

HOTAI MOTOR CO., LTD.

2207TT

Agenda

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

Company Introduction

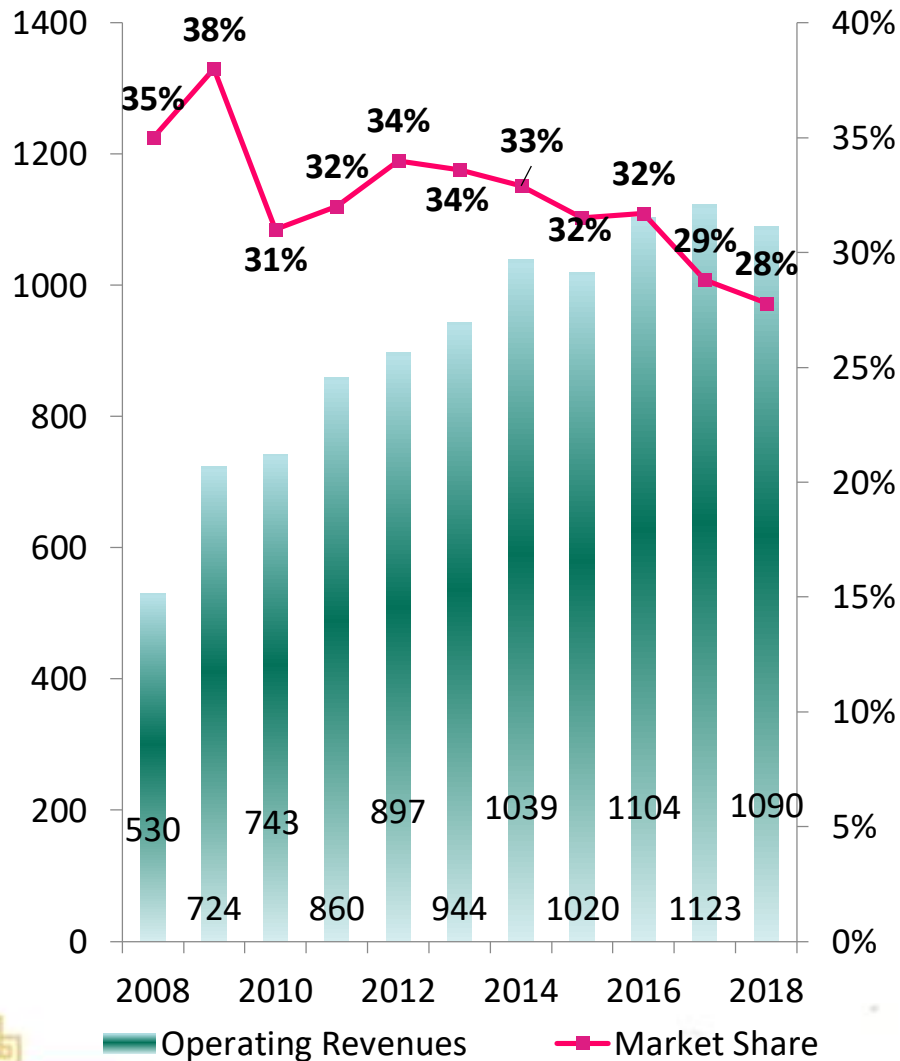
1. Hotai Motor Basic Data

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		

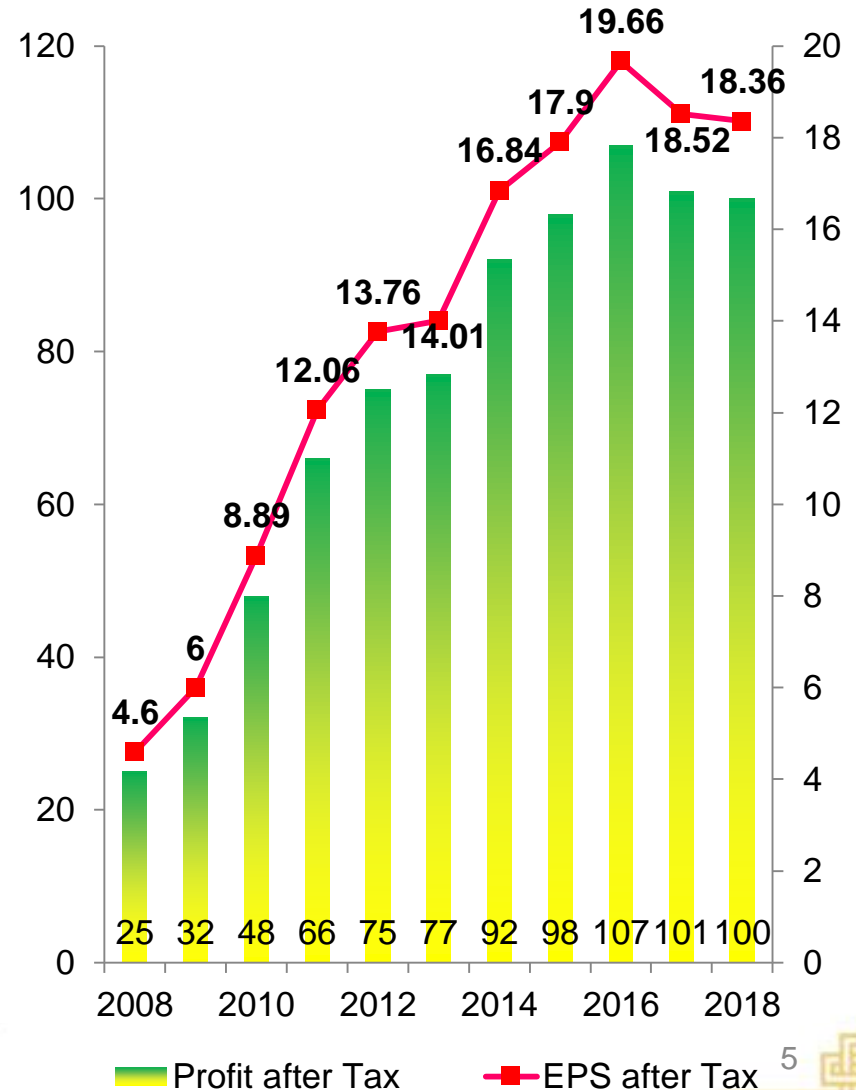


2. Operation and Financial Results

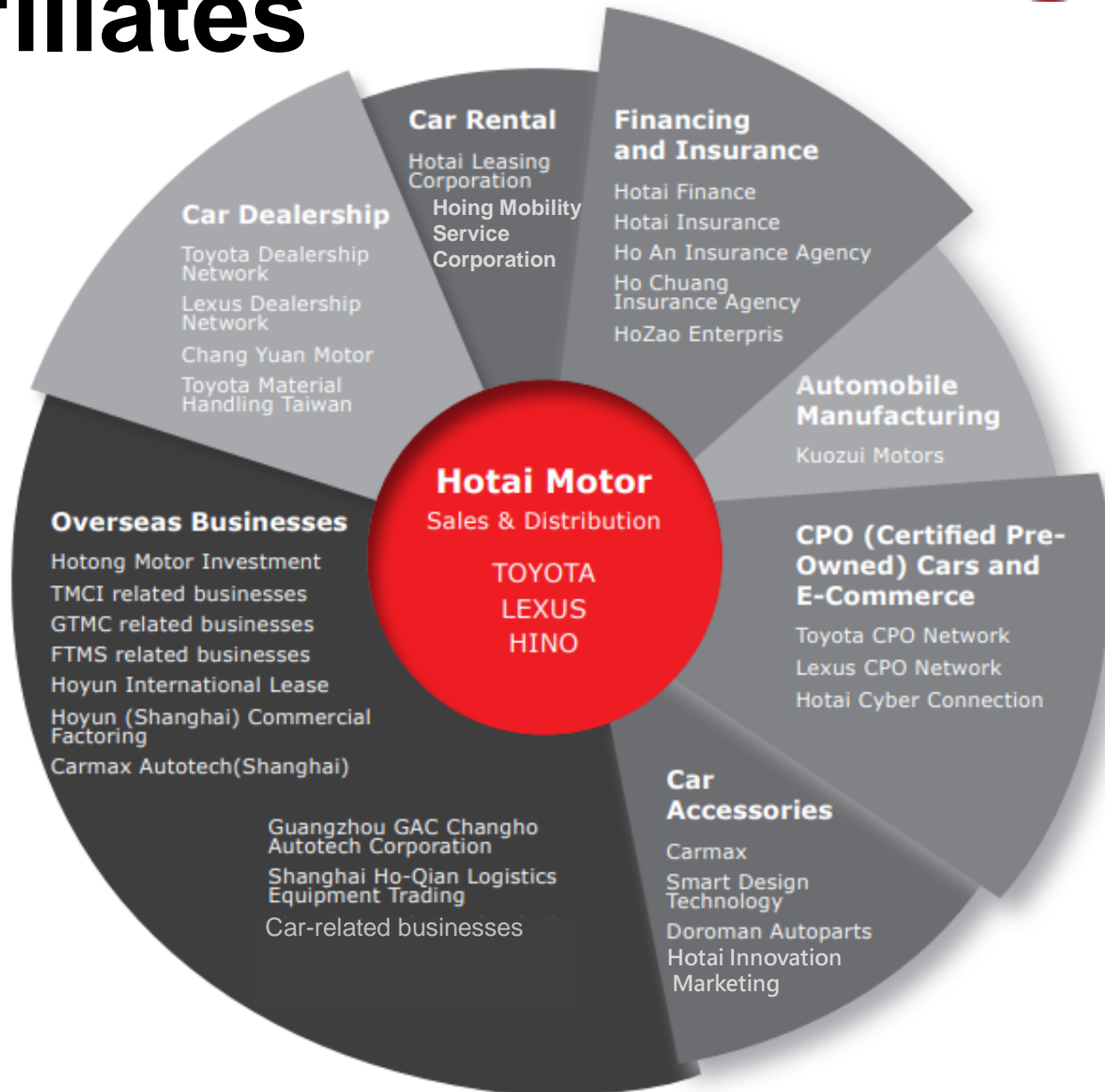
NT\$100mn



NT\$100mn



Affiliates



2019H1 Financial Results

Unit: NTD thousands

ITEM	2019H1	%	2018H1	%	YOY
Operating revenue	83,339,812	84.1%	81,085,814	85.0%	102.8%
Leasing income	6,027,417	6.1%	5,652,234	5.9%	106.6%
Interest income	4,595,162	4.6%	3,924,109	4.1%	117.1%
Others	5,151,336	5.2%	4,757,185	5.0%	108.3%
Total Income	99,113,727	100.0%	95,419,342	100.0%	103.9%
COGS	73,850,109	74.5%	71,729,134	75.2%	103.0%
Operating expenses	7,165,708	7.2%	6,456,875	6.8%	111.0%
Leasing cost	4,724,189	4.8%	4,671,689	4.9%	101.1%
Others	5,066,899	5.1%	4,398,061	4.6%	115.2%
Total Expense	90,806,905	91.6%	87,255,759	91.4%	104.1%
Profit before income tax	8,306,822	8.4%	8,163,583	8.6%	101.8%
Income tax expense	1,876,883	1.9%	2,084,928	2.2%	90.0%
Net profit	6,429,939	6.5%	6,078,655	6.4%	105.8%
<u>Profit attributable to owners of parent</u>	<u>5,549,756</u>	<u>5.6%</u>	<u>5,266,962</u>	<u>5.5%</u>	<u>105.4%</u>
EPS	10.2		9.6		0.5

Information about segment profit or loss

Unit: NTD thousands

2019H1						
	Distributor of TOYOTA and HINO products segments	Installment trading segments	Leasing segments	Other segments	Reconciliation and elimination	Total
Total segment revenue	60,696,010	4,337,941	10,161,046	33,870,554	(9,951,824)	99,113,727
Segment income*	6,567,632	1,423,217	564,864	4,268,850	(4,517,741)	8,306,822

2018H1						
	Distributor of TOYOTA and HINO products segments	Installment trading segments	Leasing segments	Other segments	Reconciliation and elimination	Total
Total segment revenue	60,644,494	3,855,096	9,554,129	30,406,757	(9,041,134)	95,419,342
Segment income*	6,405,751	1,090,020	488,611	3,740,832	(3,561,631)	8,163,583

*Segment income means pre-tax profit

※ Consolidated revenue from Jan. to Aug. 2019 is NTD 133.4 billion ,YOY + 7.2%

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

- Sales units of TOYOTA/LEXUS/HINO

✘ Passenger Car : 120,765 units (TOYOTA 102,959 + LEXUS 17,806)

✘ Commercial vehicle : 6,882 units (3.49t (3,446 units) reach the record high)

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 est.

131,000 units

TOYOTA 110,000 units +
LEXUS 21,000 units



Market share est.

30.8%

2019 Result for



和泰汽車

	Y2019 Aug.	YOY	Y2019 Jan.~Aug.	YOY
TOYOTA	5,769 units	108.1%	75,912 units	107.5%
LEXUS	993 units	97.4%	13,768 units	117.0%
TOTAL	6,762 units	106.4%	89,680 units	108.8%
Market share	28.2%	+3.8%	32.1%	+3.8%

2019 Operating Highlights

2019 Operating Highlights

1. New models in Q1.



YARIS CROSSOVER



PRIUS

Annual Target est. : **5,000 units**

2019 Operating Highlights



1. New models in Q1.



RAV4

Annual Target est. :
30,000 units



ALTIS

Annual Target est. :
32,000 units

2019 Operating Highlights

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



HILUX

Annual Target est. :

1,000 units



SUPRA

Quota of 2019 :

60 units

2019 Operating Highlights

3. Increasing gas-electric Hybrid contribution

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

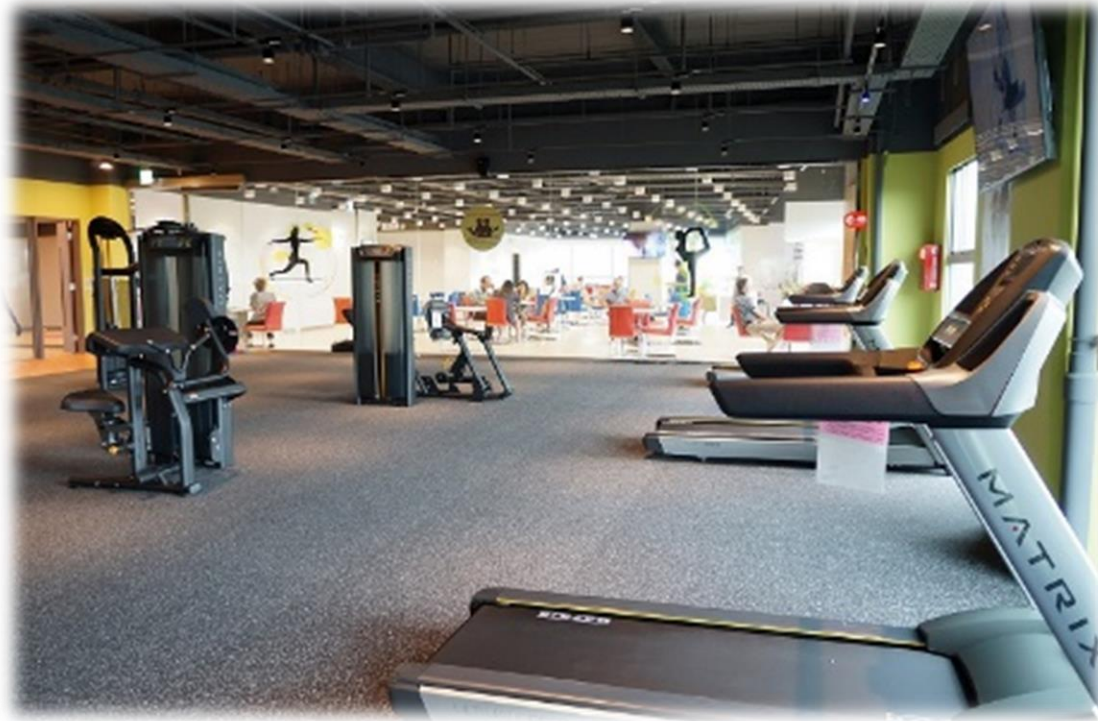


Sales units increases **>260%**
between 2018 and 2019

2019 Operating Highlights



4. Create new customer experience



Sky Fitness: the first scenic fitness center

2019 Operating Highlights

1. New models in Q1.



RC



UX250h

2019 Operating Highlights

2. New models in Q2/Q3.



RC F



RX

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

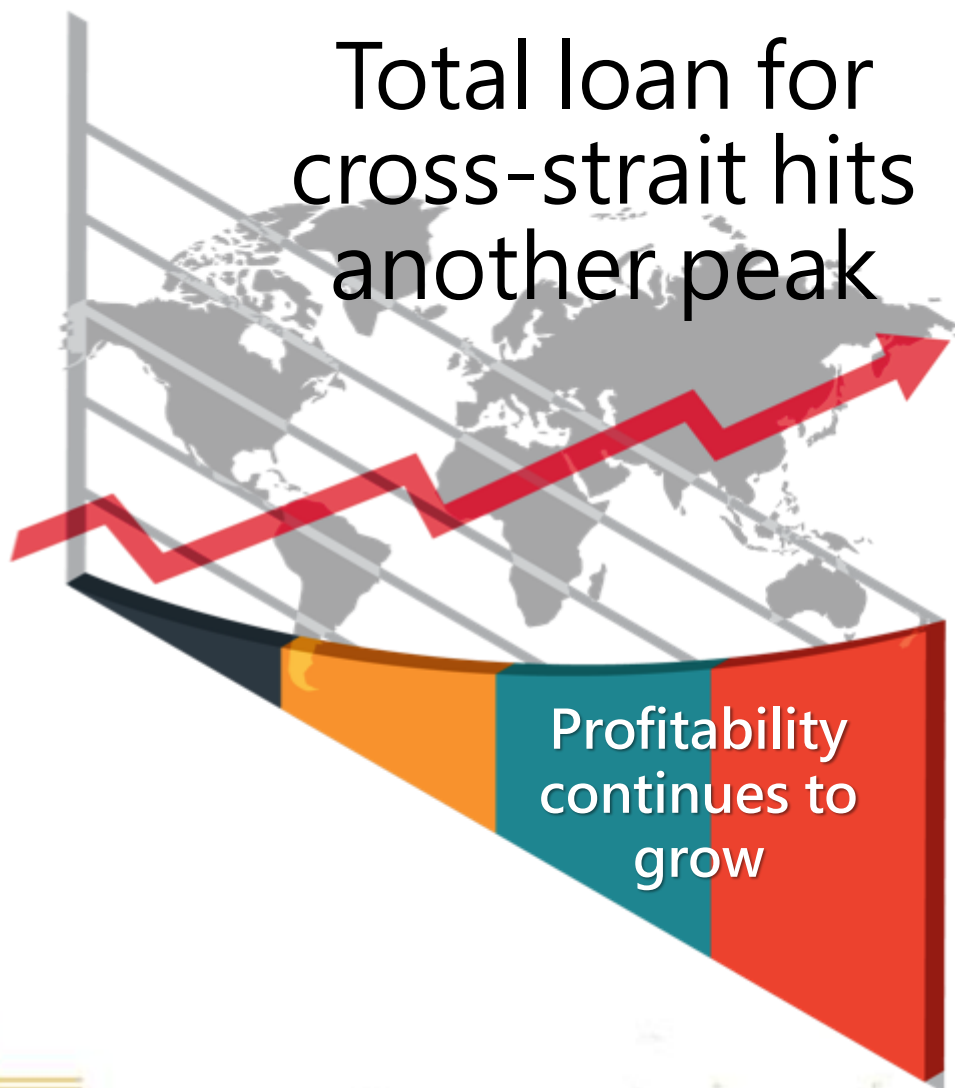
2019 Operating Highlights

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

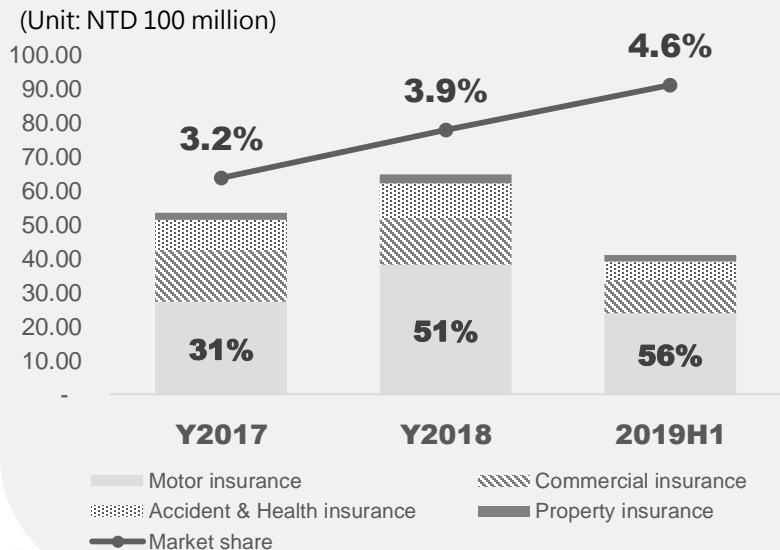
- 客戶導向
- 效益導向



模組化
核心系統

NEXT ONE

Continuous expansion of market share



Operating Highlights for Sub.



Creating Demand

Expand mobile service

- **Cars** : 2500 cars by end of the year, one-third of them are green vehicle (PRIUS c) ◦
- **Motorcycles** : 4,000 motors by end of the year ◦ across 6 cities ◦

Innovative leasing services

- **LEXUS SECLECT** : ES200 ◦ IS300 ◦ NX200 ◦ UX200
- **LEXUS ELITE** : RX300 ◦ ES300h
- **TOYOTA New Car Freely Select**

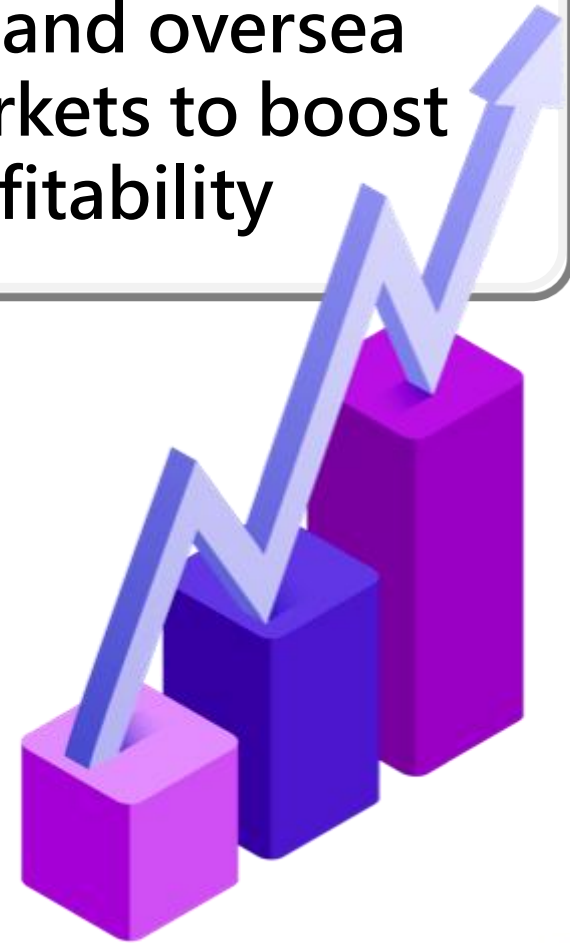


Operating Highlights for Sub.

- 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企業社會責任



108.09.08 (日)
08:30-11:00

和泰主場 觀音濱海遊憩區

淨灘減塑全台總動員

Cleared 9,033KG of waste in total & 43,973 wasted bottles
(Equivalent to 17,101 buildings in height)

一起環保
地球!!



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