

# 2Q Result for FY 2020/9

## Investor Presentation



MEGA SUV Tokai Nawa Store(Opened in April 2020)

GOOD SPEED CO., LTD. (7676)

May 13, 2020



# Corporate Profile

Corporate Name	GOOD SPEED CO., LTD.		
Establishment	February 2003 (founded in 2002)		
Head Office	Takaoka KANAME Bldg. 8F, Izumi 2-28-23, Higashi-ku, Nagoya City, Aichi Pref.		
Number of employees	360 (as of March 31, 2020)		
Business site / stores	30	Head Office: 1, MEGA store: 5, stores for domestic cars: 10 stores for imported cars: 4, stores for purchasing used cars: 3, BP center: 4, stores for automobile safety inspection: 2, store for car rental: 1 (as of May 13, 2020)	
Operating areas	Tokai Area (Aichi, Gifu, Mie & Shizuoka Prefectures), Okinawa Prefecture		
Business Lineup	Sales of used vehicles mainly handling SUV, purchase of used vehicles, automobile maintenance, repair and painting, insurance agency and car-rental business		
Management	Hisanori Kato, President & CEO		
	Shingo Yokochi, Managing Director		
	Kenta Hiramatsu, Director		
	Yasuyuki Mitsukawa, Director	Audit & Supervisory Committee	Outside Director
	Norihiko Hosaka, Director	Audit & Supervisory Committee	Outside Director
	Nobuo Hirata, Director	Audit & Supervisory Committee	Outside Director
		Independent Officer	
		Independent Officer	

# 2Q Result for FY 2020/9 Highlights

## Sales

**JPY 16,080 million**

108.6% compared with the corresponding period of previous FY.

Retail sales has increased by +14.9 % contributed by the sales of MEGA stores which were opened in February and August during the previous fiscal year

On the other hand, the selling environment of used car market as a whole was experiencing downturn due to the impacts from the consumption tax hike and Novel Coronavirus outbreak and we have refrained from putting cars to auto. As a result, the sales from car auction and selling to car dealers has been decreased by ▲28.0 % during the period.

## Operating Profit

**JPY 95 million**

48.5% compared with the corresponding period of previous FY.

Gross profit has increased by +20.2% and gross profit margin has been improved by +1.4% as the retail sales with higher profit margin has grown during the period.

However, operating profit was decreased as the selling and general administrative expenses increased ahead.

## Retail car sales

**5,342 cars**

119.3% compared with the corresponding period of previous FY.

We regard the retail car sales as the most important KPI benchmark.

The retail car sales during the period has increased contributed by 2 MEGA stores which were opened in February and August during the previous fiscal year.

# 2Q for FY 2020/9 Business Result (cumulative of 1Q & 2Q)

(compared with the corresponding period of the previous fiscal year)

Unit: JPY Million

	2Q (actual) for FY 2019/9 (cumulative of 1Q & 2Q)	2Q (actual) for FY 2020/9 (cumulative of 1Q & 2Q)	Change (%) from previous period	Change in amount
Sales	14,807	16,080	108.6%	1,273
Cost of goods sold	12,857	13,735	106.8%	878
Gross profit	1,950	2,345	120.2%	394
Selling & general administrative expense	1,754	2,249	128.3%	495
Operating profit	196	95	48.5%	△101
Ordinary profit	154	34	22.4%-	△120
Net profit for 2Q	102	33	32.7%	△68

Retail sales has increased (+14.9%), while auto auction and sales to auto dealers have decreased (▲28.0%). However, the trend of retail sales has become weaker than as it used to be due to the impact from consumption tax hike and Novel Coronavirus outbreak.

The change of gross profit is larger than that of sales, since the composition of retail sales with higher profit margin has been increased during 1Q.

Increase in personnel cost and store fixed cost

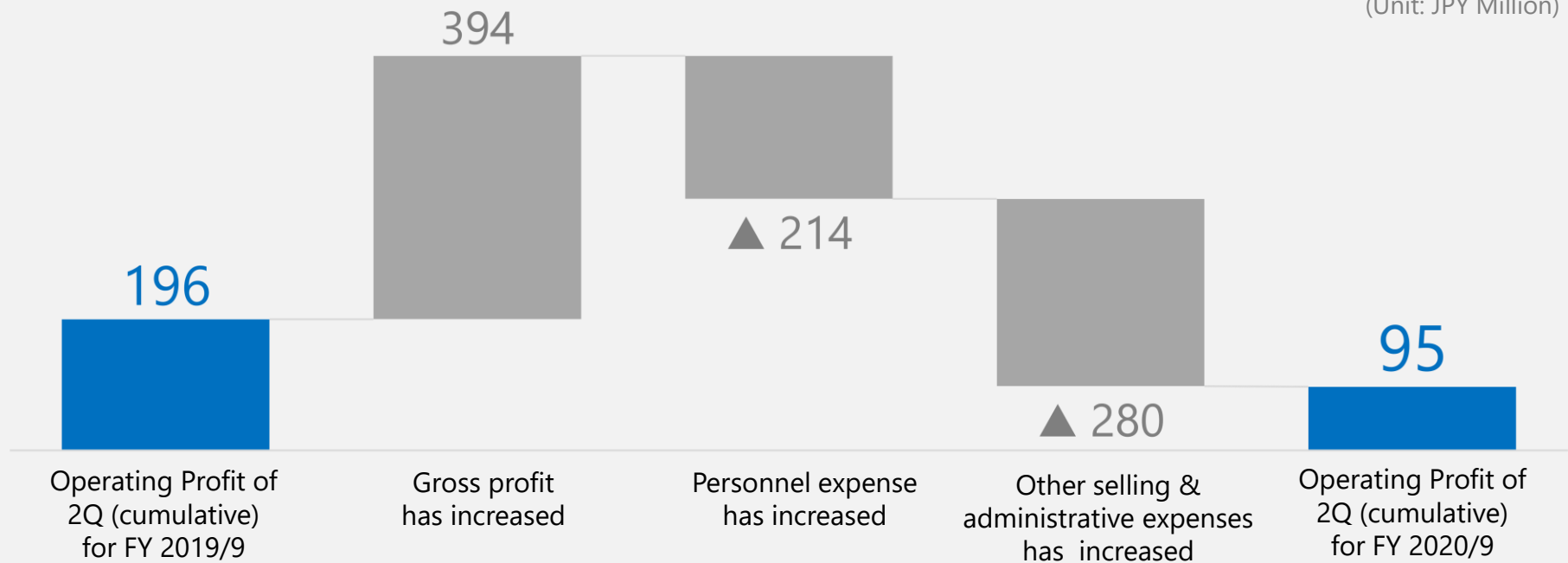
## 2Q for FY 2020/9 Business Result (Transition of Quarterly Financial Results)

Unit: JPY Million

	1Q (actual) for FY 2019/9 (accounting period)	2Q (actual) for FY 2020/9 (accounting period)	2Q (actual) for FY 2020/9 (cumulative of 1Q & 2Q)
Sales	7,533	8,547	16,080
Cost of goods sold	6,443	7,292	13,735
Gross profit	1,090	1,254	2,345
Selling & general administrative expense	1,084	1,165	2,249
Operating profit	5	89	95
Ordinary profit	△17	52	34
Net profit for quarterly results	0	33	33

# Operating Profit Change Analysis

(Unit: JPY Million)



Profit for selling cars has increased contributed by MEGA Store (Ogaki & Chiryu) which were opened in February and August during the previous fiscal year.

The profit of car repair and painting at BP Center (Komaki & Midori) which were opened since 2Q of previous fiscal year.

Increase of personnel cost due to the expansion of stores such as MEGA stores, stores specialized in purchasing used cars, BP Center, etc.

Store development, marketing, CRM, strengthening the back office function such as administrative division.

Fixed cost has increased due to MEGA Stores (Ogaki & Chiryu) which were opened in February and August during the previous fiscal year.

Lease expense  
+ JPY 83Million

Depreciation expense  
+ JPY 61 Million

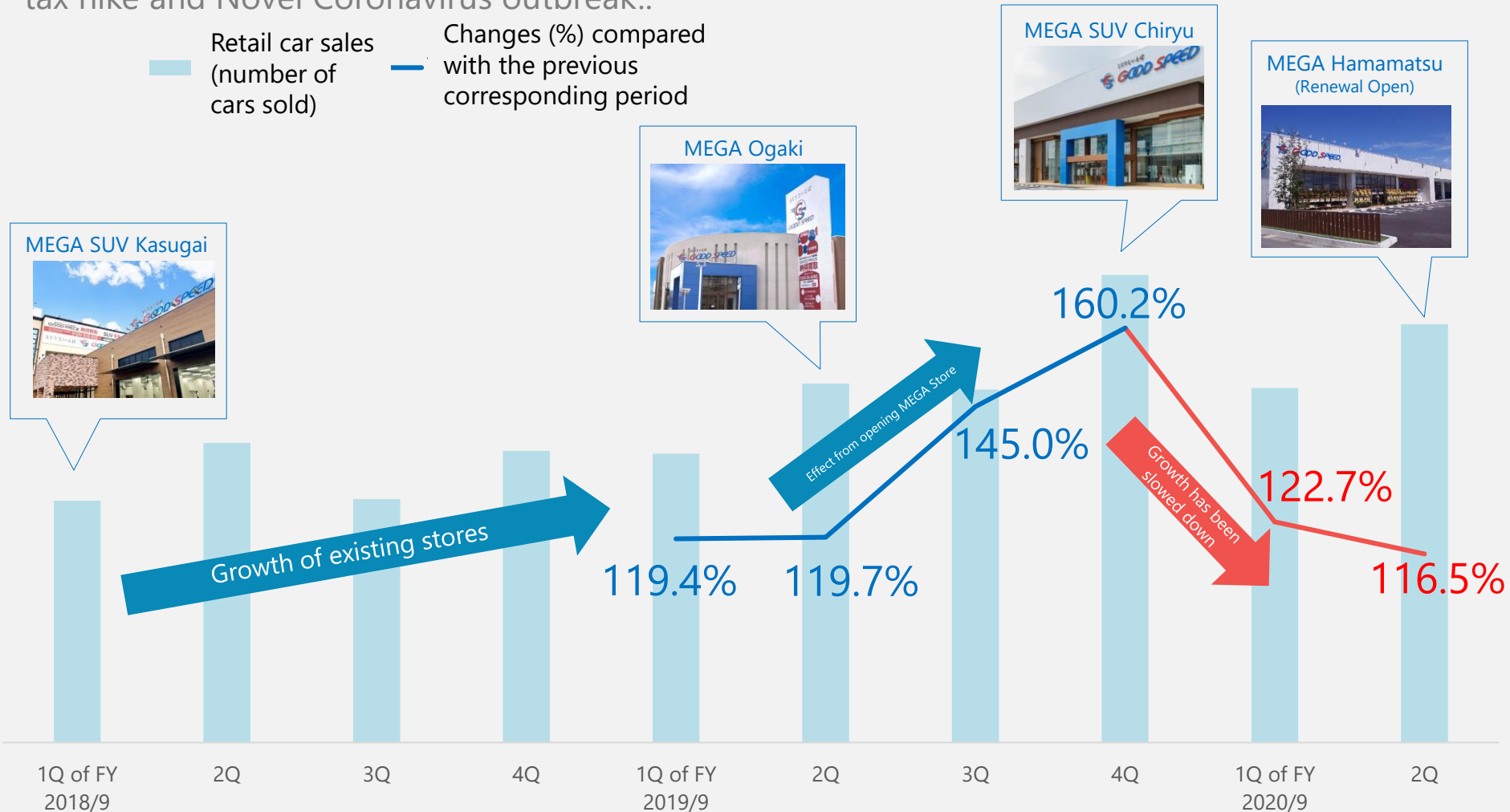
Advertisement expense /  
sales promotion expense  
+ JPY 46 Million

# Impact from Consumption Tax Hike and Novel Coronavirus Outbreak on Retail Car Sales

Retail sales has been increasing supported by new opening of MEGA Stores, while the growth rate has been slowed down during the current fiscal year having the impact from consumption tax hike and Novel Coronavirus outbreak..

■ Retail car sales  
(number of cars sold)

— Changes (%) compared  
with the previous  
corresponding period



# 2Q for FY 2020/9 Balance Sheet

Unit: JPY Million

	At the end of FY 2019/9	At the end of 2Q of FY 2020/9	Changes in amount	%
Current Assets	8,377	10,504	2,127	125.4%
Non-current Assets	4,295	4,987	692	116.1%
Current Liabilities	8,857	11,560	2,702	130.5%
Non-current Liabilities	2,418	2,515	97	104.0%
Net Assets	1,396	1,416	19	101.4%
Total Assets	12,672	15,492	2,819	122.2%
Cash and Deposits	1,654	1,450	△204	87.7%
Interest-bearing Debt	8,612	11,187	2,575	129.9%
Equity Ratio	11.0%	9.1%	△1.9%	83.0%
Net D/E Ratio	5.0	6.9	1.9	138.2%

• Net D/E Ratio is calculated by the formula "(interest-bearing debt – cash & deposits) / net assets"

• The expenses relating to acquisition of the following non-current assets are scheduled to be covered by the borrowings from financial institutions.

March 2020 (scheduled)\*: MEGA Store at Tokai City, Aichi Pref. JPY 676 Million (timely disclosed on June 14, 2019) + car inventory: ca 200 cars.

\* the acquisition will be delayed in 3Q of FY 2020/9.

July 2020 (scheduled): BMW Motorrad (Motorcycle) Dealer at Gifu City, Gifu Pref. JPY 150 Million (timely disclosed on October 31, 2019) + motorcycle inventory: ca 20 bikes.

September 2020 (scheduled): auto-repair garage at Minato-ku, Nagoya City, JPY 250 Million (timely disclosed on September 13, 2019)



# 2Q for FY 2020/9 Cash Flow Statement

Unit: JPY Million

	2Q for 2019/9 (cumulative of 1Q & 2Q)	2Q for 2020/9 (cumulative of 1Q & 2Q)	Change
Cash flow from operating activities	△464	△1,782	△1,318
Cash flow from investment activities	△804	△913	△109
Cash flow from financing activities	1,015	2,488	1,473
Balance of cash & cash equivalent at the end of 2Q	1,238	1,450	212

Increase of inventory by the expansion of store network.  
△JPY 1,366 million

	2Q for 2019/9 (cumulative of 1Q & 2Q)	2Q for 2020/9 (cumulative of 1Q & 2Q)	Change
Investment amount (tangible & intangible fixed assets)	752	874	122
Depreciation & amortization (including amortization of goodwill)	127	172	45
Operating profit	196	95	△101
EBITDA	323	267	△55

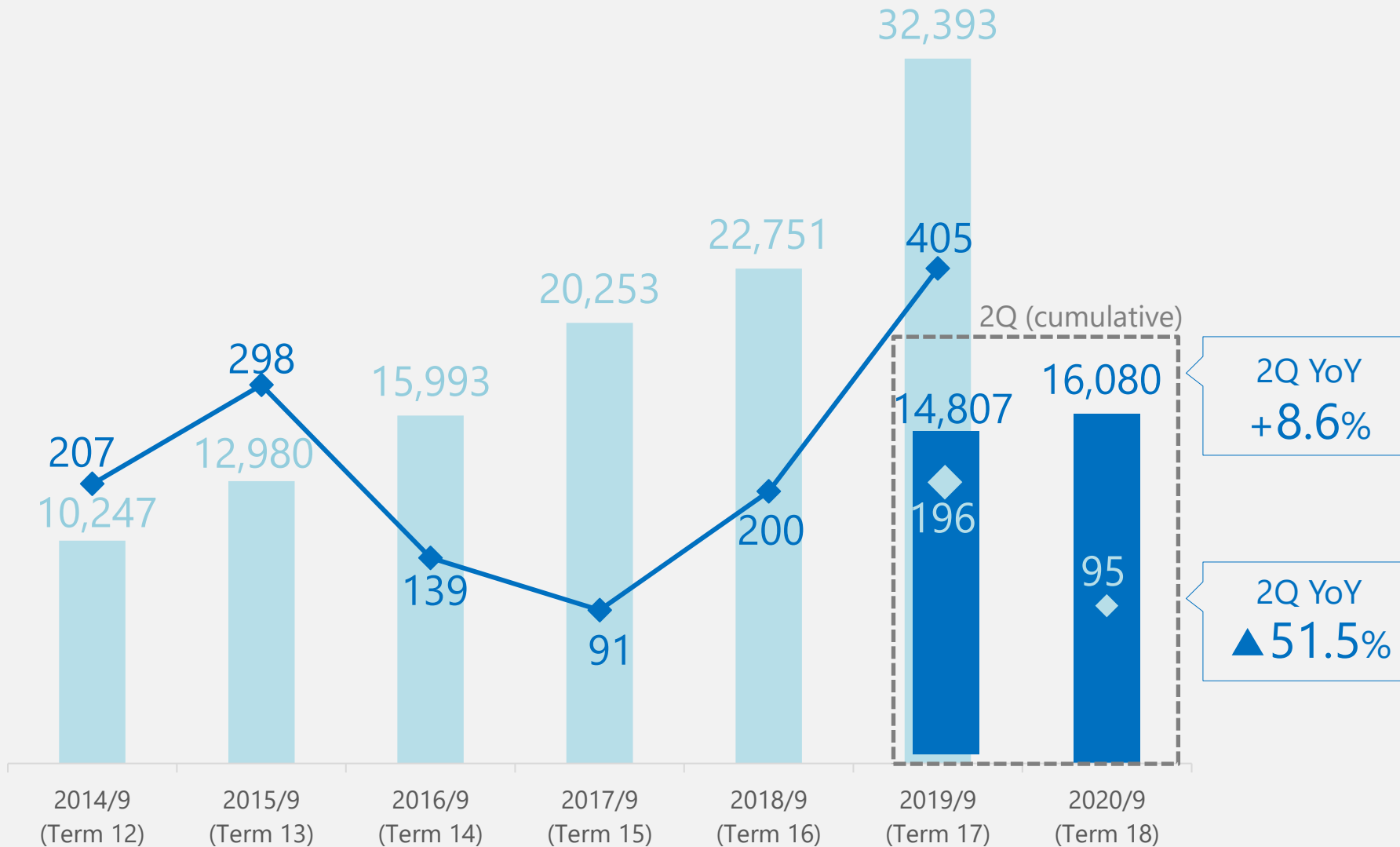
• EBITDA is calculated with the formula of "operating profit + depreciation (including amortization of goodwill)"

# Trend of Sales & Operating Profit

■ Sales

◆ Operating Profit

(Unit: JPY Million)

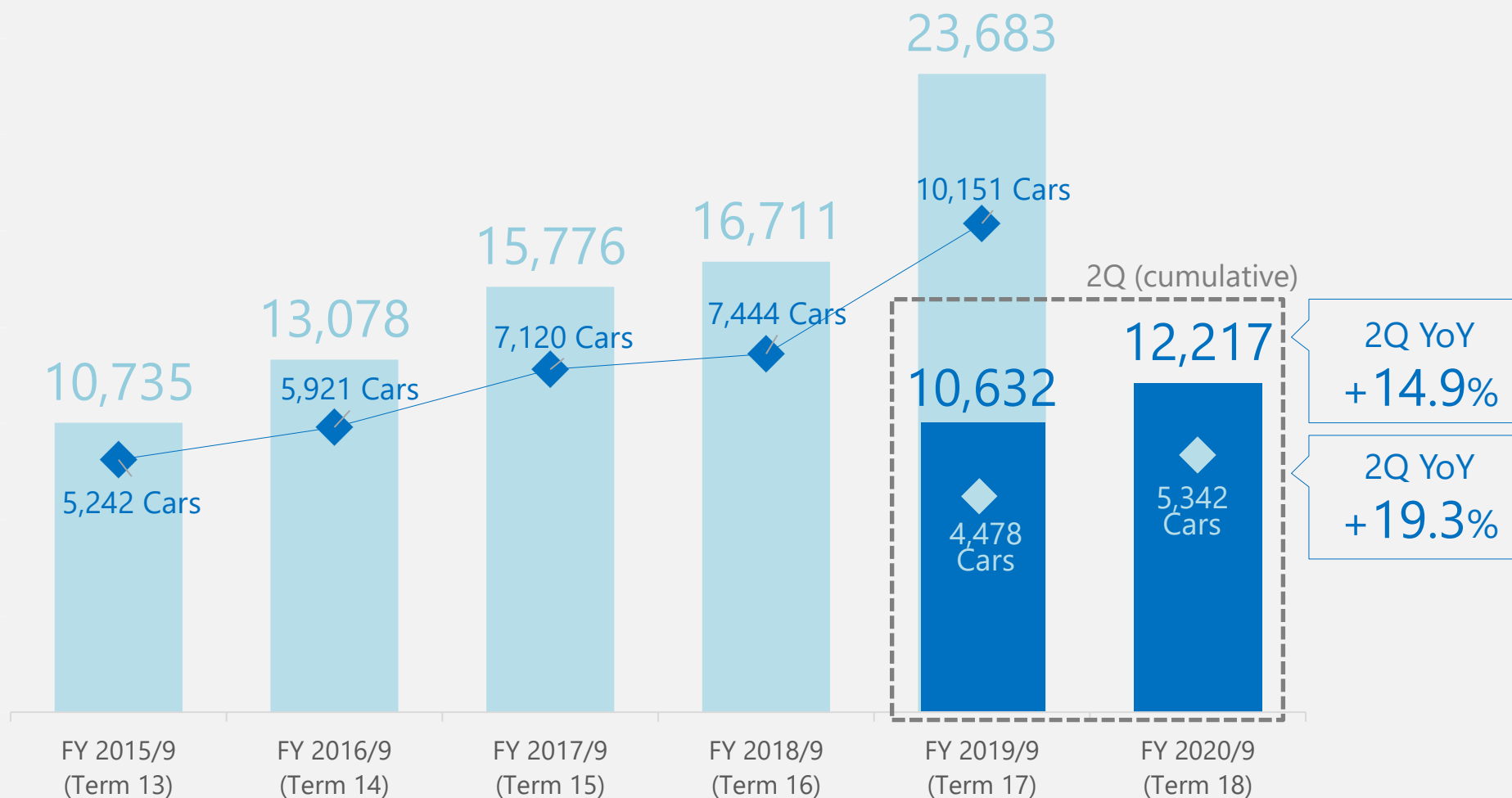


# Business Composition

Business Segment	Sales Composition Ratio (2Q of FY 2020/9 Actual)	Gross Margin (2Q of FY 2020/9 Actual)	Details (as of May 13, 2020)
Sales of used vehicles	<b>90.6%</b>	13.5%	Core business segment. Operating MEGA Stores (5 stores), Store for domestically produced cars (10 stores), Stores for imported cars (4 stores) in prefectures* of Tokai regions. (*namely Aichi, Gifu, Mie & Shizuoka Prefectures)
Purchase of used vehicles	4.2%	4.9%	Two types of purchasing used cars. Directly purchasing cars from owners who bring cars to our store and dispatching our staffs to owners' house to purchase used cars through bulk purchase assessment website. Developing and strengthening the purchasing route which is not dependent on auction site and placing the cars which are not our lineup has contributed to our sales. Operating 3 stores who are specialized in purchasing used cars.
Automobile maintenance, repair and painting	4.1%	30.8%	Overhauling and conducting car safety inspection on the cars we sold. Operating BP Center specialized in car body work & plating (4 stores) and stores specialized in car safety inspection (2 stores) in addition to having maintenance factory at most of the sales stores. We have 15 certified factories, out of which 7 are designated factories.
Insurance agency	0.7%	100.0%	Agency business for casualty insurance companies. Meditating car insurance contract for the cars sold.
Car-rental business	0.4%	52.2%	Business for lending cars to general customers and casualty insurance companies with whom we have agency contract. Playing the role of developing purchasing route in addition to directly contributing to our sales. Operating "Enjoy Rental Car" in Okinawa Prefecture.

# Trend of Retail Sales

■ Retail Sales ◆ Number of Cars for Retail Sales (Unit: JPY Million)



• Retail sales is the number based on management accounting data and includes car tax and car weight tax which are not booked for sales. In concrete terms, out of retails sales of JPY 12,217 million for the 2<sup>nd</sup> quarter of FY 2020/9 (Term 18), sales are booked after deducting JPY 456 million.

• Retail sales does not include profit relating to installment sales.

# Forecast for Full-year Financial Result & Dividend for FY 2020/9

Unit: JPY Million

	FY 2019/9 Actual	FY 2020/9 Forecast
Sales	32,393	<b>Yet-to-be-determined</b>
Cost of goods sold	28,167	
Gross profit	4,226	
Selling & general administrative expense	3,820	
Operating profit	405	
Ordinary profit	318	
Net Profit	193	
Dividend per share	10.00	

Since we cannot estimate the timing of stamping out the impact from the outbreak of Novel Coronavirus infection disease, we have concluded that we cannot estimate the forecast on business result in a fair and reasonable manner and have decided to withdraw the forecast on the full-year financial result and the year-end dividend for the FY 2020/9 and made **them yet-to-be-determined.**

Once we will be able to estimate the forecast in a proper manner in the future, we will announce them accordingly.

We implemented the two-for-one stock split with the effective date of January 1, 2020.  
As for the amount of dividend per 1 share is stated based on the number of shares before this stock split.



mission / vision / value  
mission / vision / value

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Corporate Philosophy



# Mission

**We would like to act as a messenger to continue to provide thankfulness, sensation and deep emotion to all people through used car sales and offering reassured, comfortable and enjoyable car life.**

The motorization of Japan had dramatically progressed forward since 1960s when Japan achieved spectacular economic growth that the world has ever seen. In the meanwhile, the automobile as a symbol of plenty has turned out to be the comfortable tool which everybody can obtain. Since then, more than 50 years have passed by and the automobile in the current world has been recognized as an essential item necessary for our daily life.

The used cars have gradually become popular all over Japan in tandem with the progress of motorization as the car purchasing method with light financial burdens and nowadays more than 2.5 million used cars are sold for retail sale annually. During early days of used car market, not only government and public offices but also many industry group and private enterprises have made strenuous efforts and encouraged to create environment where customers can purchase used car in a steadily transparent and sound manner through eliminating cars with meters falsified, eradicating unjustified advertisement such as bait-and-switch advertising, establishing the standard to make assessment on quality of used cars, and improving the repair and painting skills.

GOOD SPEED has highly emphasized with such efforts by industry group. We would like customers to purchase used car in relief from their heart and ride on used car in a more comfortable and enjoyable manner. We would like to be the company who can offer such rich *"private car life"* to our customers.

# Vision (Medium-term management target)

## To become No1 SUV dealer in Japan in terms of used SUV car sales.

It is said that there are ca. 30,000 used car sales stores in Japan. The industry for selling used cars is highly fragmented and even the number-one player is estimated to only have around 5 % sales share in the market.

Since 1990s, the automobile holding period in Japan has become prolonged thanks to evolution in product performance of automobiles, long-continued moderate recession and diversification of consumers' lifestyle and as a result the number of automobiles sold for both new cars and used cars has been decreased. Further ahead, the depopulation will be accelerated in Japan and at the same time lifestyle of consumers will be diversified and subdivided. The number of cars sold is expected to continue be further decreased through the spread of new methodology of using cars without holding symbolized by "subscription service", "car sharing" and "car leasing".

Under such business environment in the industry, the competition for survival among ca. 27,000 used car sales stores is expected to be intensified. In particular, it shall be a good bet that large-sized used car sales outlets with capital strength and infrastructure for sales and after care service will absorb the market shares and small and medium used car outlets shall be dumped into the dustbin.

GOOD SPEED has achieved its growth by specializing in handling SUV since its foundation. Nowadays, we have expanded the types of cars such as Minivan, Mercedes-Benz, BMW MINI in addition to SUV. However, from here on out, we will keep on upholding our brand message "SUV? Gotta be GOOD SPEED" without any change. We have put our medium-term management target to show our presence by sales size of SUV and increase our market share in the increasingly competitive used car sales industry. In concrete terms, we aim at becoming the used car sales company selling SUV most in Japan.

# Nothing beats our motivation

The consumption behavior is considered to dramatically progress in a convenient and rational manner in the present day where the technology continues to evolve and information industry revolution typified by AI and robot is accelerated. Nevertheless, the essence of consumption behavior is formed by emotion and intellectuality unique to humans and therefore the consumers are seeking for face-to-face communication among humans and sentiment and experience such as "feeling of enjoyment", "satisfaction" and "emotion".

GOOD SPEED is operating our business with the mission to continue to provide thankfulness, sensation and emotion to all people by selling used cars and offering reassured, comfortable and pleasant "*private car life*". We believe that nothing is more important than the "motivation" of our staffs in order to materialize this mission.

Although the financial power, own know-how and technology, and superior products and services are necessary in order to succeed through competition among companies, the base for this issue is human resource after all and the value of such human resources shall be determined by neither more nor less motivation of our staffs. We would like our customers, society and industry, business partner companies to be satisfied and wish to provide superior products and services and let our business colleagues to win success and growth. We think that such our belief, in other words, the strength of our motivation is the fountainhead of our competitive edge which cannot be replaced by anything else.

# business

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## Business Overview





# Brand (Sales channel)

**MEGA Store**  
Store for selling  
domestically produced cars



**15 stores**  
(as of May. 13, 2020)



Mainly operating stores specialized in selling SUV and Minivan. Stores for handling SUV narrows down the selection of vehicle type and focuses on arranging high quality used car with newer model year and shorter running distance. Store for handling Minivan focuses on car types which are popular among family customers and emphasizes on arranging high quality used car with newer model year and shorter running distance

Definition of "MEGA" : Store where its area is more than 2,000 Tsubo (6,612 m<sup>2</sup>) and Number of cars usually displayed: 200 cars.



Store for selling  
imported cars



**4 stores**  
(as of May. 13, 2020)

Store for selling imported cars are handling imported cars from US and Europe with the focus on American cars, MINI, Mercedes-Benz and BMW and clarifying its distinctive features of each store by limiting the type of cars.

# Edge of GOOD SPEED (1) : Specialization of Expertise

Our sales stores focus on type of cars at each store such as SUV, Minivan, imported cars with adequate large-size parking spaces available. Our sales stores constantly carry more than 2,700 car inventory and support customers' car selection.

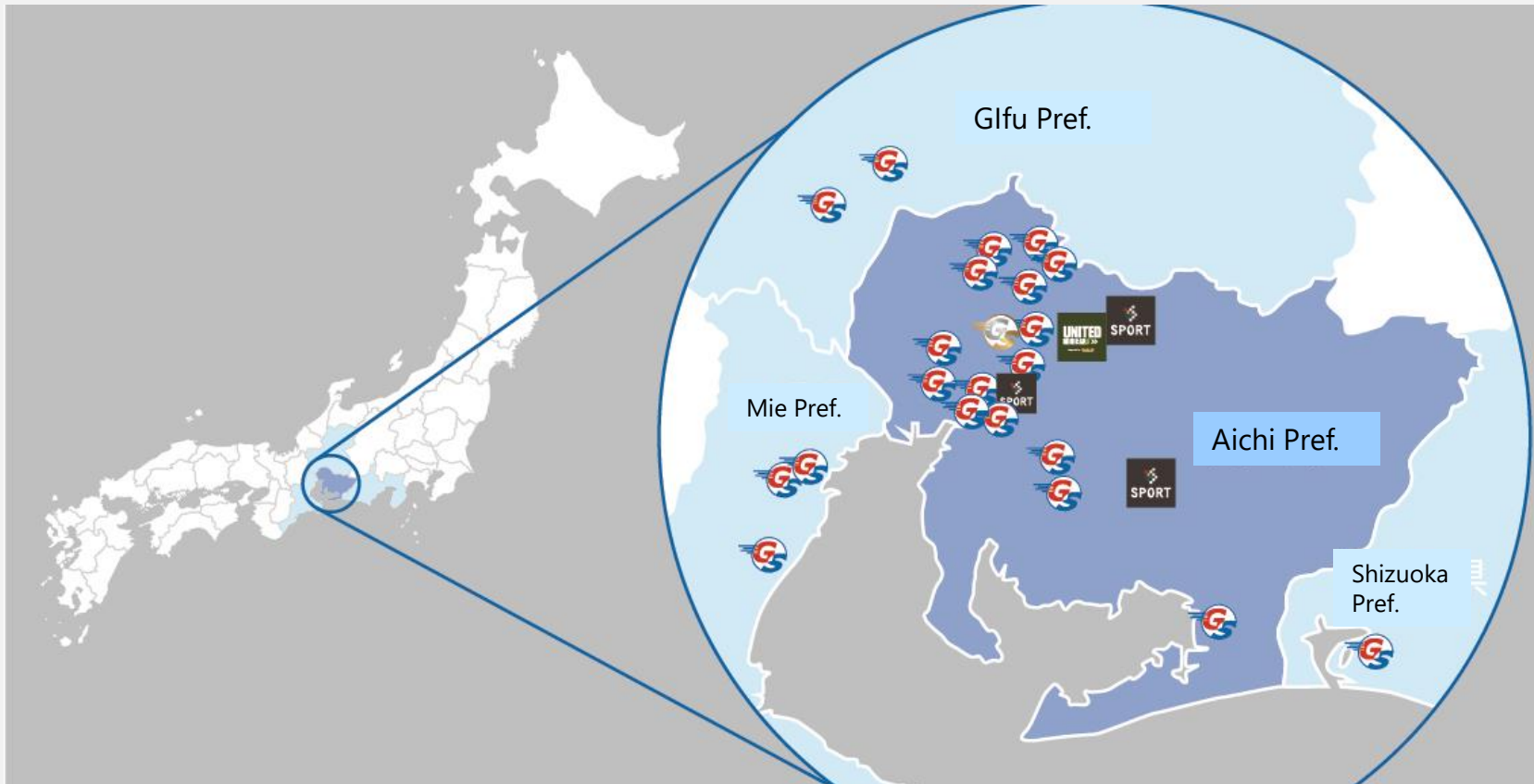
Through such format of stores, each of our marketing staffs shall be able to have abundant specialized knowledge and provide a high-quality proposal enabling customers to purchase used cars in relief from their heart.



## Edge of GOOD SPEED(2) : Dominant Store Opening Strategy

GOOD SPEED pursues dominant store opening strategy as its base for opening new stores.

This enables us to hold overwhelming number of car inventory in a specified genre with synergy effect from opening stores specialized in expertise. In particular, we realized that we have the highest level of abundant lineup of car inventory and car type for SUV in Tokai region.

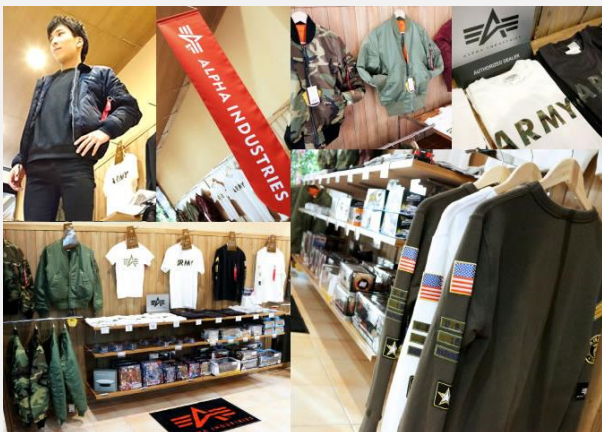




# Edge of GOOD SPEED(3) : Comfortable and Clean Store

GOOD SPEED is eager to open stores with high designability matching with the type of cars to be sold with the concept of elegant, clean and bright showrooms overturning conventional fixed image of used car sales store.

In addition, we are also eager to design the store to let family type customers to visit with a light heart by making play space for kids in the showroom.



# Edge of GOOD SPEED(4) : Total Support for “Private Car Life”

GOOD SPEED has full lineup of services to support “private car life” for our customers such as arranging car insurance, after-service for car inspection and car maintenance, car lease, trade-in, purchasing used cars, rental cars.

Name of products/services	Details (as of May, 2020)
Car Inspection & Maintenance	We setup car maintenance pit for each store and arranged government certified automobile engineers and examiners. We have 15 certified factories, out of which 7 are designated factories.
Repair and painting	Repair and painting for car scratches and dents by BP Center.
Automobile Loans	Customers can apply for automobile loans at our sales outlets with hassle-free procedure.
Rental car service	Operating rental car service in Aichi & Okinawa Prefectures. Offering this service with brand-new cars or used cars in a good shape with less than two year duration of use installed with car navigation system, rear camera and ETC as standard equipment. If customer becomes fond of it, he or she can purchase it as it is.
Automobile Insurance	GOOD SPEED takes care of handling car accident, picking up and repairing damaged car, and claiming insurance payment in a consistent way. Holding 350 cars as replacement vehicle in a constant manner. Our service is available even for Saturdays and Sundays.
Purchase (at the sales store or visiting car owner to purchase his car), Trade-in	3 Stores are specialized in purchasing used cars. We shall purchase SUV at high price which can be used for retail resale.



## Edge of GOOD SPEED(5) : Purchasing Framework by Our Own Standard

GOOD SPEED purchases quality assured used cars satisfying our own standard at nationwide auto auction sites in Japan and second-hand automobile sales dealers. In concrete terms, we are doing our utmost effort not only to provide stable supply of used cars but also to offer superior used cars matching the needs of customers by setting up division specialized in used cars with high quality without any omissions as store specialized in handling used cars without any repairing history.

Furthermore, we are endeavoring to create environment where we shall be able to strengthen used car purchase and trade-in based on our own standard and offer used car at cheaper price through direct sales.



## Edge of GOOD SPEED(6) : Abundant Options

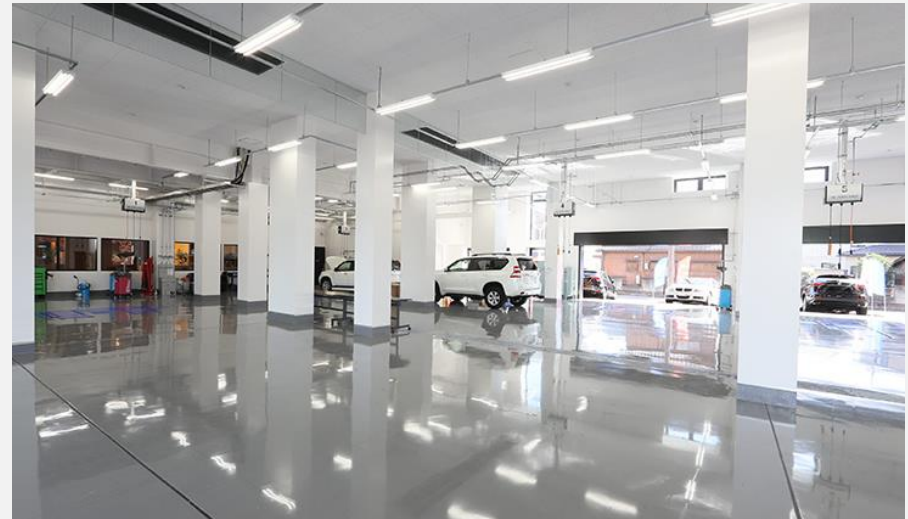
GOOD SPEED has abundant lineups of optional products/services to satisfy diversified needs of customers for the sales of used cars. With such optional products/services, we have secured sales and profit per one car sold and at the same time we make an effort to enable us to sell used cars at the price accessibly priced for customers.

Name of products/services	Details (as of May 13, 2020)
GS WARRANTY	Warranty program for used car up to three year.
Maintenance package	Packaged product/service for periodic inspection such as “oil exchange” and “exchange of oil element” after purchase.
Car coating “Scratch Barrier”	Application of car coating superior in durability.
Guarantee on brand-new tires	GOOD SPEED ensures insurance payment to purchase brand-new tires for next two years after occurrence of tire trouble and guarantees the expenses to purchase brand-new tires up to JPY 100,000.
Dashboard cameras of automobiles	Video occurrence recording apparatus installed in cars. Recording the situation inside and outside of cars in order to be prepared for troubles such as accidents and thefts.

## Edge of GOOD SPEED(7) : Parallel Establishment of Service Factory

We have established car maintenance pit with ample facilities adjoining to most of stores in order to let customers to enjoy reassured “private car life” at the time and after time of purchasing used car.

We have many government certified automobile engineers and offer services of car inspection and periodic inspection, fixing car navigation systems, car body coating and car cleaning in a constant manner. Moreover, we have lineups of many facilities and equipment with high functionality and quality and provide wide range of car maintenance services. We also have car maintenance factory designated by Chubu District Transport Bureau and shall be able to conduct car inspections in a reassured and reasonable manner with full facilities and high level of technical capabilities owned by our government certified automobile engineers





# Edge of GOOD SPEED(8) : Linkage with Our Loyal Customers

GOOD SPEED values the linkage with customers who have used our products and services and has strong concept of values for making them our loyal customers.

In concrete terms, we arrange many opportunities to have contacts with customers through events as an support for customer after purchase. The automobile is not mere tool for transportation, but has one element for enhancing the level of lifestyle. In case of SUV, the aspect of such consideration is further prominent.

SUV tends to be linked with camping, snow-boarding, mountain climbing, survival games and various outdoor events such as outdoor cooking class and we are working on establishing long-term relationship with customers by increasing contacts through such playful events without ending the relationship with customers at the time of purchase.



## Edge of GOOD SPEED(9) : Human Resources Development and Recruitment

We are recruiting new staffs who can match with our standard and we can hope for their success based on our own hiring criteria on our long-term experience

In addition, we are implementing designed human resources development as we have established system to promote staffs to chief, store manager and general manager in a convincing way by setting KPIs for car sales, car maintenance and repair and painting and let our staffs to take care of daily works with high level of motivation.





external environment  
external environment

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## External Environment



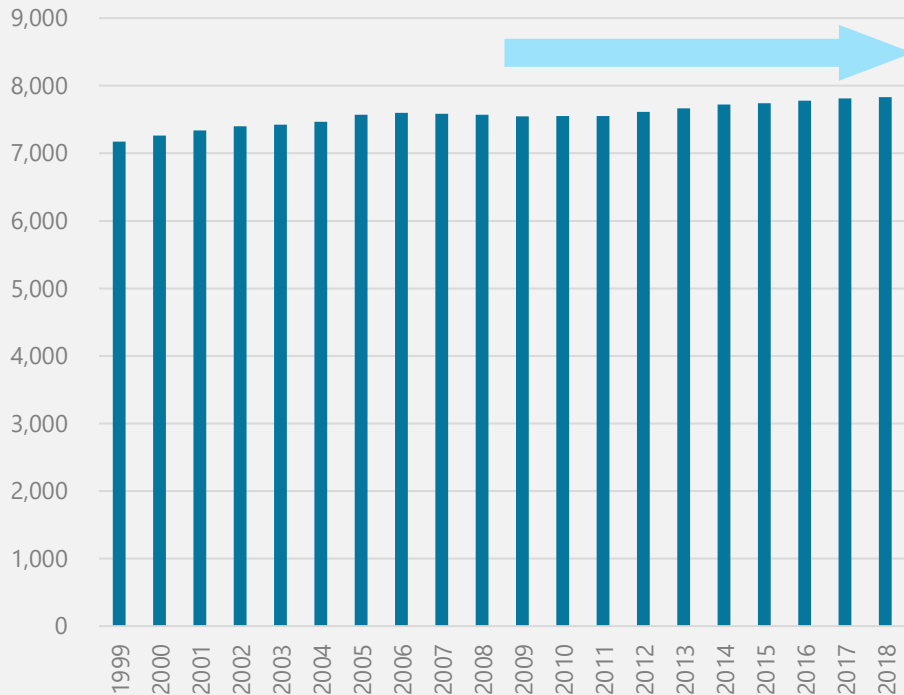
# Market Trend (1)

Automobiles have spread among people and the number of automobiles owned has peaked out and the turnover ratio of automobiles has been deteriorated.

## Number of automobile owned

- It had been slightly decreased over 3-year period since 2007 and then turned out to be on an increase trend since 2009.
- It is expected to not decline in a drastic way and continue to remain at current high level.

(Unit: 10,000 cars)

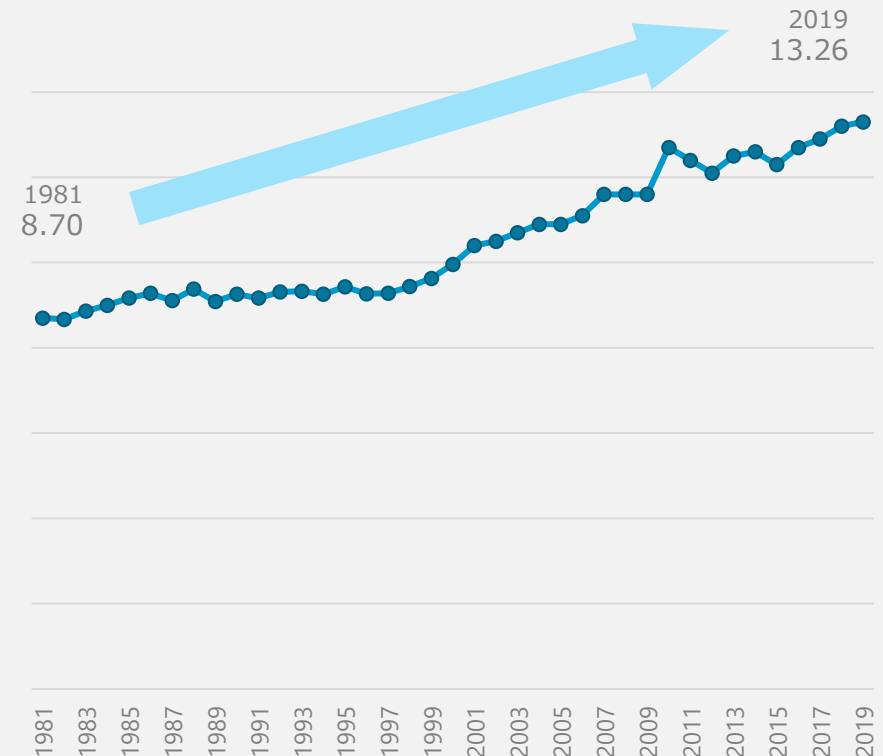


Source: Ministry of Land, Infrastructure, Transport and Tourism

## Average duration of automobile usage

- Average age of automobiles and average duration of automobile usage has been prolonged due to functionality improvement of automobiles
- The number of used car in good shape with shorter running distance and no accident has been decreased.

(Average duration of automobile usage/year)



Source: "Trend of Holding Private Cars"

by Automobile Inspection & Registration Information Association

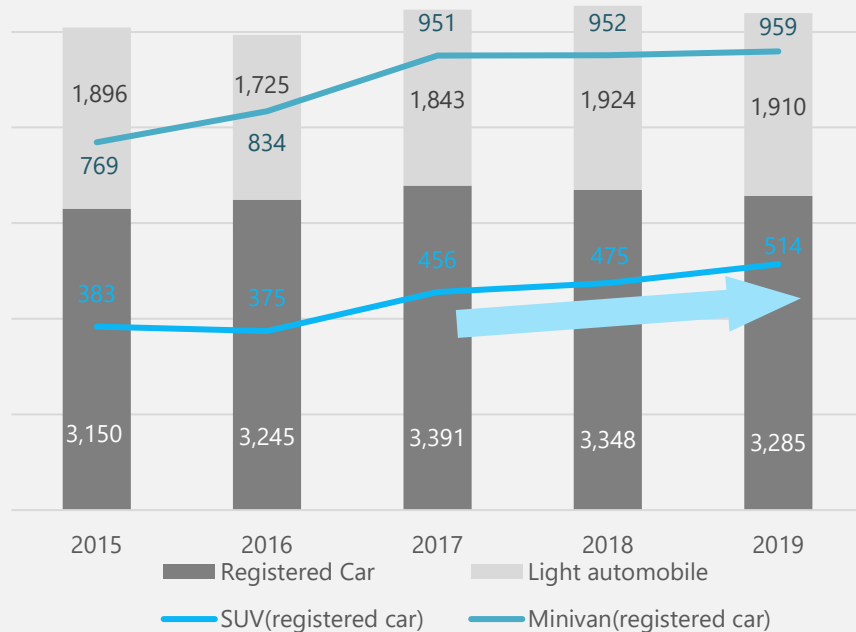
## Market Trend (2)

Sales of brand-new cars and registration of used cars has been moderately declining, while sales of brand-new SUV has been on the trend of expansion.

### Number of Brand-New Cars Sold (on calendar year basis)

- The total number of brand-new cars sold in 2019 has declined by ▲1.5% compared with previous year due to last-minute demand before consumption tax hike and impact after consumption tax hike.
  - The growth rate in 2019 - SUV: **+8.3%**, Minivan: +0.8%
- Our forecast: SUV continues to grow at least more than next 3 years.

(Unit: Thousand cars)

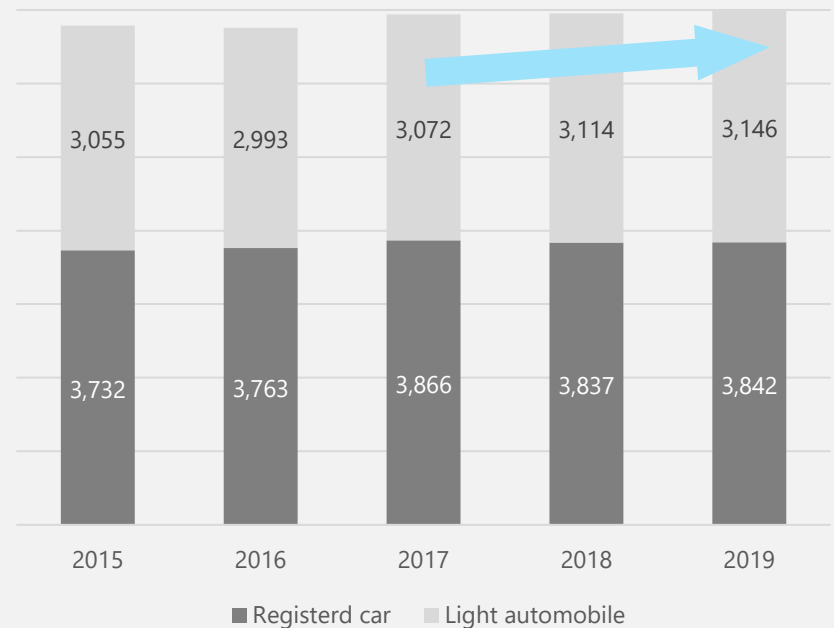


Source: Japan Automobile Dealers Association;  
National Association of Light Motor Vehicles

### Number of Used Car Registration (on calendar year basis)

- The number of used cars registration has also been on sideward trend with ▲0.5% growth on calendar year basis due to last-minute demand before consumption tax hike and impact after consumption tax hike.

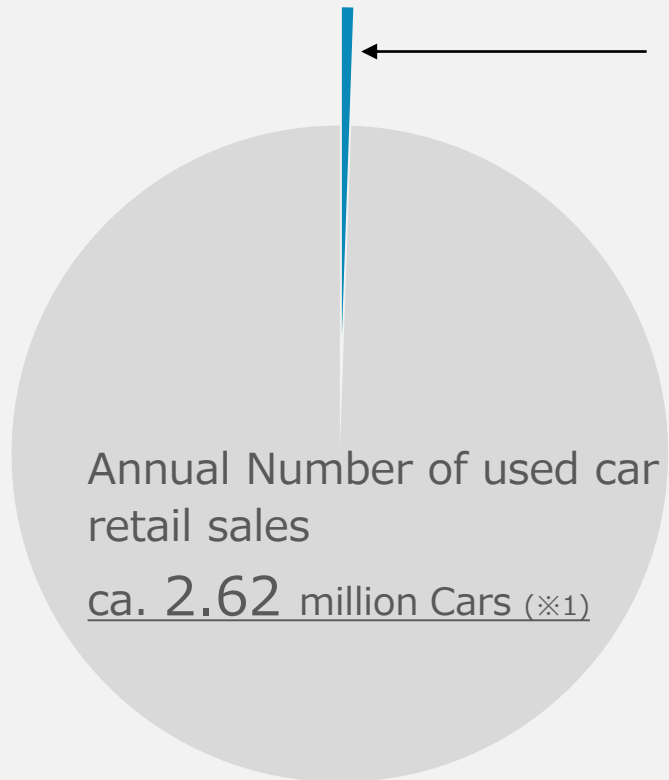
(Unit: Thousand cars)



Source: Japan Automobile Dealers Association;  
National Association of Light Motor Vehicles

# Situation on Used Car Sales Stores

The industry of selling used cars are highly fragmented.



Our market share less than 0.4%

Our estimated ranking 7th (※2)

(actual result for FY 2019/9: 10,151 cars)

- The biggest company in the industry has ca. 5 % market share in terms of sales with ca. 100,000 cars sold on yearly basis.(※3)
- The number of used car sales outlets is ca 27,000 in Japan.(※4)

The industry of used car sales is highly fragmented. The market share of large-size companies operating used car sales outlets is expected to be expanded, where we believe that we have large room to acquire market share.

Reference:

Situation in 4 Prefectures in Tokai Region (namely, Aichi, Gifu, Mie and Shizuoka Prefectures)

Our estimated ranking in 4 Prefectures in Tokai 3th (※5)

※1 Market Size of Used Cars Retail Sale in 2019 estimated by Yano Research Institute

※2, 5 Used Car Retail Sales Ranking in 2018 by Tokyo Shoko Research, excluding the used car sales by automobile manufacturer affiliated dealers

※3, 4 Research by GOOD SPEED Speed based on data released by each company

# strategy 2019.9-2021.9

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## Growth Strategy

Term 17 (FY 2019/9) ~ Term 19 (FY 2021/9)



- 1) Increase the Number of Stores
- 2) Strengthening the Contacts with Customers
- 3) Increase of Customer Traffic (Enhancement of Sales Promotion & Advertisement)
- 4) Maintenance and Increase of Unit Sales Price per Customer
- 5) Strengthening Organization Structure (Human Resource Development)

## Growth Strategy 1) Increase the Number of Stores

### Proactive Implementation to Open New Stores

We continue to expand the network of our sales outlets in a proactive manner. We plan to 2 Mega stores on annual basis in FY 2020/9 and 2021/9. We also pursue the opportunity to open new stores in the areas other than Tokai region.

List of Store Opening	At the end of FY 2018/9 (Actual)	At the end of FY 2019/9 (Actual)	At the end of FY 2020/9 (Estimate as of May 13, 2020)	At the end of FY 2021/9 (Target)
MEGA Store	1 store	3 stores	<b>5 stores</b>	<b>7 stores</b>
Stores specialized in selling domestically produced cars (other than MEGA Store)	11 stores	11 stores	10 stores	10 stores
Stores to sell imported cars	4 stores	4 stores	4 stores	4 stores
Stores to sell motor bikes	0 store	0 store	<b>1 store</b>	1 store
Stores to purchase used cars	0 store	1 store	<b>3 stores</b>	3 stores
Stores for car inspection	1 store	1 store	<b>3 stores</b>	3 stores
BP Center	2 stores	3 stores	<b>4 stores</b>	4 stores
Car rental	0 store	0 store	<b>1 store</b>	1 stores

# ◇ New Store Opening Information

**Base for Growth Strategy = Opening Two “MEGA” Stores in each fiscal year**

Definition of “MEGA” Store … Store where its area is more than 2,000 Tsubo (6,612 m<sup>2</sup>) and Number of cars usually displayed: 200 cars

In the FY 2020/9

- |        |                |   |
|--------|----------------|---|
| Actual | : January 2020 | MEGA Hamamatsu Store Renewal<br>(Enlarged existing stores to “MEGA” store format) |
| Actual | : April 2020   | MEGA SUV Tokai Nawa Store   |



**MEGA Hamamatsu Store**  
(Renewal Open in January 2020)



**New!** **MEGA SUV Tokai Nawa Store**  
(Opened in April 2020)



# ◇ New Store Opening Information

## Opening of BMW Motorrad Dealer

We will work on developing new customer segment by newly entering into imported motor bike sales(※), which has been hovering at steady level.

In the FY 2020/9

Scheduled : July 2020 Gifu City, Gifu Pref. We have acquired property.

※The number of newly registered imported small motor bikes in 2019 was 20,820, which was increased by 2.1 % from previous year of 20,285. (Source : Japan Automobile Importers Association)



BMW Motorrad Gifu City, Gifu Pref. Exterior image



BMW Motorrad Gifu City, Gifu Pref. Interior image

## ◇ New Store Opening Information

### Automobile Maintenance Factory – Expansion of Stranglehold

We plan to expand strangleholds and aim at increasing revenue of car maintenance and car body work and plating.

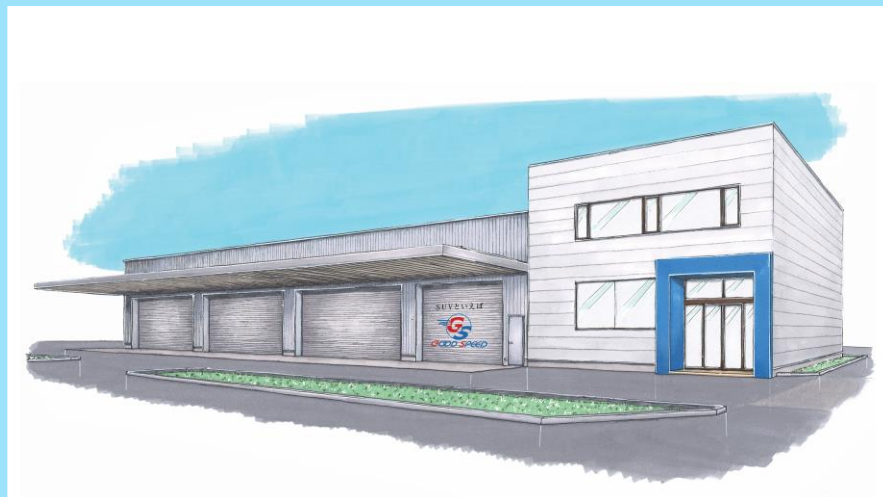
In the FY 2020/9

Actual	:	January 2020	GOOD SPEED Car Inspection Nagoya Tenpaku Store was opened
Scheduled	:	September 2020	Acquired property in Minato-ku, Nagoya City



GOOD SPEED Car Inspection Nagoya Tenpaku Store

(Renewal Open by absorbing Hokuto Motors in January 2020, of which we acquired 100% ownership in October 2019)



Minato-ku Nagoya City Automobile Maintenance Factory  
– Exterior image

# ◇ New Store Opening Information

## Store specialized in purchasing used cars – to increase number of stores

We aim at increasing the opportunities to purchase used cars in good shape with newer model year and shorter running distance and at the same time expanding sales and gross profit by strengthening our purchasing used cars.

In the FY 2020/9

Actual : January 2020

GOOD SPEED Tokai Tokai Nawa Store specialized in purchasing cars was opened

Actual : May 2020

GOOD SPEED Toyota Store specialized in purchasing cars was opened



GOOD SPEED Tokai Nawa Store specialized in purchasing cars/ Car Convenience Nawa Store  
(Opened in January 2020)



**New!**GOOD SPEED Toyota Store specialized in purchasing cars  
(Opened in May 2020)



## ◇ New Store Opening Information

# Opening of Rental Car Store

By operating rental car services with brand news SUV and Minivan vehicles, we aim at improving our service and enhancing our name recognition in the market.

In the FY 2020/9

Actual : April 2020 Took over rental car service business from “Enjoy Rental Cars”



**New!** “Enjoy Rental Cars”  
(Succeeded business in April 2020)

## Introduction of New Service

We are offering various types of services not only for selling used cars but also arranging car insurance, car inspection and maintenance and rental cars in order to support “private car life” of our customers and aim at improving new services to strengthen the contacts with customer further.

Offering Lunch



GOOD SPEED MEGA Ogaki Store,  
GOOD SPEED MEGA SUV Chiryu Store

GOOD SPEED MEGA SUV Tokai Nawa Store  
(starting from June 2020)

(scheduled to be expanded in sequence)

Car Wash Facility



GOOD SPEED MEGA Ogaki Store  
(scheduled to be expanded in sequence)

## Growth Strategy 3) Increase of Customer Traffic

(Enhancement of Sales Promotion & Advertisement)

### We will make more proactive approach to our existing customers to whom we sold used cars

We aim at enhancing the revisits (repeating ratio) of customers to whom we sold used cars in the past by making use of CRM system (customer management system) refurbished in FY 2018/9 and strengthening the framework of our call center.





# Growth Strategy 3) Increase of Customer Traffic

(Enhancement of Sales Promotion & Advertisement)

## Strengthening Sales Promotion

We will improve recognition degree of our brand by strengthening our own car inventory search page and making use of other specialized websites operated by other companies.

### Our Own Car Inventory Search Page

新車・中古車在庫情報 | SUVといえばグッドスピードGOOD SPEED  
SUVといえば



1327台 並べ替え 絞り込み 表示数

**NEW** 日産 セレナ メモリーナビ 両側電動 プロパイロット



年式	2016	走行	25838 km
車検	2019/10	排気量	2000cc
本体価格		<b>238.8 万円</b>	

衝突軽減 両側電動ドア ナビ

取扱店 グッドスピード小牧 ミニバン・ハイエース 専門店

メールする(無料) 店舗にTELする

**NEW** 日産 エクストレイル 20X エマージェンシーブレーキ パッケージ 3列



年式	2016	走行	24000 km
車検	2019/9	排気量	2000cc

### Number of Website Conversions (※)

March 2020 (Actual Result)

7,213

(+11.8% compared with the corresponding month in the previous year)



※Conversion・・・ Sum of estimation request at our website and websites operated by other companies, calls and reservations for visiting our stores

## Raising Options incidental to Products/Service and Unit Price

# GS WARRANTY

「好みの車をリーズナブルな価格で！」

たくさんの中車の中から自分のライフスタイルにあった一台を選んだり、ハイクラスのを安く入手できたり、中古車にはさまざまなメリットがあります。特にコスト面は大きな魅力のひとつ。随分できたお金は他の楽しみに使うこともできます。そして、中古車は買い替える物と考えるのではなくてよからしが、し出し、中古車の場合、新車同様の主の乗り方次第で品質に「ライフ」が出来るので、不要費用が大幅に低減のし、そこでグッドスピードは、中古車に対する価値を高め、お楽しみを満喫することが大きな強みという思いのもと、誰か買ひ、中古車選びを実現できるよう、充実したアフターサポートをご用意しました。

## GS WARRANTY

なら……買ったあとも

グッドスピードの保証で安心。

GS歴史上  
**最強保証**

大きな安心。  
故障に備えた万全のサービス。  
それがグッドスピードの保証！

あくまでも車は機械。どんなに品質が良くても、壊れるは免るほど、古くなるはなるは仕方のないです。でも、壊れるに備え、万が一故障しても「スピード」に保証できる。保証により、グッドスピードが万全のサービスを提供いたします。グッドスピード保証では、車の修理費のお支払いをし、故障時のレッカーサービス、バッテリーがりなどの急ぎ処置に加え、コールセンター機能として、車の販売・整備・長年携わってきたプロのスタッフが、アフターサポート全般のご相談に親切に対応いたします。「買ったあとも安心な車」を、あなたのカーライフにぜひお役立てください。

24時間 × 365日  
全国対応・無料ロードサービス

## スクラッチバリア施工手順

- 1 洗車**
- 2 鉄粉や酸の除去**
- 3 磨き**
- 4 脱脂  
(コンパウンドの洗車)**

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**5 ベース施工・焼き入れ1回目**

防汚耐性を強化・表面硬度を強化

### SCRATCH BARRIER

#### スクラッチバリアの防汚／撥水のメカニズム

スクラッチバリアのコーティングは、シリカガラスに実着するベース施工と撥水効果の高いトップ施工の2層コーティング構造。ガラスのようなコーティングで、汚れを防ぎながら、塗装の美しい光沢感を生み出す画期的なプレミアムボディコーティングとなります。

〈スクラッチバリア・コーティングイメージ〉

Me					O	Me					有機系
Si		Si		Si		Si					
O						O					有機・無機混合物
Si		Si		Si		Si					
O						O					無機系
Si		Si		Si		Si					
O						O					クリアー膜
Si		Si		Si		Si					
											塗装面

Si→シリカ、O→酸素、Me→Confidential (メタル基)※熱膨張率を想定しレイヤー化したものです。

#### 表面硬度

汚れのつきやすさは、最も重要なポイントと多く認識されています。塗装が傷だらけになれば、汚れが入り込んで取れにくくなります。スクラッチバリアは、ベース施工とトップ施工で、それぞれ異なる成分を行うことで、ガラスのようなコーティング層が形成され、さらにより高い表面硬度を実現します。

#### 耐久性

建築物のみでコーティングされるペース施工は、強い酸や塩素などによる劣化に強く5年保証があります。  
お車の塗料を保護しながら、それ以上に高品質なトップコーティングも1年以上の耐久力があります。  
※耐久性は環境、保管状況により異なります。

#### 防汚性／撥水性

ペーパーコーティングは、防汚性能を追求した施工です。無機ガラスの保護膜を形成し、汚れを寄せ付けにくくします。トップコーティングは、

#### （コーティングした後のお手入れも簡単）

コーティング後のお手入れは、簡単な水洗い作業で済み、力加が大変に軽減されます。ホリダが剥けたら早い段階で再施工をお願いします。  
専用コンディショナーをご用意しますので、洗車場

↑ バリエーション ↑

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# Growth Strategy 5) Strengthening Organizational Structure

## (Human Resource Development)

### **Securing Human Resources** (Focus on Recruitment and Control on Employee Turnover Rate)

We will focus on recruitment and control employ turnover rate by enhancing employee welfare benefits, making use of referral hiring, promoting foreigners and rehiring retired employees in a proactive way.

FY 2019/9	Recruitment Result	New graduates: 41, Mid-career recruitments: 108
FY 2020/9	Recruitment Plan	New graduates: 55, Mid-career recruitments: 118

#### Focus on recruiting New Graduates



#### Focus on recruiting staffs according to the type of business (website for hiring automobile engineers)





# Growth Strategy 5) Strengthening Organizational Structure

## (Human Resource Development)

### Education & Training

We seek to foster new recruits to be work-ready in short period and enhance the credential level of existing employees mainly through standardization of store operation by preparing and impregnating store operation manual and training to enhance sales capabilities based on role model of high-performer (salesperson achieving good result)

#### Preparing Store Operation Manual (Standardization of Store Operation)



#### Fostering new recruits to be work-ready in short period/training up high performers (various training to enhance sales capabilities)



# Shareholder Return Policy

As for division of profits, we have basic policy to continue to pay dividend to our stakeholders on a stable basis by securing the internal reserve necessary to expand our business in the future and strengthen the base of our business.

Since we have revised our forecast on the full-year financial result and made it yet-to-be-determined, we have also revised our estimate for year-end dividend for the FY ending September 2020 and made it yet-to-be-determined as well.

## ■ Dividend per share

FY 2019/9 (Actual) at the end of fiscal year JPY 10.00

FY 2020/9 (Forecast) at the end of fiscal year **Yet-to-be-determined**

## ■ Stock Split

We implemented 1:2 stock split with the effective date of January 1, 2020 for the purpose of improving the liquidity of our shares and expanding our shareholders base. As for the amount of dividend (actual) for the FY 2019/9, the actual amount of dividend paid based on the number of shares before this stock split are posted in the above paragraph.

# Share Buyback Program

We have decided to carry out the following share buyback program in order to implement agile capital policy corresponding to the changes in business environment.

## ■ Details on Share Buyback Program

Type of shares to be acquired	:	Common stock
Total number of shares to be acquired	:	Up to 90,000 shares (2.94 % of total shares outstanding excluding treasury stocks)
Total amount to be paid for acquisition	:	Up to JPY 70 Million
Period of acquisition	:	May 14, 2020 to August 13, 2020
Method of acquisition	:	Market purchase on the Tokyo Stock Exchange



## Stocks as of March 31, 2020

Total number of authorized shares	7,200,000 shares
Total number of shares issued and outstanding	3,065,000 shares
Number of shareholders	1,321

※ We implemented 1:2 stock split with the effective date of January 1, 2020.

## Major Shareholders(ranked in the top10) as of March 31, 2020

Name of Shareholder	Number of shares held	Stock holding ratio (%)
Hisanori Kato	900,000	29.36
Anela Co., Ltd	900,000	29.36
Aioi Nissay Dowa Insurance Co., Ltd	150,000	4.89
J.P.MORGAN BANK LUXEMBOURG S.A. 1300002	113,700	3.70
Nomura Securities Co., Ltd.	101,400	3.30
MSIP CLIENT SECURITIES	40,500	1.32
J.P.MORGAN SECURITIES PLC	33,800	1.10
Manabu Oiwa	22,900	0.74
MORGAN STANLEY & CO, INTERNATIONAL PLC	12,100	0.39
Miyabi Akaishi	12,000	0.39

※ We implemented 1:2 stock split with the effective date of January 1, 2020.

# Disclaimer

## Forecast

The information described in this presentation material contains information on future forecast. Such information other than historical facts may have the influence from competition in the industry and market in which we are engaged and risk and contingency relating to institution and system of our industry. Therefore, please bear in mind that As a result, the forecast based on the assumption and estimation we judged based on currently available information may different from our future actual achievement and business result.

This presentation material is initially prepared in Japanese and translated into English. The Japanese text is the original and the English text is for reference purposes. If there is conflict or inconsistency between these two texts, the Japanese text shall prevail.

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