

## Translation

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IDOM Inc.

## Revision of Earnings Forecast

Tokyo, October 9, 2018—IDOM Inc. (“IDOM”) announced revisions to its forecasts for half-year and full-year results for the fiscal year ending February 28, 2019, announced on April 12, 2018, based on recent business trends. The details are as follows. No revision has been made to the dividend forecast.

### Consolidated results forecast

Revisions to the half-year results forecast (March 1, 2018 to August 31, 2018)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income*	Net income per share (yen)
Previously announced forecasts (A)	142,800	2,700	2,300	1,150	11.34
Revised forecasts (B)	143,900	450	-100	-600	-5.92
Change (B – A)	1,100	-2,250	-2,400	-1,750	
Percentage change (%)	0.8	-83.3	-	-	
Reference: Half-year results for fiscal year ended February 28, 2018	135,468	2,528	2,032	1,121	11.06

Revisions to the full-year results forecast (March 1, 2018 to February 28, 2019)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income*	Net income per share (yen)
Previously announced forecasts (A)	290,000	7,600	6,800	3,900	38.46
Revised forecasts (B)	290,000	3,000	2,000	700	6.90
Change (B – A)	0	-4,600	-4,800	-3,200	
Percentage change (%)	0.0	-60.5	-70.6	-82.1	
Reference: Full-year results for fiscal year ended February 28, 2018	276,157	6,779	5,797	3,578	35.29

\*Net income attributable to owners of parent

## Non-consolidated results forecast

Revisions to the half-year results forecast (March 1, 2018 to August 31, 2018)

(Millions of yen)

	Net sales	Ordinary income	Net income	Net income per share (yen)
Previously announced forecasts (A)	111,100	2,700	1,700	16.76
Revised forecasts (B)	110,600	100	-400	-3.94
Change (B – A)	-500	-2,600	-2,100	
Percentage change (%)	-0.5	-96.3	-	
Reference: Half-year results for fiscal year ended February 28, 2018	107,606	2,489	1,504	14.83

Revisions to the full-year results forecast (March 1, 2018 to February 28, 2019)

(Millions of yen)

	Net sales	Ordinary income	Net income	Net income per share (yen)
Previously announced forecasts (A)	225,000	7,000	4,450	43.88
Revised forecasts (B)	225,000	2,400	1,100	10.85
Change (B – A)	0	-4,600	-3,350	
Percentage change (%)	0.0	-65.7	-75.3	
Reference: Full-year results for fiscal year ended February 28, 2018	215,777	6,851	4,324	42.65

## Reasons for revision

Consolidated net sales in the first half of the fiscal year ending February 28, 2019 are expected to be in line with our forecast at 143,900 million yen. However, consolidated operating income, ordinary income, and net income attributable to owners of parent are anticipated to fall short of our initial forecasts. This is due to non-consolidated gross profit being approximately 11% lower than expected, because retail profit per unit was below target following a change in pricing and store operation strategies at directly managed stores in Japan in the second half of April 2018.

We have taken steps to address the above factors that eroded earnings in the first half of the current fiscal year, and the year-on-year decline in profit per unit and retail sales volume has slowed in the second half of the second quarter and the first half of the third quarter (September). Although earnings are recovering, we revised down our full-year forecast based on the assumption that the profit per unit and retail sales volume will remain at the same level as the end of the second quarter. An approximately 200 million yen extraordinary loss arising from damage to part of inventory and stores caused by the typhoon and earthquake in September is reflected in our full-year forecast for net income attributable to owners of parent.

Our dividend forecast is unchanged. The total dividend is calculated as 30% of net income attributable to owners of parent in previous fiscal year, using confirmed results of the previous year as the basis for dividend per share for the current fiscal year.