

Questions and Answers

Date: November 5, 2019 (Tue) 16:30-17:30

Place: OTEMACHI 1st SQUARE CONFERENCE Room D, Tokyo

Speaker: Mr. Kenji Kamiya, President

Mr. Akito Ode, Executive Officer

Mr. Nariaki Takabayashi, Corporate Planning Department

※The following is the content of the questions and answers at the financial results briefing. Some parts have been added and corrected for making them more understandable.

• Concerning the new car domain (Financial Results Presentation P.14)

Q. We understand the image of products and services in the new car domain, but we would like to know the products' strength.

A. The strength of DataLine AI assessment is its extremely high assessment accuracy, which is the key to reselling used cars. This high level of accuracy is attributable to the amount of data stored in our Goo-net. With DataLine CRM, the customer contacts of new car dealers grew by linking customer data held by new car dealers that were not used effectively before with DataLine AI Assessment and DataLine SalesGuide. By creating a package of these products, we can now provide services from trade-in to resale of used cars in a comprehensive manner. This is our strength.

Q. We would like to know how much the average spending per customer will increase by introducing new products and services in the new car domain.

A. With regard to the average spending per customer, the current base unit price of DataLine SalesGuide and the replacement proposal is just over 20,000 yen, but new products and services are offered also at the same unit price. Therefore, the average spending per customer is expected to double as a result of the introduction of the package. Furthermore, even if the market shrinks in the future, competition will intensify, and the added value of our new products and services provided will be more valuable than ever. We believe that it will be an opportunity, and we can also increase the average spending per customer.

Q. What is your outlook for the number of target markets in the used car domain?

A. In the used car domain, even though the number of stores that are specialized in used cars decreases, the number of markets in the used car industry will not change significantly because maintenance shops, new car dealers, gas stations, etc. are expected to participate in the future as part of the new business.

• **Concerning the consolidated financial results for the second quarter of the fiscal year ending March 2020 (Financial Results Presentation P.4)**

- Q. Regarding the analysis of changes in operating income, please tell us about the background and continuity of the contributions of AUTOWAY and PROTO RIOS which belong to the Group.
 - A. Sales of AUTOWAY and Tire World Kan Best that sell tires and wheels increased thanks to the impact of last-minute demand before the consumption tax hike. We also recognize that PROTO RIOS, which develops and sells business systems for the maintenance industry, was affected by rush demand to some extent, such as the advancing of the expiration of the lease period.
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