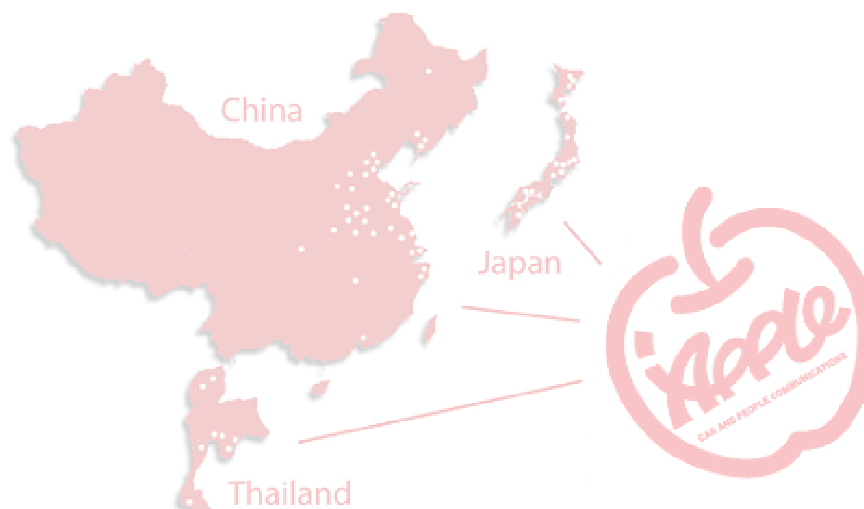


Apple Auto Auction Coming Soon

Apple Thailand Franchise Chain Store Participation Guidance



Apple Network THAILAND

Apple Auto Auction Coming Soon



<http://www.applenet.co.jp>

Company Summary



Apple FC Headquarter

Company Name : Apple Auto Network Co., Ltd.
Location : Mie Pref. Yokkaichi city Tokiwa 1-4-2
Established : 1993 May
Capital : 347,950,000JPY
Representative : Representative President Kouji Hasegawa
Main Business : Management of 'Apple' Franchise Sales &
Purchase of Vehicles
Corporate Participation : 56 Companies
Participation Store : 214 Stores
Direct stores : 10 stores
URL / <http://www.applenet.co.jp>

China Apple FC Headquarter

Company Name : 北京艾普旧車經營有限公司
Location Thailand : 中国北京市昌平区沙河102206

URL / <http://www.applecar.com.cn>

Apple Group Parent Company

Company Name : Apple International Co., Ltd. [TSE Mothers 2788]
Location : Mie Pref. Yokkaichi City Hinaga 2-3-3
Established : 1996 January
Capital : 4,807,000,000JPY
Representative : Representative President Kubo Yoshinobu
Main Business : Purchasing of used vehicles and parts from end-users or local dealers, and mainly exports
to Southeast Asia or for local domestic users

URL / <http://www.apple-international.com>

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☆e.g China Project

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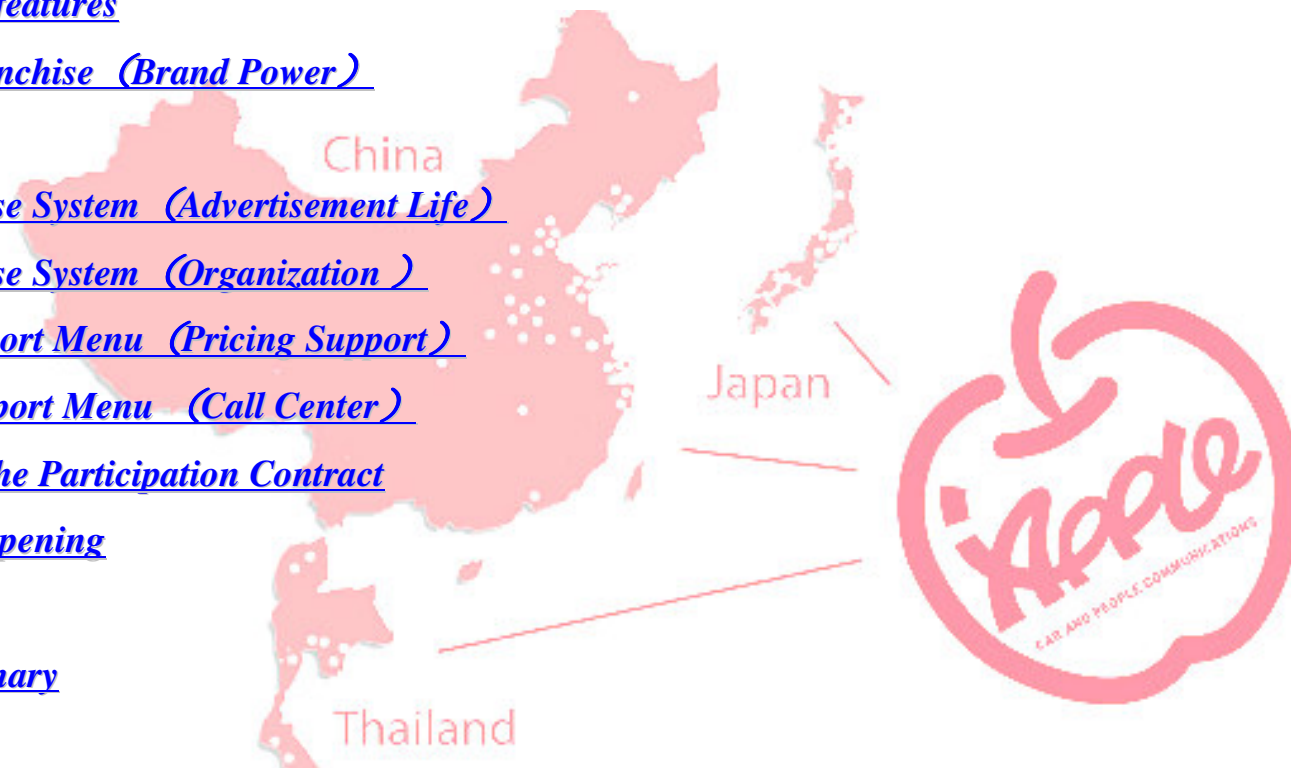
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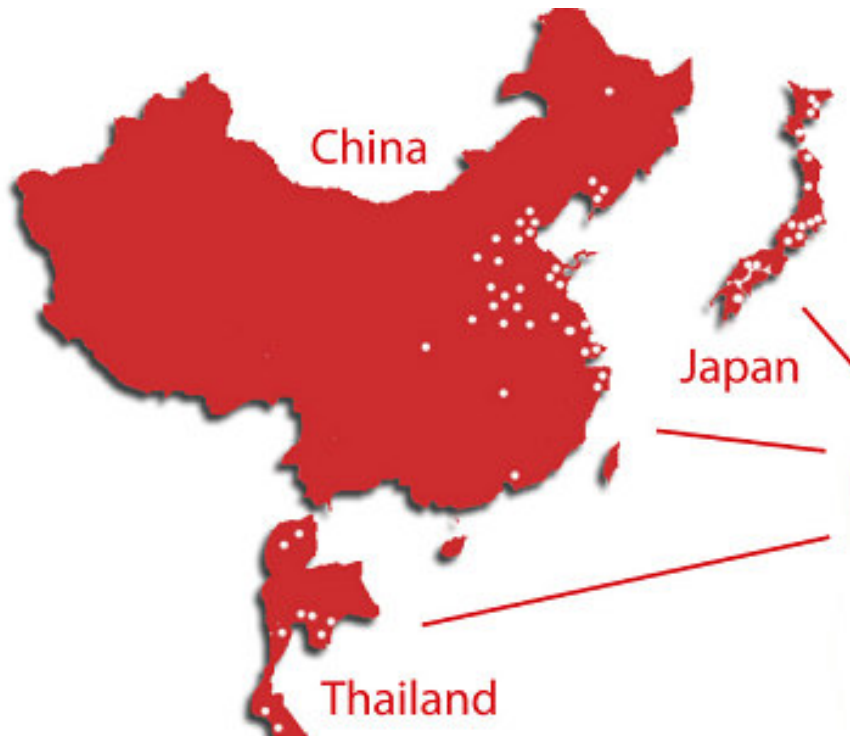
What is Apple Chain?

- *Apple is First in Japan ! First in the world ! The Vehicle Purchasing Specialist Store*



お車買取専門店

300店舗の安心チェーン



Being established as the 1st Vehicle Purchasing Store in Japan. With your support we've able to reach the 17th anniversary. So we would like to return to the base again, to think of new Service that would satisfy Car user and franchisee as well. Therefore please make use of this opportunity to join Apple.



- *Apple is looking at the Global market and aggressively planning for it*

What is purchasing business ? ?



- *Futuristic Hybrid style store*
- *Purchasing is customer. But in the end the profit would be the buyer of other dealer. Feels like a wholesaling!*
- *Being able to monopoly, it's easy to get 1st level customer*
- *Basic would be purchasing so there will be no worries of claims*
- *The profit from a compact body store is Infinity ∞*
- *With low stick risk it's possible to start with low capital*
- *With no Maker's restriction the area broadens enable the capture of potential customer !*



Difference of Purchaser and Dealer?



■ Purchasing store



■ Used car store

With holding temporary stock there is no need of large sum of capital. For the store, a small store with negotiation space is OK!!

Approximately 90% of stock circulation rate. Of course the purchase is being done below market price therefore cashing can be done within 1 week.

Other than store stock, networked stock will boost sales. Without stock therefore there is no risk

The basic is purchasing so handling of claims will not occurs

Opening Capital ?

Cash Flow ?

Stock Risk ?

Claim ?

Exhibitions of lots of stock will need a huge amount of capital

From negotiation till sales need a long time, slows the cashing rate and creates time lag

There will be no confirmation on sales time, therefore there is a risk of holding long term stock

After sales claims occurs, therefore nearly all the time will be occupied with after sales service

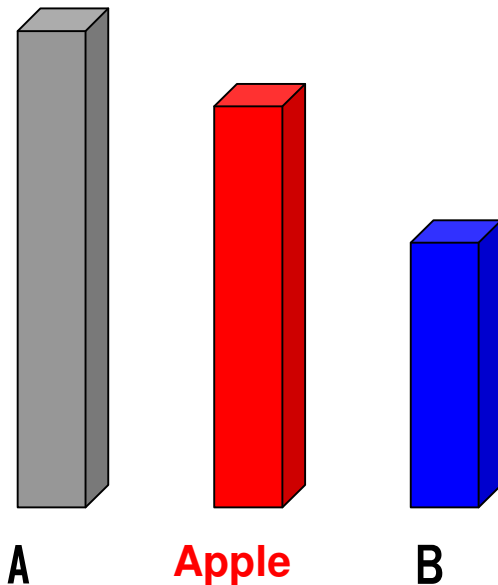
About Trustable Apple Brand



3. About Trustable Apple Brand

Apple had used 20 years to build its brand with customer. Moreover Apple aims for better presence by appointing famous actor for advertisement

Business Presence Ranking



By:『Proto Car User Report』

車の買取・販売

アップル
Apple
アップル

アップルは、はずせない。

ご成約者にどんどん選べる!! 当たる!! 総計235名様 2005.9/1~10/10

アップルオートキャンペーン!!

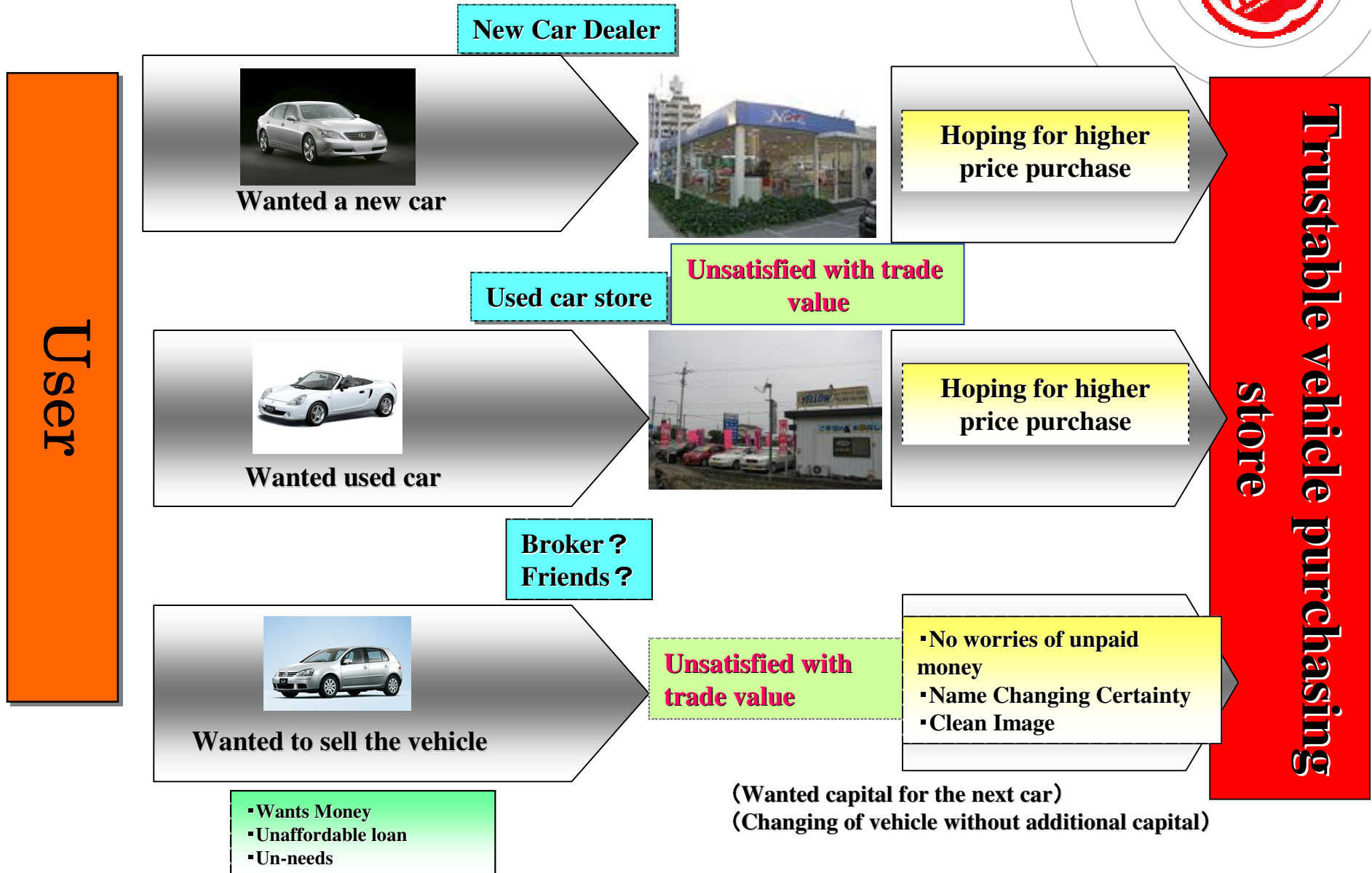
A賞	B賞	C賞	D賞
Panasonic D-snap SV-AS3	たまご型冷蔵庫	10GB キットカード20,000円分	K-1 WORLD GP 決勝戦ペアチケット 2005年11月19日 In 東京ドーム

あなたの愛車をもっと高く売りたいなら、アップルへ。
実績のあるところが信じられる。アップルは、17年間で100万台以上の買取実績。
お車ご売却の際、ローンの残債がある場合でも、提携の残債すっきりローンのご利用が可能です。お気軽にご相談ください。

アップルオートネットワーク株式会社
〒510-0034 三重県四日市市ときわ1丁目4-2
車の買取・販売についてご質問はフリーダイヤルで。ご相談ください。

車を売るときも買うときもアップルへ。 ☎ 0120-433-633 自動車リサイクル法適用

Target of Vehicle Purchasing Apple Chain



Apple chain feature



(Low Capital)

Purchased vehicle are soon being cashed through Auction. Therefore low capital and high financial turnover is possible

(Low Risk)

The system is purchased being done based on market price and sells through auction. Moreover the main is selling through auction there is no claims and warranty risk. Franchise style is being expand in Japan and China

(Less Staff)

It's not exhibiting style so there is no need high stock. So there is no need of a large space and lots of staff. Low cost and low risk of loss.

(Opening of Stores)

Low capital • less staff is possible enables single corporate to start multiple store

Features of Auto Auction



Auto Auction is

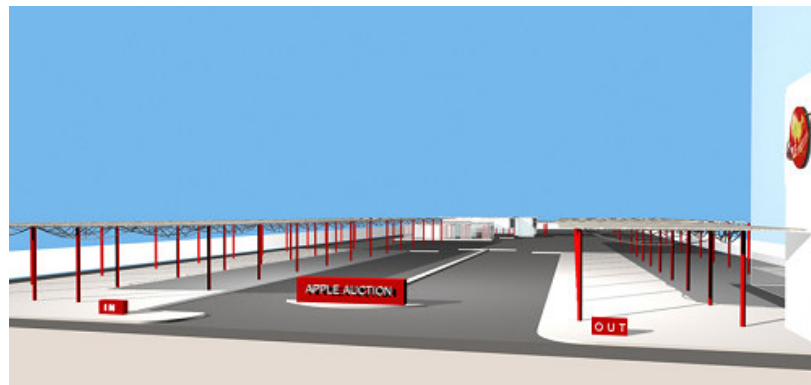
Auto auction is a gathering of used car buyer from all over the country for cashing. But it is members only Auction

Auction is based on high price competition, therefore the highest price buyer gets the car. Therefore selling the vehicle through auction means negotiation with nationwide buyer. Needs and Market price decides the market price

Sold vehicles money are being done through Auction house therefore there is no need of getting money from stores directly so it is very safe

Apple Auction Thailand

Apple Auto Auction Thailand (AAA : Banner 3KM) scheduled to open on July 2008. After joining Apple, its possible to join the Auction in the same time (Free joining) This Auction uses Japan Auction System, Joint Business with MBK public. Not only within the Auction House but bidding can be done within Thailand and over 100 countries all around the world on real time basis.



Features of Franchise System



■ Franchise system is

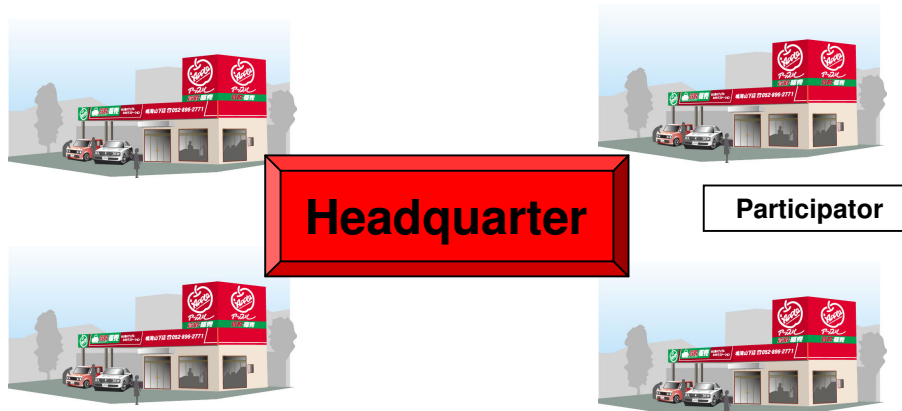
Even without Know How, with the minimum capital, it enables business can be done exactly as large company.

● *Headquarter (Franchiser) guides, Participator (Franchisee) from opening till Operation. Therefore Know how can be known in a short time*

● *Participator can use Headquarter Brand power, Marketing Power to ease customer to visit the store*

● *Partnership Advertisement, Partnership purchase is Chain Scale Merits*

● *Franchisee then pays the Headquarter Royalties for all the merits*



Brand power

Even for 1st time customer, it's easy and relief to visit

Merit of Franchise System



①Credibility

Even for first time visit, with the same signboard, trust and usage occurs. Compare with the unnamed signboard it is much more easy to use.

②Trusty

With the same signboard, the expectation of same service occurs.

For example; Family Mart, McDonalds and etc.



China Project



From Pioneer to Leading Company ~ Overseas Challenge ~



Purchase and sales in China had started on 2006. Development of FC in China develops used car market in China



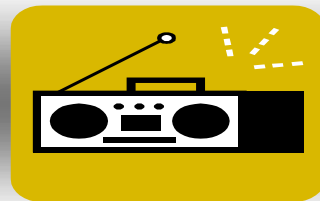
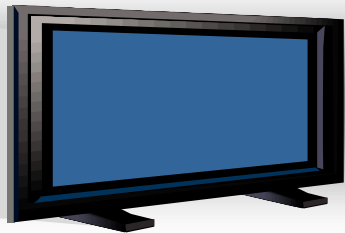
Merit of Franchise System (Advertisement)



Possibility of Promotion scale which large company cannot do. Famous personnel as the character through TV, Radio media, newspaper, magazines flat media, Net media partnership advertisement is possible. Therefore presence can be done through a short time

Partnership Advertisement

**Example 100Store × 20, 000BATH
= 2, 000, 000BATH**



Merit of Franchise System



Partnership purchase

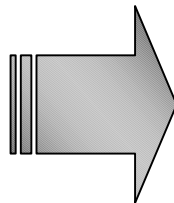
- With the purchasing volume being increase, the negotiation power will increase

Exchange of Stock (Shared Stock)

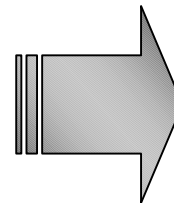
- Stock exchanging within the chain store to seek for efficiency and never let go of sales chance (User Sales)



Franchisee



Franchiser



Franchisee

Direction of purchasing store

~User's view of purchasing store~



Users expectation towards purchasing store is...



- ① · **Trust and Assurance**
It's easy to consult about cars !
- ② · **Enable to purchase cars**
In the same store where cars was sold, you can search for your next car on the spot. So it saves you time

Opening of Shared Stock !



Answers the expectation of Participation Store ! !

① **Enables Users sales !**
Apple do Site Priority !
Sales direct from AA House !

② **Enhanced Auction House**
Free to do Adjustment on exhibits!
Special fees on special AA house exhibits !



Headquarter Support (Pricing Support)



Sales

Auction Sales



① Visits of Customer or Visit to the Customer House



② Investigation Vehicle Investigation sheet being fax to the Pricing Center



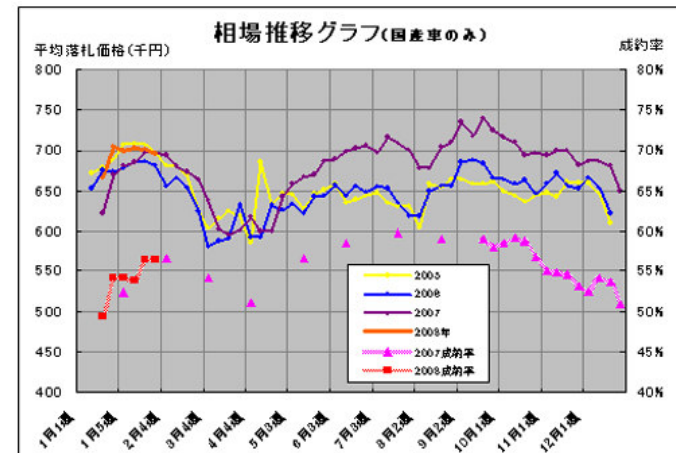
③ Investigation Sheet reply by fax



④ Base on the Investigation Sheet, Negotiation and Contract will be done



※Market Price information collecting Shall be done at the Pricing Center



※Extraction of Real time Marker Information through special device

Work as a backup for Purchasing Supply

Headquarter Support Menu (Call Center)



Headquarter call center will be handling all the inspection information coming from all multimedia



Customer

Inspection request to Apple



Call Center

Results of Inspection Information to the shop



Apple Retail Shop



Inspection & Negotiation



Purchase Contract

Merits of getting Inspection Information through representative

- Balance of Customer Service
- Speedy Customer Support
- Relief the workload of the branch

Procedure till the Participation Contract



I Business Explanation

Explanation of Apple Business Model

II Site Investigation

After considering the market of the target site, competition nearby the site then the site proposal shall be done.

The existing FC store market area shall be checked too.

Making of the Prediction Store complete map. Store income simulation shall be done too

III Document Investigation

Prepare the documents that are needed for the investigation for participation

IV Owners Interview

Have a good and deep understanding of Apple Business Model by holding a meeting with the Directors. This will help confirming the will to participate with Apple Chain

V Participation Contract

Preparation of Contract, Submission of the documents needed for the contract, The remittance of the Participation Money will be decided

=> Completion of Participation Contract

Procedure till the Branch Opening



I Store Investigation

The submission of the Store opening application by the owner. Apple Headquarter shall make an investigation towards the site, confirmation shall be made after the approval been made (approx. 1 week to 10 days)

II Store Construction

The appearance of the store will be base on the predicted plan. Construction shall begin. (Basically, Apple headquarter designated constructor shall be appointed)

III Miscellaneous Payment

Payment of the Pre-opening training, preparation of Opening Kit, and other expenses except Apple Royalties shall be made to Apple Designated bank acc.

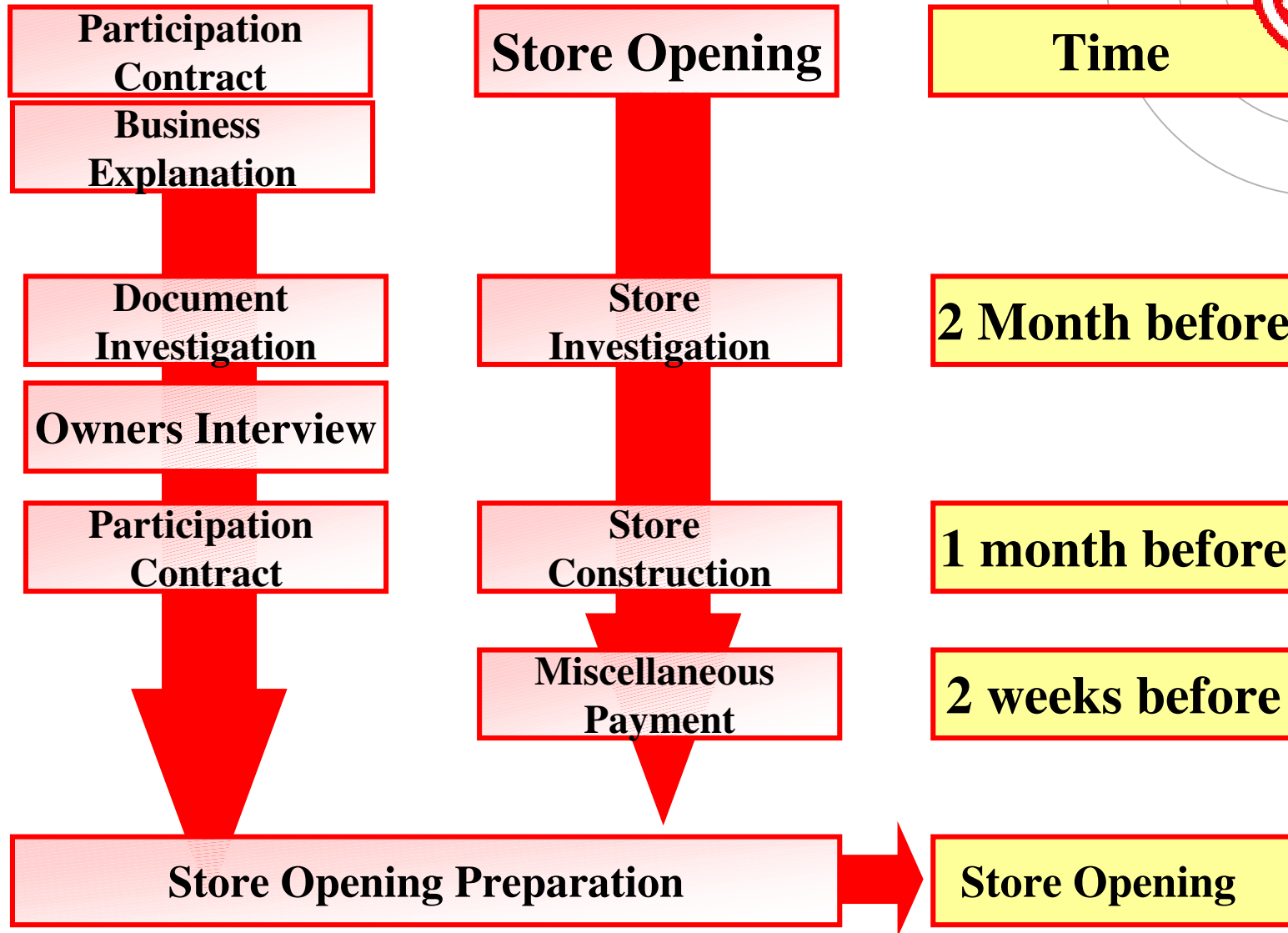
IV Pre-opening preparation

Confirmation of Opening Kit. Setting up of Computerize equipment and other appliances

V Opening

On the delay of the opening, the staff from the Headquarter shall be at the site to help

Time Schedule



Cost



Initial Cost		Remarks
Deposit	300,000 BATH	
Opening Cost	100,000 BATH	1 Single Store (Including design fees)
Education Cost	30,000 BATH	
Open Kit	30,000 BATH	
Grand Total	460,000 BATH	

Running Cost		Remarks
Royalty	50,000 BATH	Includes Advertisement fees
Grand Total	50,000 BATH	

Owners recruitment



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