

FY 2020/9

Investor Presentation



GOOD SPEED CO., LTD. (7676)
November 13, 2020

GOOD SPEED Vehicle Inspection Nakagawa / Minato Store(Opened in October 20

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	433 (as of September 30, 2020)		
Business site / stores	32	Head Office: 1, MEGA store: 5, stores for domestic cars: 10, stores for imported cars: 4, Motorcycle dealer: 1, stores for purchasing usedcars: 2, stores for automobile safety inspection: 3, BP center: 4, Gas station: 1, storefor car rental: 1 (as of May 13, 2020)	
Operating areas	Tokai Area (Aichi, Gifu, Mie & Shizuoka Prefectures), Okinawa Prefecture		
Business Lineup	Offering reassured, comfortable and enjoyable car life In cars and motorcycles Sales of new car and used vehicles mainly handling SUV, purchase of used vehicles, automobile maintenance, repair and painting, gas station, insurance agency and car-rental business		
Management	<div><div>Hisanori Kato, President & CEO</div><div>Shingo Yokochi, Managing Director</div><div>Kenta Hiramatsu, Director</div><div>Yasuyuki Mitsukawa, Director</div><div>Norihiko Hosaka, Director</div><div>Nobuo Hirata, Director</div></div> <div><div>Audit & Supervisory Committee</div><div>Audit & Supervisory Committee</div><div>Audit & Supervisory Committee</div></div> <div><div>Outside Director</div><div>Outside Director</div><div>Outside Director</div></div> <div><div>Independent Officer</div><div>Independent Officer</div></div>		

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FY 2020/9 Highlights

Sales

JPY 33,704 million

104.0% compared with the corresponding period of previous FY.

Automobile retail sales has increased by +5.5% contributed by the sales of MEGA stores which were opened in February and August during the previous fiscal year.

Sales of additional services such as automobile maintenance / repair and painting, insurance agents increased steadily despite the growing impact of Novel Coronavirus outbreak.

However, due to the growing impact of Novel Coronavirus outbreak, the overall increase was only slight.

Operating Profit

JPY 124 million

30.6% compared with the corresponding period of previous FY.

Gross profit has increased by +17.8% and gross profit margin has been improved by +1.7% as the retail sales and additional services with higher profit margin has grown during the period.

However, due to the impact of Novel Coronavirus outbreak, sales and gross profit were sluggish than initially expected, and the increase in SG & A expenses could not be absorbed, resulting in a decrease in operating income.

Automobile retail sales

10,973 cars

108.1% compared with the corresponding period of previous FY.

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

The automobile retail sales that fell below the previous year due to the effects of Novel Coronavirus outbreak for existing stores, but those has increased contributed by MEGA specialty store opened in the current fiscal year, and 2 MEGA stores which were opened in February and August during the previous fiscal year.

FY 2020/9 Business Result

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

Unit: JPY Million

	FY 2019/9 Actual (Full year)	2020年9月期 Actual (Full year)	Change (%) from previous period	Change in amount
Sales	32,393	33,704	104.0%	1,310
Cost of goods sold	28,167	28,726	102.0%	558
Gross profit	4,226	4,978	117.8%	752
Selling & general administrative expense	3,820	4,854	127.0%	1,033
Operating profit	405	124	30.6%	△281
Ordinary profit	318	3	1.0%	△314
Current net income	193	△24	-	△217

Automobile retail sales has increased (+5.5%). However, due to the consumption tax hike and the impact of Novel Coronavirus outbreak, it is weaker than the trend up to the previous fiscal year. Sales of incidental services such as automobile maintenance / repair and painting and insurance agents increased steadily

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

Impairment loss recorded at some unprofitable stores

Operating Profit Change Analysis



Those has increased MEGA specialty store opened in the current fiscal year, and 2 MEGA stores which were opened in February and August during the previous fiscal year.

High-margin automobile maintenance / repair and painting, insurance agents and other additional services-related sales and profits

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, strengthening the back office function such as administrative division.

Fixed cost of MEGA specialty store opened in the current fiscal year, and 2 MEGA stores which were opened in February and August during the previous fiscal year have increased.

Lease expense
+ JPY 192 Million

Advertisement expense / sales promotion expense
+ JPY 134 Million

Depreciation expense
+ JPY 101 Million

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)	3Q (actual) for FY 2020/9 (accounting period)	4Q (actual) for FY 2020/9 (accounting period)	FY 2020/9 Full-year results
Sales	7,533	8,547	7,025	10,598	33,704
Cost of goods sold	6,443	7,292	6,094	8,896	28,726
Gross profit	1,090	1,254	930	1,702	4,978
Selling & general administrative expense	1,084	1,165	1,312	1,291	4,854
Operating profit	5	89	△381	410	124
Ordinary profit	△17	52	△407	376	3
Current(quarter) net income	0	33	△284	227	△24

Impact from Novel Coronavirus Outbreak and Consumption Tax Hike

① Retail Sales

Automobile retail sales has been increasing supported by new opening of MEGA Stores, while the growth rate had slowed down during FY 2020/9 having the impact from consumption tax hike and Novel Coronavirus outbreak. It bottomed out in 3Q and has returned to a slight recovery trend from 4Q.

■ Retail car sales (number of cars sold)

— Changes (%) compared with the previous corresponding period

MEGA SUV Kasugai



MEGA Ogaki



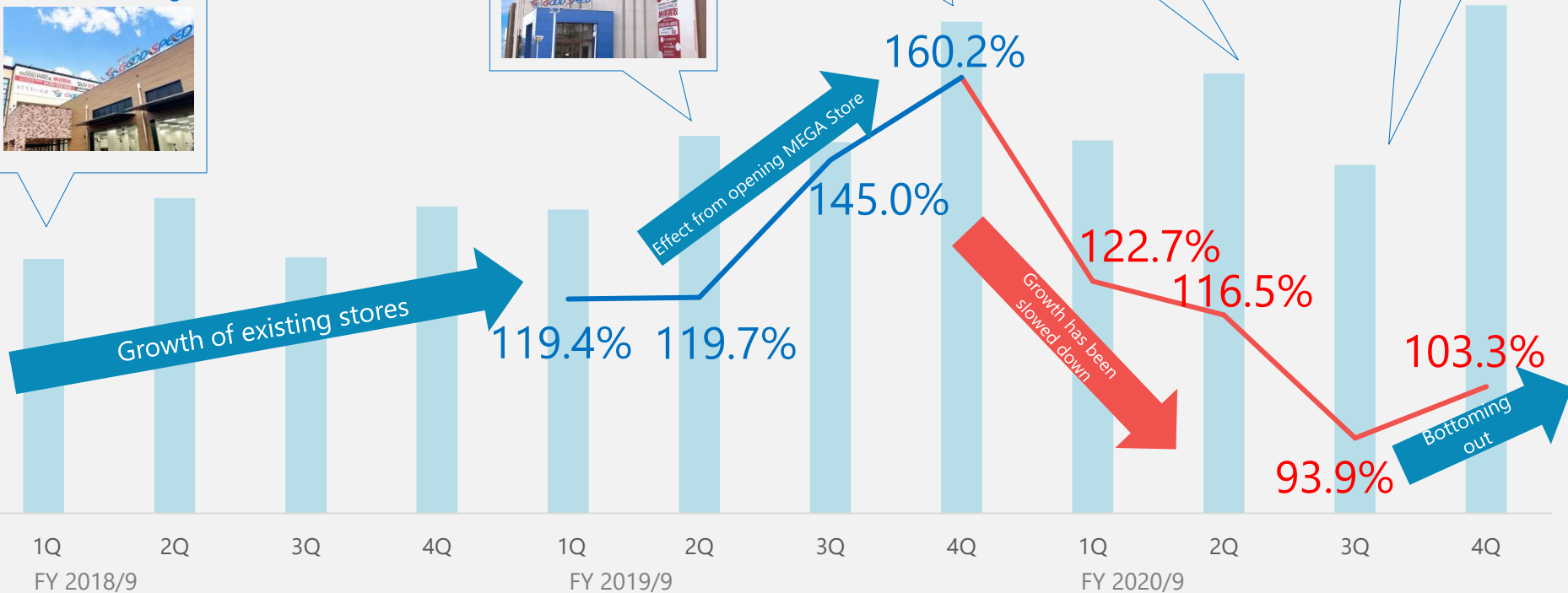
MEGA SUV Chiryu



MEGA Hamamatsu
(Renewal Open)



MEGA SUV Toukai Nawa



Impact from Novel Coronavirus Outbreak and Consumption Tax Hike

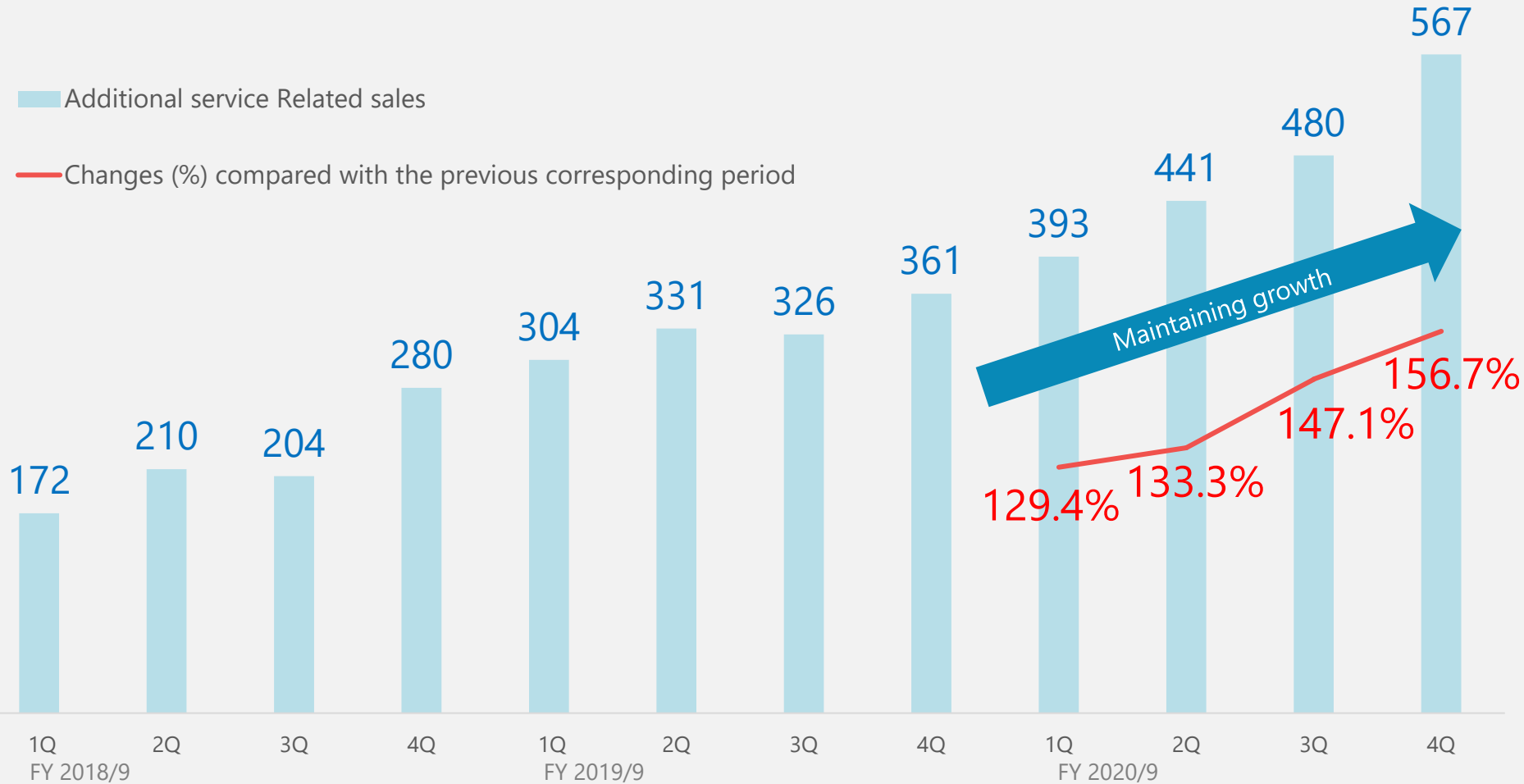
②Additional Service

In this retail car sales are influenced from Novel Coronavirus Outbreak on the other hand, related additional service (automobile maintenance, repair and painting, gas station, insurance agency and car-rental business) are growing steadily every year.

Unit: JPY Million

Additional service Related sales

Changes (%) compared with the previous corresponding period



FY 2020/9 Balance Sheet

Unit: JPY Million

	At the end of FY 2019/9	At the end of FY 2020/9	Changes in amount	%
Current Assets	8,377	10,723	2,346	128.0%
Non-current Assets	4,295	5,717	1,421	133.1%
Current Liabilities	8,857	11,930	3,073	134.7%
Non-current Liabilities	2,418	3,218	799	133.1%
Net Assets	1,396	1,292	△104	92.5%
Total Assets	12,672	16,441	△3,768	129.7%
Cash and Deposits	1,654	1,105	△548	66.8%
Interest-bearing Debt	8,612	11,905	3,292	138.2%
Equity Ratio	11.0%	7.8%	△3.2%	71.1%
Net D/E Ratio	5.0	8.4	3.4	168.3%

• 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.

Jun 2021 (scheduled)*: MEGA Store at Kobe City, Hyogo Pref. JPY 715 Million (timely disclosed on July 1, 2020) + car inventory: ca 300 cars.

July-September 2021(scheduled)*: MEGA Store Location undecided, and Amount undecided.

FY 2020/9 Cash Flow Statement

Unit: JPY Million

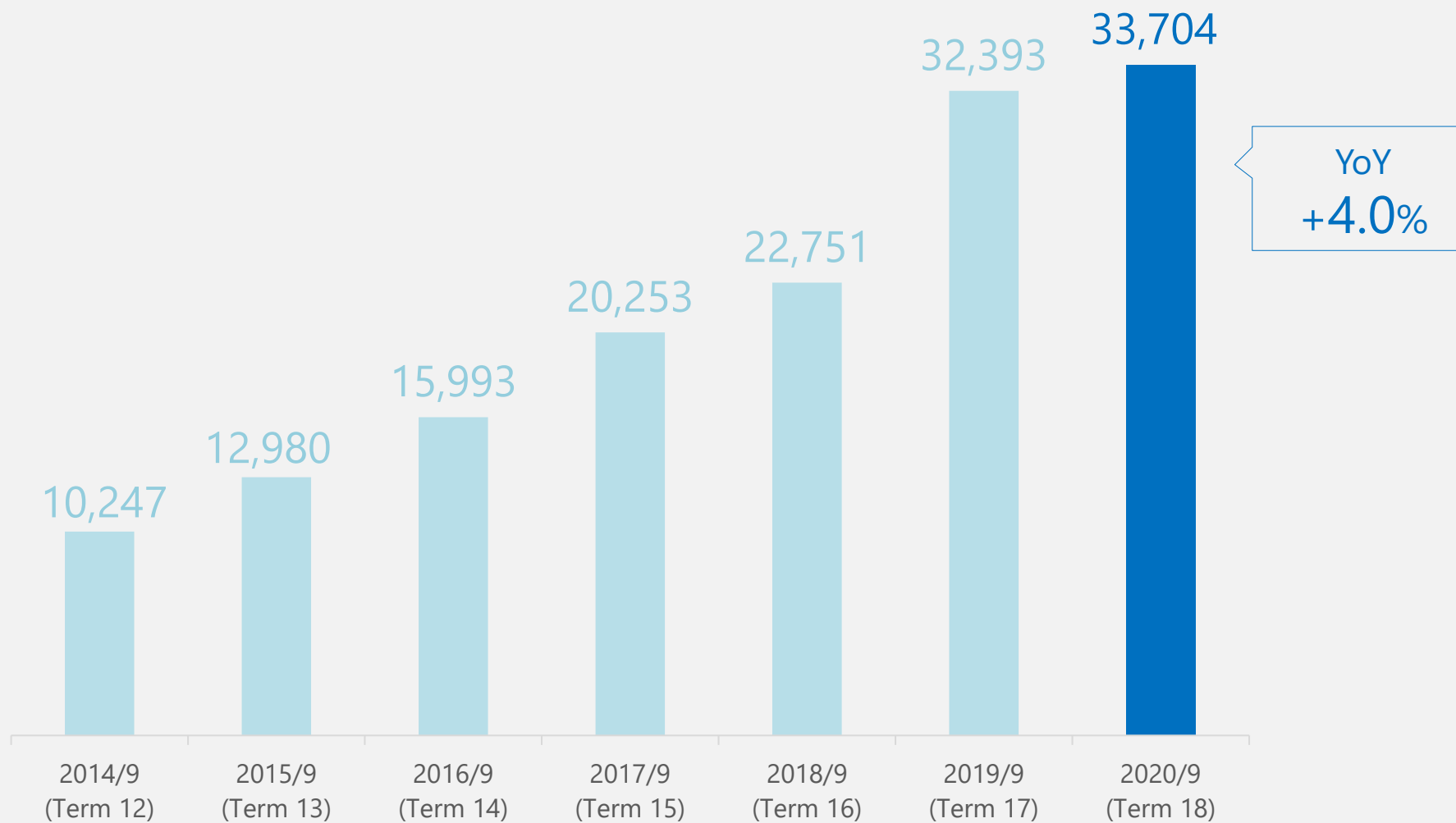
	FY 2019/9	FY 2020/9	Change
Cash flow from operating activities	△502	△1,745	△1,242
Cash flow from investment activities	△1,611	△1,910	△299
Cash flow from financing activities	2,277	3,103	825
Balance of cash & cash equivalent	1,654	1,105	△548
	FY 2019/9	FY 2020/9	Change
Investment amount (tangible & intangible fixed assets)	1,602	1,816	214
Depreciation & amortization (including amortization of goodwill)	302	386	84
Operating profit	405	124	△281
EBITDA	707	510	△196

Increase of inventory by the expansion of store network.
△JPY 1,551 million

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

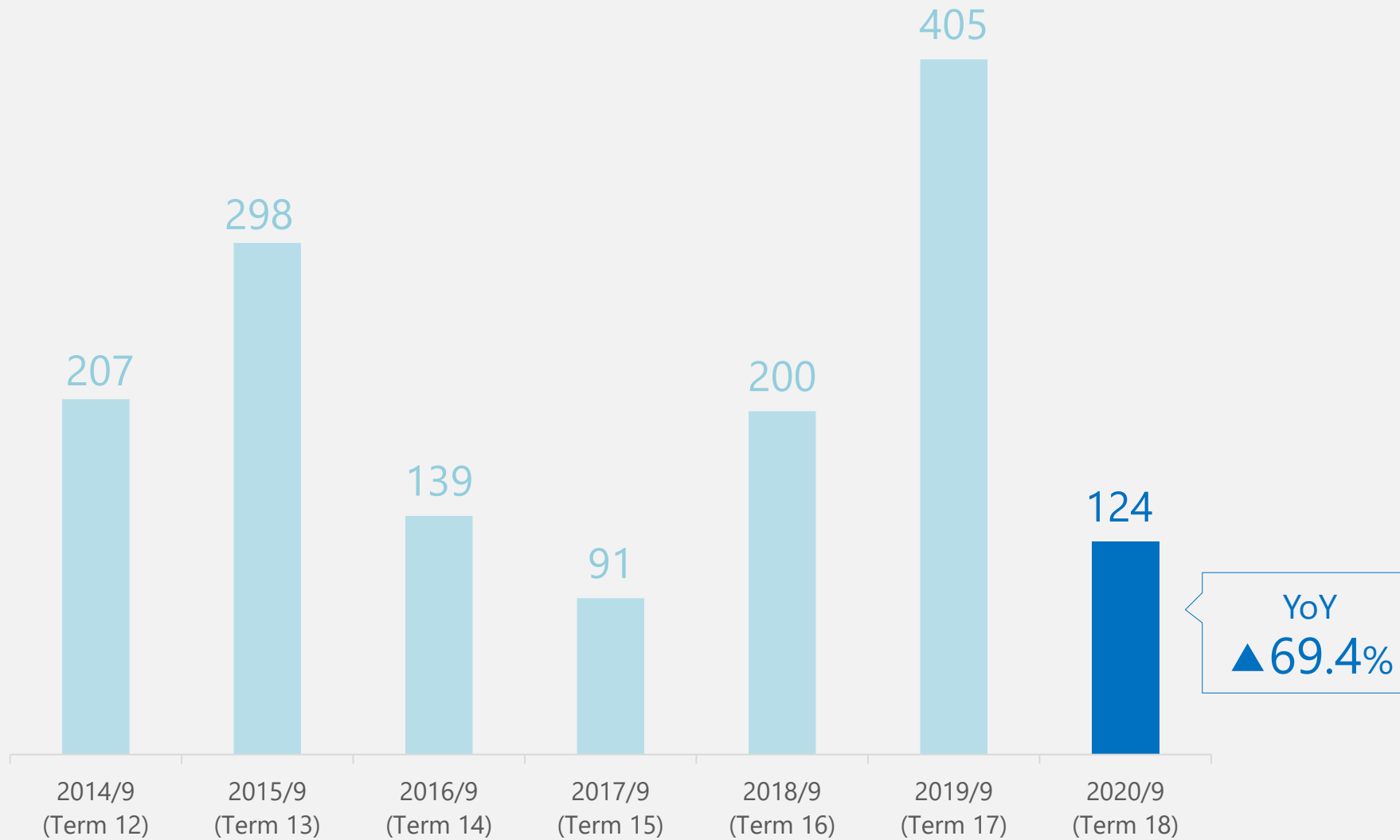
Trend of Sales

(Unit: JPY Million)



Operating Profit

(Unit: JPY Million)



Business Composition

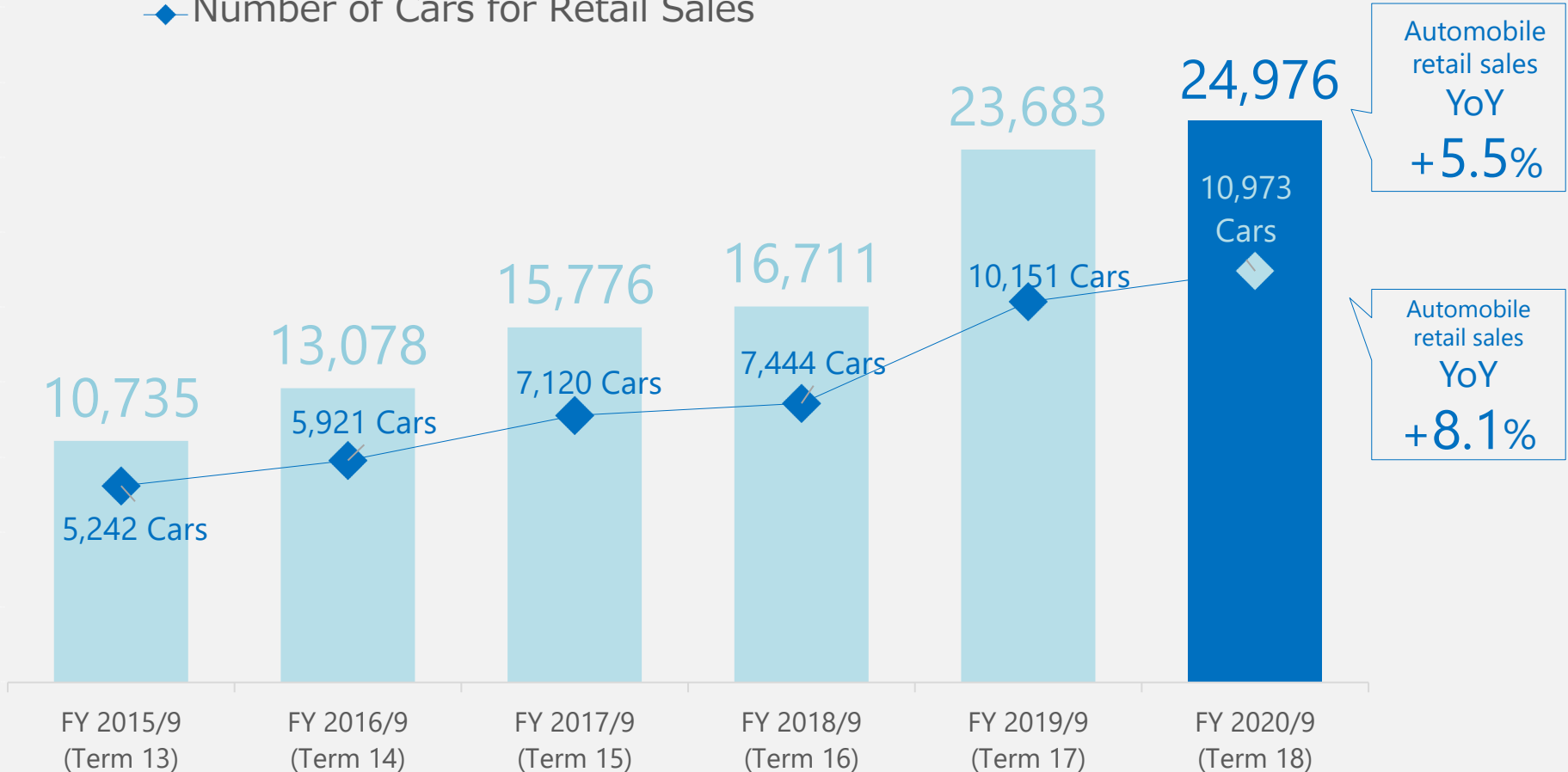
Business Segment	Sales Composition Ratio (FY 2020/9 Actual)	Gross Margin (FY 2020/9 Actual)	Details (as of November 13, 2020)
Sales of used vehicles	88.8%	13.0%	Core business segment. Operating MEGA Stores (5 stores), Store for domestically produced cars (10 stores), Stores for imported cars (4 stores), Motorcycle dealer (1 stores) in prefectures* of Tokai regions. (*namely Aichi, Gifu, Mie & Shizuoka Prefectures)
Purchase of used vehicles	5.6%	10.5%	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 2 stores who are specialized in purchasing used cars, and operating 1 stores with a store.
Automobile maintenance, repair and painting, gas station	4.5%	40.3%	Overhauling and conducting car safety inspection on the cars we sold. Operating stores specialized in car safety inspection (3 stores), BP Center specialized in car body work & plating (4 stores), Opened gas station (1 stores), in addition to having maintenance factory at most of the sales stores. We have 18 certified factories, out of which 9 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%	37.6%	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 Car rental shop Okinawa Prefecture.

Trend of Automobile Retail Sales

■ Automobile Retail Sales

(Unit: JPY Million)

◆ Number of Cars for Retail Sales



• Automobile 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 24,976 million of FY 2020/9 (Term 18), sales are booked after deducting JPY 1,053 million.

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

external environment
external environment

External Environment



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バグッピー

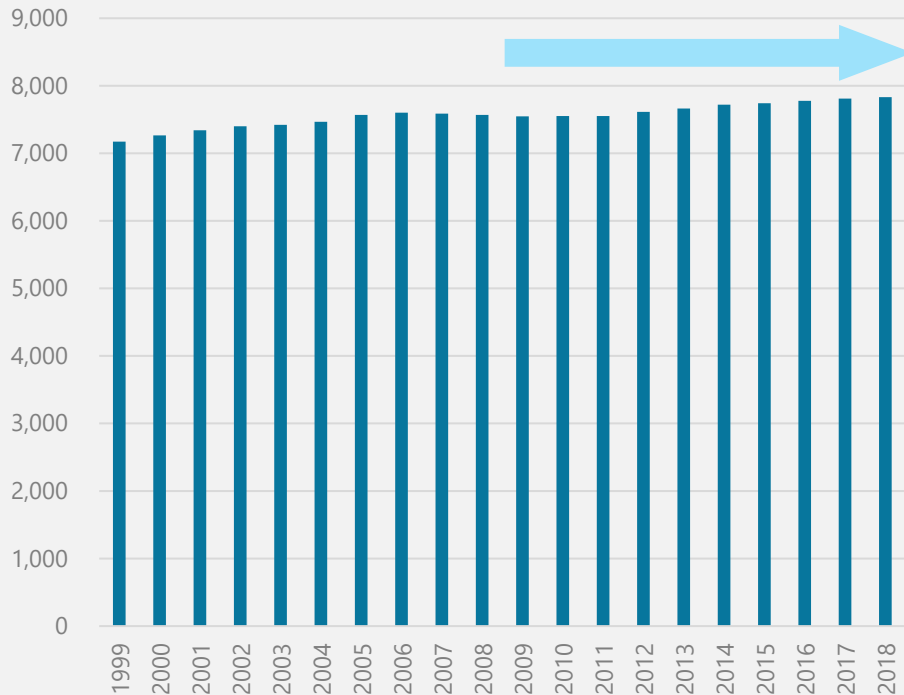
Market Trend (1)

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)

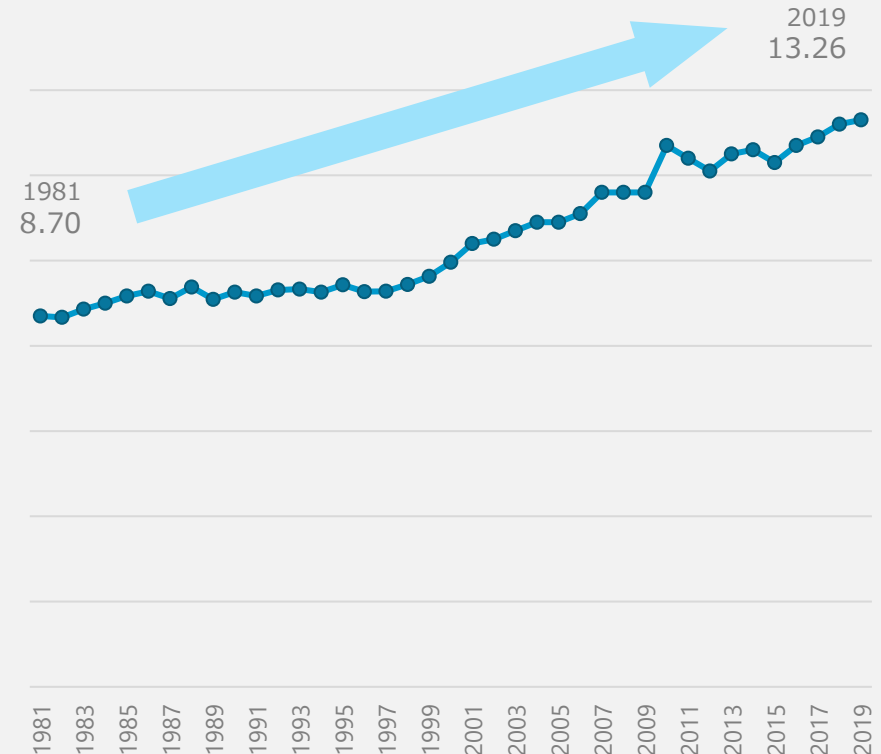


Source: Ministry of Land, Infrastructure, Transport and Tourism

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

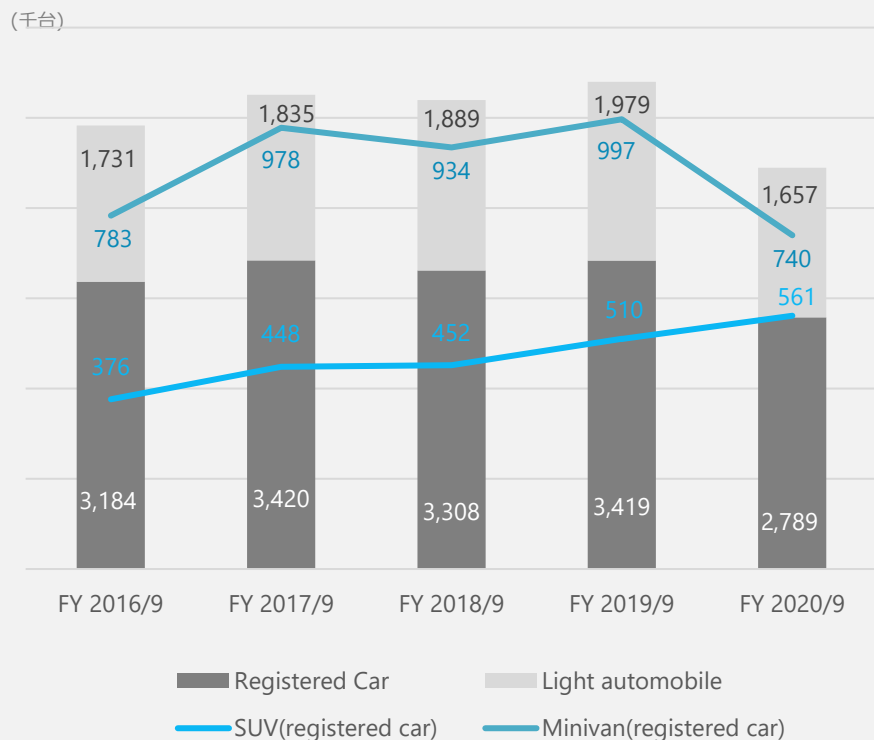
Market Trend (2)

Sales of brand-new cars declined significantly, 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 (October-September cumulative total)

- In the FY 2020/9 (October 2019 – September 2020), the consumption tax hike and the impact of Novel Coronavirus outbreak caused a sharp decrease.
- By genre, minivans plummeted, but SUVs increased steadily.

→Our forecast: SUV continues to grow at least more than next 3 years

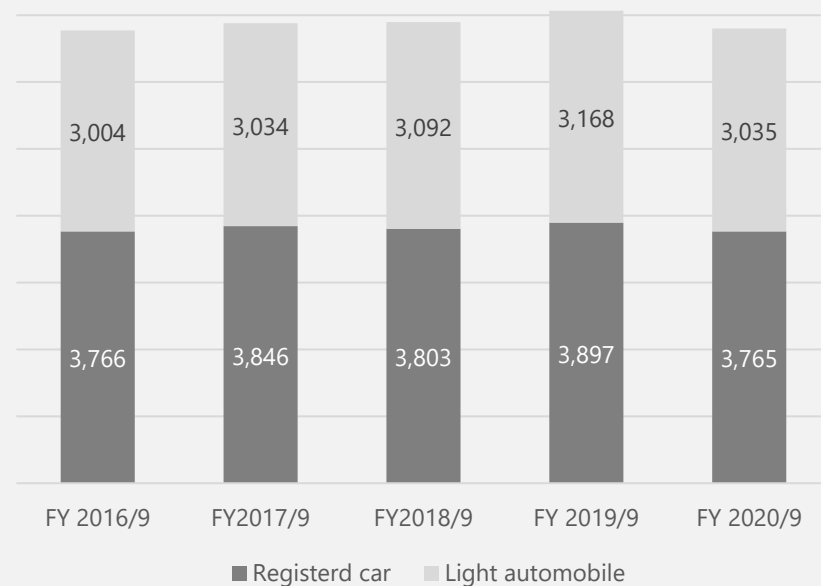


Source: Japan Automobile Dealers Association;
National Association of Light Motor Vehicles

Number of Used Car Registration (October-September cumulative total)

- The number of used cars registered in FY 2020/9 (October 2019 to September 2020) was also affected by the consumption tax hike and Novel Coronavirus outbreak, but the rate of decrease is small compared to the number of new cars sold.

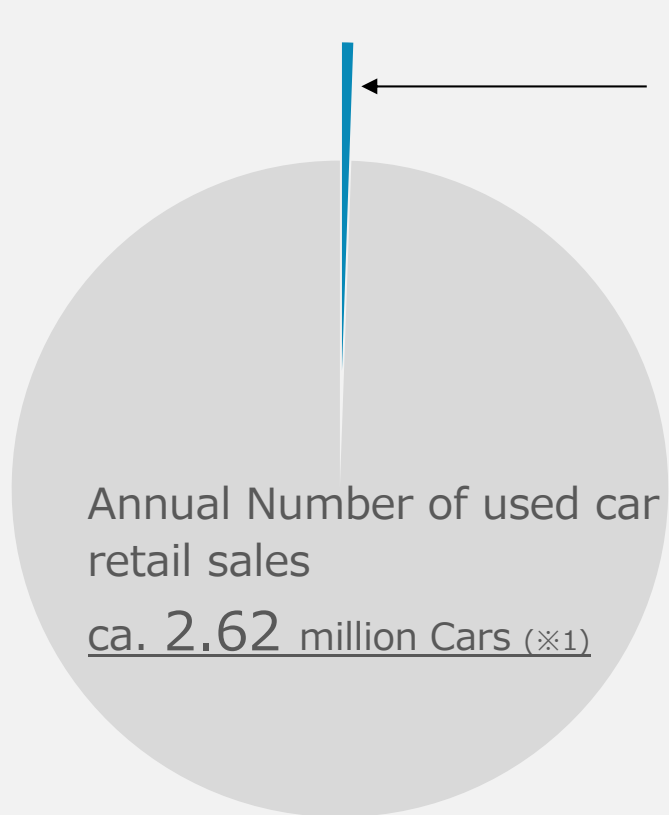
(Unit: Thousand cars)



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 0.5%

(actual result for FY 2020/9: 10,973 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.(※2)
- The number of used car sales outlets is ca 27,000 in Japan.(※3)

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.

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

※2, 3 Research by GOOD SPEED Speed based on data released by each company

earnings forecast

FY2021/9 Earnings Forecast



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FY2021/9 Earnings Forecast

Unit : JPY Million

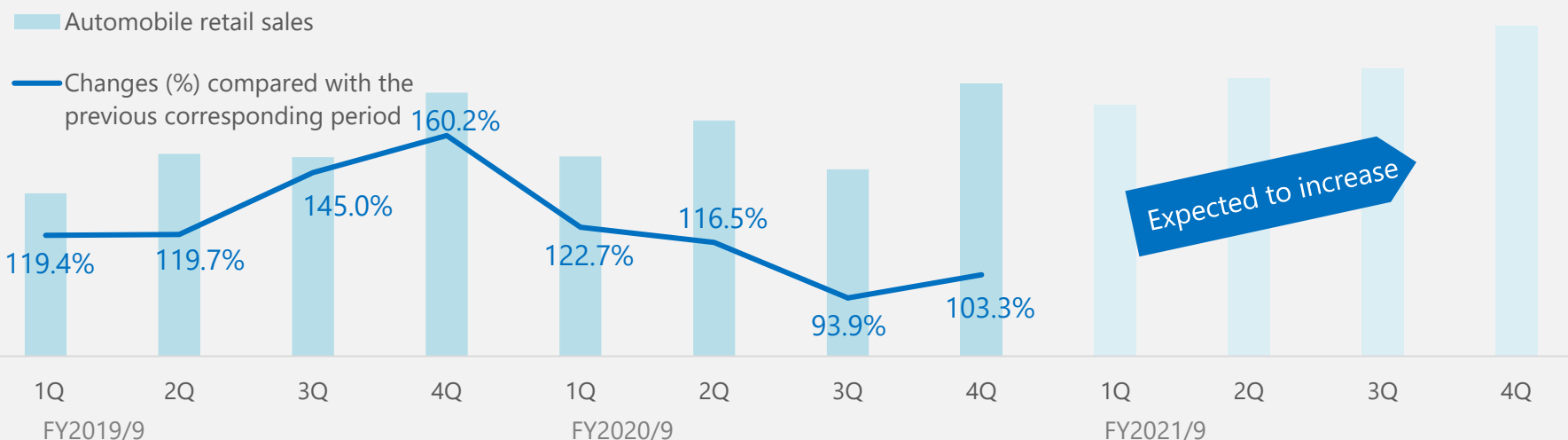
	FY2020/9 Actual	FY2021/9 Forecast	Change (%) from previous period	Change in amount
Sales	33,704	42,000	124.6%	8,295
Cost of goods sold	28,726	35,160	122.4%	6,433
Gross profit	4,978	6,840	137.4%	1,861
Selling & general administrative	4,854	6,240	128.5%	1,385
Operating profit	124	600	483.1%	475
Ordinary profit	3	440	13271.2%	436
Current net income	△24	260	-	284
Per share of stock Current net income	△7.92円※	86.79円	-	-
Per share of stock Dividend	0.00円	0.00円	-	-
Four-wheel retail car sales (the most important KPI)	10,973台	14,083台	128.3%	3,110台

※ Our company, implement a stock split one share of common stock in every two shares as of January 1, 2020. Net sales per share have been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

FY2021/9 Precondition of Earnings Forecast

Number of Customers who visited the store seems to be recovering, after the state of emergency of unique policies of Aichi prefecture, Gifu prefecture, Mie prefecture.

The effects of Novel Coronavirus Outbreak on economy still remains unclear, but we presuppose that current recovery trend will continue.



Situation on FY2020/9

- After the state of emergency, number of customers who visited the store to decrease significantly, but increase after this state lifted in May, and recovered to the same level as the previous year in Jun.
- In early August, number of customers who visited the store decrease again due to increase number of infected people, and issued the state of emergency of unique policies of Aichi prefecture, Gifu prefecture, and Mie prefecture. However, this situation recover again after the state lifted in August, and the number of customers who visited the store substantially increased in April.

Outlook for FY2021/9 (Precondition of Earnings Forecast)

- Increasing the number of customers who visited the store in April has settled down after October, but above the previous year's level because of consumption Tax Hike affected the Japan economy last October.
- The forecast on the full-year financial result for the FY2021/9, Assuming that the increase in self-restraint from going out and the decline in consumer confidence will be limited, it is assumed that the retail sales volume of automobiles will change according to the normal seasonality from the level of October 2020.

strategy 2019.9-2021.9

Growth Strategy

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



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- 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 as in the last two terms in FY 2021/9.

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 (Actual)	At the end of FY 2021/9 (Goal)
MEGA Store	1store	3stores	5stores	7stores
Stores specialized in selling domestically produced cars (other than MEGA Store)	11stores	11stores	9stores	10stores
Stores to sell imported cars	4stores	4stores	4stores	4stores
Stores to sell motor bikes	0store	0store	1store	1store
Stores to purchase used cars	0store	1store	3stores	2stores
Stores for car inspection	1store	1store	2stores	3stores
BP Center	2stores	3stores	4stores	4stores
Gas station	0store	0store	1store	1store
Car rental	0store	0store	1store	1store

※ We count at stores that offer the main services so that they do not overlap.

◇ 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 m²) and Number of cars usually displayed: 200 cars

FY 2021/9 Plan

- (1) Kobe city, Hyogo Pref June 2021 Acquisition of fixed assets
- (2) Undecided

First advance in
the Kansai area



MEGA SUV Tokai Nawa Store
(Opened in April 2020)



Kobe city, Hyogo Pref MEGA specialty store Appearance image
(Scheduled to acquire fixed assets in June 2021)

◇ New Store Opening Information

Automobile Maintenance Factory / Repair and Painting 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 2021/9

- (1) October 2020 GOOD SPEED Car Inspection Nakagawa / Minato Store was opened
- (2) November 2020 GOOD SPEED Car Inspection Obu SS Store was renewal opened



GOOD SPEED Car Inspection Nakagawa / Minato Store
(Opened in October 2020)



GOOD SPEED Car Inspection Obu SS Store
Complex store of gas station, Automobile Maintenance
Factory, BP center
(Renewal Opened in November 2020)

Strengthening Sales Promotion

By strengthening purchases, we will increase sales and gross profit, and at the same time, increase opportunities to purchase high-quality vehicles of old age and low running.

In the FY 2020/9, we opened a purchase specialty store, but we will open stores as an annex with existing stores after the FY 2021/9.

Independent purchase specialty store (Redgate)



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



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

Side-by-side type with a store (Bluegate)



GOOD SPEED Yokkaichi Store specialized in purchasing cars
(Opened in September 2020)

Strengthening the motorcycles business

Expanded into the motorcycle business in FY2020/9, we will strengthen aggressively even after FY2021/9, because this business achieved more than expected.

Sales of used motorcycle, Rental motorcycle specialty shop /
MUTT motorcycles authorized dealer



Good Speed Motorcycle Toukai Nawa Store
(Opened in May 2020)

BMW Motorrad authorized dealer

We achieved that record number of registrations out of all
Dealer of BMW Motorrad in October 2020.



Motorrad Gifu
(Opened in October 2020)

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.



GOOD SPEED Car Rental Nahakuukoumae Store
(Renewal Opened in Jun 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 gas station 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.

Original Camper sales



『GOODSPEED VANLIFE 』

(Started in September 2020)

SUV Subscription Service



『NORIHO』

(Started in October 2020)

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) 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



YouTube Official channel



Number of Website Conversions (※)

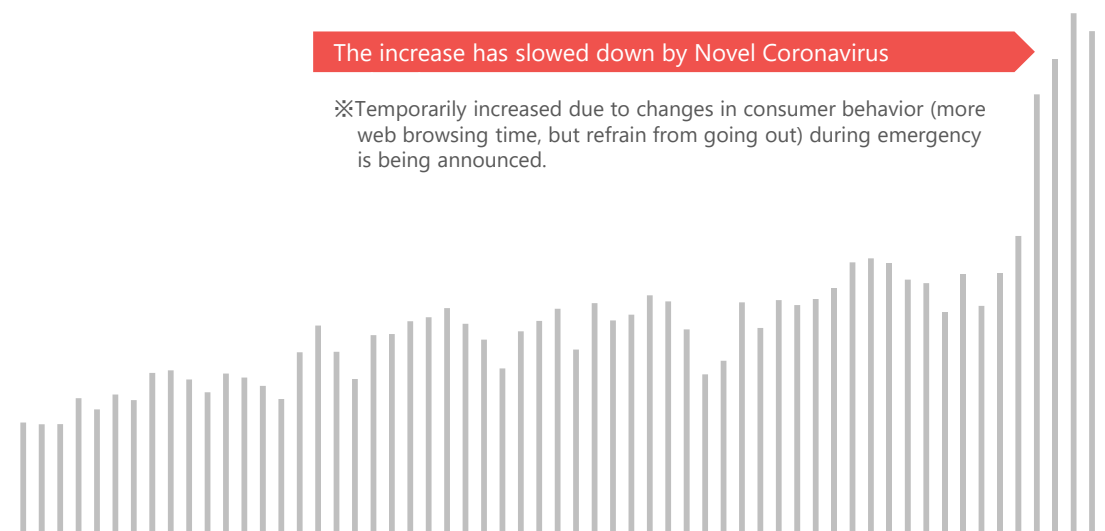
September 2020 (Actual Result)

12,150

(162.8% compared with the corresponding month in the previous year)

The increase has slowed down by Novel Coronavirus

※Temporarily increased due to changes in consumer behavior (more web browsing time, but refrain from going out) during emergency is being announced.



2015年10月 2016年10月 2017年10月 2018年10月 2019年10月

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

Growth Strategy 4) Maintenance and Increase of Sales per Customer

Raising Options incidental to Products/Service and Unit Price

We work to increase the incidental rate “GS WARRANTY (Warranty)”, “Maintenance Pack”, and “Glass Coating (Scratch Barrier)”. Furthermore, we will introduce new option products with which we aim at increasing the price per car.



Coating booth

Moved in December 2019 (Scale expansion)

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、シリカガラスに変化するペー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〉

有機系
有機・無機複合部
無機系
クリヤー膜
塗装面

Si・シリカ、O・酸素、Me・Confidential (メチル基) ※効果図を想定しイメージ化したものです。

表面硬度
汚れのつきやすさは、最も重要な要素と深く関係しています。最も重要な要素は、汚れが入り込んでいくにくくなります。スクラッチバリアは、ペー施工とトップ施工、それぞれに効果込みを付与することで、ガラスのようなコーティング効果が形成され、さらに高い硬度を実現します。

耐久性
無機物のみでコーティングを施すペー施工は、耐候性や耐久性などによる劣化に悩まされる傾向があります。光沢・撥水性を追求したトップコーティングも1年以内の劣化があります。※耐久性は塗装、保管状況により異なります。

防汚性・撥水性
ペーコーティングは、防汚性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、撥水性を追求した施工です。日常の汚れを、撥水性で弾き飛ばします。

〈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、労力が大幅に軽減されます。ボディが汚れたら、軽い洗車で汚れを落とすだけでOK。専用コンディショナーもご利用いただけますので、洗車も楽々です。

5 ペー施工・焼き入れ1回目
(ガラスシール)

防汚耐性を強化→表面硬度を

Glass Coating of car body

(Scratch Barrier)

愛車ピカピカ選べる3点 お得パッケージ
愛車に新車のような輝きを!

OPTIONAL CAR COATING

コーティングメニュー7種類からお好きな3点をお選びいただけます!

1 ホイルコーティング (通常価格24,800円)	2 ヘッドライトコーティング (通常価格24,800円)	3 テールライトコーティング (通常価格24,800円)
4 ドアモールコーティング (通常価格39,800円)	5 美清水・ピッキン (通常価格16,900円)	6 下回りサビ止め (通常価格24,800円)
7 ガラスワロコ除去 (通常価格20,980円)	当店がおすすめする「美清水」は、アメリカンコンクリート製で、ハイブリッド構造のフロントガラスコーティングです。40~60km以上の走行で、良好な撥水性を実現。約1年以上効果が持続し、汚れつきも軽減されます。	

Before After

Various coating sets

other than the body

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 employee 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 New graduates: 41 (Actual), Mid-career recruitments: 108 (Actual)
FY 2020/9 New graduates: 56 (Actual), Mid-career recruitments: 130 (Actual)
FY 2021/9 New graduates: 70 (Plan), Mid-career recruitments: 160 (Plan)

Focus on recruiting New Graduates



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



Industry-academia collaboration (hiring automobile engineers)



Industry-academia collaboration with "Naka Nihon Jidousha Junior College"

Started in September 2020

Growth Strategy 5) Strengthening Organizational Structure

(Human Resource Development)

Education & Training

We seek to foster new recruits to be work-ready in short period mainly through management training for store managers and managers, and 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)

Management Training
(training for store managers and managers)



Preparing Store Operation Manual
(Standardization of Store Operation)



foster new recruits to be work-ready in short period / High performer training



mid-term plan

Mid-Term Plan



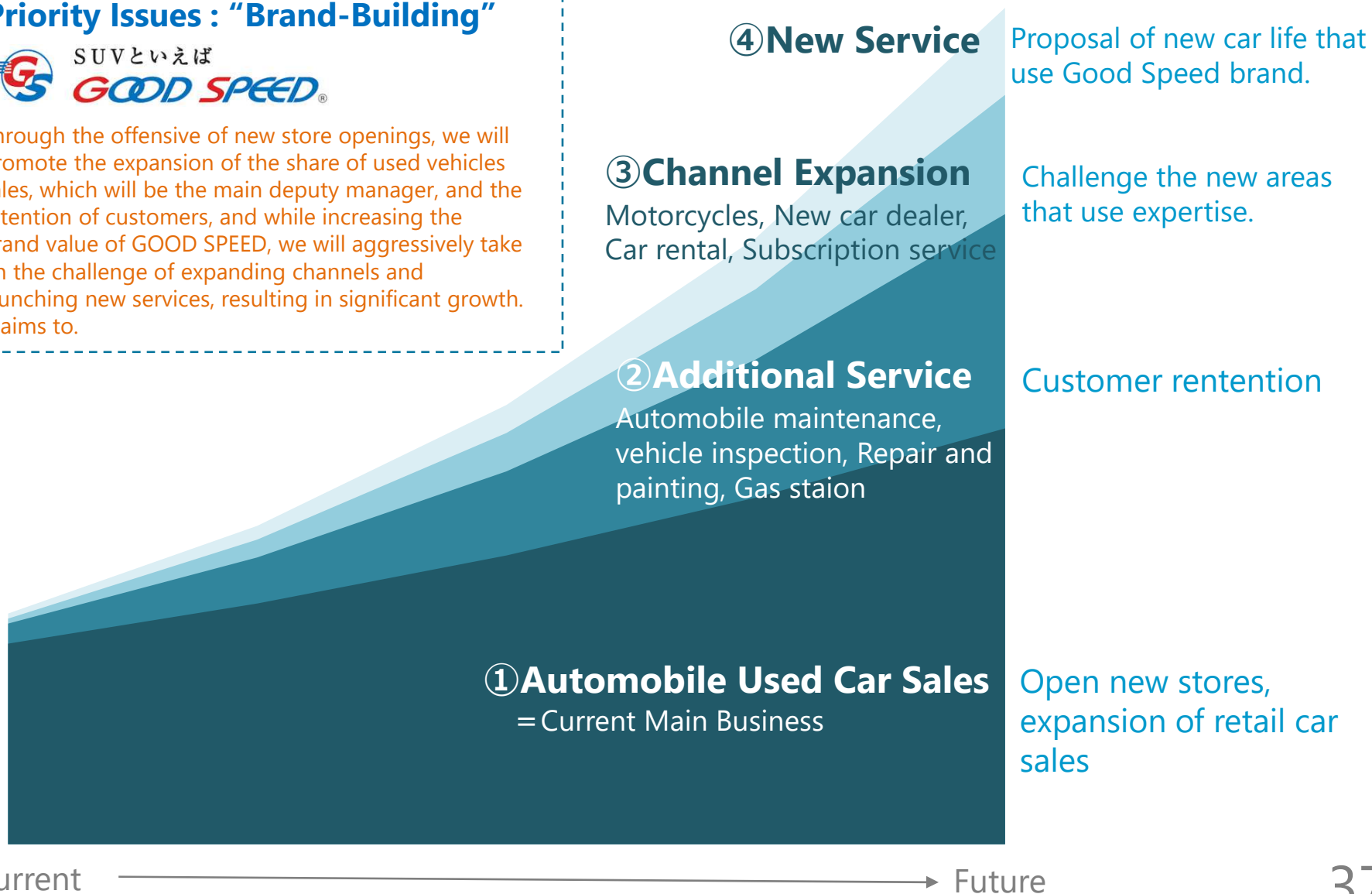
公式キャラクター
バグッピー

Medium and Long Term Growth Image

Priority Issues : "Brand-Building"



Through the offensive of new store openings, we will promote the expansion of the share of used vehicles sales, which will be the main deputy manager, and the retention of customers, and while increasing the brand value of GOOD SPEED, we will aggressively take on the challenge of expanding channels and launching new services, resulting in significant growth. It aims to.



Medium-Term Three Years KPI Goals

	FY2020/9 Actual	FY2021/9 Plan	FY2022/9~FY2023/9 Plan
Sales	JPY 33,704 million	JPY 42,000 million	Every term growth rate more than 20%
Operating profit	JPY 124 million	JPY 600 million	Every term improved operating margin
Retail car sales of automobile	10,973 cars	14,083 cars	Every term growth rate more than 20%
Open new stores of the shop that specialized in SUV	2 stores	2 stores	Every term 3 or more stores

How to Think about Funds and Finance

- Cash flow from operating activities and cash flow from investing activities are expected to continue negative because of the increase in product inventory due to new store openings and the capital investment.
- About financing, comprehensively consider management stability and efficiency, than select aptitude, financial borrowing and market procurement.

Stocks as of September 30, 2020

Total number of authorized shares	7,200,000 shares
Total number of shares issued and outstanding	3,065,000 shares
Number of shareholders	1,082

Status of Major Shareholders as of September 30, 2020

Name of Shareholder	Number of shares held	Stock holding ratio (%)
Hisanori Kato	903,800	30.1
Anela Co., Ltd	900,000	30.0
Aioi Nissay Dowa Insurance Co., Ltd	150,000	5.0
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN Standing Proxy Nomura Securities Co., Ltd.	102,900	3.4
Morgan Stanley MUFG Securities Co., Ltd.	78,300	2.6
MSIP CLIENT SECURITIES Standing Proxy Morgan Stanley MUFG Securities Co., Ltd.	73,500	2.4
GOLDMAN SACHS INTERNASIONAL Standing Proxy Goldman Sachs Securities Co., Ltd.	33,000	1.1
Daisuke Tamura	28,300	0.9
SBI SECURITIES Co., Ltd.	25,747	0.8
Manabu Oiwa	25,700	0.8

※ We holds 69,200 treasury stock, but excluded from the status of the above major shareholders.

※ The shareholding ratio shows the ratio of the number of shares owned to the total number of issued shares (excluding treasury stock).

Shareholder Return Policy

We considered in a comprehensive way of achievements trend and stabilization of financial base in the future, we have decided nondividend-paying in FY 2020/9.

In FY 2021/9, we have to prioritize securing the internal reserve necessary to expand our business in the future and strengthen the base of our business.

In the future, we would like to enhance about returning profits to customers after that expected build a stable and sustainable profit structure, and Improvement of financial structure.

■ Dividend per share

FY 2019/9 (Actual)	at the end of fiscal year	JPY 10.00
FY 2020/9 (Actual)	at the end of fiscal year	JPY 0.00
FY 2020/9 (Forecast)	at the end of fiscal year	JPY 0.00

Countermeasures for Novel Coronavirus Outbreak

Store Business Status

We regularly wash our hands, gargle, wear masks and ventilate and disinfect our stores. We measure my body temperature every day before going to work, and if we have symptoms such as fever, we are waiting at home. Furthermore, we avoid close contact by spacing the negotiation tables in our stores.



Online Business Negotiations that don't Require a Visit

We have introduced the new negotiation service "Instant Live". That makes customers can negotiate without visiting the store.



Open New Stores, Status of Recruitment

We opened new stores and hired personnel as planned even after the effects of Novel Coronavirus Outbreak have spread in FY2020/9. Based on our growth strategy, we plan to continue to carry out store opening plans and recruitment activities.

FAQ

Seasonal Sales

Every term, Sales tend to be higher in 2Q and 4Q. As a reason for that 2Q entire market will be in a demand period when there are many purchases of new and used cars, 4Q is always on sale as our closing month, and the demand for SUVs and minivans, which are the main genres will increase in the summer.

Purchasing Route for Commercial Vehicles in the Sale of Used Four-wheeled Vehicles.

75% of the vehicles sold for retail sale are vehicles purchased from the auto auction site in FY2020/9. We will strive to strengthen the purchasing business because we are highly dependent on the auto auction site. In addition, we will work to reduce the composition ratio of purchases from the auto auction site.

Composition by Genre in Automobile Used Car Sales

In FY2020/9, 41% of domestic SUVs, 32% of domestic minivans, 24% of imported cars, and 3% of others. While raising awareness as "SUV? Gotta be GOOD SPEED" and specializing in specialty is the basis of branding, we plan to aggressively expand the channels of specialty stores other than SUVs.

FAQ

New Store Opening Cost of MEGA Stores

An investment of about 1 billion yen is required for each store when the property is unoccupied and the land / building is a lease contract. The breakdown of investment is building renovation, fixed asset investment such as maintenance equipment, product inventory purchase, etc.

Financing Policy

For the FY 2021/9, the funds for opening MEGA store are assumed to be borrowed from financial institutions. On the other hand, as of the end of September 2020, interest-bearing debt was 11,905 million yen and the equity ratio was 7.8%, so the financial position is far from solid. In future business development, not only borrowing from financial institutions but also procurement from the capital market will be taken into consideration, and management stability (equity ratio) and efficiency (ROE) will be comprehensively considered as appropriate. I will make a decision while doing so.

About Market Change from TSE Mothers Market

Our company was newly listed on the TSE Mothers market in April 2019. It will be a new market segment from April 2022, but we are aiming to change the market to the prime market in the future. Market capitalization has not reached the standard to realize, so we have to aim to improve market capitalization, and grow our business.

Appendix

mission / vision / value
mission / vision / value

Corporate Philosophy



公式キャラクター
バグッピー

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

Business Overview



公式キャラクター
パグッピー

Brand (Sales channel)

MEGA Store
Store for selling
domestically produced cars



15 stores
(as of November. 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 m²) and Number of cars usually displayed: 200 cars.



Store for selling
imported cars



4 stores
(as of November. 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 and the highest level of abundant lineup of car inventory in a specified genre with synergy effect from opening stores specialized in expertise.



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 November, 2020)
Car Inspection & Maintenance	We setup car maintenance pit for each store and arranged government certified automobile engineers and examiners. We have 18 certified factories, out of which 9 are designated factories.
Repair and painting	Repair and painting for car scratches and dents by BP Center.
Gas Station	We operates a gas station adjoining maintenance and repair factory that is also available drive-through car wash.
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	2 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 November 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, Minivan, Motorcycle 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.



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.

Inquiry on this presentation material and IR on GOOD SPEED

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