Consolidated	9 months ended November 30,2019	9 months ended November 30,2020		
	Results	Results	Change	Y/Y
Operating income	7,728 million yen	8,616 million yen	887 million yen	11.5%
Ordinary income	6,432 million yen	7,849 million yen	1,417 million yen	22.0%
Profit attributable to owners of parent	3,597 million yen	5,226 million yen	1,628 million yen	45.3%

My name is Nishihata, CFO of IDOM Inc.

I will be describing the results for the first nine months of the fiscal year ending February 28, 2021.

The results for the first nine months of the fiscal year ending February 28, 2021 are as follows.

On a consolidated basis, operating income increased 0.8 billion yen year on year, to 8.6 billion yen.

3rd Quarter Highlight for FY2021

Affected by the COVID–19 Coronavirus	Business remained basically as usual in 3Q after negative effects were eliminated in 2Q largely because the number of customers who visited stores recovered around late May, offsetting the negative impact of the stay-at-home measures implemented in April 2020 on the financial results of 1Q.
Reestablished retail business with an emphasis on capital efficiency	Opened stores selectively with an eye to achieving high capital efficiency (3 stores) while at the same time moving up the closing of some of the stores whose closing had been considered, taking the impact of COVID-19 into consideration (21 stores).
Status of Australian subsidiary	Both sales and profit increased in 3Q partly due to the government subsidy (Jobkeeper Payment), despite the negative impact of COVID-19.

I will describe the highlights for the first nine months of the fiscal year ending February 28, 2021 from three perspectives.

(i) Impact of COVID-19

The numbers of customers visiting stores rapidly recovered in late May and beyond, offsetting the significant impact of the restraint on going out that occurred in the first quarter. As a result, business remained as usual in the third quarter with results better than the year-ago level overall.

(ii) Reestablishment of the retail business with an emphasis on capital efficiency

We opened stores selectively with an eye to achieving high capital efficiency (3 stores) while at the same time moving up the closing of some, namely 21, of the stores whose closing had been considered, taking the impact of COVID-19 into consideration. Although the number of stores decreased, retail unit sales increased year on year.

(iii) Status of the Australian subsidiary

Results improved in Australia as well, reflecting the revitalization of the market for used cars due to the sluggishness of market for new automobiles. In addition, we secured employment even in the COVID-19 situation, and as result, recorded an increase in profit for the first nine months, partly reflecting the inclusion of an additional factor, the government subsidy called the Jobkeeper Payment.

Quarterly Changes in Operating Income and Main Items

	1Q March - May	2Q June - August	3Q September - November

Consolidated | Operating income

Nonconsolidated | Year-on-year comparisons of main items

		1Q	2Q	3Q
1	Retail unit sales	↑	↑	↑
2	Retail gross profit	↓	→	→
3	Number of units purchased	↓	↓	→
4	Wholesale gross profit	↓	→	→

Retail gross profit, the number of units purchased and wholesale gross profit decreased year on year in 1Q due to restraint on outings in April. However, retail gross profit and wholesale gross profit recovered to the year-ago level in 2Q, followed by the recovery of the number of units purchased to the year-ago level, reflecting the recovery of market for new automobiles.

This shows quarterly changes in consolidated operating income until the third quarter.

Operating income remained strong in the second and third quarters and achieved a record high in the third quarter.

I will describe key factors that contributed to increases or decreases by comparing main items.

Retail gross profit, the number of units purchased and wholesale gross profit decreased year on year in the first quarter partly due to the restraint on going out in April.

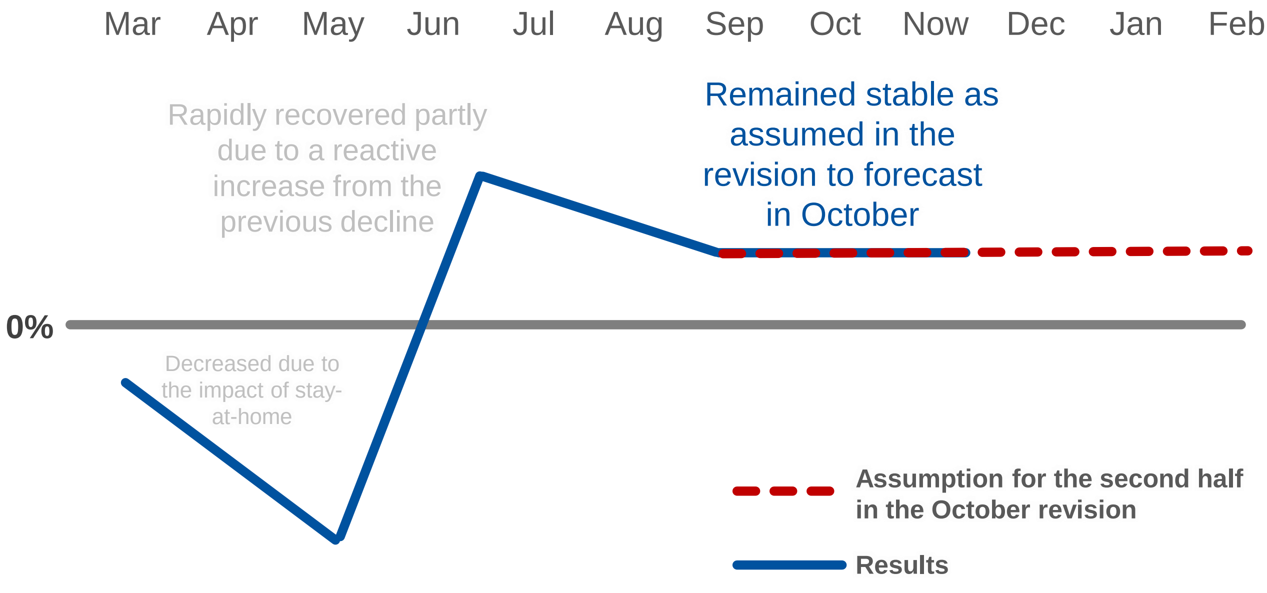
Retail gross profit and wholesale gross profit recovered to the year-ago level in the second quarter.

The number of units purchased recovered to the year-ago level, reflecting the recovery of market for new automobiles in the third quarter.

Thanks to these factors, coupled with the reduction of SG&A expenses and the recovery of results in Australia, we achieved a record high operating income.

Results of the Number of Visitors to Stores

Comparison of the monthly number of visitors to stores with those a year ago



The number of customers who visited stores remained unaffected by COVID-19 as assumed in the October revised forecast. In addition, in 3Q (three months), the number of units purchased recovered to the year-ago level, reflecting the recovery of market for new automobiles.

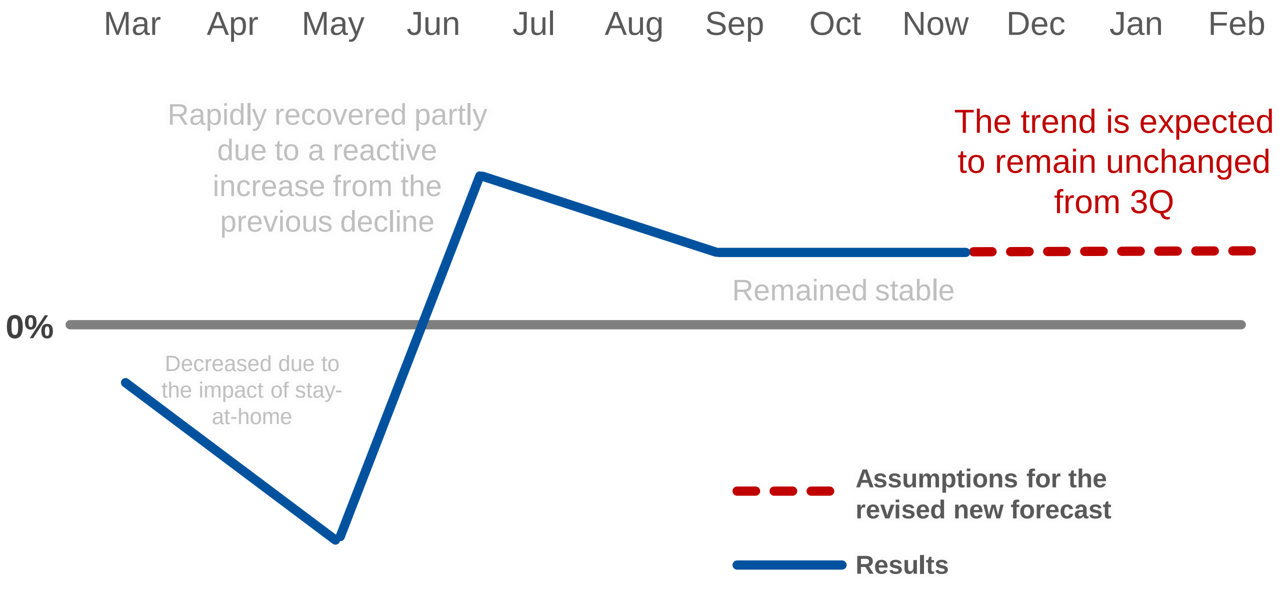
This is a conceptual image that we have been showing at every earnings briefing since last April with respect to year-on-year comparisons of the numbers of visitors to stores.

The horizontal straight line in the middle shows the year-ago level and the broken line reflects this fiscal year's trend, with the number of visitors to stores. In terms of the conceptual image, the trend is similar to that of profits.

As assumed in the results briefing for the first half of the year in October, the numbers of visitors to stores remained higher year on year in the third quarter.

Assumptions for the Number of Visitors to Stores in 4Q

Comparison of the monthly number of visitors to stores with those a year ago



The number of visitors remained unaffected by COVID-19 in 3Q and remained stable at the level which was better than the year ago. The same trend as in 3Q is expected for 4Q on the assumption that the impact of the issuance of the declaration of a state of emergency in January is insignificant.

I will describe revisions to the full-year financial forecast.

The number of visitors remained unaffected by COVID-19 in the third quarter and remained stable at a level higher than the year ago.

We assume that the third quarter trend will remain unchanged and continue through the fourth quarter, provided that the impact of the declaration of a state of emergency and effects of heavy snowfalls in January are minor.

Reason of the Revised Forecast of Consolidated Operating Profit for FY2021

		Revised full-year forecast in October		New revised full-year forecast
Consolidated	Operating income	8,700 million yen	→	10,100 million yen

Nonconsolidated Main items

		Year-on-year comparison	Comparison with the October revised forecast	Assumptions for new revised forecast
1	Retail unit sales	↑	→	Assumed to increase year on year (no change).
2	Retail gross profit	→	→	Assumed to remain at the year-ago level (no change).
3	Number of units purchased	↓	↑	Assumed to decline year on year due to the decrease in the first half (increased from the October revised forecast, reflecting the recovery of market for new automobiles).
4	Wholesale gross profit	↓	→	Assumed to decline year on year due to the impact of the decrease in 1Q (no change).

No changes have been made to retail unit sales or retail sails gross profit, which will remain solid as expected in the October revised forecast. The number of units purchased is expected to recover due to the recovery of the market for new automobiles. In addition, SG&A expenses are expected to be reduced due to improvements in efficiency.

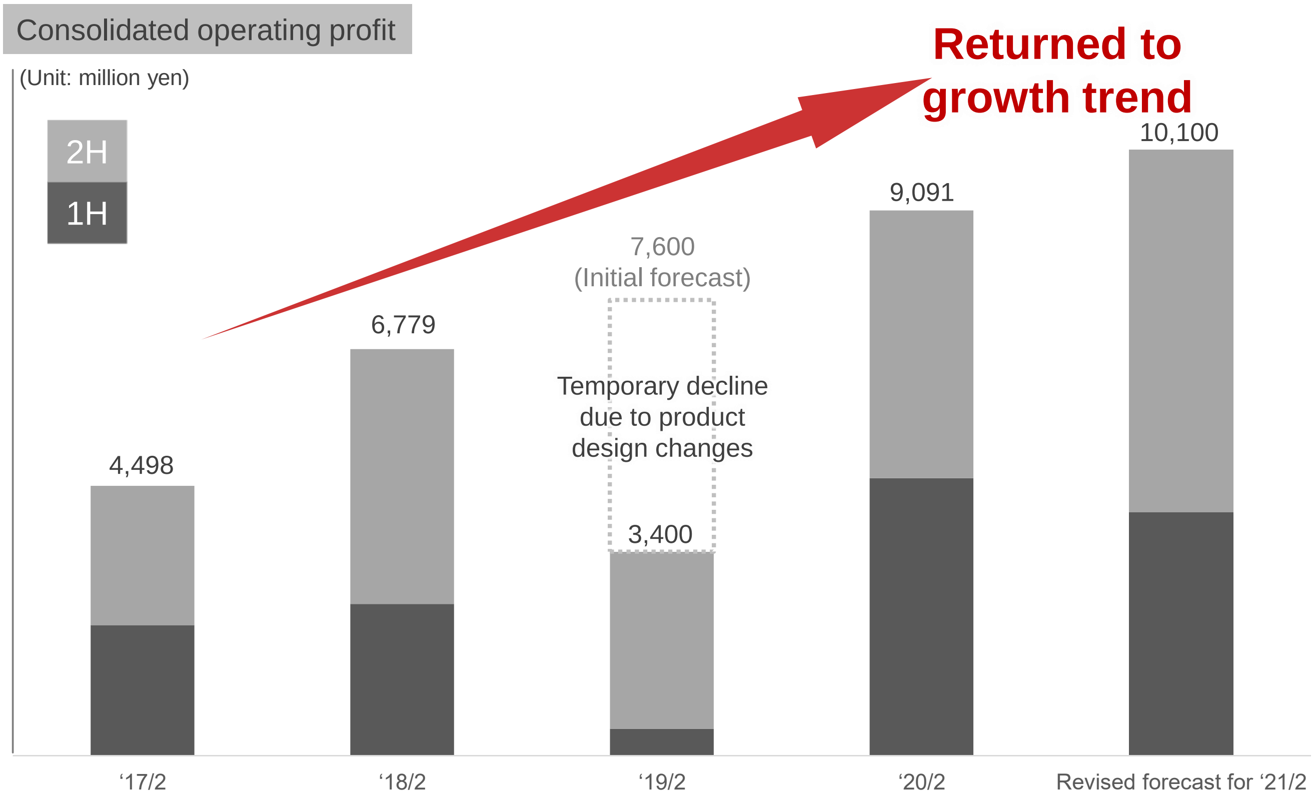
I will move to the analysis of the main items on an unconsolidated basis.

The slide explains new revisions from two perspectives: year-on-year comparisons and comparisons with the revised forecast announced in October,

No changes have been made to retail unit sales or retail gross profit, which will remain solid as expected in the October revised forecast. Assumptions for the number of units purchased, which will remain lower year on year, have been changed and the number is expected to increase from the October revised forecast due to the recovery in the market for new automobiles.

In addition, taking into consideration the facilitation of efficiency and the status in Australia, we will make an upward revision to the forecast for consolidated operating income from the previously expected 8.7 billion yen to 10.1 billion yen.

Changes in Operating Income over the Past 5 Years



The business has returned to a growth trend after recovering from the temporary decrease that occurred due to changes in product design in the fiscal year ended February 28, 2019 and the impact of COVID-19 in the fiscal year ending February 28, 2021.

The graph shows changes in consolidated operating income for the past five years.

Operating income, which decreased due to changes in product design in the fiscal year ended February 28, 2019, is recovering because of measures taken subsequently.

In this fiscal year, we have been affected by COVID-19. Even so, we believe that we will overcome this and record an increase in profit for the second consecutive year, which shows that we are back in a growth trend.

Review of Opening / Closing Standards

Ranking by profit/capital efficiency

Past

SS

S

Opening standard

A

B

Closing standard

C
Loss-generating store

Current fiscal year

SS

Opening standard

S

A

Closing standard

B

C
Loss-generating store

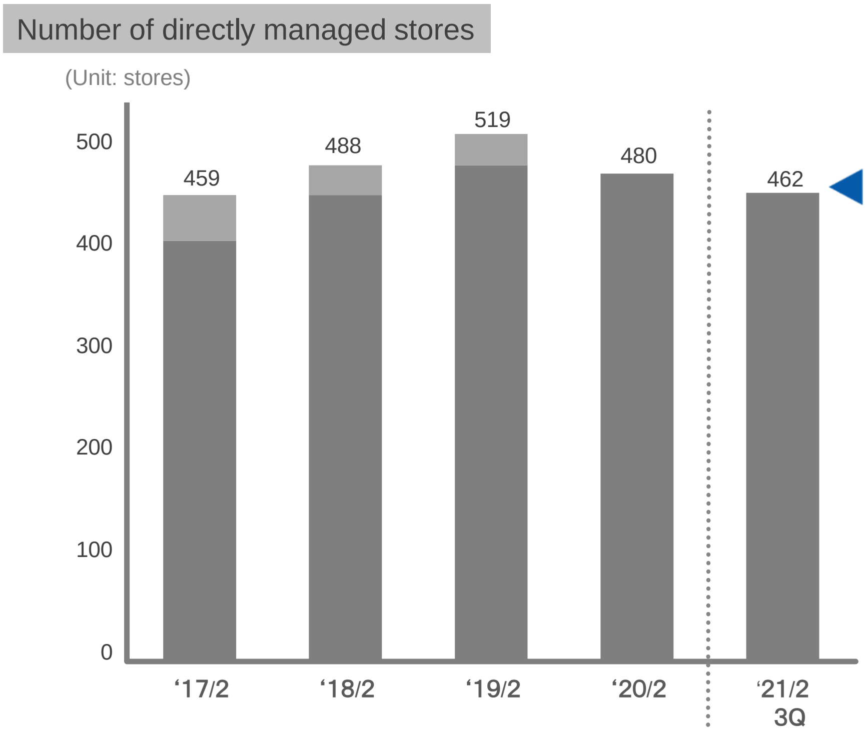
In the current fiscal year, opening and closing standards have become stricter. We will open stores with high profit/capital efficiency and close low profit/capital efficiency stores even if they are in the black, which will enhance the quality of return on investments and working capital (inventory).

I will move on now to store development.

We have been operating stores by continuing to use strict store opening and closing standards.

Status of Directly Managed Store Openings / Closings

Newly opened
3
Closed
21



Net decrease by 18 stores

The Company moved up store closings in consideration of the impact of COVID-19 while simultaneously improving store efficiency.

The slide provides an update on the opening and closing of directly managed stores.

We accelerated store closing based on the store closing standards, while at the same time taking the impact of COVID-19 into consideration. Consequently, we closed 21 stores during the first nine months of this fiscal year.

On the other hand, we opened three new stores with improved efficiency.

Change in the Store Development Policy

Store development policy	Reestablish the store network and achieve high capital efficiency by the ability to attract customers with the Gulliver brand power, as well as its accumulated expertise

Price setting expertise that Gulliver has accumulated since its foundation	Synchronized inventory control between the headquarters and stores
Original vehicle display styles and store layouts	Marketing activities with a focus on efficiency

We will continue to reestablish the store network by featuring the strong customer attraction ability powered by the Gulliver brand and its accumulated expertise.

Reestablishment of Retail Business with an Emphasis on Capital Efficiency

Emphasis on capital efficiency

Improve the quality of return by increasing operating income and improving the efficiency of stores (investment) and inventories (working capital)

Increasing

Operating income

Reestablish the store network by the Gulliver brand power, as well as its accumulated expertise → **Store**

Inventory ← Implement flexible inventory control depending on demand and external environments

Improving efficiency

In addition to the store development policy shown in the previous page, we will move forward with improving inventory efficiency and seek to achieve high capital efficiency by increasing operating income.

We have been significantly affected by COVID-19 in the first nine months of the current fiscal year. There is concern over the impact of COVID-19 and effects of heavy snowfalls in the ongoing three months as well.

Even so, measures that we implemented in the previous year have been steadily contributing to our recovery. We will continue to implement management steadily while also paying close attention to changes in the business environment.

We appreciate your continued support.