

1st Quarter Results for Fiscal Year Ending February 28, 2020

July 12, 2019

IDOM Inc.

	FY 2019 Mar - May	FY 2020 Mar - May
Non-consolidated Gross profit	12,234 million yen	14,273 million yen
SG&A expenses	12,038 million yen	12,784 million yen
Operating income	195 million yen	1,488 million yen
.....		
Consolidated Operating income	378 million yen	1,510 million yen



[Non-consolidated]

- Retail (impacted by changes in the revenue structure in the previous fiscal year)
 - (1) Gross profit per unit recovered
 - (2) Retail unit sales per existing store recovered

Impacts on operating income (YoY)



[Consolidated]

- Australian subsidiaries
 - (1) Essendon newly consolidated
 - (2) New business expenses at the controlling company



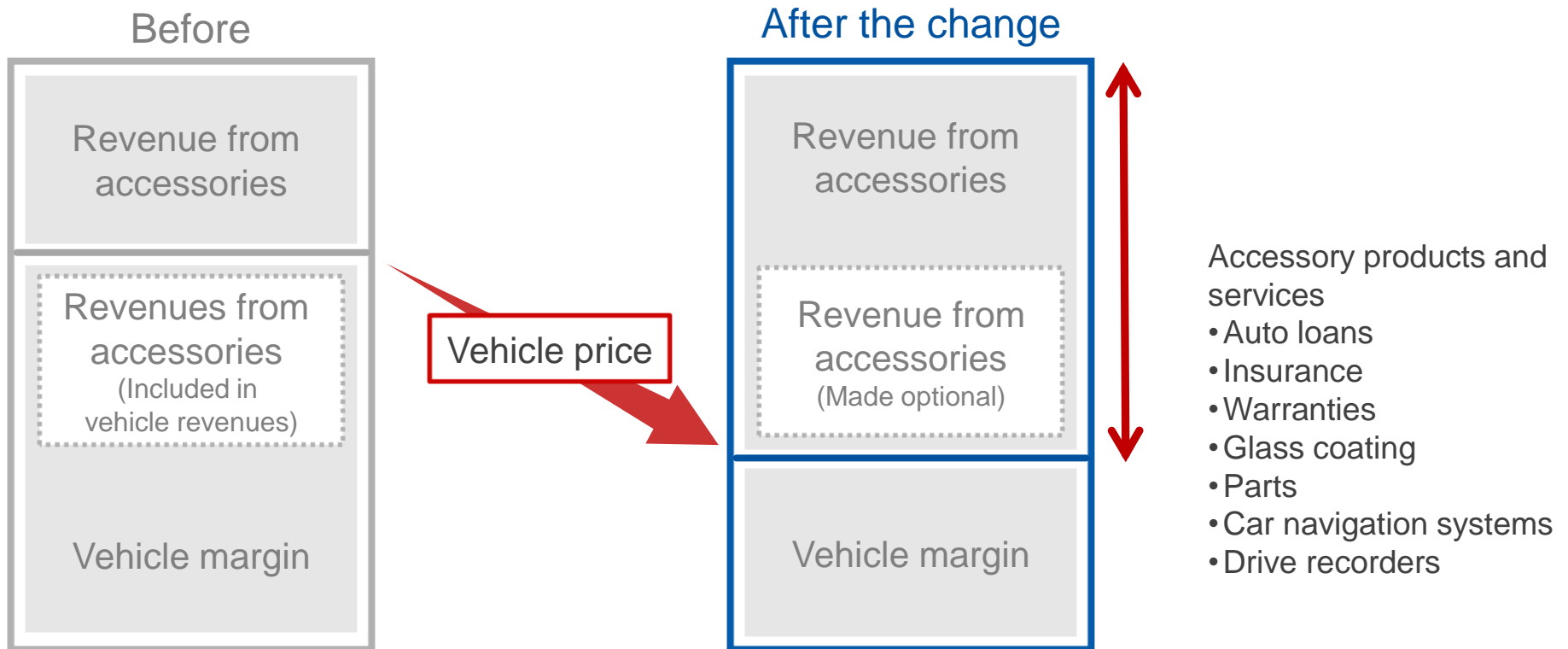
[Consolidated / Non-consolidated] Income Statement

Consolidated	3 months ended May 31, 2016		3 months ended May 31, 2017		3 months ended May 31, 2018		3 months ended May 31, 2019			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	66,192	100.0	71,130	100.0	71,411	100.0	90,206	100.0	18,795	26.3
Cost of sales	51,184	77.3	55,041	77.4	56,104	78.6	72,521	80.4	16,417	29.3
Gross profit	15,007	22.7	16,088	22.6	15,306	21.4	17,685	19.6	2,379	15.5
SG&A expenses	13,761	20.8	14,845	20.9	14,927	20.9	16,174	17.9	1,247	8.4
Operating income	1,245	1.9	1,243	1.7	378	0.5	1,510	1.7	1,132	298.6
Ordinary income	1,173	1.8	903	1.3	103	0.1	959	1.1	856	826.0
Income before income taxes and minority interests	1,050	1.6	802	1.1	-59	-0.1	736	0.8	795	-
Profit attributable to owners of parent	732	1.1	457	0.6	-146	-0.2	447	0.5	593	-

Non-Consolidated	3 months ended May 31, 2016		3 months ended May 31, 2017		3 months ended May 31, 2018		3 months ended May 31, 2019			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	51,275	100.0	57,444	100.0	55,588	100.0	65,333	100.0	9,745	17.5
Cost of sales	38,868	75.8	43,770	76.2	43,353	78.0	51,060	78.2	7,707	17.8
Gross profit	12,407	24.2	13,673	23.8	12,234	22.0	14,273	21.8	2,039	16.7
SG&A expenses	11,204	21.9	12,269	21.4	12,038	21.7	12,784	19.6	746	6.2
Operating income	1,202	2.3	1,404	2.4	195	0.4	1,488	2.3	1,293	661.2
Ordinary income	1,175	2.3	1,242	2.2	84	0.2	1,160	1.8	1,076	1266.7
Income before income taxes	1,057	2.1	1,150	2.0	-122	-0.2	933	1.4	1,055	-
Net income	798	1.6	798	1.3	-163	-0.3	588	0.9	751	-

Changes in the Revenue Structure Implemented in the Previous Fiscal Year

- Changed the revenue structure of retail gross profit per unit (vehicle gross profit + incidental revenue)

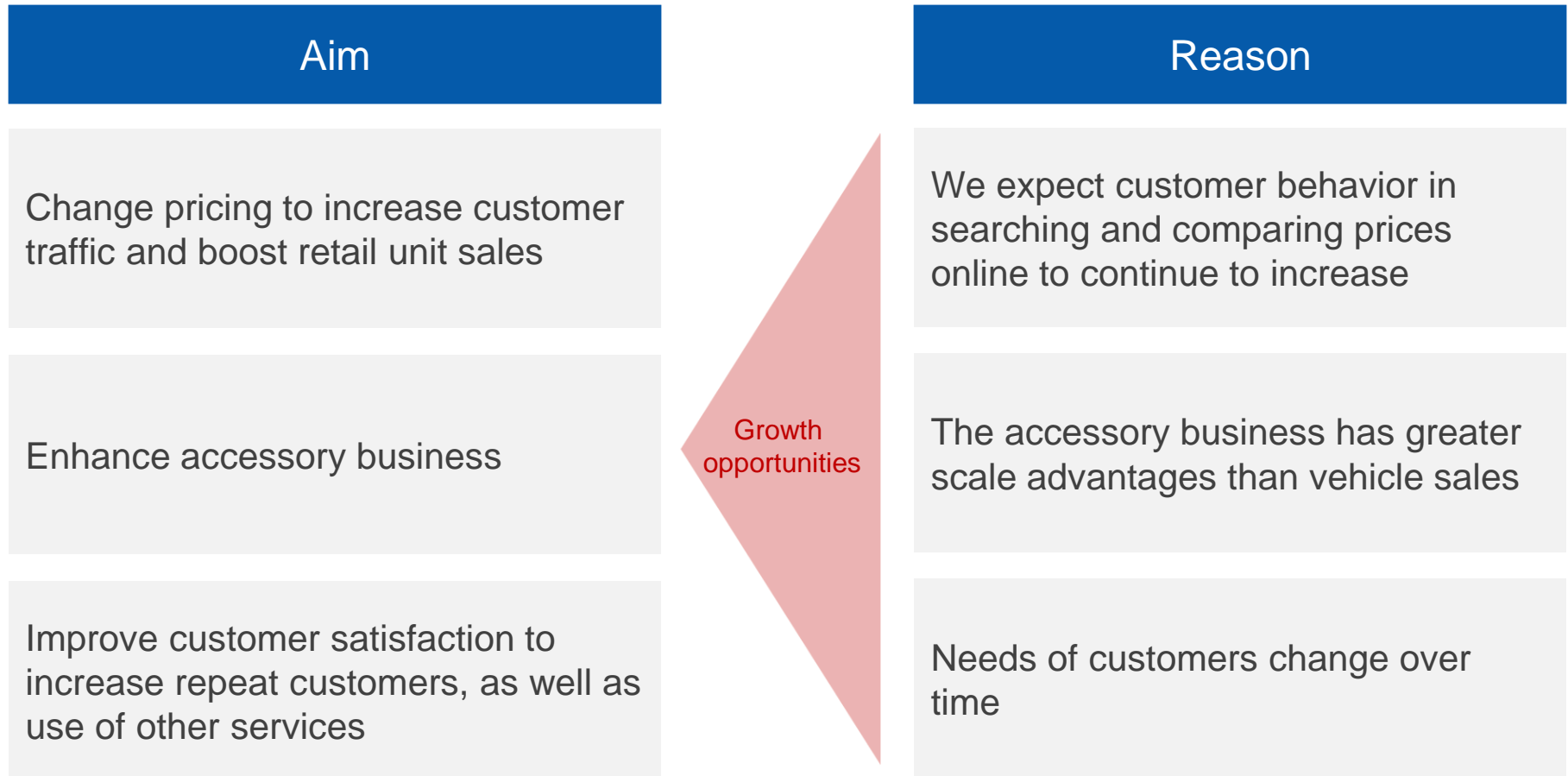


Reasons for the change:

- (1) Adjusted vehicle pricing strategy to attract customers, with the aim of increasing the number of retail units.
- (2) Incidental business growth → Enjoyment of scale merit
- (3) Increase pricing transparency and customer satisfaction by providing customized products and services to meet customer needs.

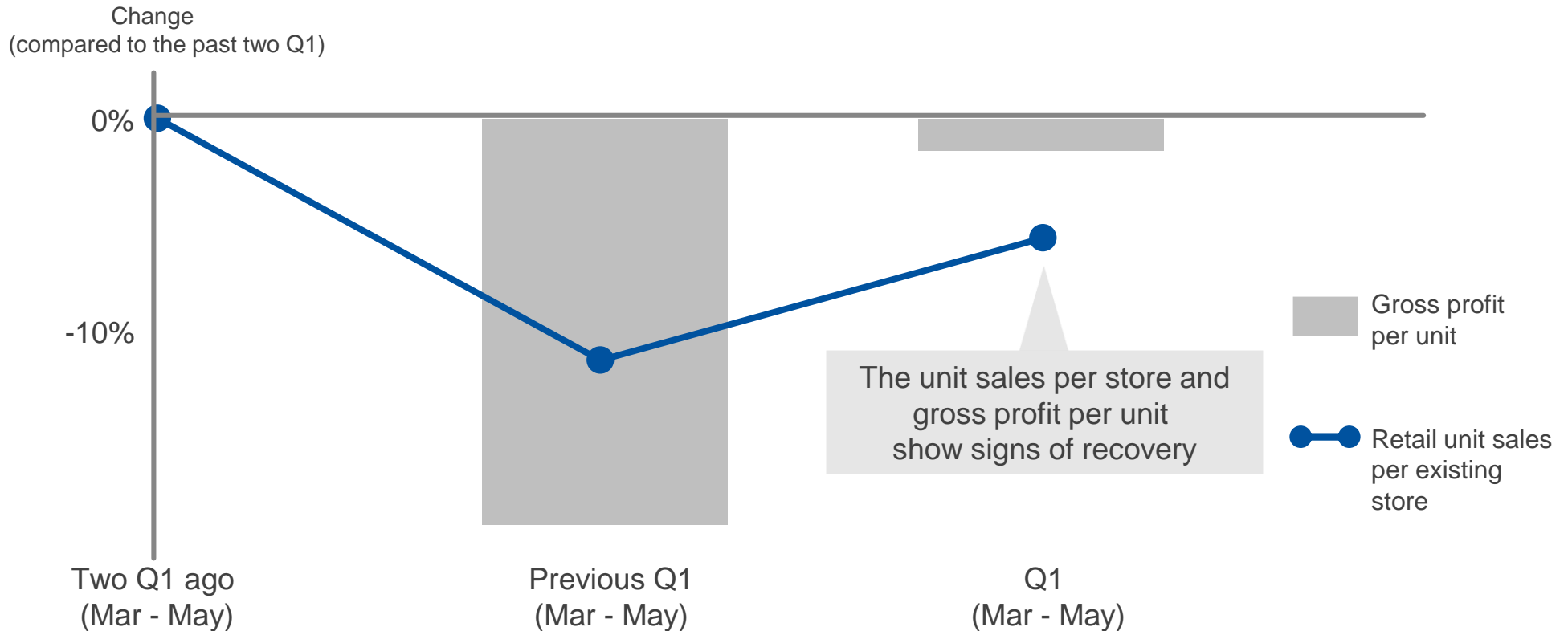
Background and Purpose of Changes in the Revenue Structure Implemented in the Previous Fiscal Year

- Continue the measures for the future growth



FY 2019 Performance (Impact of Changes in the Revenue Structure)

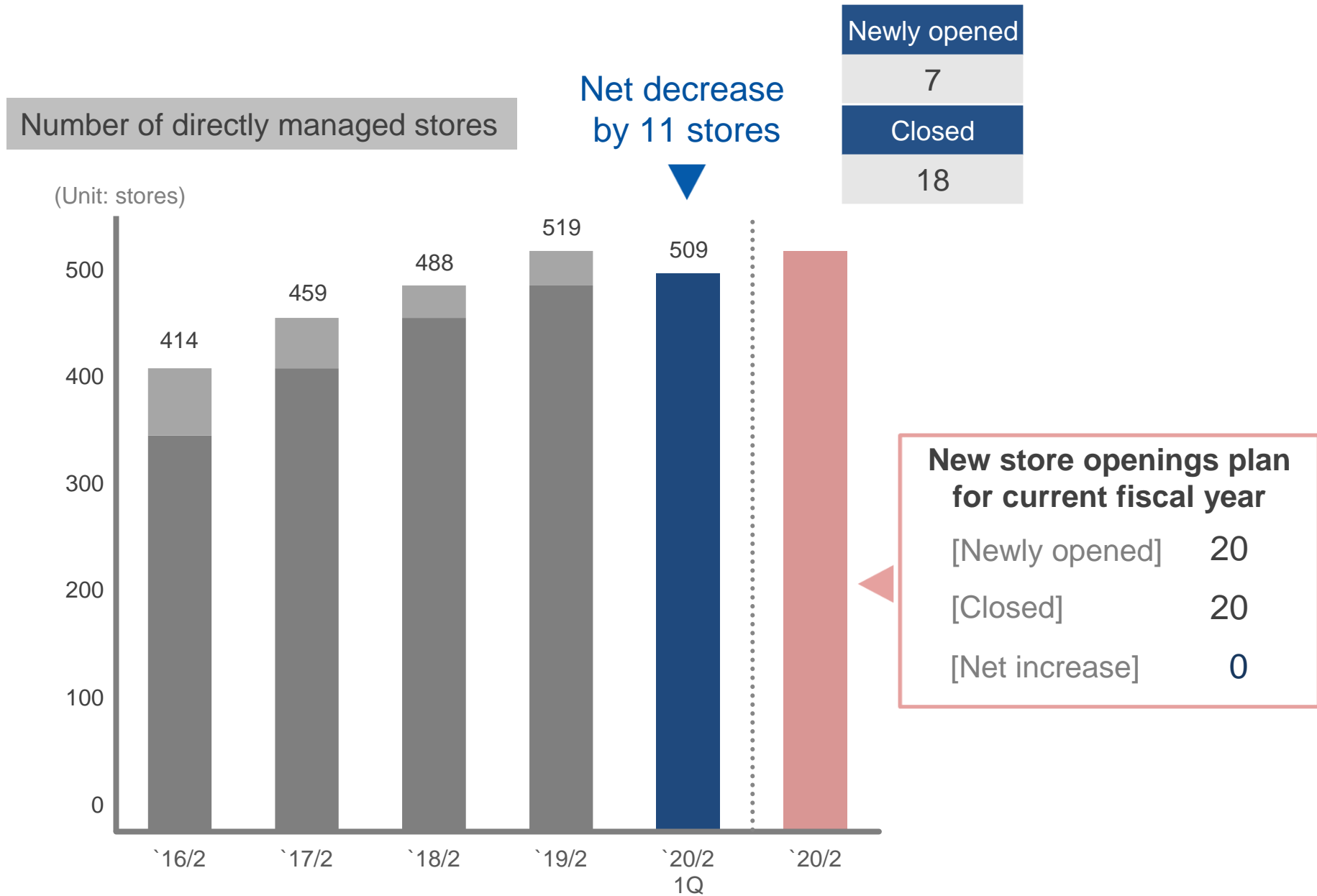
- Although retail unit sales per store and gross profit per unit were down, impacted by changes in the revenue structure in the previous fiscal year, due to the implementation of initiatives, both retail unit sales per store and gross profit per unit show signs of recovery.



Initiatives:

- (1) Reinforce proposal capability → Enhance tools to help standardize sales process
- (2) Subdivision of revenue structure → Strategies by area and vehicles
- (3) Enhance accessory lineup → Enhance higher-margin accessory

Progress of New Store Openings



Store Openings (March - May)



Kumamoto
Kumamoto



Hiroshima-Yoshijima
Hiroshima



Kurume-Miyaki
Miyaki, Saga



Wakayama
Wakayama



Imabari
Imabari, Ehime



Shimabara
Shimabara, Nagasaki



OL Nishinasuno
Nasushiobara, Tochigi



(Business category change)

LIBERALA Morioka
Morioka, Iwate



LIBERALA Iruma
Iruma, Saitama

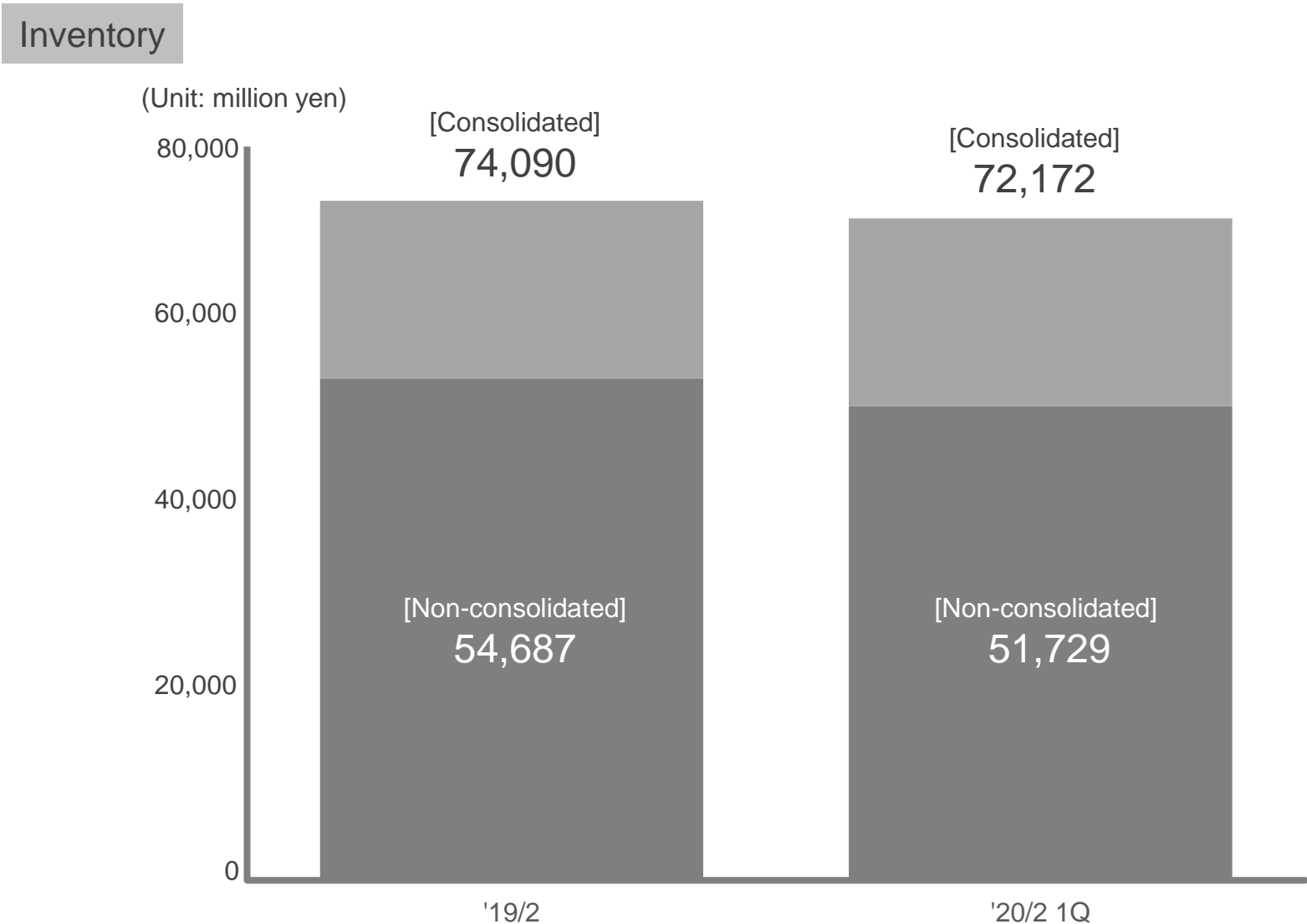


LIBERALA Kofu
Kofu, Yamanashi



Inventory as of End-Q1, FY 2020

- [Non-consolidated] Reinforced inventory control and inventory shows signs of decline.



[Consolidated] Balance Sheets

(million yen)

	As of February 28, 2019	As of May 31, 2019
Assets		
Current assets		
Cash and deposits	23,049	34,591
Notes and accounts receivable - trade	6,774	5,646
Merchandise	74,090	72,172
Deferred tax assets	1,076	0
Other	9,043	4,590
Allowance for doubtful accounts	-93	-113
Total current assets	112,865	116,888
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,130	36,456
Accumulated depreciation	-13,141	-13,263
Buildings and structures, net	22,988	23,193
Vehicles	167	171
Accumulated depreciation	-29	-33
Vehicles, net	137	138
Tools, furniture and fixtures	4,333	4,293
Accumulated depreciation	-3,481	-3,486
Tools, furniture and fixtures, net	852	806
Land	218	218
Construction in progress	541	322
Total property, plant and equipment	24,738	24,679
Intangible assets		
Software	2,797	2,824
Goodwill	13,832	13,054
Other	3,301	3,095
Total intangible assets	19,931	18,975
Investments and other assets		
Investment securities	191	184
Shares of subsidiaries and associates	2,261	2,261
Long-term loans receivable	38	180
Lease and guarantee deposits	6,083	6,061
Construction assistance fund receivables	5,753	5,687
Deferred tax assets	1,438	1,833
Other	741	721
Allowance for doubtful accounts	-116	-116
Total investments and other assets	16,392	16,812
Total non-current assets	61,062	60,467
Total assets	174,097	177,355

	As of February 28, 2019	As of May 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	20,026	18,261
Short-term loans payable	9,031	981
Accounts payable - other	3,809	3,941
Current portion of long-term loans payable	12,000	12,000
Income taxes payable	312	363
Advances received	11,177	11,254
Deposits received	249	353
Provision for bonuses	820	101
Provision for merchandise warranties	562	616
Other provision	507	520
Other	2,148	5,051
Total current liabilities	60,642	53,446
Non-current liabilities		
Long-term loans payable	68,023	79,365
Long-term guarantee deposited	432	417
Asset retirement obligations	2,279	2,320
Deferred tax liabilities	1,363	1,350
Other provision	561	572
Other	191	227
Total non-current liabilities	72,852	84,253
Total liabilities	133,494	137,699
Net assets		
Shareholders' equity		
Capital stock	4,157	4,157
Capital surplus	4,032	4,032
Retained earnings	35,842	35,766
Treasury shares	-3,947	-3,947
Total shareholders' equity	40,084	40,008
Accumulated other comprehensive income		
Foreign currency translation adjustment	243	-793
Total accumulated other comprehensive income	243	-793
Stock acquisition rights	3	3
Minority owner shares worth	588	437
Total net assets	40,432	39,656
Total liabilities and net assets	173,927	177,355

(Application of partial amendments to "Accounting standard on tax effect accounting")

Partial amendments to "Accounting standard on tax effect accounting" (Corporate Accounting Standards No. 28, February 16, 2018) were applied from the beginning of the first quarter of the fiscal year under review. Deferred tax assets are presented in Investments and other assets, and deferred tax liabilities are presented in Non-current liabilities.