

Uxin Addresses Investors' Most Frequently Asked Questions on Industry Outlook and Growth Strategy

BEIJING, June 23, 2026 /PRNewswire/ -- Uxin Limited ("Uxin" or the "Company") (Nasdaq: UXIN), a leading used car retailer in China, today released an investor FAQ addressing frequently asked questions regarding the outlook for China's used car industry, Uxin's business model, growth strategy, operating performance and capital resources.

Understanding Uxin: 10 Questions Investors Ask Most Often

I. Industry Outlook

1. Does China's used car industry still have significant long-term growth potential?

Yes. China's used car market remains in the early stages of a long-term growth cycle, supported by the country's large vehicle ownership base and evolving purchasing preferences.

China has the world's largest vehicle ownership base, currently totaling approximately 370 million vehicles, with nearly 20 million vehicles added annually. In 2025, China recorded approximately 34.4 million new vehicle sales, while used vehicle transactions reached 20.1 million units, representing total transaction value of RMB1.3 trillion. The used-to-new vehicle sales ratio was approximately 0.6:1, while used car transactions relative to vehicle ownership (used vehicle transaction volume divided by vehicle ownership) stood at approximately 5.5%, significantly below levels observed in mature automotive markets.

In mature markets such as the United States, Japan, and Germany, used car transactions relative to vehicle ownership typically range between 10% and 15%. China's vehicle ownership continues to expand, and used car transactions relative to vehicle ownership are gradually moving toward levels seen in mature markets. As a result, annual used car transaction volume is expected to exceed 50 million units, more than twice the current level of roughly 20 million units. As China's automotive market shifts from a new vehicle sales-driven market to one centered on its vehicle ownership base, used cars are expected to become one of the most important and fastest-growing segments within the automotive circulation system.

2. Since the beginning of 2026, China's new car market has remained under pressure. How should we view its impact on the used car industry?

Since the beginning of 2026, China's new car market has seen a significant slowdown. During the first five months of the year, new passenger vehicle sales declined by approximately 20%, with internal combustion engine (ICE) vehicles facing even greater pressure. In both April and May, ICE vehicle sales fell by more than 35% year over year. China's used car market performed largely in line with expectations during the first quarter. However, beginning in the second quarter, the rapid decline in both new vehicle sales and pricing led to a correction in used vehicle prices. Prices for mainstream used ICE vehicles declined by approximately 10%–15% within two months.

In the short term, the rapid decline in used ICE vehicle prices has pressured inventory and gross margins across the used car industry, while demand has remained resilient. During the first five months of 2026, used car transaction volume still increased by roughly 2%, significantly outperforming the new car segment. This suggests that demand for used vehicles has not disappeared; what has changed is the industry's pricing framework.

From a longer-term perspective, we view the current market correction as an important indication that China's used car market is becoming more mature. Essentially, it represents a one-time revaluation of residual values and a recalibration of the industry's pricing framework. Over the past several years, the residual value of a three-year-old used vehicle in China, measured against current new vehicle prices, was generally around 68% to 72%, well above levels observed in mature markets such as the United States, Europe, and Japan. Following the recent adjustment, that figure has declined to approximately 58%–60%, bringing it closer to levels seen in mature markets.

The U.S. automotive industry experienced a similar cycle during the global financial crisis from 2007 to 2009. New vehicle sales declined by roughly 35%, and many new car dealerships and used car retailers went out of business. However, leading independent used car retailers emerged stronger from the downturn, delivering years of sustained growth in sales volume, profitability, and market share.

We believe that industry adjustments often lead to a reshaping of the competitive landscape. Once the current volatility in China's automotive market eases, the country's large vehicle ownership base, the still-low level of used car transactions relative to vehicle ownership compared with developed markets, and consumers' growing demand for value-for-money vehicles will continue to support the long-term growth of the used car industry.

II. The Uxin Model

3. What differentiates Uxin's warehouse-style superstore model from traditional used car dealerships?

The core distinction of Uxin's model lies in applying a modern retail model to transform used car transactions.

China's used car industry remains highly fragmented. There are more than 500,000 used car dealers nationwide, and over 90% maintain inventory of fewer than 30 vehicles. Over 90% of used car transactions are completed by these small dealers. Under the traditional model, consumers often face opaque vehicle conditions, inconsistent pricing, uneven service quality, and limited after-sales support, making used car purchasing a highly uncertain experience.

Uxin addresses these pain points through an integrated model that combines large-scale superstores with self-operated reconditioning factories. By leveraging large-scale owned inventory, standardized inspection and reconditioning processes, professional customer service, and comprehensive after-sales support, Uxin transforms used car purchasing from a marketplace experience into a warehouse-style retail experience. The model offers three key advantages:

First, business model innovation. Uxin adopts a fully integrated "factory-warehouse-retail" model that centrally manages vehicle sourcing, inspection, reconditioning, warehousing, sales, and after-sales service. Compared with traditional dealerships, this structure provides Uxin substantially greater control over vehicle quality and operational execution. The average time from vehicle acquisition to completion of reconditioning and listing for sale is typically less than three days, more than 50% faster than industry averages. Reconditioning costs at Uxin's self-operated factories are below RMB1,000 per vehicle and continue to benefit from economies of scale. Traditional dealers primarily generate revenue from vehicle price spreads and financing commissions. In contrast, Uxin's self-operated reconditioning factories and superstores provide a full lifecycle suite of automotive services, including financing, insurance, extended warranties, accessories, maintenance, repairs, and after-sales support, resulting in a more diversified revenue mix.

Second, data-driven operations. Used vehicles are inherently non-standardized products, making pricing accuracy a critical determinant of inventory turnover and profitability. Uxin has developed proprietary pricing models based on real transaction data and machine learning algorithms, enabling continuous optimization of sourcing, pricing, sales, and inventory management. As retail transaction volume expands, additional real transaction data will further enhance the pricing system, allowing Uxin to identify market changes more quickly and maintain real-time competitiveness in both vehicle acquisition and sales. This forms the foundation for Uxin's large-scale vehicle operations and represents a key differentiator from traditional dealers.

Third, enhanced customer experience. Uxin superstores are designed as regional landmark retail destinations for used cars, offering broader vehicle selection, more standardized vehicle condition information, more professional services, and comprehensive after-sales support. As a result, customers enjoy a purchasing experience that is closer to standardized retail. Uxin has consistently maintained a Net Promoter Score (NPS) above 65, while in-store sales conversion rates exceeded 40% at mature superstores. As brand awareness and customer trust continue to build, superstores typically become the preferred destination for used car buyers in their local markets after one year of operation, generating increasing levels of organic traffic and referrals.

Ultimately, Uxin differs from traditional used car dealers not only in scale, but also in its reconditioning capabilities, digital capabilities, and superstore experience, transforming non-standardized used car transactions into a more transparent, efficient, and trusted modern retail business.

4. How does Uxin manage pricing, inventory and margin pressure in a rapidly changing market environment?

Uxin's primary approach is to leverage its data-driven pricing capabilities, quickly adjust pricing strategies, and maintain disciplined high inventory turnover.

In the used car industry, the greatest risk from price volatility comes from inventory depreciation. When inventory turnover slows, declining vehicle prices can continuously erode gross margins. Uxin is able to rapidly adjust retail pricing, vehicle acquisition pricing, and inventory mix in response to market changes, allowing the Company to clear inventory affected by price fluctuations more efficiently while maintaining inventory turnover of approximately 30 days.

Uxin's digital pricing capabilities are a key driver of its high inventory turnover. The Company has built a proprietary pricing system based on data-driven models and continuously trains its algorithms using self-generated real retail transaction data. As transaction volume increases, the system becomes more effective at identifying market shifts, helping the Company maintain real-time competitiveness in both vehicle sourcing and retail pricing.

In the first quarter of 2026, despite the seasonal impact of the Chinese New Year holiday, retail transaction volume reached 16,530 units, up 119% year over year and marking the eighth consecutive quarter of more than 110% year-over-year growth. This demonstrates Uxin's ability to sustain strong sales growth and rapid inventory turnover even during periods of market volatility. Uxin expects retail transaction volume for the first half of 2026 to increase by more than 100% year over year, achieving an important milestone toward its full-year retail transaction volume growth target of over 100%.

Unlike the new car market, used car retailers can continuously adjust acquisition pricing based on prevailing market conditions,

allowing margins to gradually normalize. The decline in used car prices during the second quarter, particularly for ICE vehicles, has created short-term pressure on profitability across the industry. However, the market will eventually establish a new equilibrium between acquisition and retail pricing. As older inventory is cleared, gross profit on newly acquired inventory has already begun to recover. Uxin expects gross margin in the third quarter to rebound meaningfully compared with the second quarter.

5. Is Uxin's model more similar to CarMax or Carvana? What are the similarities and differences compared with leading U.S. used car retailers?

Uxin shares certain core characteristics with both CarMax and Carvana, while also incorporating features tailored to the unique dynamics of the Chinese market.

The most significant difference lies in sales channels. Carvana operates primarily as an online-only used car retailer, while CarMax, despite expanding its digital capabilities, continues to rely on a nationwide network of large-scale retail stores. Uxin operates through both offline warehouse-style superstores and its nationwide online marketplace.

This approach is better aligned with the current stage of China's used car market. Vehicle purchases represent a larger portion of household spending in China, and consumers tend to be more cautious when purchasing used vehicles. As a result, many buyers still prefer to inspect vehicles in person, take test drives, and experience the services before making a purchase. At the same time, as consumers become more familiar with the used car purchasing process and as repeat purchases and referral-driven transactions continue to grow, the proportion of online transactions is expected to increase over time. Uxin's online transaction contribution has improved from 10% in its early years to 30% today.

Therefore, Uxin's model is expected to evolve through several stages. In the first stage, offline warehouse-style superstores establish consumer trust by addressing key pain points in used car transactions, including opaque vehicle conditions, inconsistent customer experiences, and limited after-sales support. In the second stage, as consumer behavior shifts online, more transactions will migrate from offline experiences to online decision-making and online purchases. Ultimately, AI and digital capabilities will be embedded across every core aspect of the business, including vehicle sourcing, pricing, reconditioning, inventory, sales, and after-sales service, positioning Uxin as an AI-driven intelligent used car retailer.

At the same time, Uxin shares several important similarities with leading U.S. used car retailers. First, all three companies operate an owned-inventory model supported by large-scale reconditioning systems. By maintaining strict control over every aspect of business operations, per-unit operating costs are reduced while inventory turnover efficiency is improved.

Second, all three companies place significant emphasis on pricing capabilities. As used cars are non-standardized products, pricing accuracy is a critical determinant of inventory turnover and profitability. Carvana's annual retail transaction volume is approximately 600,000 units, while CarMax sells approximately 800,000 units annually. Uxin expects retail transaction volume to reach approximately 100,000 units in 2026. Real transaction data serves as the foundation for pricing models and represents an important source of scale advantages and competitive differentiation. As Uxin's retail transaction volume continues to grow, its pricing capabilities are expected to further strengthen.

Third, customer satisfaction and brand reputation remain key priorities for all three companies. Carvana has consistently maintained high NPS, while Uxin reported an NPS of 68 in the first quarter of 2026 and has maintained industry-leading levels for multiple consecutive quarters. Strong customer experiences not only enhance brand trust but also drive organic store traffic and referrals.

As a result, Uxin is not simply replicating either CarMax or Carvana. Instead, the Company has developed a warehouse-style superstore model that combines the trust of offline retail with the efficiency of online channels, creating a model specifically designed for China's used car market.

6. How does Uxin select new markets, and what are its superstore expansion plans?

Uxin evaluates new markets primarily based on vehicle ownership, used car transaction activity, regional influence, and project execution feasibility.

Uxin operated 5 superstores as of the end of 2025. Following the opening of the Tianjin superstore in March 2026, the total number of operating superstores increased to six. Uxin expects to open 4 to 6 superstores during 2026.

The long-term expansion opportunity is supported by the scale of China's automotive market. With vehicle ownership already exceeding 350 million vehicles nationwide, China offers a large number of cities capable of supporting large-scale superstores. Uxin evaluates market potential primarily based on local vehicle ownership and target market share.

For example, in a city with approximately 500,000 vehicles, if used car transactions relative to vehicle ownership reaches 10%-15%, annual used car transaction volume could range from 50,000 to 80,000 units. Based on the more than 20% market share already achieved by mature Uxin superstores, a single superstore could support annual transaction volume exceeding 10,000 units and inventory capacity of approximately 1,000 units.

Applying this logic, more than 30 cities in China have vehicle ownership exceeding 3 million vehicles and could support superstores with inventory capacity of more than 5,000 units. More than 70 cities have vehicle ownership exceeding 1 million vehicles and could support superstores with inventory capacity above 2,000 units. Over 100 cities have vehicle ownership exceeding 500,000 vehicles and could support superstores with inventory capacity above 1,000 units. Over the long term, Uxin can operate in more than 200 cities nationwide, supporting annual retail sales potential exceeding 3 million vehicles.

Uxin's five-year objective is to operate more than 50 superstores and achieve annual retail transaction volume exceeding 1 million units by 2030. Management will continue to adjust expansion pace based on market conditions, capital availability, and staffing to ensure high-quality and sustainable expansion.

III. Single-Store Operational Results

7. Has Uxin validated the profitability of its single-store model?

Yes. Uxin has successfully validated the economics of its single-store model, with its Xi'an superstore serving as an example.

Xi'an was Uxin's first superstore and began operations in December 2022. As the Company's initial pilot superstore, it was designed to validate every key component of the business model, including vehicle sourcing, pricing, large-scale reconditioning, inventory management, sales conversion, and customer service.

The Xi'an Superstore has now reached maturity. During peak months in 2025, monthly sales volume reached approximately 2,700 units, accounting for approximately 25% of local market share, while achieving profitability at the store level. Sales conversion rates for in-store customers exceed 40%. Online sales contribution has increased from 10% during the early stages of operation to 30% today, while NPS has consistently remained above 65. These results demonstrate that the superstore model can achieve both scale and profitability once sales volume reaches sufficient levels.

Based on the success of the Xi'an Superstore, Uxin has entered a nationwide replication phase. New superstores are ramping up significantly faster than the Xi'an Superstore, further validating the model's scalability and replicability.

8. Compared with earlier locations, how are new superstores performing in terms of sales ramp-up, revenue growth and profitability improvement?

Newer superstores are reaching maturity significantly faster than earlier locations.

The Xi'an and Hefei superstores primarily served as projects to develop and validate the superstore model. Sales ramp-up at newly opened locations, including Wuhan, Zhengzhou, Jinan, and Tianjin superstores, is substantially faster than that of earlier superstores. The Wuhan Superstore, which opened in March 2025, surpassed 1,000-unit monthly sales volume within approximately six months of opening and achieved market share of nearly 10%. The Zhengzhou Superstore, which opened in September 2025, exceeded 1,000-unit monthly sales volume within approximately four months and achieved market share of nearly 5%. As inventory continues to increase, both sales volume and market share at Uxin superstores are expected to improve further. The Company's long-term objective is to achieve market share above 20% in cities where it operates warehouse-style superstores.

The faster ramp-up of new superstores is primarily attributed to four factors. First, the Company's sourcing, pricing, and inventory management systems have become increasingly sophisticated, allowing superstores to establish optimal inventory mix more quickly. Second, sales and operating teams have become highly standardized, enabling new locations to replicate proven operating practices. Third, growing brand awareness has accelerated customer acquisition and trust-building in new markets. Finally, Uxin has gained substantial experience in site selection and project evaluation and has been able to secure better locations for new superstores given current real estate market conditions.

From a profitability perspective, new superstores still require upfront investments in facilities, staffing, and inventory, and profitability typically lags sales growth. As sales volume, inventory turnover, gross margins, and operating efficiency improve, new superstores will gradually move closer to the performance levels of mature locations.

IV. Capital Resources

9. How does Uxin finance the expansion of its warehouse-style superstore network?

The capital required for Uxin's warehouse-style superstore model primarily consists of three categories: superstore construction and pre-opening expenditures, vehicle inventory capital, and ongoing operating capital. A new superstore generally requires approximately US\$10 million of investment, of which roughly US\$2.5 million is allocated to equipment purchases, facility renovation, and pre-opening preparation, while approximately US\$7.5 million is used for vehicle inventory and operating capital.

Uxin's funding for expansion comes from multiple sources, including operating cash flow generated by mature superstores, inventory financing, equity financing, and other financing arrangements. During the current nationwide expansion phase, the Company expects to continue utilizing equity financing and other external capital sources to support new superstore openings.

Meanwhile, inventory financing can cover approximately 2/3 of vehicle acquisition costs, significantly reducing the Company's own capital required to support inventory growth. As profitability at mature superstores continues to improve, every two mature superstores can support the opening of one additional superstore per year. As the number of mature superstores increases, operating cash flow is expected to become an increasingly important source of funding for expansion.

10. What is the status of Uxin's financing activities, and does it have sufficient capital to support the next phase of expansion?

Uxin's financing activities continue to progress alongside its nationwide expansion strategy.

As of June 22, 2026, Uxin had approximately US\$40 million of signed equity subscription commitments that had not yet closed. Management expects these proceeds to be funded according to plan. Based on the Company's current liquidity position and expected financing proceeds, management believes existing financing arrangements are sufficient to support planned superstore openings and business development initiatives throughout 2026. At the same time, Uxin continues to pursue additional financing opportunities to support broader nationwide expansion beginning in 2027 and beyond.

The Company will adjust project launches in response to market conditions to maintain a disciplined balance among expansion pace, inventory scale, operating expenses, and single-store performance.

Sources: Industry and market data are based on the Ministry of Public Security of China, the China Automobile Dealers Association (CADA), and other publicly available information.

About Uxin

Uxin is China's leading used car retailer, pioneering industry transformation with advanced production, new retail experiences, and digital empowerment. We offer high-quality and value-for-money vehicles as well as superior after-sales services through a reliable, one-stop, and hassle-free transaction experience. Under our omni-channel strategy, we are able to leverage our pioneering online platform to serve customers nationwide and establish market leadership in selected regions through offline inspection and reconditioning centers. Leveraging our extensive industry data and continuous technology innovation throughout more than ten years of operation, we have established strong used car management and operation capabilities. We are committed to upholding our customer-centric approach and driving the healthy development of the used car industry.

Safe Harbor Statement

This press release contains statements that may constitute "forward-looking" statements which are made pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "aims," "future," "intends," "plans," "believes," "estimates," "likely to," and similar statements. Statements that are not historical facts, including statements about Uxin's beliefs, plans, and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the risk and uncertainties as to the timing of the entry into definitive agreements or consummation of the transactions; the risk that certain closing conditions of the transactions may not be satisfied on a timely basis, or at all; Uxin's goal and strategies; its expansion plans and successful completion of certain financing transactions; its future business development, financial condition and results of operations; Uxin's expectations regarding demand for, and market acceptance of, its services; its ability to provide differentiated and superior customer experience, maintain and enhance customer trust in its platform, and assess and mitigate various risks, including credit; its expectations regarding maintaining and expanding its relationships with business partners, including financing partners; trends and competition in China's used car e-commerce industry; the laws and regulations relating to Uxin's industry; the general economic and business conditions; and assumptions underlying or related to any of the foregoing.

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