

**Translation**

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**Summary of Consolidated Financial Results  
for the Six Months Ended August 31, 2019  
(Based on Japanese GAAP)**

October 11, 2019

Company name: IDOM Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 7599 URL <https://221616.com>  
 Representative: President Yusuke Hatori  
 Inquiries: General Manager, Finance & IR Division Masayuki Matsumoto TEL 03-5208-5503  
 Scheduled date to file Quarterly Securities Report: October 15, 2019  
 Scheduled date to commence dividend payments: November 8, 2019  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended August 31, 2019 (from March 1, 2019 to August 31, 2019)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2019	179,276	24.6	4,624	937.3	3,634	-	2,124	-
Six months ended August 31, 2018	143,937	6.3	445	(82.4)	(106)	-	(598)	-

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended August 31, 2019	20.95		-	
Six months ended August 31, 2018	(5.90)		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2019	174,017	40,993	23.3	399.59
As of February 28, 2019	173,807	40,312	22.9	391.70

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2019	-	5.50	-	5.50	11.00
Year ending February 29, 2020	-	0.60			
Year ending February 29, 2020 (Forecast)			-	0.60	1.20

3. Forecast of consolidated financial results for the year ending February 29, 2020 (from March 1, 2019 to February 29, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	341,200	10.3	6,450	89.7	4,700	126.8	2,200	477.4	21.69

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 31, 2019  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2019	106,888,000 shares	As of February 28, 2019	106,888,000 shares
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Number of treasury shares at the end of the period

As of August 31, 2019	5,480,571 shares	As of February 28, 2019	5,480,531 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2019	101,407,437 shares	Six months ended August 31, 2018	101,407,530 shares
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## Analysis of Operating Results and Financial Position for the Second Quarter

### (1) Analysis of operating results

In the first six months of the fiscal year under review (March 1, 2019 to August 31, 2019), retail car sales from all directly managed stores in Japan totaled 67,831 (up 11.0% from the same term last year). In the previous term, retail car sales per store and gross profit per unit fell due to changes in the price setting of used car sales and the stores' sales strategy. However, improvement measures that have been in place from the previous term continuously succeeded, and both retail car sales per store and gross profit per unit recovered. In addition, a certain rush in demand due to the implementation of a higher consumption tax contributed to the recovery of retail car sales per store.

SG&A expenses increased due to up-front store management expenses resulting from new store openings.

Associated with the conclusion of the syndicated loan agreement specified in "Conclusion of a Syndicated Loan Agreement" disclosed on March 18, 2019, we paid an arrangement fee to our arranger financial institution and the expenses were accounted for within non-operating expenses/interest expenses in a lump.

As a result of the above, the consolidated business results for the first six months were net sales of 179,276 million yen (up 24.6% from the same term last year), operating profit of 4,624 million yen (up 937.3%), ordinary profit of 3,634 million yen (ordinary loss of 106 million yen in the same term last year), and profit attributable to owners of parent of 2,124 million yen (a loss of 598 million yen was experienced in the same term last year).

Regional segment-specific earnings are as indicated below:

#### I. Japan

The Japan segment recorded net sales of 138,218 million yen (up 18.6% from the same term last year) and segment income (operating profit) of 5,052 million yen (up 839.0%). Both retail car sales per directly managed store and gross profit per unit improved.

#### II. Australia

The Australia segment recorded net sales of 39,815 million yen (up 50.7% from the same term last year) and segment loss (operating loss) of 195 million yen (the same term last year recorded segment income (operating profit) of 52 million yen). The new car dealer group acquired in October 2018 became our subsidiary in the previous consolidated fiscal year (its financial results were consolidated for the period from October 1, 2018 to February 28, 2019). As a result, it made a substantial contribution to an increase in net sales in the first six months under review. The business performance of the subsidiary in Western Australia improved due to an increase in retail car sales in the second quarter.

### (2) Analysis of financial position

#### Assets

As of the end of second quarter ended August 31, 2019, total assets were 174,017 million yen (up 0.1% compared to the end of the previous fiscal year).

Current assets were 114,303 million yen (up 1.3% compared to the end of the previous fiscal year) on increased cash and deposits (up 7,598 million yen).

Non-current assets were 59,713 million yen (down 2.0% compared to the end of the previous fiscal year) on decreased goodwill (down 1,294 million yen).

#### Liabilities

As of the end of second quarter ended August 31, 2019, total liabilities were 133,024 million yen (down 0.4% compared to the end of the previous fiscal year).

Current liabilities were 44,074 million yen (down 27.3% compared to the end of the previous fiscal year) due to a decrease in the current portion of long-term loans payable (down 12,000 million yen).

Non-current liabilities were 88,949 million yen (up 22.1% compared to the end of the previous fiscal year) on increased long-term loans payable (up 15,963 million yen).

#### Net assets

As of the end of the second quarter, total net assets were 40,993 million yen (up 1.7% compared to the end of the previous fiscal year) due to an increase in retained earnings (up 1,567 million yen).

**(3) Consolidated earnings forecast and other forward-looking statements**

There are no changes to our consolidated earnings forecasts for FY2020 from the figures released on October 4, 2019 in our press release entitled “Revision of Earnings Forecast.”

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 28, 2019	As of August 31, 2019
Assets		
Current assets		
Cash and deposits	23,049	30,648
Notes and accounts receivable - trade	6,774	6,531
Merchandise	74,090	72,836
Other	9,043	4,425
Allowance for doubtful accounts	(93)	(138)
Total current assets	112,865	114,303
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,130	37,143
Accumulated depreciation	(13,141)	(13,568)
Buildings and structures, net	22,988	23,574
Vehicles	167	153
Accumulated depreciation	(29)	(19)
Vehicles, net	137	133
Tools, furniture and fixtures	4,333	4,242
Accumulated depreciation	(3,481)	(3,456)
Tools, furniture and fixtures, net	852	785
Land	218	218
Construction in progress	541	338
Total property, plant and equipment	24,738	25,050
Intangible assets		
Software	2,797	2,744
Goodwill	11,664	10,370
Other	5,348	4,873
Total intangible assets	19,811	17,988
Investments and other assets		
Investment securities	191	180
Shares of subsidiaries and associates	2,261	2,260
Long-term loans receivable	38	336
Lease and guarantee deposits	6,083	6,016
Construction assistance fund receivables	5,753	5,568
Deferred tax assets	1,438	1,727
Other	741	700
Allowance for doubtful accounts	(116)	(116)
Total investments and other assets	16,392	16,674
Total non-current assets	60,942	59,713
Total assets	173,807	174,017

(Millions of yen)

	As of February 28, 2019	As of August 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	20,026	18,821
Short-term loans payable	9,031	930
Current portion of long-term loans payable	12,000	–
Accounts payable - other	3,809	3,876
Income taxes payable	312	1,798
Advances received	11,177	11,063
Deposits received	249	220
Provision for bonuses	820	997
Provision for merchandise warranties	562	633
Other provision	507	532
Other	2,144	5,199
<b>Total current liabilities</b>	<b>60,642</b>	<b>44,074</b>
<b>Non-current liabilities</b>		
Long-term loans payable	68,023	83,986
Long-term guarantee deposited	432	508
Asset retirement obligations	2,279	2,451
Deferred tax liabilities	1,363	1,392
Other provision	561	387
Other	191	223
<b>Total non-current liabilities</b>	<b>72,852</b>	<b>88,949</b>
<b>Total liabilities</b>	<b>133,494</b>	<b>133,024</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,157	4,157
Capital surplus	4,032	4,032
Retained earnings	35,842	37,409
Treasury shares	(3,947)	(3,947)
<b>Total shareholders' equity</b>	<b>40,084</b>	<b>41,651</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	(363)	(1,129)
<b>Total accumulated other comprehensive income</b>	<b>(363)</b>	<b>(1,129)</b>
Share acquisition rights	3	3
Non-controlling interests	588	468
<b>Total net assets</b>	<b>40,312</b>	<b>40,993</b>
<b>Total liabilities and net assets</b>	<b>173,807</b>	<b>174,017</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

	(Millions of yen)	
	Six months ended August 31, 2018	Six months ended August 31, 2019
Net sales	143,937	179,276
Cost of sales	113,771	142,478
Gross profit	30,165	36,797
Selling, general and administrative expenses	29,719	32,173
Operating profit	445	4,624
Non-operating income		
Interest income	29	24
Interest on refund	0	18
Other	1	47
Total non-operating income	31	89
Non-operating expenses		
Interest expenses	342	676
Foreign exchange losses	126	313
Share of loss of entities accounted for using equity method	103	86
Other	11	1
Total non-operating expenses	584	1,079
Ordinary profit (loss)	(106)	3,634
Extraordinary income		
Subsidy income	22	22
Other	–	1
Total extraordinary income	22	23
Extraordinary losses		
Loss on retirement of non-current assets	155	224
Settlement package	–	140
Other	40	1
Total extraordinary losses	196	366
Profit (loss) before income taxes	(281)	3,292
Income taxes - current	247	1,559
Income taxes - deferred	93	(368)
Total income taxes	340	1,190
Profit (loss)	(621)	2,102
Loss attributable to non-controlling interests	(23)	(22)
Profit (loss) attributable to owners of parent	(598)	2,124

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended August 31, 2018	Six months ended August 31, 2019
Profit (loss)	(621)	2,102
Other comprehensive income		
Foreign currency translation adjustment	(334)	(1,069)
Share of other comprehensive income of entities accounted for using equity method	24	86
Deferred gains or losses on hedges	(34)	—
Total other comprehensive income	(345)	(983)
Comprehensive income	(967)	1,118
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(918)	1,238
Comprehensive income attributable to non-controlling interests	(48)	(120)

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2018	Six months ended August 31, 2019
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(281)	3,292
Depreciation	1,458	1,518
Amortization of goodwill	252	325
Increase (decrease) in allowance for doubtful accounts	(360)	46
Increase (decrease) in provision for bonuses	22	176
Increase in provision for merchandise warranties	(319)	71
Interest and dividend income	(29)	(24)
Share of loss (profit) of entities accounted for using equity method	103	86
Interest expenses	342	676
Foreign exchange losses (gains)	–	361
Loss on retirement of non-current assets	155	224
Settlement package	–	140
Decrease (increase) in notes and accounts receivable - trade	(162)	22
Decrease (increase) in inventories	(12,361)	(113)
Decrease (increase) in consumption taxes refund receivable	(80)	1,741
Decrease (increase) in accounts receivable - other	(682)	3,040
Increase (decrease) in accrued consumption taxes	(1,913)	1,358
Increase (decrease) in notes and accounts payable - trade	700	68
Increase (decrease) in accounts payable - other	(901)	63
Increase (decrease) in deposits received	(133)	820
Increase (decrease) in accrued expenses	(452)	863
Other, net	981	410
Subtotal	(13,662)	15,169
Interest and dividend income received	29	23
Interest expenses paid	(341)	(643)
Income taxes paid	(1,733)	180
Net cash provided by (used in) operating activities	(15,707)	14,731
<b>Cash flows from investing activities</b>		
Proceeds from withdrawal of time deposits	–	76
Purchase of property, plant and equipment	(2,060)	(1,433)
Purchase of intangible assets	(269)	(598)
Payments for asset retirement obligations	(12)	(121)
Purchase of investment securities	(33)	–
Payments of loans receivable	(12)	(320)
Collection of loans receivable	31	–
Payments for lease and guarantee deposits	(357)	(56)
Proceeds from collection of lease and guarantee deposits	83	123
Payments of construction assistance fund receivables	(491)	(53)
Collection of construction assistance fund receivables	276	255
Purchase of shares of subsidiaries and associates	(111)	–
Other, net	(11)	0
Net cash provided by (used in) investing activities	(2,968)	(2,129)

	(Millions of yen)	
	Six months ended August 31, 2018	Six months ended August 31, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,862	(8,100)
Proceeds from long-term loans payable	10,000	16,450
Repayments of long-term loans payable	–	(12,517)
Cash dividends paid	(355)	(553)
Other, net	–	0
Net cash provided by (used in) financing activities	<u>12,507</u>	<u>(4,722)</u>
Effect of exchange rate change on cash and cash equivalents	(28)	(201)
Net increase (decrease) in cash and cash equivalents	<u>(6,197)</u>	<u>7,677</u>
Cash and cash equivalents at beginning of period	<u>22,763</u>	<u>22,970</u>
Cash and cash equivalents at end of period	<u>16,566</u>	<u>30,648</u>