

Dai Seta

President and Representative Director
(COO)

Profile

Dai Seta joined USS changing the trajectory of his career from the management of a used car dealer. The shareholders elected him Director in June 2004 before his appointment as Vice President and Representative Director of the Company as well as Officer of the Auction Operation Office and Officer of the Nagoya Office in June 2006. Dai Seta also launched the Finance Business and has been spearheading the recycling business, in which he concurrently serves as the President of ARBIZ, a USS Group company. USS appointed Dai Seta the President, Representative Director, and Chief Operating Officer in June 2019. He is currently striving to promote the digital transformation of the USS auto auction business as well as working to develop a recycling business that can build a circular economy through the distribution of automobiles.



We will promote strategies for sustainable growth with a focus on expanding our market share of the auto auction business.

We have achieved our best financial results while increasing dividends for 25 consecutive fiscal terms.

USS also expects to increase income and profit in fiscal 2025 as well.

In FY2024, the auto auction business performed very well. The driving factors behind the growth in our business performance were not only an increase in the number of vehicles on auction but also a significant increase in the number of completed contracts. One positive factor has been the increase in auction lanes at the Tokyo Auction Site to 16 lanes with the aim of reducing auction times which typically went late into the night, resulting not only in earlier auction finishing times but also more available auction slots during the evening slot which is more amenable to sales, and therefore a greater number of vehicles able to be auctioned. Another factor contributing to our performance has been the high percentage of high quality vehicles on auction, including popular models and luxury vehicles. Above all, we perceive that the intensive increase in the number of vehicles on auction has been due to our brand reputation for fair and equitable transactions that we have fostered over many years.

The business performance for the fiscal year ended March 31, 2025 marked a record high, with net sales of ¥104,021 million, up 6.6% year on year (YoY), operating profit of ¥54,206 million, up 10.8% YoY, and profit attributable to owners of the parent of ¥37,636 million, up 14.4% YoY. We achieved increases in both revenue and profit for the fourth consecutive fiscal year. Return on equity (ROE) was 18.9%, exceeding our mid-term management goal of 15% for the fourth consecutive year. Based on this strong performance, we set the annual dividend per share rose to ¥43.4, representing a payout ratio of 55.0%. As a result, we achieved dividend increases for the 25th consecutive fiscal year since our listing.

As for the outlook in the fiscal year ending March 31, 2026, USS plans ¥111,800 million in net sales, up 7.5% YoY, ¥56,500 million in operating profit, up 4.2% YoY, and ¥38,850 million in profit attributable to owners of the parent, up 3.2% YoY. We also anticipate an annual dividend per share of ¥50.40, aiming to achieve our 26th consecutive year of dividend increases.

In the used vehicle purchasing and selling business, our earnings were solid in the first half of the year but our gross profit per vehicle decreased in the second half, resulting in full-year earnings matching the level of the previous year (for more information, see pp. 41–42).

In the recycling business, the profit level of plant recycling declined significantly compared to FY 2023 and FY 2024 (for more information, see pp. 43–44).

Looking at our performance in the first quarter (April to June) of FY 2025, the number of new vehicle registrations continued to recover. Our auto auction business performed well in the first quarter, with a 20.4% YoY increase in the number of vehicles to 907,000, a 7.8% YoY increase in the number of completed contracts to 571,000, and a 62.9% contract completion rate compared to 70.3% in the same quarter of last year. Accordingly, our consolidated results for the first quarter all reached record levels, with a 6.8% YoY increase in net sales to ¥27.389 billion and a 9.4% YoY increase in operating profit to ¥14.708 billion, leading to an upward revision of our full-year earnings and dividend forecasts.*

* Our forecasts reflect revisions made on August 5, 2025.

We are implementing measures that will lead to an increase in members and auctioned vehicles through strategic projects toward a 50% market share.

Amidst these circumstances, from FY 2025 USS has shifted its medium- to long-term management goal to a policy of driving company-wide growth by concentrating resources on the auto auction business and realizing the 50% Market Share strategic project described later in this report. In terms of our financial targets, we will raise ROE from 15% or higher to 20% or higher, our dividend payout ratio from at least 55% to at least 60%, and our total payout ratio over the three-year period from FY 2025 from at least 80% to at least 100% (for more information, see pp. 29–30).

Medium- to long-term management goal



To achieve this medium- to long-term management goal, in April 2024 we launched the strategic project “50% Market Share” under the leadership of our management team and core employees, and incorporating the knowledge of outside experts.

After surveying and reviewing the business environment and market trends, our initial target over the next few years is to achieve a 45% market share, with the aim of realizing our ultimate goal of 50% market share. Under our new strategic roadmap developed in September 2024, we have positioned service improvements in both our auction site facilities and equipment and our provision and analysis of information as crucial elements for achieving our goals (for more information, see p. 22).

As part of our activities for the 50% Market Share strategic project, we are implementing the Breakthrough Project to achieve results in a short 90-day intensive period for issues such as acquiring new members and increasing the number of vehicles on auction, and have implemented several measures (for more information, see p. 23).

In addition to marketing measures, we are also promoting a workplace environment improvement project to encourage activities among our young employees. This is an initiative to encourage our young employees to proactively identify issues, consider measures for their improvement, and independently take action. USS will strive to strengthen our human resource base by respecting the individuality of our site employees and enhancing the capabilities of individual human resources while pursuing positive outcomes.

Another one of our priority measures under the 50% Market Share strategic project is to enhance our systems. We are building the USS Digital Platform to provide our members with auction information and business support services by leveraging big data gathered from auto auctions (for more information, see p. 24). We believe that this platform will be a powerful driving force in our efforts to expand market share by contributing to strengthening our marketing power and improving our operational efficiency.

While monitoring changes in the long-term business environment, we will do our utmost to promote the strategic project for achieving a 45% share of the auto auction market in three years.



We are enhancing our existing businesses and expanding into new areas with a basic policy of stabilizing earnings in the recycling business. We will diversify our business portfolio.

In the recycling business, our basic policy is to secure stable earnings. Our group companies ARBIZ, which is expanding the resource recycling business, and SMART, Inc., which is expanding the plant recycling business, are both aiming to achieve net sales of ¥10 billion.

In the resource recycling business, we will expedite the commercialization of closed aluminum recycling and solar panel recycling. We also plan to expand our business into the recycling of IT-related equipment, which has seen increased demand in recent years (for more information, see pp. 43–44).

In the plant recycling business, we are strengthening our marketing activities to restore profitability, and are aiming to increase orders by leveraging the information and expertise of SMBC Group while also deepening collaboration with our partner SMFL Mirai Partners Co., Ltd. (a wholly owned subsidiary of Sumitomo Mitsui Finance and Leasing) (for more information, see p. 44).

In April 2023, USS Support Service, Inc. began offering auto loans and has continued offering this service over the past two fiscal years. As of the end of March 2025, the number of franchise stores was approximately 850 and the number of vehicle loans was approximately 8,000.

Going forward, we will continue to strengthen our existing businesses and diversify our business portfolio, including businesses that contribute to the realization of a recycling-oriented society and circular economy. With the fair and equitable auto auction business at the core of our operations, we will enhance our corporate value to become an entity that continues to earn the trust and confidence of our customers, employees, and all other stakeholders.

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FOCUS 50% Market Share strategic project

To achieve our long-term goal of 50% market share in the auto auction business, we have developed strategies and measures from the perspectives of sales, DX, and human resources.

Project goals and vision

The goal of this project is for our management team and core employees to plan and review measures to enable USS Auto Auction to achieve a 50% market share and to map out a unique growth strategy. In the process, we also aim to strengthen our human resource base of project members and site leaders. The project will proceed based on analysis of the company's internal and external environment, and ongoing reviews of the growth factors and strategic concepts for achieving 50% market share. Moreover, we will work towards digitalization of our auto auction business model with the aim of revitalizing the used car market.

Strategy and goals to achieve 50% market share

In order to make steady progress toward our long-term goal of achieving a 50% market share, we have established a strategic roadmap with the initial goal of achieving a 45% market share in the next three years. This strategy is targeting service improvements through facility and equipment enhancements including the construction of new auto auction sites and increased auction lanes. Moreover, we will build a digital platform that connects users to sellers, bidders, and the auto auction market, promote DX through the use of big data, and strengthen our human resource base. Through these efforts, we will efficiently acquire members and increase the number of vehicles on auction, thereby expanding our market share.

Strategic roadmap to achieve 50% market share

Consigned vehicles				
7.62 million (CY 2025)	Approx. 42% Current share	43% (2026)	44% (2027)	45% (2028)
Strategy	Apr 2025–Mar 2026		Apr 2026–Mar 2027	Apr 2027–Mar 2028
Constructing new auto auction sites	Enhancing facilities and equipment to increase number of vehicles for auction, completed contracts, and members			
	Constructing Yokohama Auction Site		Tokyo Auction Site	HAA Kobe Auction Site
Increasing number of auction lanes Expanding storage lots	Reducing bidding time		Upgrading systems and expanding storage lots	
Expanding data linking services	Proactively linking data to expand long-term membership base			Toward a new business platform based on auto auctions leveraging big data
	Providing bidding result data	Providing business request data		
Promoting digital consignment	Increasing convenience of digital consignment to promote ease-of-participation			
	Leveraging VIN numbers	Expanding search functions		
Collaborating with other companies (vehicle database)	Expanding services and increasing membership through collaboration with other companies			- Initiatives for vehicle consignment from companies in different industries - Collaboration with Rabbit Car Network - Bolstering collaboration with Repro World - Identifying new sources of income
	Linking databases	Expanding market price/appraisal services		
Coordinating sales within the Group	Strengthening sales coordination among auction sites to discover untapped areas			
	Reclaiming non-active members	Promoting logistical streamlining		
Implementing sales promotion measures for new membership Upgrading events	Upgrading sales initiatives and events to increase vehicle collection efficiency			
	Promoting and expanding new memberships	Reviewing PR activities	Optimizing consignment fee rebates and promotional expenses	
Expanding customer-facing services Employee training and personnel systems	Building member trust to create an environment amenable to participation			Improving our expedient proposals and responses to member needs
	Thoroughly implementing an attentive and courteous approach to members			

50%
Market Share
strategy



50% Market Share strategy

Measures and actions to achieve targets

Under our 50% Market Share strategy, we launched the Breakthrough Project for site-based new member acquisition in order to fulfill the strategies outlined in our roadmap. Through this project, each auto auction site is taking the initiative to acquire members and improve operational efficiency by setting priority themes to be implemented toward Market Share 50.

In terms of strategic and systems planning, we will promote development of the USS Digital Platform as an information system to support the operations of existing members. We are developing this service with the goal of providing and using information to support all used vehicle distribution operations including trade-ins, purchases, auctions, sales, and exports.

Breakthrough Project		Strategic and systems planning	
Implementing the 50% Market Share strategy from a site-based approach	+ Fostering organizational unity and self-motivation	Strategy to expand small and medium-sized membership base	+ USS Digital Platform
• New member acquisition project • Project to reclaim non-active members through collaboration among auction sites	• Project to support data entry operations for vehicles on auction • Workplace environment improvement project to encourage self-motivation among young employees	• Marketing strategy to acquire small and medium-sized members • Strategy to support B2C operations • Strategy to support auction site marketing operations	• Strategy to support B2B2C operations • Digital platform marketing strategy • Management resource strategy

Breakthrough Project

We will promote acquisition of new members, operational efficiency, and consolidation of our strengthening of the HR base through site-driven measures.

Under the Breakthrough Project, we identified four projects for priority implementation, and undertook a 90-day pilot initiative beginning in the autumn of 2024. (1)Under the project to attract new members and plan attractive services, we conducted intensive membership marketing at four auction sites. (2)Under the project to reclaim non-active members through auction site collaboration, we conducted marketing activities to reclaim members who have not

auctioned any vehicles for at least six months through auction site collaboration in each area. (3)Under the project to support data entry operations for vehicles on auction by balancing the workload among auction sites, and strengthened our emergency response capabilities. (4)Under the workplace environment improvement project to encourage self-motivation among young employees, our young employees planned and implemented improvements to promote interactions with other departments, employee health and work-friendly environments, and subsequently provided follow-up feedback. As a result of the pilot, each project achieved outcomes that exceeded our initial expectations (see table below).

We plan to continue implementing multiple projects in FY 2025 and beyond.

Four priority projects and outcomes

Project	Structure for implementation	Target	Outcome
(1)Attract new members and plan attractive services	Collaboration among 4 auction sites	Total of 100 new corporate members at 4 auction sites	Total of 120 new corporate members
(2)Reclaim non-active members through collaboration among auction sites	Collaboration among neighboring auction sites in 3 areas	Kansai area: 45 companies Chugoku/Shikoku area: 35 companies Koshinetsu area: 20 companies	Kansai area: 95 companies Chugoku/Shikoku area: 154 companies Koshinetsu area: 104 companies
(3)Support data entry operations for vehicles on auction	Collaboration among neighboring auction sites in 3 areas	Data operations for 10% of vehicles on auction in all areas to be preformed at other auction sites	Kansai area: 1.9% (4-week average) Chugoku/Shikoku area: 17.7% (2-week average) Koshinetsu area: 23.4% (4-week average)
(4)Workplace environment improvements to encourage self-motivation among young employees	Young employees at head office management division and Nagoya Auction Site	Execute plan for improvement (single theme)	Young employees to take initiative in implementing proposals First step in transforming workplace environment

Strategic and systems planning

We will strengthen business support for members through DX, and will accelerate strategy building and systems development to effectively promote sales.

Strategy to support operations of auction members through development of the USS Digital Platform

To realize our successive goals of 45% and 50% market share, it is crucial to maintain and expand our base of auctioned vehicle sourcing end users and auctioning members. In other words, we believe that building the USS Digital Platform through B2B2C and B2B is a prerequisite for realizing our market share targets. A key point in our strategy to support member operations using this platform is that USS will provide services to enable our members to secure users, rather than USS attempting to secure end users directly.

One initiative under this strategy is our information provision service during end user replacement vehicle purchasing and information gathering stages. We will incorporate an AI-based system capable of predicting residual values of end user-owned vehicles into our existing USS member internet auction system (CIS) to support our members in securing end users.

Another initiative is the upgrading of our Auction Agent system that can be used to search for replacement purchase vehicles

at the time of a trade-in/purchase appraisal. Auction Agent is a membership-based web site operated by USS that allows end users to browse vehicles on auction at 19 auto auction sites nationwide and place orders with our members. We will improve this service by enhancing the web site's consigned vehicle information available to end users. Moreover, we will explore the development of end user services provided by USS via our members at completion of purchasing contracts in order to meet end user vehicle purchasing requirements, such as maintenance, insurance, and vehicle financing. These types of initiatives will allow us better ascertain the status of our auto auctions and offer highly accurate auction proposals.

Furthermore, our sales representatives and auction site operations staff use our USS Digital Platform to conduct more efficient sales activities for our existing, non-active, and potential members, backed by data on auction site and area market attributes.

USS Digital Platform

