

HOTAI MOTOR CO., LTD.

2207TT

2018

Agenda

- Company Introduction
- 2018 Operating Results
- 2019 Market Outlook
- 2019 Hotai Group Operating Highlights
- QA

Company Introduction

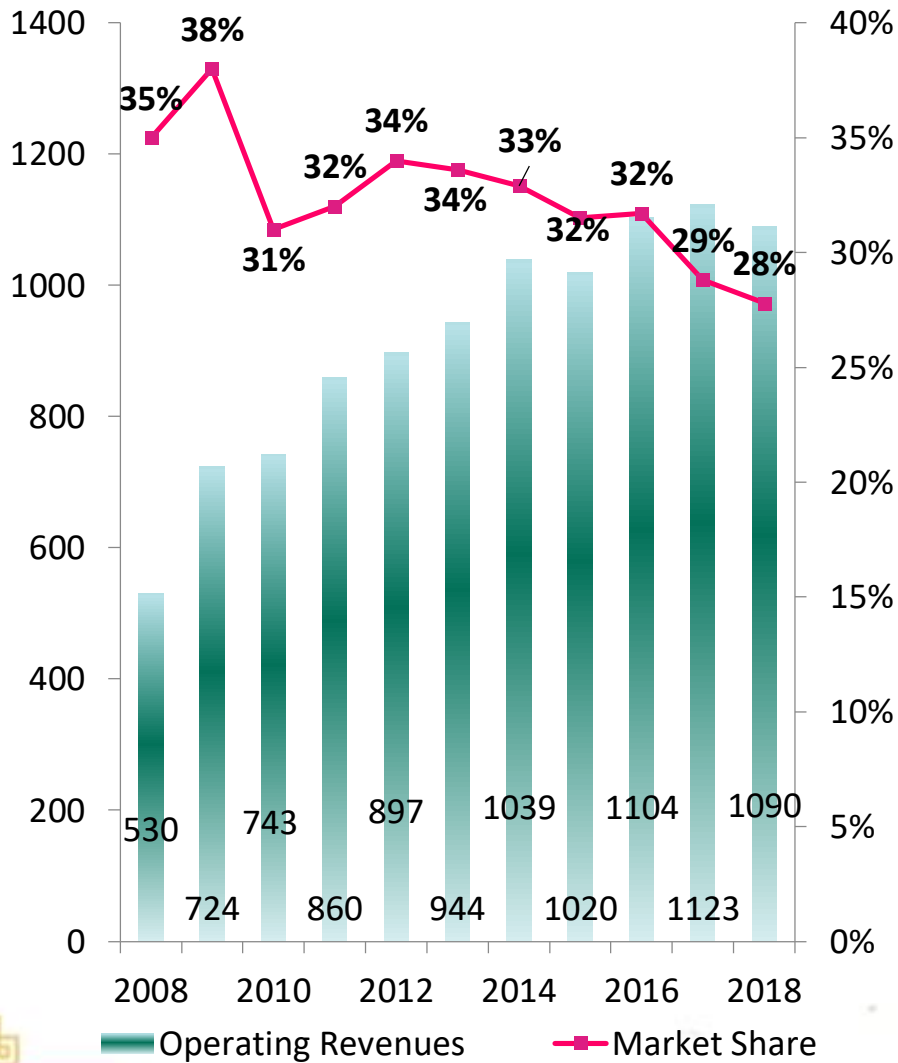
1. Hotai Motor Basic Data

Establishing date: September 1947		
Founder: Mr. Huang Lieh-Ho		Honorable Group Chairman: Mr. Su Yann-Huei
Chairman: Mr. Huang Nan-Kuang	President: Mr. Justin Su	Executive Vice President: Mr. KAZUO NAGANUMA
Capital amount: NT\$5.462 billion	Sales turnover: NT\$109 billion (2018)	Employees: 538 people (2018)
Product brands: TOYOTA, LEXUS, HINO Trucks, TOYOTA Industrial Equipment		

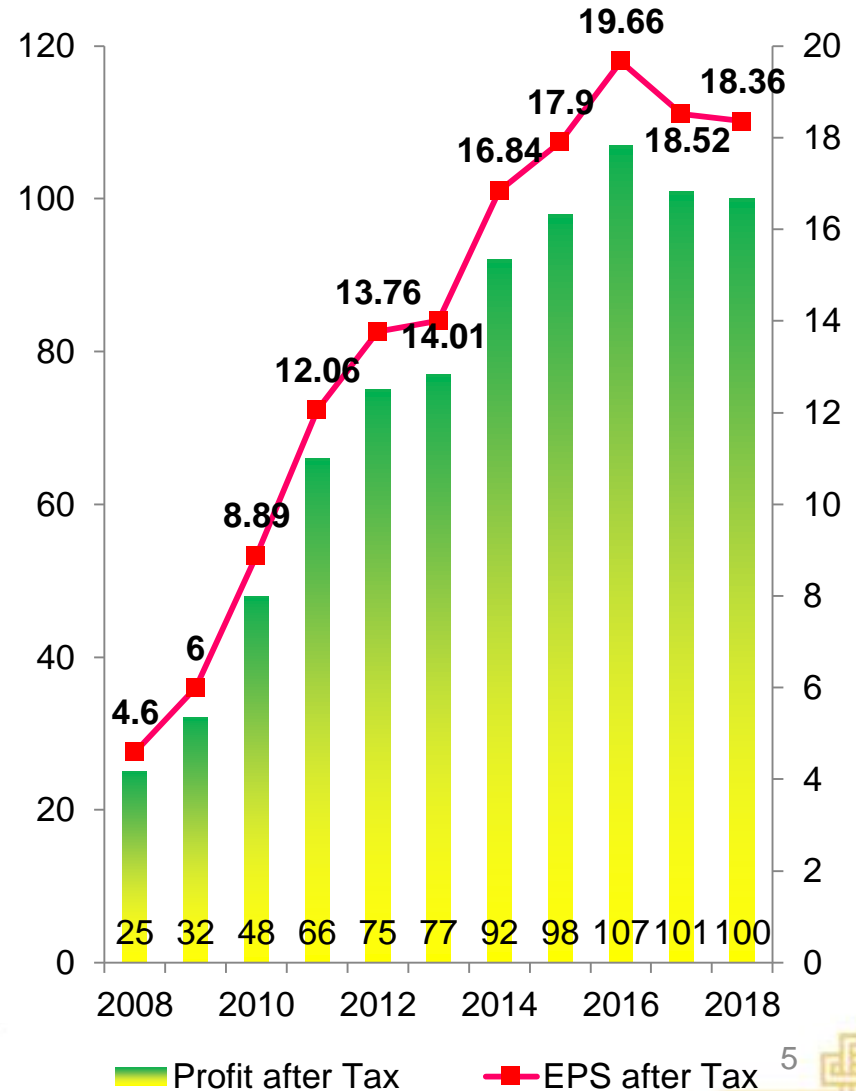


2. Operation and Financial Results

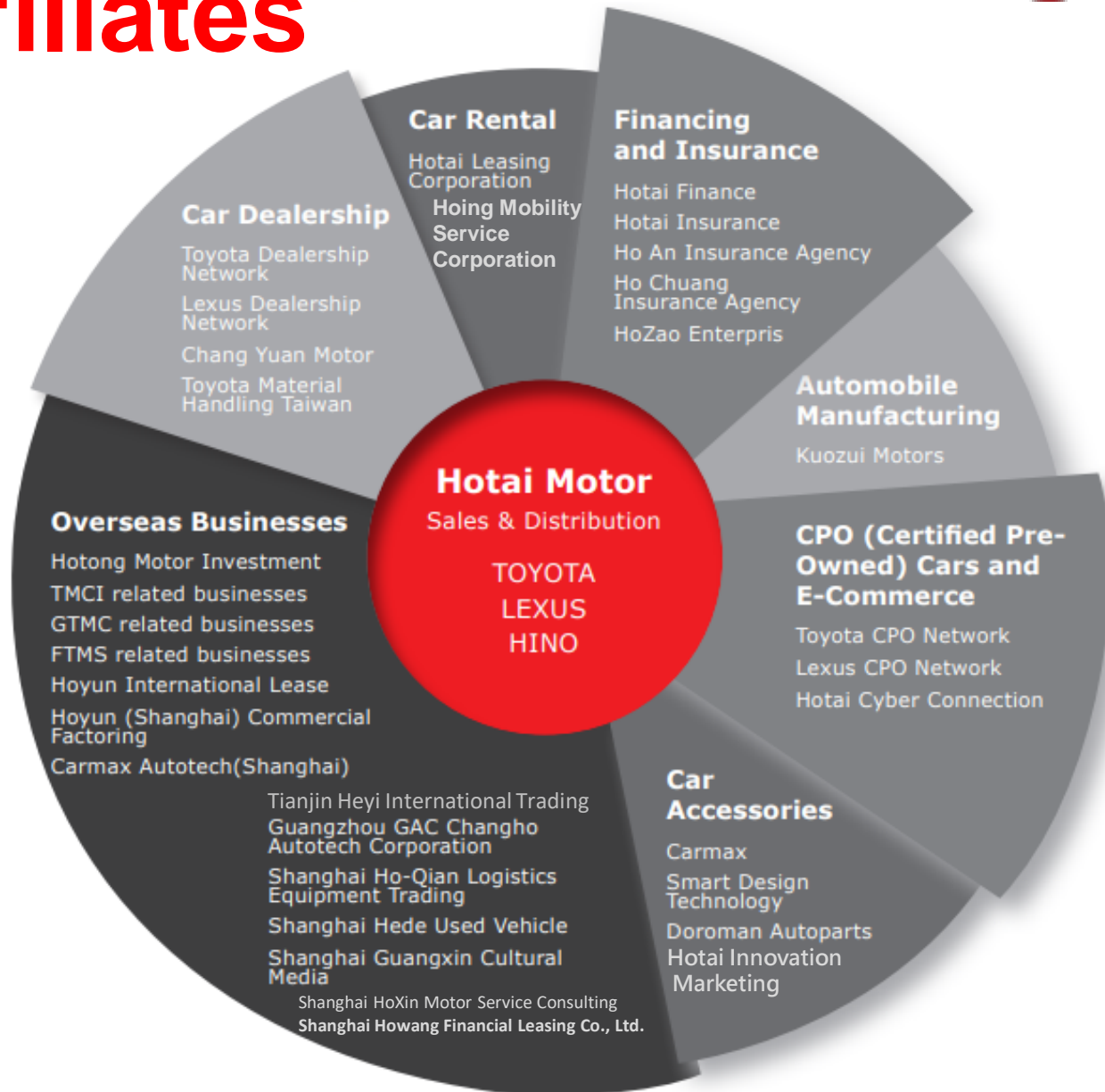
NT\$100mn



NT\$100mn



Affiliates



2019Q1 Financial Results

Unit: NTD thousands

ITEM	2019Q1	%	2018Q1	%
Operating revenue	35,436,362	82.05%	40,181,916	85.21%
Leasing income	2,988,396	6.92%	2,824,128	5.99%
Interest income	2,193,965	5.08%	1,878,185	3.98%
Others	2,569,892	5.95%	2,271,169	4.82%
Total Income	43,188,615	100.0%	47,155,398	100.0%
COGS	31,041,904	71.88%	35,512,127	75.31%
Operating expenses	3,347,797	7.75%	3,083,023	6.54%
Leasing cost	2,382,290	5.52%	2,329,526	4.94%
Others	2,680,261	6.21%	2,145,723	4.55%
Total Expense	39,452,252	91.3%	43,070,399	91.3%
Profit before income tax	3,736,363	8.65%	4,084,999	8.66%
Income tax expense	826,188	1.91%	997,233	2.11%
Net profit	2,910,175	6.74%	3,087,766	6.55%
Profit attributable to owners of parent	2,503,564	5.80%	2,710,463	5.75%
EPS	4.58		4.96	

Information about segment profit or loss

Unit: NTD thousands

2019Q1						
	Distributor of TOYOTA and HINO products segments	Installment trading segments	Leasing segments	Other segments	Reconciliation and elimination	Total
Total segment revenue	25,131,956	2,133,317	5,025,145	16,008,911	(5,110,714)	43,188,615
Segment income*	2,918,868	693,849	315,067	2,492,677	(2,684,098)	3,736,363

2018Q1						
	Distributor of TOYOTA and HINO products segments	Installment trading segments	Leasing segments	Other segments	Reconciliation and elimination	Total
Total segment revenue	30,335,159	1,888,213	4,858,032	15,499,985	(5,425,991)	47,155,398
Segment income*	3,185,046	535,401	266,776	2,795,864	(2,698,088)	4,084,999

*Segment income means pre-tax profit

2018 Operating Results

2018 Market Review

-Total market

《DOWNSIDE》

- Pension Reform
- Trade War
- Weak Stock Market

Y2018
Total Market
435,000 units
★YOY -2%

《UPSIDE》

- Commodity-tax rebate policy
- Variety of new cars
- Active promotion

2018 Operating Review

-Passenger Car

120,765 units

(TOYOTA 102,959 + LEXUS 17,806)



No.1 in **17** consecutive years

2018 Operating Review

-Commercial vehicle



6,882 units

【3.49t (3,446 units) reach the record high】

No.1 in **9** consecutive years



2019 Market Outlook

2019 Market Outlook

Upside...

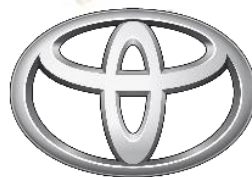
- Minimum wage raise
- Income tax optimization
- Commodity-tax rebate policy support

Downside...

- Continuing Trade War
- Slowing global economic growth
→ The slowdown of Taiwan GDP% will impact the automobile market

Expected to reach
425,000 units

2019 Target for



Sales units

131,000 units

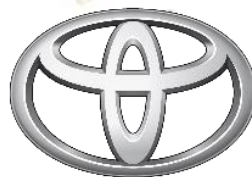
TOYOTA 110,000 units +
LEXUS 21,000 units



Market share

30.8%

2019 Result for



和泰汽車

	Y2019 Apr.	Y2019 Jan.~Apr.
TOYOTA	10,412	35,056
LEXUS	1,488	6,614
TTL	11,900	41,670
Market share	34.31%	31.84%

2019 Operating Highlights

2019 Operating Highlights



1. New models in Q1.



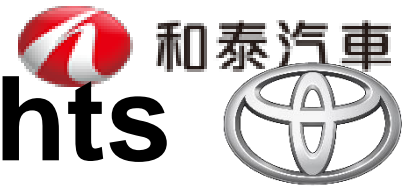
YARIS CROSSOVER



PRIUS

Annual Target : 5,000 units

2019 Operating Highlights



1. New models in Q1.



RAV4

Annual Target :
30,000 units



ALTIS

Annual Target :
32,000 units

2019 Operating Highlights

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



HILUX



SUPRA

2019 Operating Highlights

3. Increasing gas-electric Hybrid contribution

- All new Hybrid models
- Promote the HV awareness
- Extended battery warranty



Sales units increases **>260%**
between 2018 and 2019

2019 Operating Highlights

1. New models in Q1.



RC



UX250h

2019 Operating Highlights

1. New models in Q2.



RC F

2019 Operating Highlights



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

**Coming
soon !**

2019 Operating Highlights

3. Enhance service process



New Flagship Sales Location



Innovative AI service

2019 Operating Highlights

1. New models in Q2.



Annual Target :
640 units

All New GRANVIA

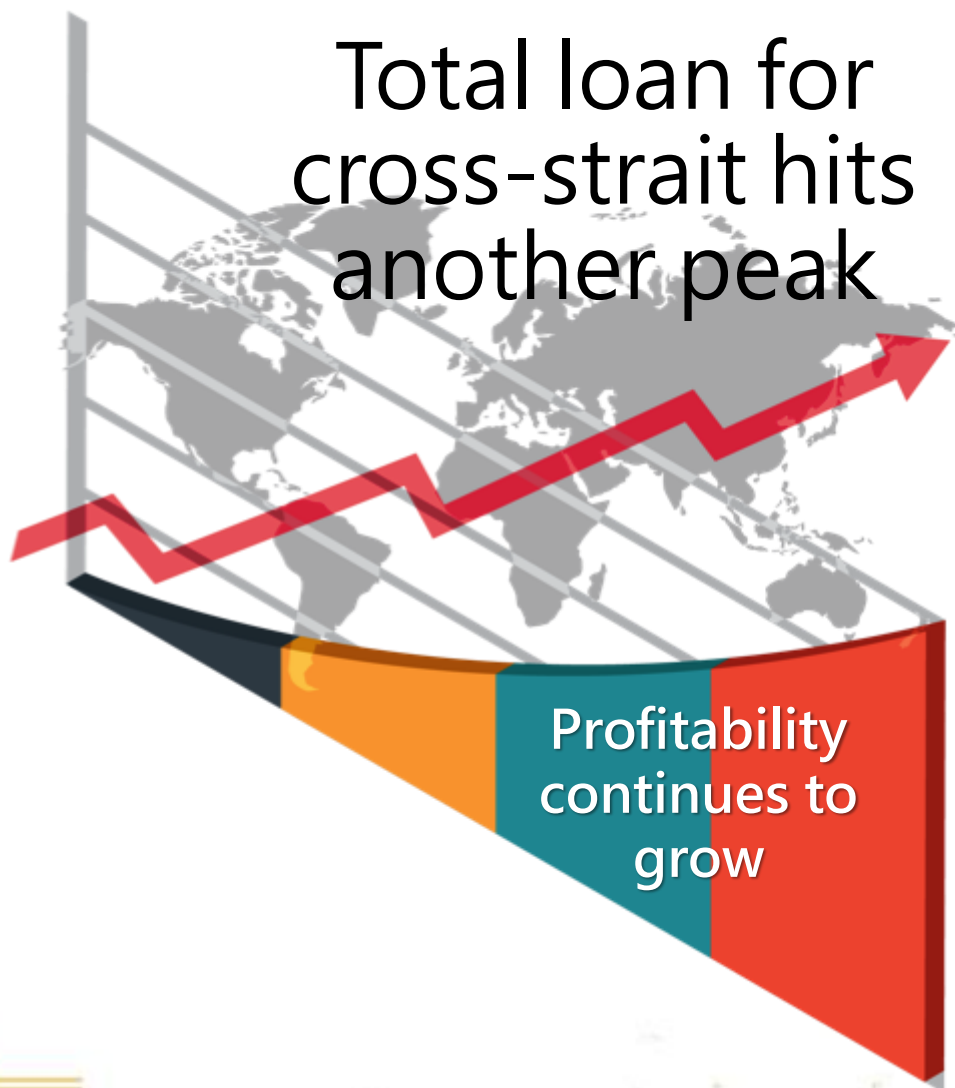
2019 Operating Highlights

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

HINO/TOYOTA 6th Phase Vehicles



Operating Highlights for Sub. 和潤企業



To be listed on TWSE

Operating Highlights for Sub. 和泰產險

Lead the industry with innovative technology



• Innovative products and services

- UBI
- Safety Assessment of Driver Assistance Systems
- 事故發生主動聯繫機制

流程改造
計畫

- 客戶導向
- 效益導向



模組化
核心系統
NEXT ONE

• New core system conversion

- Review the operation process to improve efficiency and service quality



Operating Highlights for Sub.



Creating Demand

Expand mobile service

1. iRent cars and motorcycles are expected to reach 2,500 units and 2,000 units in 2019.
2. iRent applied to electric motorcycles and PRIUS c

Innovative leasing services

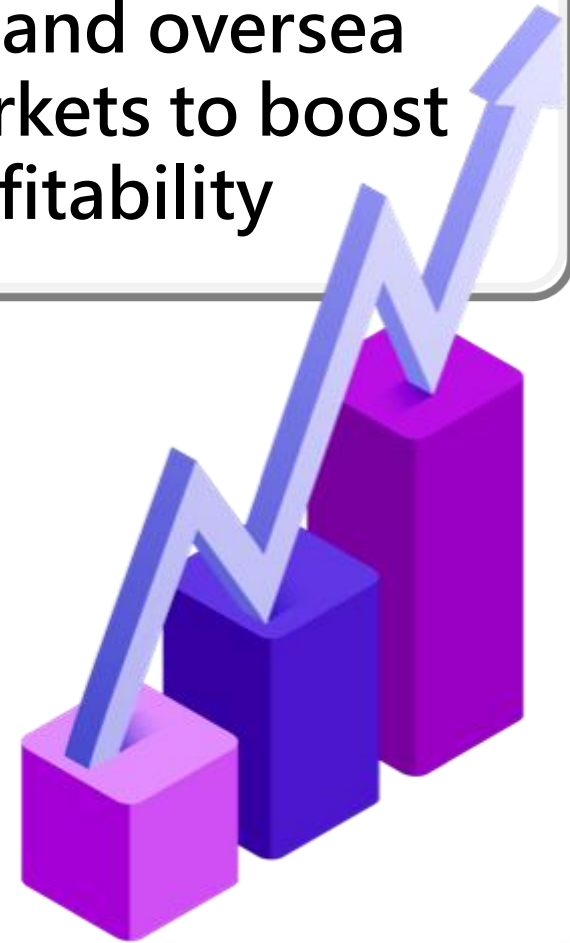
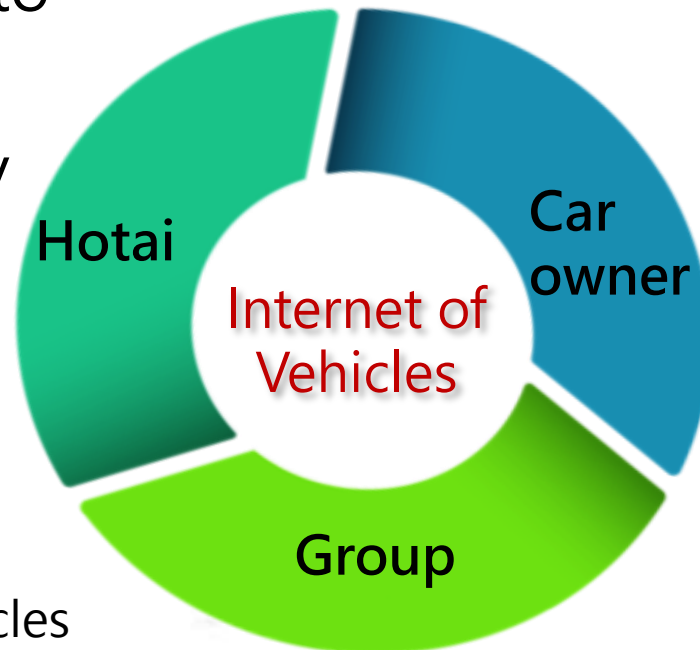
Launch subscription leasing services



Operating Highlights for Sub.

- Leading the smart mobile service
 - Launching 2nd generation IoV video host
 - Continuing to introduce smart safety product

- Expand oversea markets to boost profitability



2019 CSR

一車  一樹
----- 讓愛啟動 -----

2017 ~ 2019

累積 30萬 棵樹

2019 CSR

讓愛啟動

公益競賽活動

第一屆
公益夢想家
CSR x USR大專院校公益提案競賽
真實改變 由你啟動 報名徵件中!



和泰汽車全國捐血月

邀您一起捐熱血、捐希望



Donating the 10th
Blood Bus.
Accumulation of blood
donation exceeds 200
million c.c.

For the 14th consecutive year, a total of 1,289 performances were performed.

2019 CSR

Traffic Safety Theatre



For the 14th consecutive year, a total of 1,289 plays were performed.

Donate Crossing Guard Equipment



Donating for 9 years, accumulation of equipment donation reach 85,000 units

Deep “Road Safety” awareness and create more safe environment

Q&A