

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

IDOM Inc.

Notice of Share Transfer of Consolidated Subsidiaries and Posting of Extraordinary Income

Tokyo, April 14, 2022—IDOM Inc. (“the Company”) announces that a meeting of the Board of Directors held today the Company decided to transfer all shares of its consolidated subsidiaries, IDOM Automotive Group Pty Ltd. and Gulliver Australia Pty Ltd, as detailed below.

1. Reason for the share transfer

The Company makes management decisions on its investment priorities and the withdrawal from businesses in its business portfolio with a focus on returns on invested capital (ROIC) and growth potential. Its policy is to concentrate its management resources on the retail business conducted by its large stores (including attached maintenance shops) in Japan over the medium to long term. This is because the business has been showing a high ROIC and offers a great deal of room for growth going forward. Based on this policy, the Company withdrew from the BMW and MINI new car dealership business in Japan in September 2021. In addition, it has decided to withdraw from the new car dealership business in Australia.

2. Overview of the subsidiaries to be transferred

1) Overview of IDOM Automotive Group Pty Ltd.

(1) Name	IDOM Automotive Group Pty Ltd.	
(2) Location	Level 2, 640 Murray St, West Perth, Western Australia, 6005	
(3) Name and title of representative	Yusuke Hatori, Director	
(4) Business	Administration and management of the Australian operating companies	
(5) Capital	148,300 thousand AUD	
(6) Established	June 2015	
(7) Major shareholders and their shareholding ratios	IDOM Inc.: 100%	
(8) Relationship between the listed company and the relevant company	Capital relationship	The Company holds all shares outstanding of IDOM Automotive Group Pty Ltd.
	Personal relationship	One Director of the Company concurrently serves as Director of IDOM Automotive Group Pty Ltd.
	Business relationship	The Company is lending funds to IDOM Automotive Group Pty Ltd.

* The Company will transfer its shares in IDOM Automotive Group Pty Ltd. and its subsidiaries, namely, Buick Holdings Pty Ltd. and 13 other companies, IDOM Automotive Essendon Pty Ltd. and five other companies, and Karmo Cars Pty Ltd. and five other companies.

2) Overview of Gulliver Australia Pty Ltd.

(1) Name	Gulliver Australia Pty Ltd.	
(2) Location	20-30 Kangan Drive, Berwick, VIC 3806	
(3) Name and title of representative	Yusuke Hatori, Director	
(4) Business	Sales of new and used cars and operation of related businesses in Victoria, Australia	
(5) Capital	50 thousand AUD	
(6) Established	February 2015	
(7) Major shareholders and their shareholding ratios	IDOM Inc.: 100%	
(8) Relationship between the listed company and the relevant company	Capital relationship	The Company holds all shares outstanding of Gulliver Australia Pty Ltd.
	Personal relationship	One Director of the Company concurrently serves as Director of Gulliver Australia Pty Ltd.
	Business relationship	The Company is lending funds to Gulliver Australia Pty Ltd.

3) Operating results and financial position of the subsidiaries to be transferred for the last three years (consolidated) (Unit: Millions of yen)

	Fiscal year	FY ended Feb. 2020	FY ended Feb. 2021	FY ended Feb. 2022
Net sales		84,277	88,310	139,364
Operating profit		76	2,999	4,935
Total assets		20,960	28,324	33,486

* The above operating results and financial position reflect those of IDOM Automotive Group Pty Ltd. and its subsidiaries, namely, Buick Holdings Pty Ltd. and 13 other companies, IDOM Automotive Essendon Pty Ltd. and five other companies, Karmo Cars Pty Ltd. and five other companies, and Gulliver Australia Pty Ltd. Figures are based on segment information disclosed by the Company (geographic segments). Items other than those listed above are undisclosed due to the wishes of the transferee.

3. Overview of the recipient of shares to be transferred

(1) Name	Swift Holdings Investments Pty Ltd.	
(2) Location	Collins Square, Tower 4, Level 18, 727 Collins Street, Docklands VIC, Australia	
(3) Name and title of representative	Paul Sytze Buruma, Director	
(4) Business	Investment Business	
(5) Capital	100 AUD	
(6) Established	April 2022	
(7) Relationship between the listed company and the relevant company	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Business relationship	Not applicable
	Applicability to related parties	Not applicable

4. Number of shares to be transferred, transfer price and the number of shares held before and after transfer

1) Shares of IDOM Automotive Group Pty Ltd.

(1) Number of shares held before the transfer	1,217,810 shares (Percentage of voting rights: 100%)
(2) Number of shares to be transferred	1,217,810 shares (plan)
(3) Transfer price	Not disclosed based on the agreement with the recipient of the transferred shares
(4) Number of shares held after the transfer	0 shares (Percentage of voting rights: 0%)

2) Shares of Gulliver Australia Pty Ltd.

(1) Number of shares held before the transfer	50,001 shares (Percentage of voting rights: 100%)
(2) Number of shares to be transferred	50,001 shares (plan)
(3) Transfer price	Not disclosed based on the agreement with the recipient of the transferred shares
(4) Number of shares held after the transfer	0 shares (Percentage of voting rights: 0%)

5. Schedule

(1) Date of resolution by the Board of Directors	April 14, 2022
(2) Date of agreement	April 14, 2022
(3) Date of share transfer	TBD

6. Outlook

1) Impact on consolidated financial results

The Company's consolidated financial results reflect the results of IDOM Automotive Group Pty Ltd. and Gulliver Australia Pty Ltd. for the period from March 1 until the end of February of the next year. The date of the share transfer has not been decided yet. Therefore, based on the assumption that the share transfer will take place at the end of June, the consolidated results forecasts for the fiscal year under review (fiscal year ending February 28, 2023) reflect the two companies' presumed profitability for the four-month period from March until June. Consequently, due to factors for a decrease in both sales and profit, the Company expects that net sales, operating profit and ordinary profit will decrease by approximately 85,000 million yen, 3,000 million yen and 2,800 million yen year on year.

As a result of the share transfer, the Company expects to post a gain on sales of shares of subsidiaries and associates of approximately 800 million yen for the consolidated results and approximately 2,900 million yen for the non-consolidated results as extraordinary income for the second quarter in which the share transfer takes place.

The Company expects that capital efficiency (indicators such as ROIC) will improve.

* The above estimated amounts are calculated at this time and are subject to change depending on the Australian dollar exchange rate and other factors.

2) Business development in Australia

Going forward, the Company will continue to leverage the expertise and network that it has accumulated through the management of new car dealers. Specifically, IDOM Innovations Pty Ltd., a wholly owned subsidiary of IDOM that has been operating in Australia since 2020, will pursue transparency and fairness in automobile transactions with new technologies and innovations, and continue to engage in a business of a platform that helps solving car dealers' issues. The Company intends to invest in the business, which will be positioned as a new business, by setting upper limits for the investments and ensuring that they do not exceed certain levels.

(Ref.) Consolidated financial forecasts for the fiscal year under review (announced on April 14, 2022) and consolidated results for the previous fiscal year (Millions of yen)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Forecasts for the fiscal year under review (FY ending Feb. 2023)	366,800	15,500	14,800	11,600
Results in the previous fiscal year (FY ended Feb. 2022)	459,532	18,485	17,561	10,794