

**HOTAI MOTOR CO., LTD.**

**2207TT**

**2018Q3**

# Agenda

- Company Introduction
- 2017 Operating Results
- 2018 Market Outlook
- 2018 Hotai Group Operating Highlights
- QA

# Company Introduction

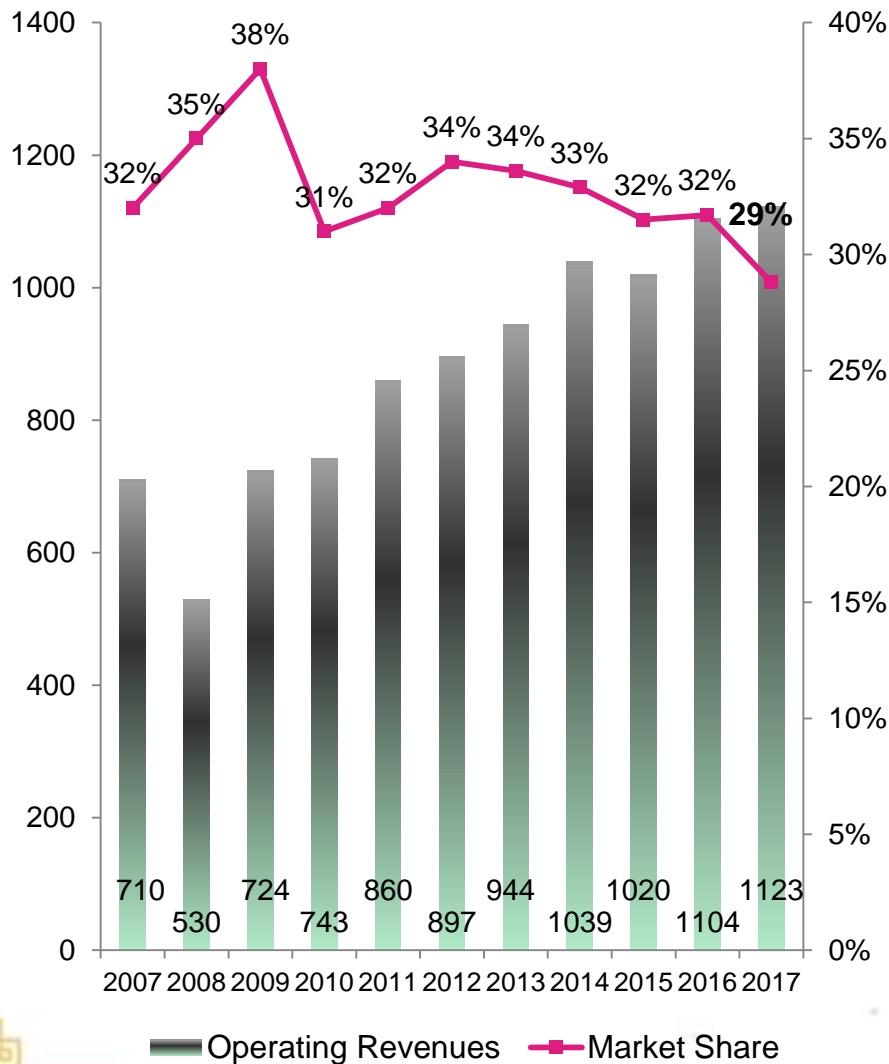
# 1. Hotai Motor Basic Data

<b>Establishing date: September 1947</b>		
<b>Founder: Mr. Huang Lieh-Ho</b>		<b>Honorable Group Chairman: Mr. Su Yann-Huei</b>
<b>Chairman: Mr. Huang Nan-Kuang</b>	<b>President: Mr. Justin Su</b>	<b>Executive Vice President: Mr. Katsuhito Ohno</b>
<b>Capital amount: NT\$5.462 billion</b>	<b>Sales turnover: NT\$112 billion (2017)</b>	<b>Employees: 538 people (2017)</b>
<b>Product brands: TOYOTA, LEXUS, HINO Trucks, TOYOTA Industrial Equipment</b>		

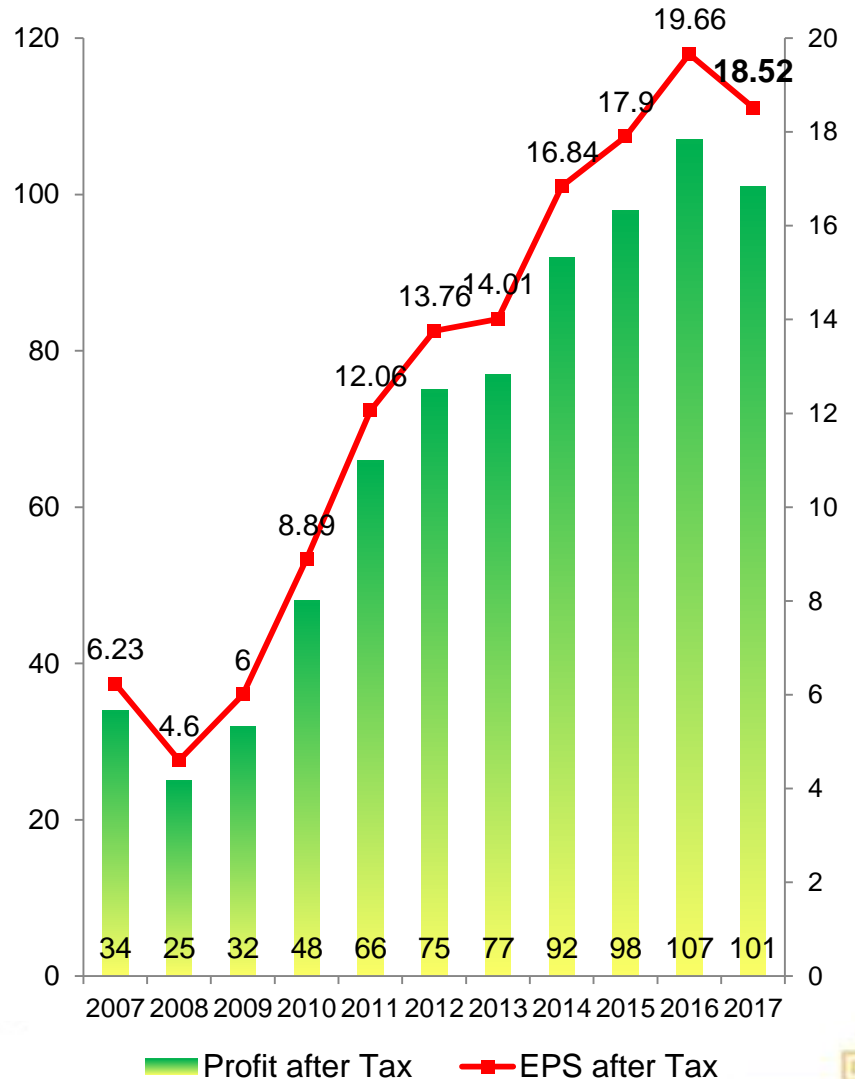


# 2. Operation and Financial Results

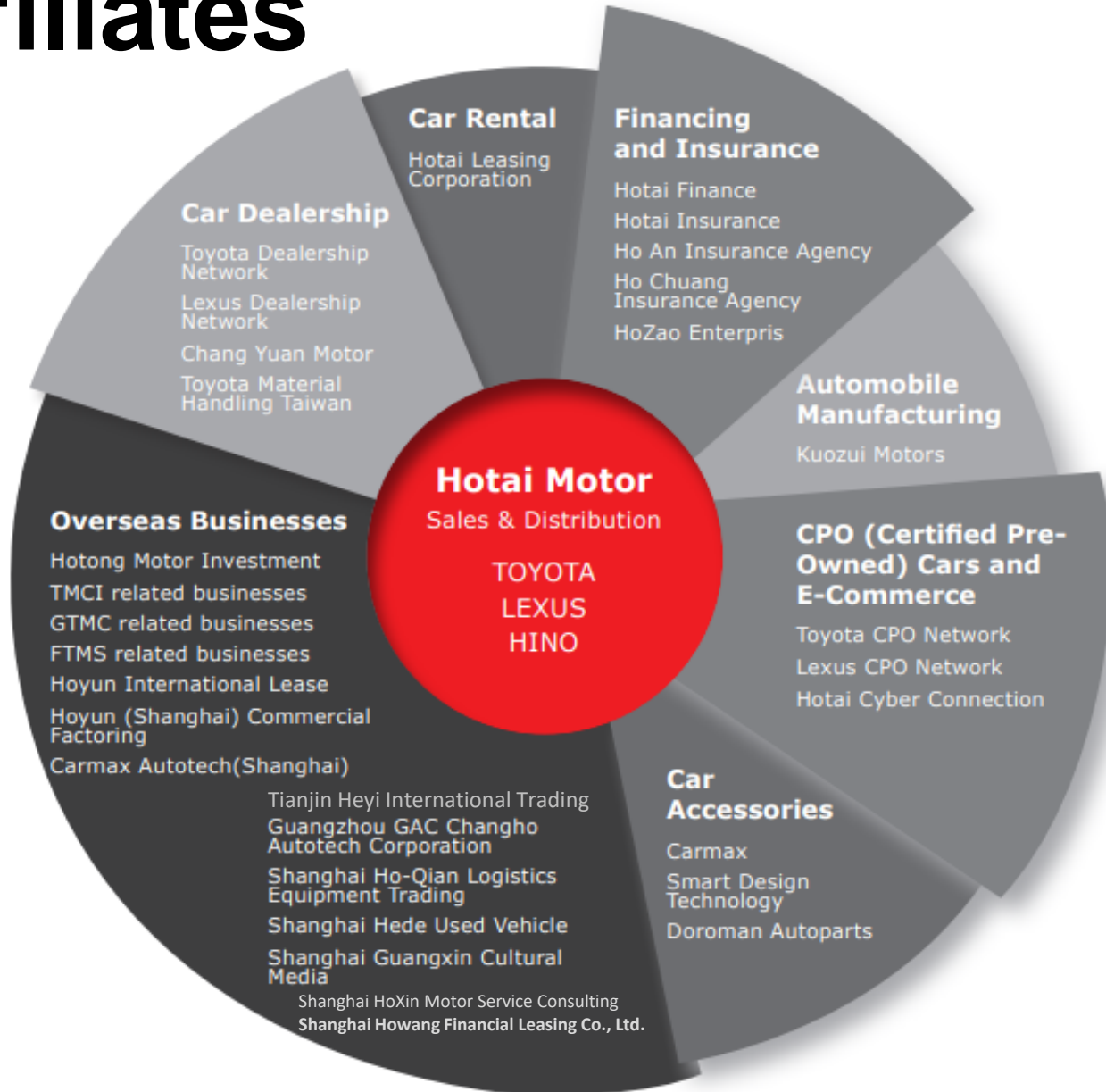
NT\$100mn



NT\$100mn



# Affiliates



# 2018 Q1~Q3 Financial Results

Unit: NTD thousands

ITEM	9 MONTHS ENDED SEP. 30, 2018	%	9 MONTHS ENDED SEP. 30, 2017	%
Operating revenue	116,663,163	84.56%	112,553,353	85.42%
Leasing income	10,131,864	7.34%	9,498,276	7.21%
Interest income	4,418,944	3.20%	3,684,530	2.80%
Others	6,749,764	4.89%	6,032,929	4.57%
<b>Total Income</b>	<b>137,963,735</b>	<b>100.0%</b>	<b>131,769,088</b>	<b>100.0%</b>
COGS	102,928,746	74.61%	99,761,019	75.71%
Operating expenses	10,327,945	7.49%	9,359,901	7.10%
Leasing cost	6,947,800	5.04%	7,179,706	5.45%
Others	6,060,475	4.39%	4,452,449	3.38%
<b>Total Expense</b>	<b>126,264,966</b>	<b>91.5%</b>	<b>120,753,075</b>	<b>91.6%</b>
<b>Profit before income tax</b>	<b>11,698,769</b>	<b>8.48%</b>	<b>11,016,013</b>	<b>8.36%</b>
Income tax expense	2,819,731	2.04%	2,117,218	1.61%
<b>Net profit</b>	<b>8,879,038</b>	<b>6.44%</b>	<b>8,898,795</b>	<b>6.75%</b>
Profit attributable to owners of parent	7,662,305	5.55%	7,770,644	5.90%
<b>EPS</b>	<b>14.03</b>		<b>14.23</b>	

# Information about segment profit or loss

Unit: NTD thousands

9 MONTHS ENDED SEP. 30, 2018						
	Distributor of TOYOTA and HINO products segments	Installment trading segments	Leasing segments	Other segments	Reconciliation and elimination	Total
Total segment revenue	84,269,619	5,920,625	14,284,822	47,194,437	(13,705,768)	137,963,735
Segment income*	9,167,489	1,680,049	722,339	6,961,786	(6,832,894)	11,698,769

9 MONTHS ENDED SEP. 30, 2017						
	Distributor of TOYOTA and HINO products segments	Installment trading segments	Leasing segments	Other segments	Reconciliation and elimination	Total
Total segment revenue	85,074,366	5,246,241	13,862,349	38,767,106	(11,180,974)	131,769,088
Segment income*	9,111,732	1,351,361	624,836	4,279,390	(4,351,306)	11,016,013

\*Segment income means pre-tax profit

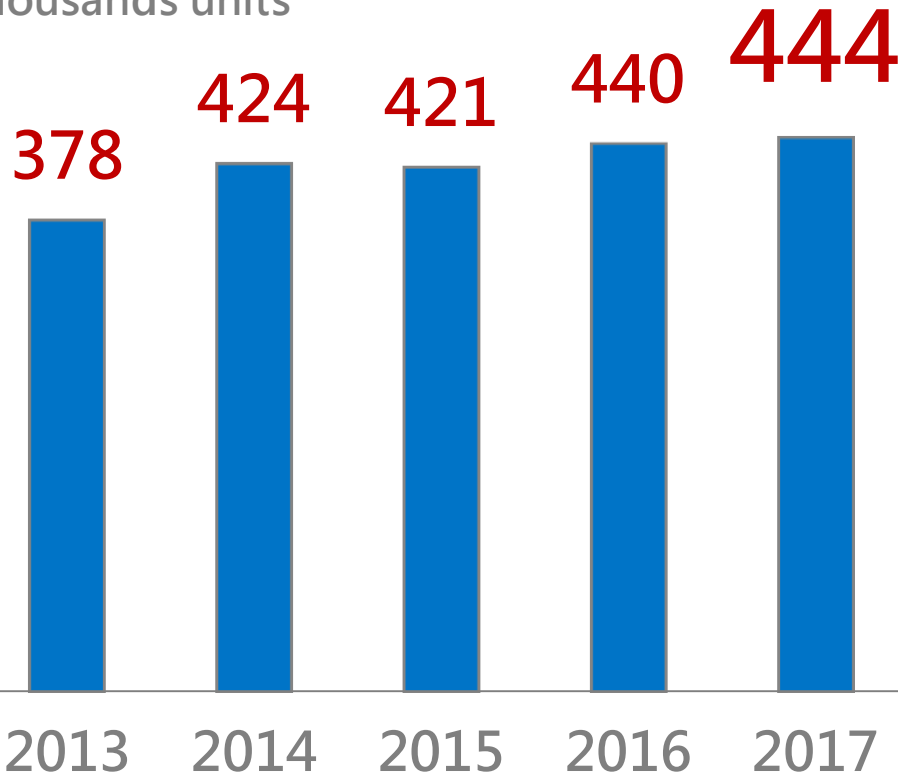


# 2017 Operating Results

# 2017 Market Review

## Total Market

thousands units




### 去年新車銷量 創12年新高

逾44.4萬輛

2017年國內新車銷售統計

車商	新車銷牌數 (輛)	市占率 (%)	年增率 (%)
和泰豐田	126,084	28.8	-0.2
中華三菱	48,248	10.9	4.0
裕隆日產	42,631	9.6	-4.7
台灣本田	34,071	7.7	-
裕隆福特	26,017	6.3	-
裕隆馬自達	22,809	5.1	-
裕隆豐田	22,700	5.1	-
裕隆福特	22,600	5.1	-
裕隆馬自達	22,500	5.1	-
裕隆豐田	22,400	5.1	-
裕隆福特	22,300	5.1	-
裕隆馬自達	22,200	5.1	-
裕隆豐田	22,100	5.1	-
裕隆福特	22,000	5.1	-
裕隆馬自達	21,900	5.1	-
裕隆豐田	21,800	5.1	-
裕隆福特	21,700	5.1	-
裕隆馬自達	21,600	5.1	-
裕隆豐田	21,500	5.1	-
裕隆福特	21,400	5.1	-
裕隆馬自達	21,300	5.1	-
裕隆豐田	21,200	5.1	-
裕隆福特	21,100	5.1	-
裕隆馬自達	21,000	5.1	-
裕隆豐田	20,900	5.1	-
裕隆福特	20,800	5.1	-
裕隆馬自達	20,700	5.1	-
裕隆豐田	20,600	5.1	-
裕隆福特	20,500	5.1	-
裕隆馬自達	20,400	5.1	-
裕隆豐田	20,300	5.1	-
裕隆福特	20,200	5.1	-
裕隆馬自達	20,100	5.1	-
裕隆豐田	20,000	5.1	-

### 車市去年豐收 衝上44.4萬

掛牌數寫12年新高

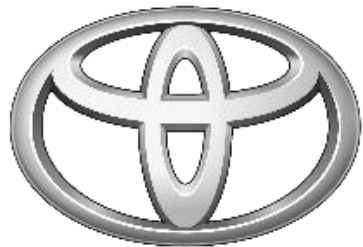
和泰車、中華三菱分別蟬聯冠亞軍

業者預期今年

# 2017 Operating Review



Results



**128,084** Units

TOYOTA 113,622 + LEXUS 14,462



**No. 1 in 16 consecutive years**

# 2018 Market Outlook

# 2018 Market Outlook

2018 total market  
expected to reach  
**430,000~440,000** units



1

Stable  
Economy  
Environment



2

Policy Support  
Commodity-tax  
rebate policy



# 2018 Target for



Sales units

**127,500** units

TOYOTA 110,000 units + LEXUS 17,500 units

Market share

**Same as 2018**  
**(28.8%)**



# 2018 Operating Highlights



# 2018 Operating Highlights

1. Continuing to introduce new models and enhance the competitiveness of the current models.

**YARIS**



**VIOS**



**ALL NEW**  
**AURIS**





# 2018 Operating Highlights



CAMRY



Annual Target :  
**5,000 units**

Released on 11/1

CAMRY 2.5

CAMRY 2.5h

CAMRY 2.0

Cumulative orders  
break thousands of  
units

# 2018 Operating Highlights



## 2. Amazing Services

VR safety experience  
TSS/VSC/TRC/HAC

TOYOTA VR 體驗

VR- car exhibition  
for a few imported cars

Coming Soon



# 2018 Operating Highlights



## 3. Social Media Management



4 million members  
keep increasing ↑



Official channel is  
under preparation

# 2018 Operating Highlights



## 4. YOUNG the Brand



# 2018 Operating Highlights

1. Continuing to introduce new models and enhance the competitiveness of the current models.

LS 350

Feb.



ES 300h

Oct.



# 2018 Operating Highlights

UX



Annual Target:  
**4,000 units**

Released on 11/22

UX 200

F SPORT

F SPORT  
limited edition

Cumulative orders  
break 400 units

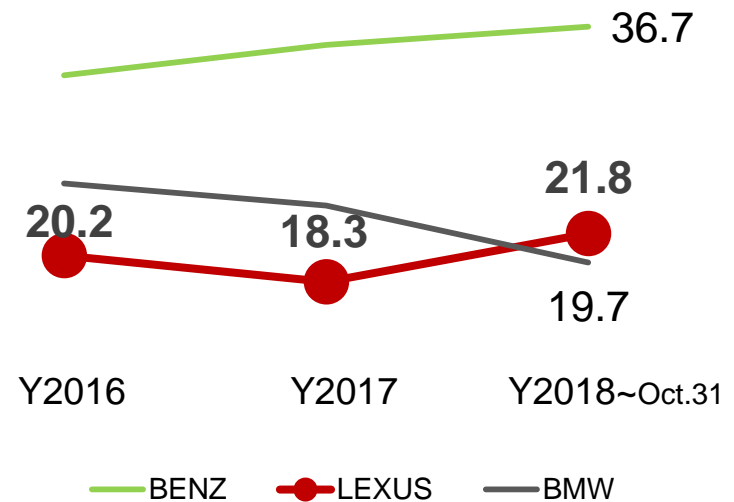
F SPORT limited  
edition was sold out  
(50 units)

# 2018 Operating Highlights

LEXUS market share has been ranked **#2** in the luxury car market

Hot sale of NX 200  
and new ES

Attract customers by  
competitive price and  
excellent commodity  
power



# 2018 Operating Highlights

## 2. Strengthen experienced marketing to empower the brand

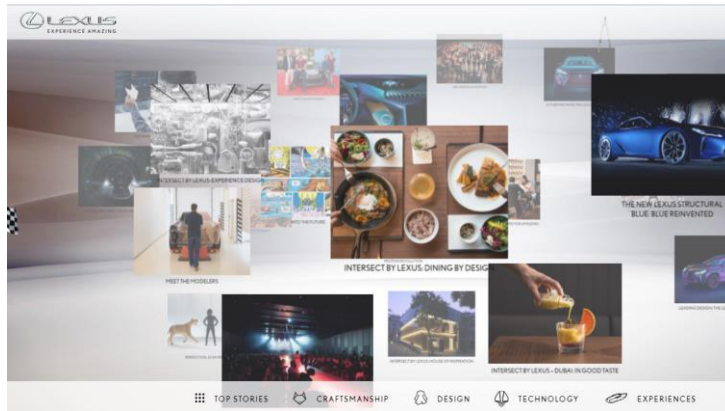




# 2018 Operating Highlights



## 3. Strengthen digital media management



# 2018 Operating Highlights



## 4. Sales Location



2018 New open  
Flagship Sales

Location: **2**



2018 New open  
Maintenance service

Location: **1**

# 2018 Operating Highlights



## 5. Amazing Services



**Coffee Experience**  
(LEXUS x UCC)



**Smart Robot**  
**Pepper**

# 2018 Operating Highlights

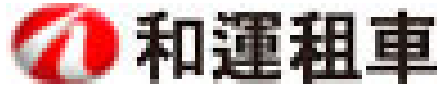
Continuing to introduce new models and enhance the competitiveness of the current models.

All New  
RM

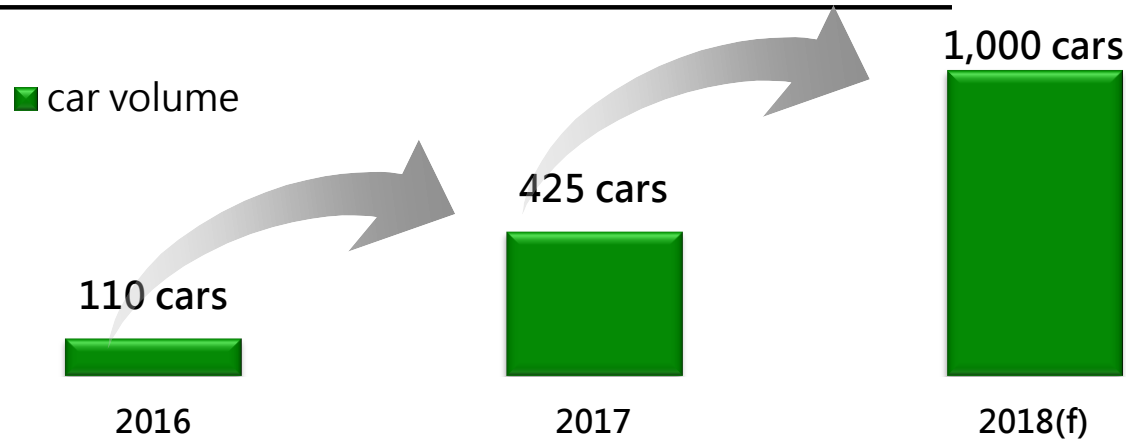


Target for Commercial Vehicles: **6,000** units

# Operating Highlights for subsidiary



## • Increase Car Volume for iRent

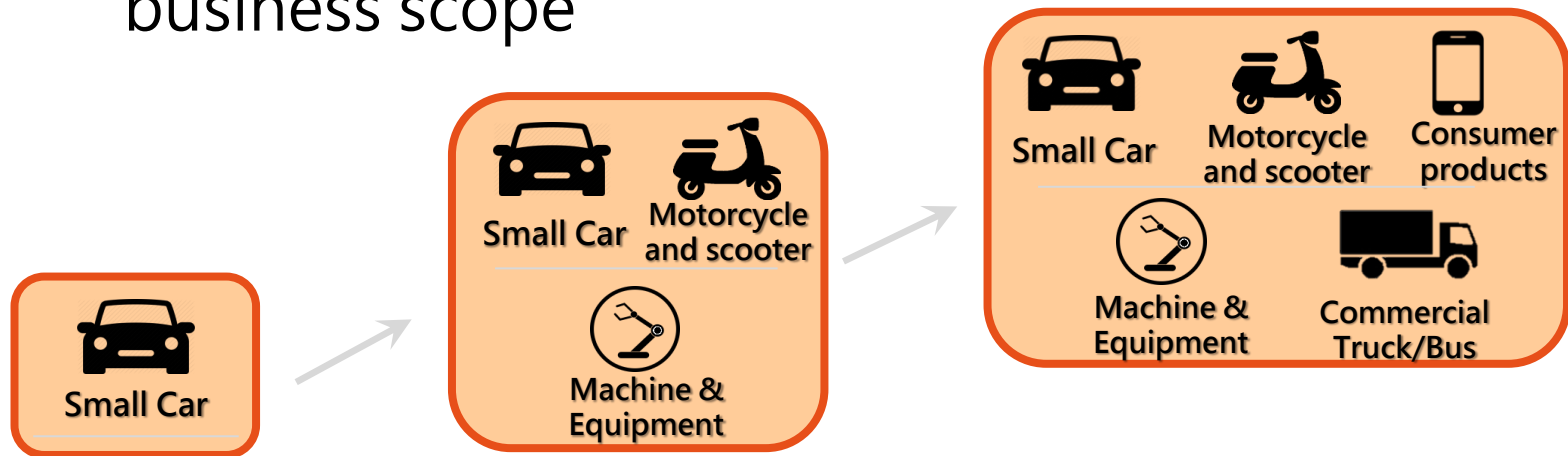


- Expect continuously expanding to new vehicle pick-up locations through Cross-Industry collaboration, iRent launched “Roadside instant rent & return” service at Taipei, Taichung and Tainan.
- The number of members exceeded 100,000

# Operating Highlights for 和泰汽車

## subsidiary HOTAI FINANCE CORPORATION

- Listed at emerging stock market at 10/15 with NT\$53 per share
- Future Prospects
  - Rank #1 in Taiwan car loan market, and expanding business scope



- ✓ Increase market share in car loan segment to boost profit.
- ✓ Expend to segments of motorcycle, scooter, and commercial Truck/Bus to provide new growth driver.
- ✓ Develop medical, construction, machine tool equipment, and other high potential industries for future growth.

# Operating Highlights for 和泰汽車 subsidiary HOTAI FINANCE CORPORATION

- Well-established channels in China, and expect to grow rapidly in the coming years.

## Operation in China

- Established 24 offices in first-tier cities.
- Provide vehicle, machine, and equipment leasing services.

## Future Prospects

- Enterprise leasing: leverage 2,000+ valuable vehicle licenses to operate luxury brand leasing market.
- Enter new car installment market with 30 million vehicles per year, and used car installment market with rapid growth.
- Machine and equipment leasing: Focus on well-known brands in Europe, USA, Japan, and China to develop high quality clients.
- The effect of financial deleveraging will be benefit to leasing industry.

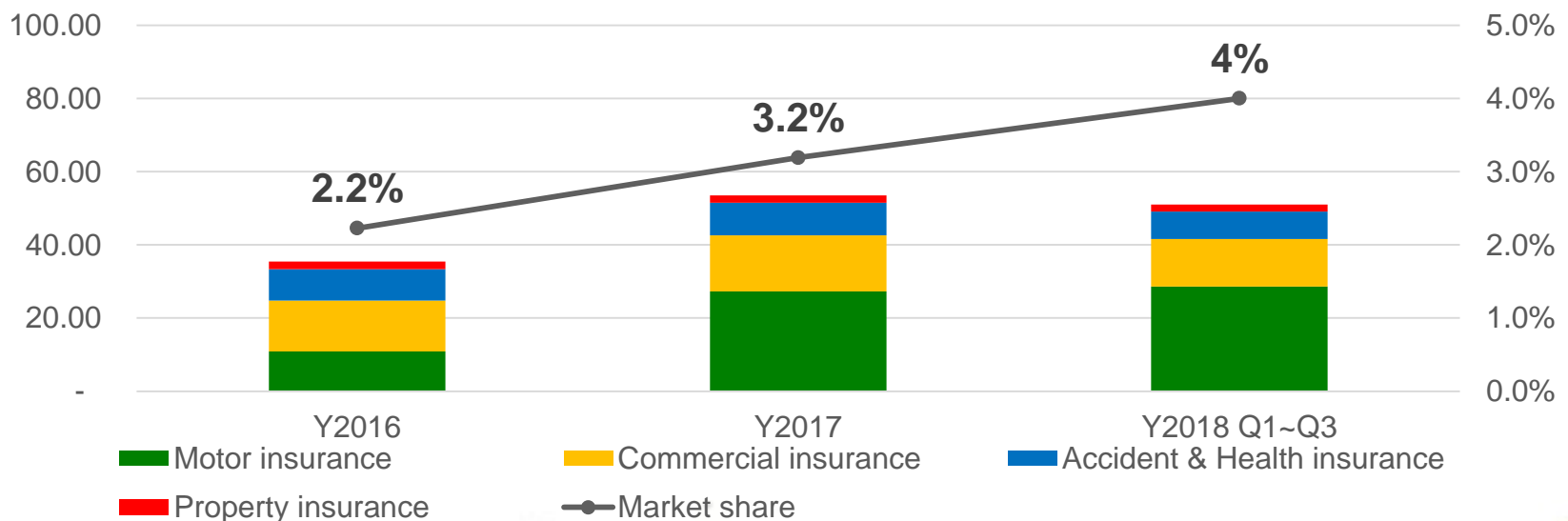
# Operating Highlights for subsidiary



- To provide one-stop service for customers, Hotai has invested Hotai Insurance since Jan. 2017.
- Market share and sales breakdown for Hotai Insurance :

Sales : 100 million

Market share





# 2018 CSR



讓愛啟動



# Our Glory Time

- Selected in “Taiwan CSR Index”
- Top 5% of 「CG Assessment」 in 2018
- Awarded “TCSA” for 3 consecutive years (2016~2018)
- Awarded “NTDA” in 2018
- TOYOTA wins “The most used brand” for 7 consecutive years
- The 1<sup>st</sup> of domestic car industry that all dealers verified by ISO14001



# Four themes

**(1) Employee care**

**Happy  
enterprise**

**(2) CSR Activity**

**1% Club**

**(3) Environment**

**Net Zero carbon  
emission**

**(4) Alternative Energy**

**Hybrid energy  
New energy**

# (1) Employee care

- Hotai was selected in “Taiwan High Compensation 100 Index”

## 2017年上市櫃公司員工薪資前10名

排名	上市		上櫃	
	公司名稱	平均員工年薪 (萬元)	公司名稱	平均員工年薪 (萬元)
1	聯發科	287.5	浩鼎	390.2
2	和泰車	286.3	晶焱	277.7
3	鴻海	277.5	帛漢	248.4
4	鴻準	236.9	原相	246.1
5	創意	218.0	群聯	244.5
6	瑞昱	201.9	崇越電	221.8
7	聯詠	200.2	信聯	217.5
8	聯成	196.4		
9	台積電	194.2		
10	晶豪科	185.3		

資料來源：證交所、櫃

Source :  
2018/6/30 Appledaily

和泰車500員工年享5千萬額外福利上市櫃第二名》公司給的好康比你想像的更多

上市櫃第二名》公司給的好康比你想像的更多

2017-02-13

作者: 黃晴萱



Source : 2017/2/13 Wealth magazine

## (2) CSR Activities



### Social contribution commitment

1% of net profit will invest in  
CSR activities

Expected amount in 2018 : 151 million,  
account for 1.46% of pre-tax profit

※Average invested amount for company  
is 0.7% of pre-tax profit.

Source: 2018.6.25 CSR Leap Forum

## (2) CSR Activities

### ◆ National Blood Donation Month and the donation of bloodmobiles

- Donating the 10th Blood Bus Accumulation of blood donation exceeds 150 million c.c.
- Hosting “Hotai National Blood Donor Month” every year



### ◆ Caring for mentally challenged kids

- A total of 122 TOYOTA sales locations in Taiwan have been purchasing products from the bakery
- Donating medical bus



### ◆ Donate Crossing Guard Equipment

- Accumulation of equipment donation reach 63,000 units and benefit 2,630 elementary schools and 1.17 million students

# (3) Environment- Net Zero Carbon Emission

## ◆Solar panel project in 楊梅園區

- More than 10,000 ping
- Annual power generation reached 3.2 million degrees, achieved carbon reduction of 1,700 metric tons

 CO<sub>2</sub> 0

'18/8 · 楊梅園區 had achieved Net Zero Carbon Emission

# (3) Environment

## ◆ One Tree for Every Toyota

- More than 140,000 trees were planted and achieved carbon reduction of 1,089 metric tons



## ◆ TOYOTA – Toy Sharing

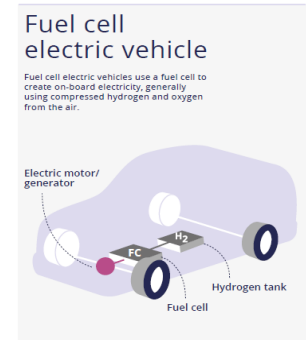
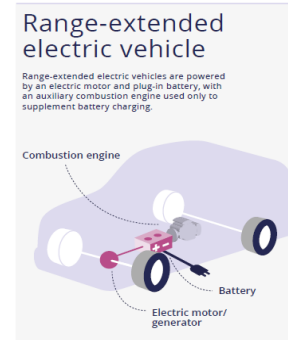
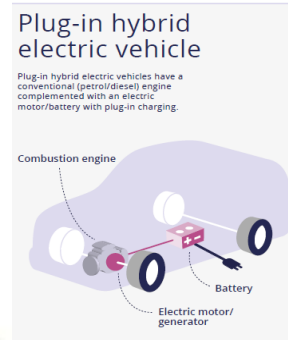
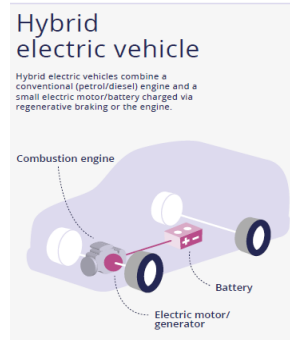
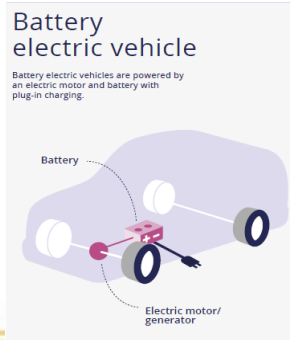
- There was an accumulated total of 100 tons of toys recycled through the program, which was equal to the carbon absorption of 25,000 trees in one year.





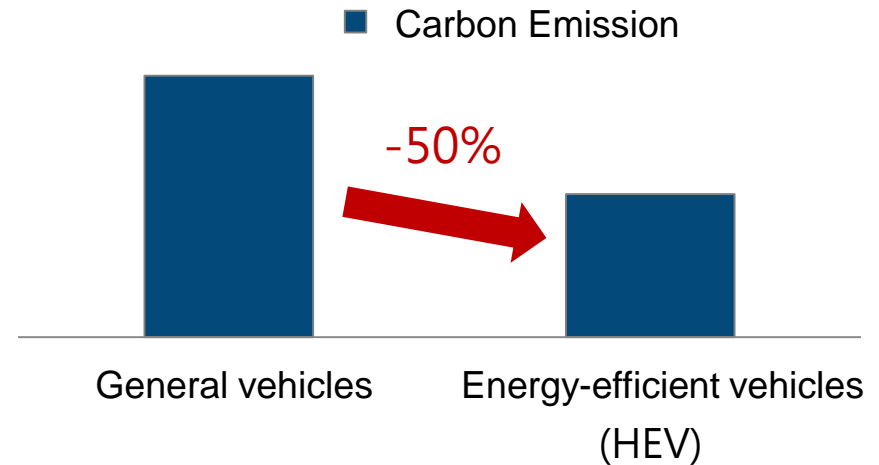
# (4) Alternative Energy

- According to European Environment Agency, Electric Vehicle included :
  1. Battery Electric Vehicle, BEV
  2. Hybrid Electric Vehicle, HEV
  3. Plug-in Hybrid Electric Vehicle, PHEV
  4. Range-extended Electric Vehicle, REEV
  5. Fuel Cell Electric Vehicle, FCEV



# (4) Alternative Energy

- According to United States Department of Energy, Energy-efficient vehicles (HEV, PHEV, REEV) have had a significant effect on air pollution improvement (in the case of HEV, about 50% reduction in carbon)
- **TOYOTA EV Strategy**



**Around  
2025**

No models for these with only engine vehicles

**2030**

more than 5.5 million units of EV, PHV, HV, FCV sales (more than 1 million units of EV, FCV sales)

# (4) Alternative Energy



**HV**  
HYBRID  
Vehicle



**PRIUS**  
ES200h,  
CAMRY2.5h etc

**PHV**  
Plug-in HYBRID  
Vehicle

**PRIUS PHV**



**FCV**  
Fuel Cell  
Vehicle



**Mirai**

**EV**  
Electric  
Vehicle



**iQ**



**i-ROAD**

# Q&A