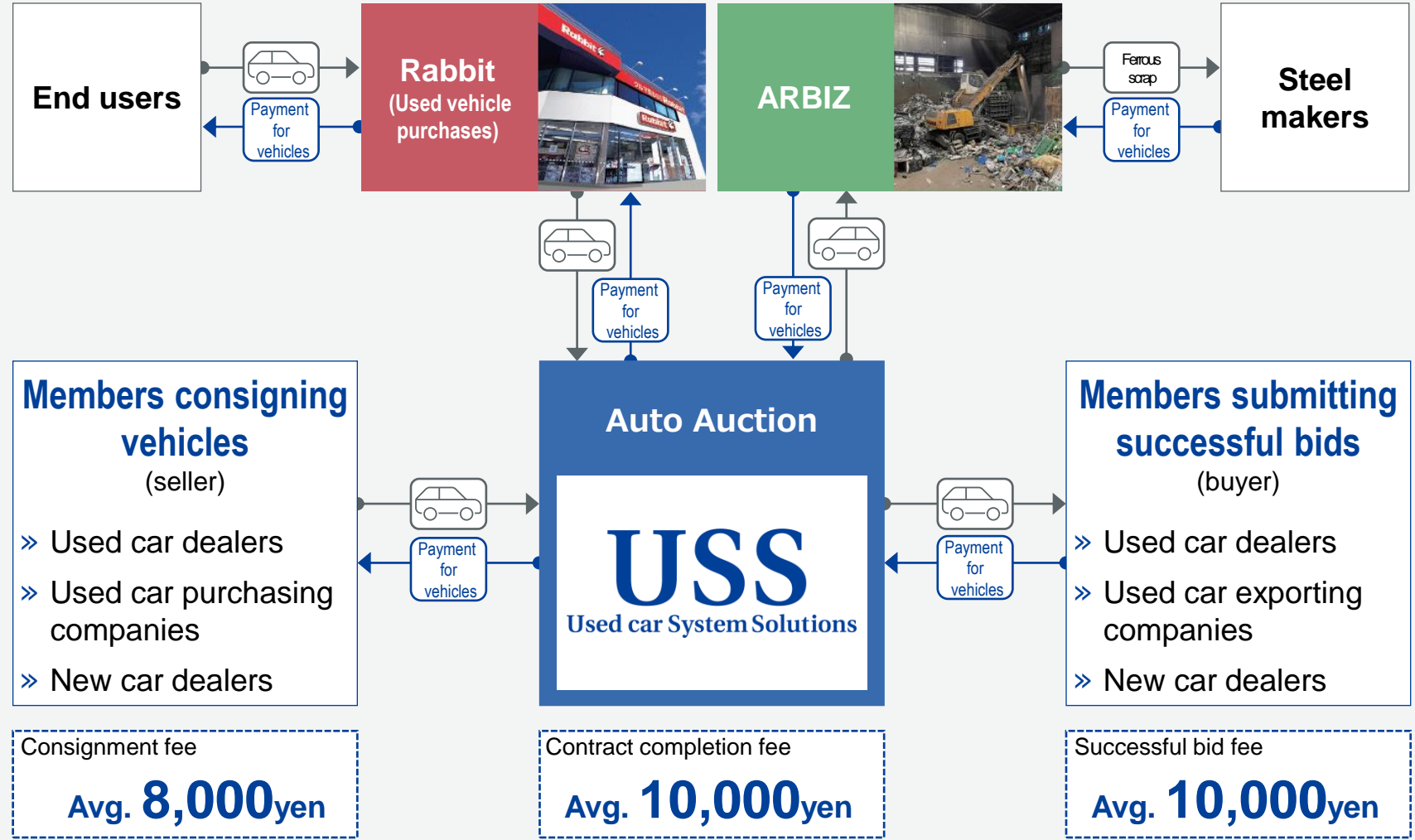
2.95 million
(FY2022)

USS's fee per unit

Avg. **28,000** yen

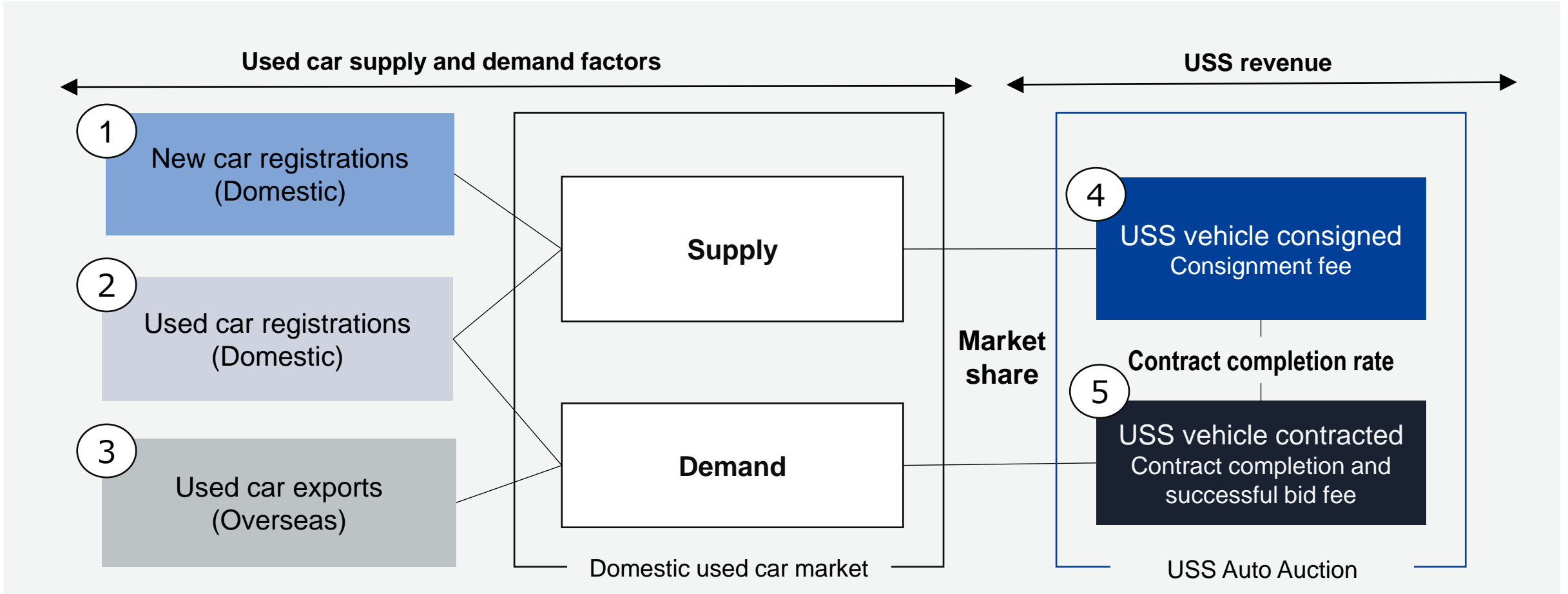
Contract completion rate

63.0%
(FY2022)



Automobile Market and USS Revenue

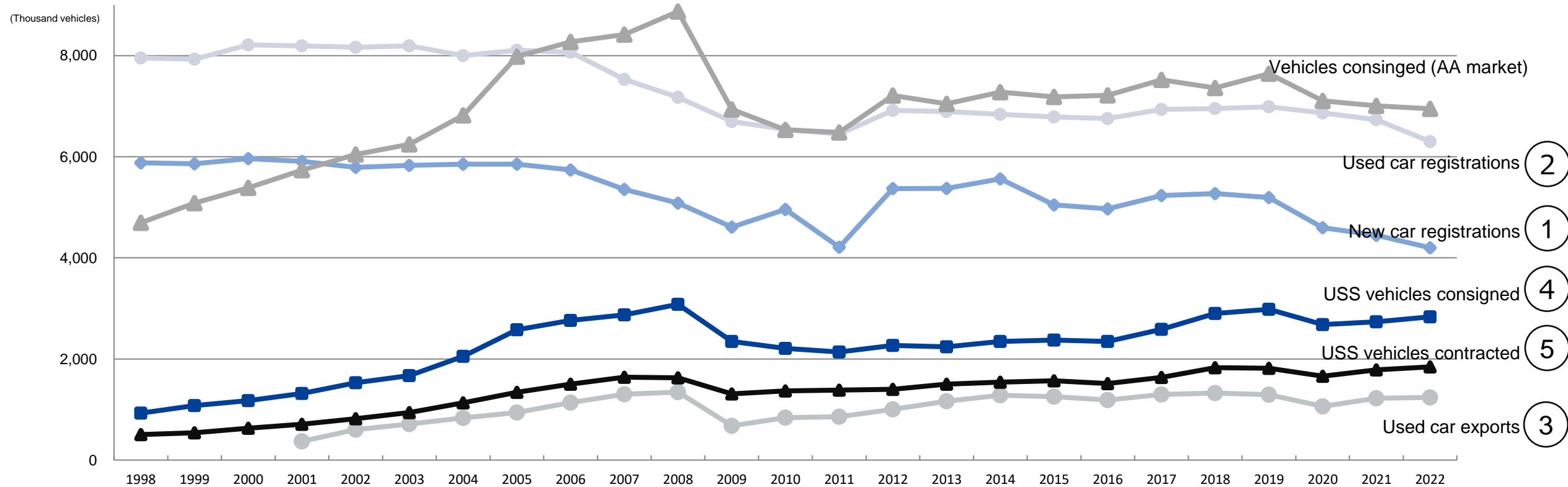
- The supply of used cars for automobile auctions is significantly affected by the number of cars traded in when purchasing a new car. Therefore, this supply changes with (1) the number of new car registrations and (2) the number of used car registrations.
- Total demand comprises domestic demand (2) 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)



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 contract completions			Contract completion rate	
	Q1 FY23	Q1 FY22	Q1 FY23	Q1 FY22	YoY change	Q1 FY23	Q1 FY22	YoY change	Q1 FY23	Q1 FY22
Tokyo	12	12	187,919	172,969	108.6%	116,130	116,723	99.5%	61.8%	67.5%
Nagoya	12	12	120,328	112,938	106.5%	66,555	65,969	100.9%	55.3%	58.4%
HAA Kobe	12	12	77,320	65,211	118.6%	42,982	39,734	108.2%	55.6%	60.9%
Yokohama	12	12	59,741	46,314	129.0%	36,548	30,708	119.0%	61.2%	66.3%
Osaka	12	12	54,846	49,582	110.6%	29,481	28,165	104.7%	53.8%	56.8%
Kyushu	12	12	54,751	52,461	104.4%	34,623	34,431	100.6%	63.2%	65.6%
Sapporo	12	12	41,865	35,529	117.8%	26,639	25,306	105.3%	63.6%	71.2%
R-Nagoya	12	12	27,795	24,645	112.8%	21,850	20,884	104.6%	78.6%	84.7%
Kobe	12	12	26,036	22,197	117.3%	13,139	13,251	99.2%	50.5%	59.7%
Shizuoka	12	12	25,734	29,594	87.0%	15,011	15,422	97.3%	58.3%	52.1%
JAA	12	12	21,242	18,282	116.2%	9,296	8,753	106.2%	43.8%	47.9%
Okayama	12	12	18,897	14,834	127.4%	13,910	11,180	124.4%	73.6%	75.4%
Tohoku	12	12	16,641	13,793	120.6%	12,034	10,915	110.3%	72.3%	79.1%
Gunma	12	12	15,700	13,239	118.6%	9,427	8,564	110.1%	60.0%	64.7%
Niigata	12	12	14,154	12,829	110.3%	7,394	7,555	97.9%	52.2%	58.9%
Fukuoka	12	12	13,515	9,503	142.2%	8,061	6,043	133.4%	59.6%	63.6%
Saitama	12	12	13,307	12,040	110.5%	8,814	7,529	117.1%	66.2%	62.5%
Hokuriku	12	12	5,147	5,629	91.4%	3,511	4,052	86.6%	68.2%	72.0%
Total	216	216	794,938	711,589	111.7%	475,405	455,184	104.4%	59.8%	64.0%

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	FY21	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	-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
	FY22	274,614	198,401	238,574	223,724	173,070	247,861	1,356,244	249,529	266,158	229,030	225,117	282,743	349,777	1,602,354	2,958,598
	YoY	10.0	-12.5	0.6	-9.9	3.3	6.8	-0.4	10.9	25.8	14.3	16.0	20.9	14.7	16.9	8.3
	FY23	293,022	227,077	274,839	250,981			1,045,919							-	1,045,919
	YoY	6.7	14.5	15.2	12.2			-							-	-
No. of Vehicles Contracted	FY21	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	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
	FY22	163,077	131,149	160,958	156,355	124,811	172,270	908,620	161,241	163,985	130,649	134,243	165,277	199,973	955,368	1,863,988
	YoY	6.7	-9.6	6.3	0.0	10.2	9.3	3.7	4.9	11.4	-0.3	2.6	6.5	3.8	4.9	4.3
	FY23	162,121	141,727	171,557	158,822			634,227							-	634,227
	YoY	-0.6	8.1	6.6	1.6			-							-	-
Contract Completion Rate	FY21	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
	FY22	59.4	66.1	67.5	69.9	72.1	69.5	67.0	64.6	61.6	57.0	59.6	58.5	57.2	59.6	63.0
	FY23	55.3	62.4	62.4	63.3			-							-	-

Appendix – Trends in the Used Car Auction Industry

Industry trends

(Thousand vehicles)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
New car registrations	836	1,192	1,198	1,429	1,034	1,015	968	1,197	888	1,034	1,080	1,381	1,069			
YoY change	-31.8%	-14.6%	14.6%	4.2%	23.8%	-14.8%	-19.2%	-16.3%	-14.1%	1.9%	11.6%	15.4%	20.3%			
Used car registrations	1,557	1,705	1,694	1,948	1,654	1,566	1,560	1,784	1,543	1,488	1,485	1,775	1,563			
YoY change	-6.9%	-0.8%	4.1%	2.1%	6.2%	-8.2%	-7.9%	-8.4%	-6.7%	-5.0%	-4.8%	-0.5%	1.3%			
Used car exports	186	270	314	269	335	315	304	267	325	291	353	320	407			
YoY change	-44.3%	-13.9%	-9.3%	-7.0%	79.4%	16.7%	-3.3%	-0.9%	-3.0%	-7.6%	16.2%	19.8%	25.3%			

Auto auction market

(Thousand vehicles)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Vehicles consigned	1,758	1,624	1,801	1,893	1,861	1,658	1,593	1,779	1,773	1,572	1,824	2,105	2,068			
YoY change	-11.3%	-10.7%	-1.7%	-1.5%	5.9%	2.1%	-11.6%	-6.0%	-4.7%	-5.2%	14.5%	18.4%	16.7%			
Vehicles contracted	982	1,156	1,207	1,281	1,246	1,138	1,111	1,223	1,200	1,124	1,177	1,318	1,323			
YoY change	-20.7%	-3.0%	3.6%	5.3%	26.8%	-1.6%	-8.0%	-4.5%	-3.7%	-1.3%	6.0%	7.8%	10.2%			

* The figures have been revised to reflect revisions to data announced by USED CAR Co., Ltd.

Appendix – Auto Auction

(Million yen)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	13,302	14,944	15,864	16,937	16,343	15,585	15,664	17,264	16,766	16,401	17,130	19,006	18,399			
YoY change	-18.7%	-3.1%	3.3%	4.4%	22.9%	4.3%	-1.3%	1.9%	2.6%	5.2%	9.4%	10.1%	9.7%			
Operating profit	6,835	8,862	9,535	10,229	10,267	9,585	9,493	10,871	10,462	9,972	10,322	11,511	11,477			
YoY change	-23.9%	3.8%	9.7%	11.0%	50.2%	8.2%	-0.4%	6.3%	1.9%	4.0%	8.7%	5.9%	9.7%			

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

		FY2020				FY2021				FY2022				FY2023			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
No. of vehicles consigned (Thousands)		631	605	685	738	713	647	637	733	711	644	744	857	794			
No. of vehicles contracted (Thousands)		342	423	439	476	449	427	431	478	455	453	455	499	475			
Contract completion rate	USS	54.2%	69.9%	64.1%	64.5%	63.0%	65.9%	67.8%	65.3%	64.0%	70.3%	61.2%	58.2%	59.8%			
	Industry's average (excl. USS)	56.9%	72.0%	68.9%	69.7%	69.4%	70.4%	71.0%	71.2%	70.2%	72.3%	66.8%	65.6%	66.6%			
Avg. price of vehicle contracted	USS (Thousand yen)	643	794	811	795	830	907	936	961	1,000	1,170	1,068	965	976			
	Industry's average (excl. USS) (Thousand yen)	401	481	455	484	474	494	518	513	530	581	562	536	542			
Fees	Consignment fees (Million yen)	3,193	3,229	3,757	3,971	3,908	3,629	3,602	4,057	3,935	3,659	4,182	4,793	4,440			
	Fee per vehicle (yen)	5,083	5,364	5,509	5,413	5,505	5,630	5,685	5,566	5,556	5,707	5,645	5,617	5,609			
	Contract completion fees (Million yen)	2,791	3,574	3,706	4,015	3,780	3,613	3,662	4,031	3,811	3,807	3,815	4,286	4,138			
	Fee per vehicle (yen)	8,212	8,503	8,493	8,485	8,461	8,506	8,530	8,471	8,418	8,447	8,418	8,633	8,754			
	Successful bid fees (Million yen)	4,408	5,397	5,649	6,118	5,817	5,549	5,540	6,168	5,863	5,789	5,886	6,446	6,331			
	Fee per vehicle (yen)	12,888	12,759	12,864	12,859	12,959	13,004	12,837	12,898	12,898	12,776	12,922	12,918	13,329			
Other	On-site auction members	48,104	48,242	47,859	48,058	48,170	48,345	48,121	48,362	48,428	48,590	48,292	48,490	48,241			
	CIS members	32,059	32,283	32,392	32,538	32,799	33,042	33,219	33,359	33,582	33,817	33,898	33,934	34,129			
	Satellite TV members	2,300	2,267	2,227	2,197	2,163	2,132	2,109	2,081	2,048	2,020	1,998	1,981	1,953			
	Off-site ratio	55.0%	53.9%	52.8%	52.9%	53.1%	53.7%	52.0%	52.4%	52.0%	52.5%	51.0%	50.3%	51.8%			

Appendix – Used Vehicle Purchasing and Selling, Recycling, Other

Used vehicle purchasing and selling

(Million yen)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1,486	2,085	2,469	2,605	2,110	2,119	2,313	2,757	2,302	2,747	2,591	2,750	2,366			
YoY change	-28.1%	-7.2%	3.3%	8.7%	42.0%	1.7%	-6.3%	5.8%	9.1%	29.6%	12.0%	-0.3%	2.8%			
Operating profit	-83	181	139	33	18	67	76	-25	12	199	11	-93	6			
YoY change	-	112.4%	413.3%	-	-	-63.1%	-45.3%	-	-34.3%	197.3%	-84.6%	-	-45.6%			

Recycling

(Million yen)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1,179	1,075	1,250	1,324	1,892	1,687	1,841	1,817	2,041	2,121	2,225	2,594	3,116			
YoY change	-8.7%	-5.5%	-16.7%	7.7%	60.5%	56.8%	47.3%	37.2%	7.9%	25.7%	20.8%	42.8%	52.6%			
Operating profit	-43	81	148	189	340	249	304	248	321	205	278	527	505			
YoY change	-	37.6%	99.8%	344.8%	-	205.5%	105.3%	30.8%	-5.3%	-17.6%	-8.6%	112.7%	57.1%			

Other

(Million yen)

	FY2020				FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	88	116	102	43	24	21	19	19	25	22	31	19	47			
YoY change	-38.2%	-11.5%	-27.3%	-62.4%	-72.0%	-81.3%	-81.4%	-54.2%	3.7%	3.9%	66.8%	-2.9%	83.3%			
Operating profit	0	16	8	-1	17	15	12	13	19	16	-1	-7	-24			
YoY change	-98.8%	8.2%	-55.6%	-	6744.3%	-5.5%	45.0%	-	12.7%	10.2%	-	-	-			

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