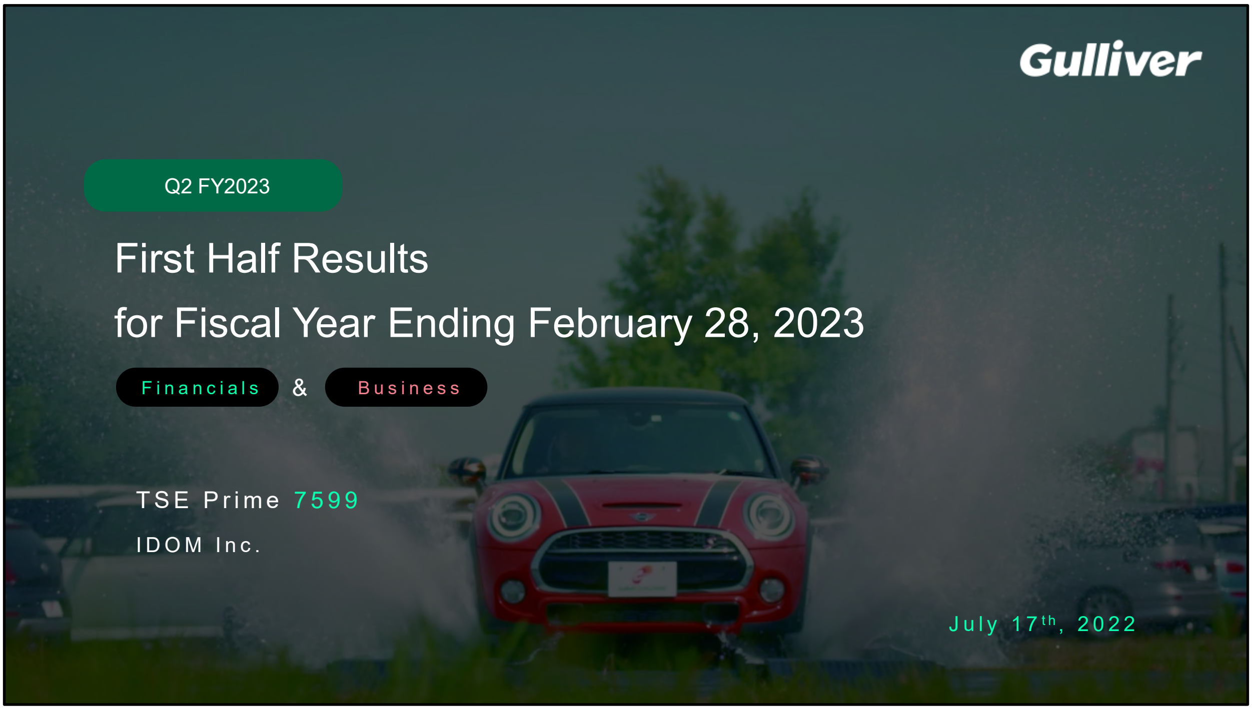

Hello, my name is Rayo Nishihata, CFO of IDOM Inc.

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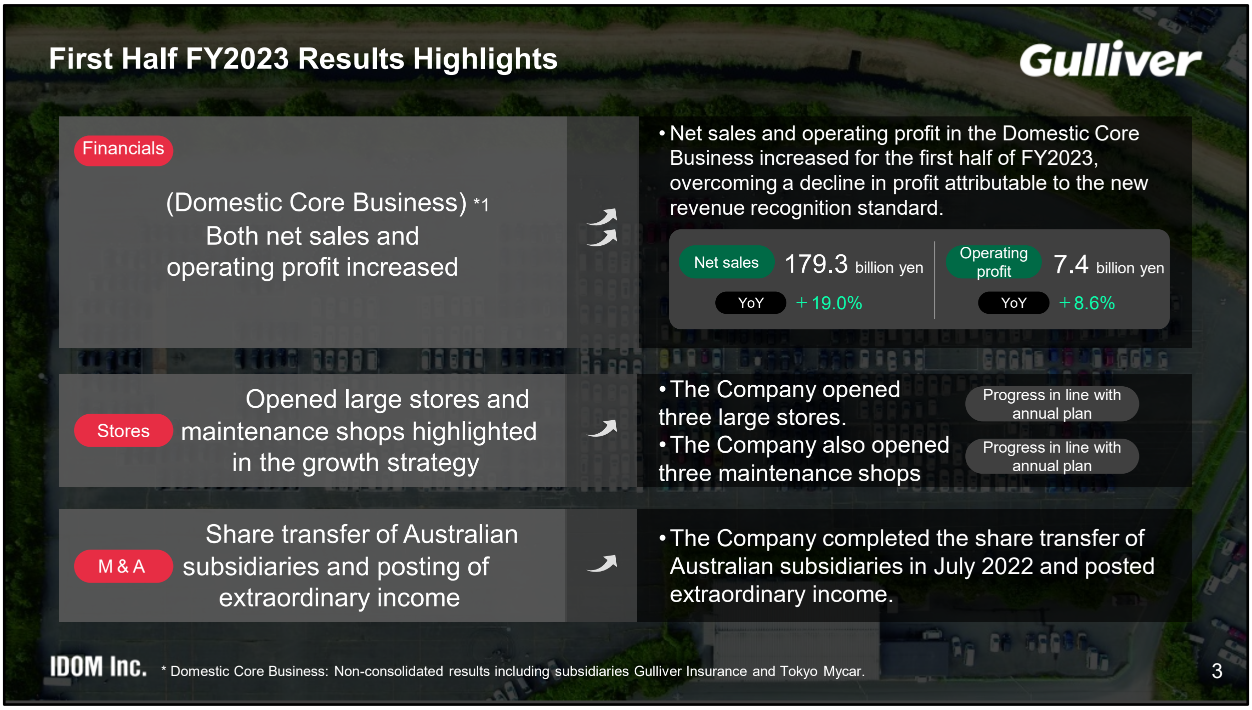
Financials

Business

IDOM Inc.

I will go over the results for the first half of the fiscal year ending February 28, 2023 and revision of earnings forecast.



First, please see slide 3.
This slide shows highlights of the results for the first half of the fiscal year ending February 28, 2023.
Domestic Core Business, consisting of IDOM and its two subsidiaries in Japan, achieved increases in net sales and in operating profit after overcoming the negative impact of the new revenue recognition standard.

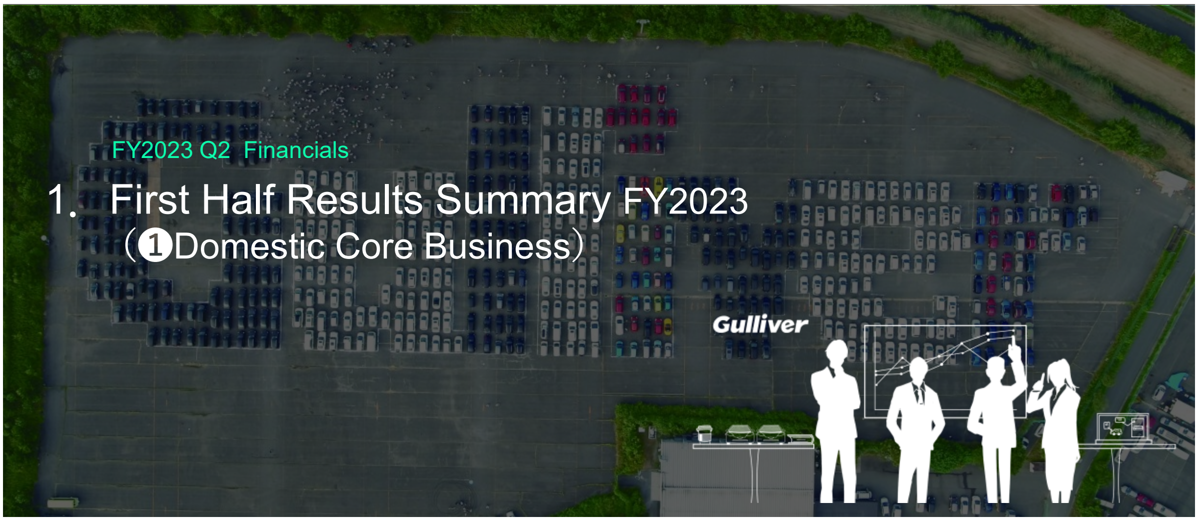
According to the annual plan, we are opening large stores and maintenance shops highlighted in the growth strategies.

The Company completed the share transfer of Australian subsidiaries and posted extraordinary income.

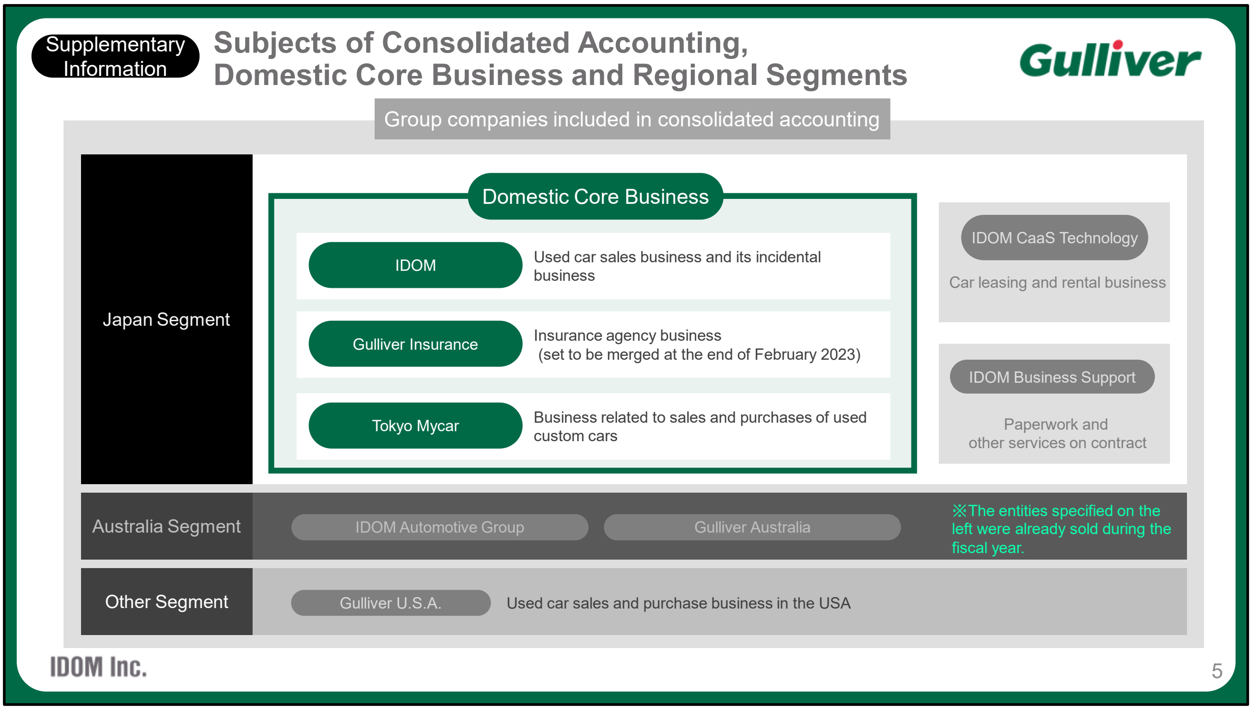
Gulliver

FY2023 Q2 Financials

1. First Half Results Summary FY2023 （❶Domestic Core Business）



IDOM Inc.



We are now moving on to the first-half results of the Domestic Core Business.

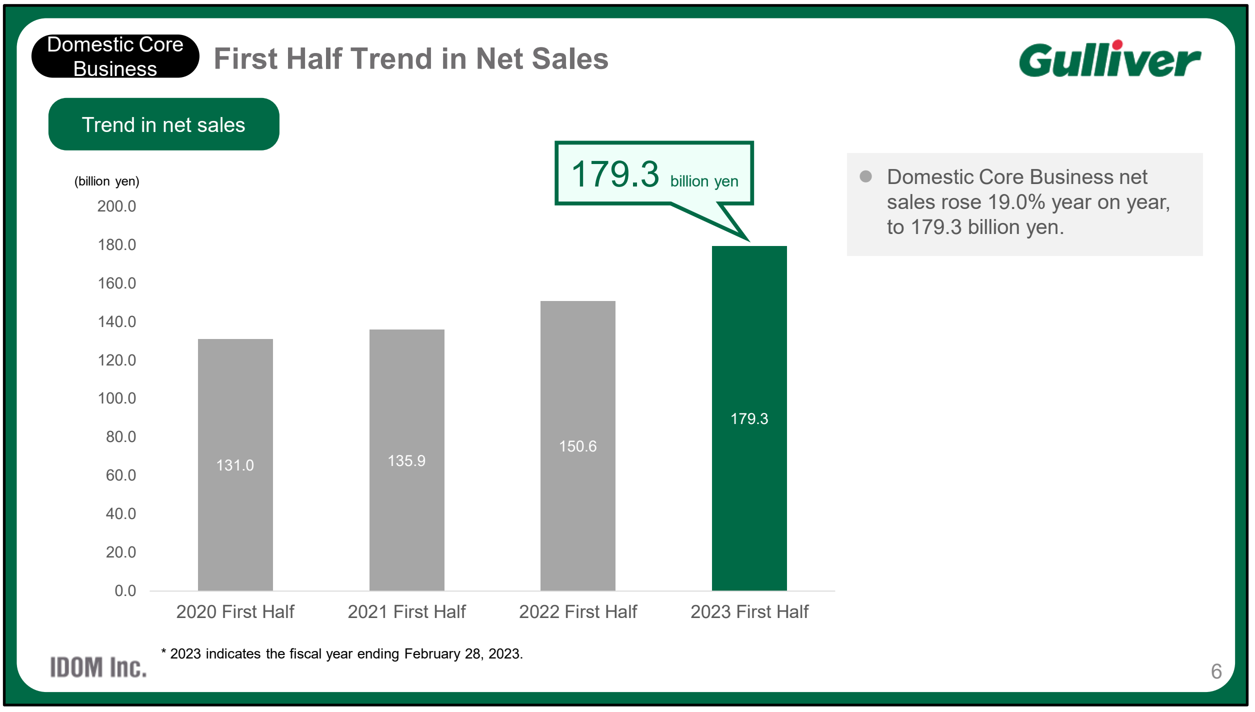
This framework has been employed since the end of the previous fiscal year, following the sale of the dealership business in Australia.

It consists of three companies in the Japan segment: IDOM, Gulliver Insurance and Tokyo Mycar. Gulliver Insurance is an insurance broker and Tokyo Mycar deals in custom cars. It is responsible for a large portion of consolidated net sales, and it is appropriate to focus on this unit when monitoring the actual state of the IDOM Group.

We have long disclosed figures from the Australia segment. We will continue to do so until the end of the fiscal year. However, net sales and operating profit data pertain to the three-month period of the first quarter only.

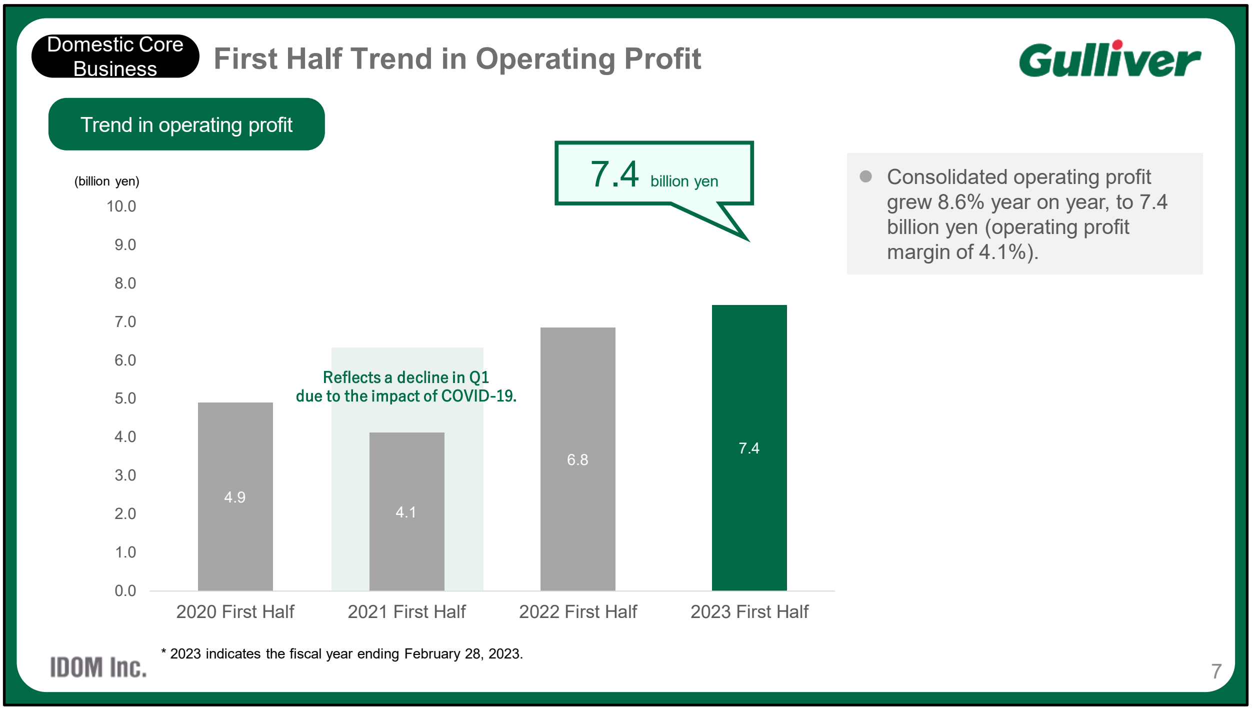
The Other segment includes US Business.

“Gulliver Insurance" is scheduled to merge with IDOM at the end of February next year.



The slide shows the trend in net sales of domestic core businesses over the past four years.

The figure grew steadily. It was up 19% year on year.



The slide shows the trend in operating profit of domestic core business. In the first half of the fiscal year ended February 28, 2021, COVID-19 continued to have some impact. However, operating profit surged healthily.

Operating profit was up 9% in the first half of this fiscal year.

Domestic Core Business

First Half FY2023 Results (Year-on-Year)

(billion yen)	Previous Fiscal Year First Half 2022	Fiscal Year Under Review First Half 2023	YoY changes Percent change
Net sales	150.6	179.3 ❶	+28.6
			+19.0%
Operating profit	6.8	7.4	+0.6
Operating profit margin (%)	4.5%	4.1%	+8.6%
Ordinary profit	6.7	❷ 7.2	+0.6
Ordinary profit margin (%)	4.4%	4.0%	+8.5% ❸
Profit attributable to owners of parent	3.7	9.0	+5.3
Profit margin (%)	2.4%	5.0%	+145.1%

❶ Vehicle prices rose in line with auction market prices.

❷ Profit at all levels reached a record high for the first half of the fiscal year.

❸ Temporary gains and losses were posted. (1) (2) (3)

(1) 0.85 billion yen was posted as head office relocation expenses in extraordinary losses in the previous fiscal year.

(2) The goodwill impairment loss posted for the previous fiscal year was deducted from taxable income after the transfer of shares of the Australian subsidiaries.

(3) The Company posted 2.9 billion yen for a gain on sales of shares as extraordinary profit due to the share transfer of Australian subsidiaries.

IDOM Inc. 8

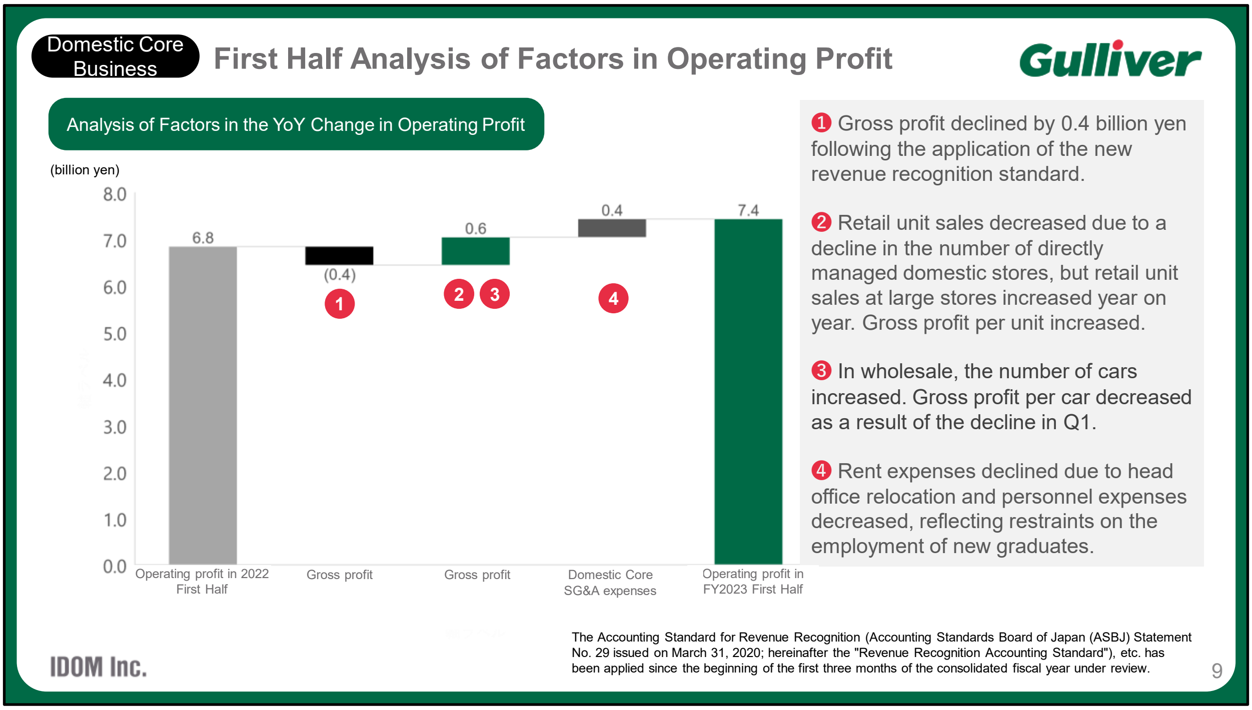
The slide shows year-on-year comparison of the first half financial results of domestic core business between FY2022 and FY2023.

Net sales increased due to due to high auction market prices.

Profit at all levels reached a record high for the first half of the fiscal year.

The operating profit margin stood at 4.1%. It stayed above the 4% mark.

Net income is 9 billion yen. While there was an extraordinary loss arising from the head office relocation in the preceding fiscal year, we enjoyed extraordinary income from the sale of the Australian business and we were able to deduct the amount of the goodwill impairment loss reported in the past year from taxable income for the period under review. As a consequence, we posted a significant increase.



This slide shows an analysis of factors for the year-on-year change in the operating profit of domestic core business between FY2022 and FY2023.

Item (i) reflects the 0.4 billion yen decline following the application of the new revenue recognition standard.
An increase in incidental revenue resulted in the new standard having a major impact.

Regarding retail gross profit in item (ii), the number of units sold declined due to a net decrease in the number of stores. The number of units sold at large stores rose 38%. Gross profit per unit climbed. A trial sales promotion of incidental services is underway.

For item (iii), wholesale gross profit per unit became closer to normal from the same period in the previous year. An increase in units sold resulted in an increase in profit.

(iv) regarding SG&A expenses, a decrease in rent due to the relocation of the head office and a decrease in personnel expenses due to a restraint on hiring new graduates contributed to the increase in profits.

Domestic Core Business

First Half FY2023 Results (Compared with Initial Forecast)

Gulliver

(billion yen)	Initial Forecast First Half 2023	Results for Fiscal Year Under Review First Half 2023	Compared with Initial Forecast
			Percent change
Net sales	155.0	179.3 (1)	+24.3
			+15.7%
Operating profit	6.8	7.4 (2)	+0,7
Operating profit margin (%)	4.4%	4.1%	+10.1%

(1) Net sales rose given that auction market prices were higher than expected and vehicle prices increased.

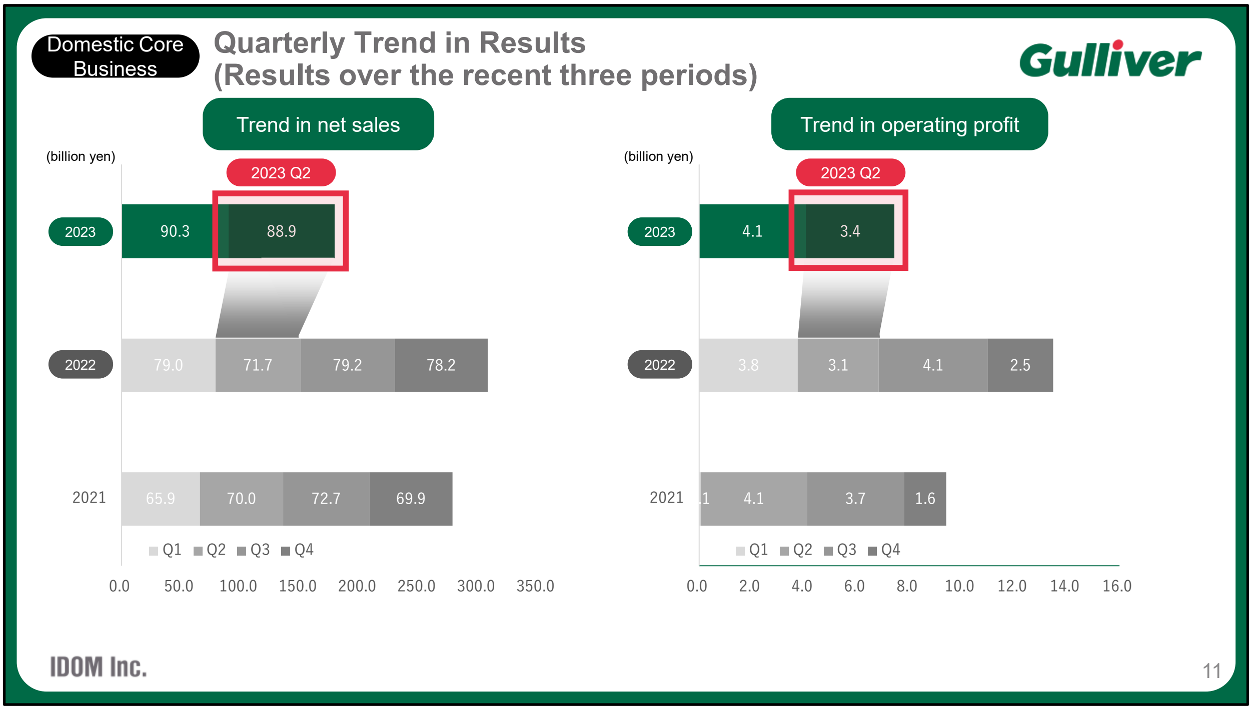
(2) Operating profit increased due to the impact of the number of cars in wholesales surpassing the forecast and the growth of gross profit per vehicle retailed.

IDOM Inc. 10

We will now compare the first-half figures of the Domestic Core Business with the initial forecast.

Net sales exceeded the forecast due to high auction market prices.

Operating profit increased by 0.7 billion yen due to the impact of the number of cars in wholesale surpassing the forecast.



In the second quarter alone, operating profit was 3.4 billion yen, up 0.3 billion yen year on year.

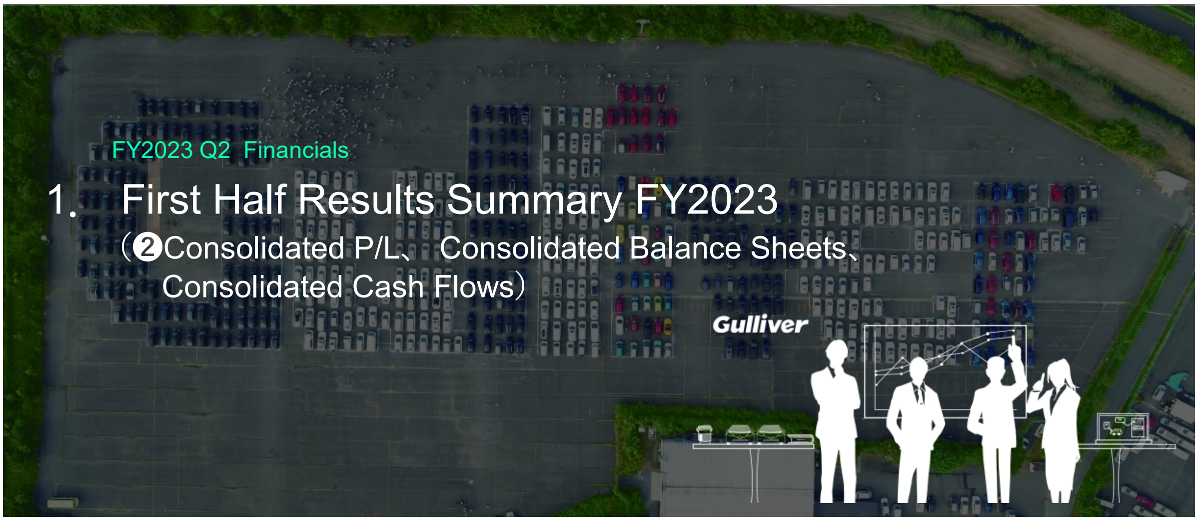
As in the first quarter, it continued to grow at a rate of 9% year on year.

Gulliver

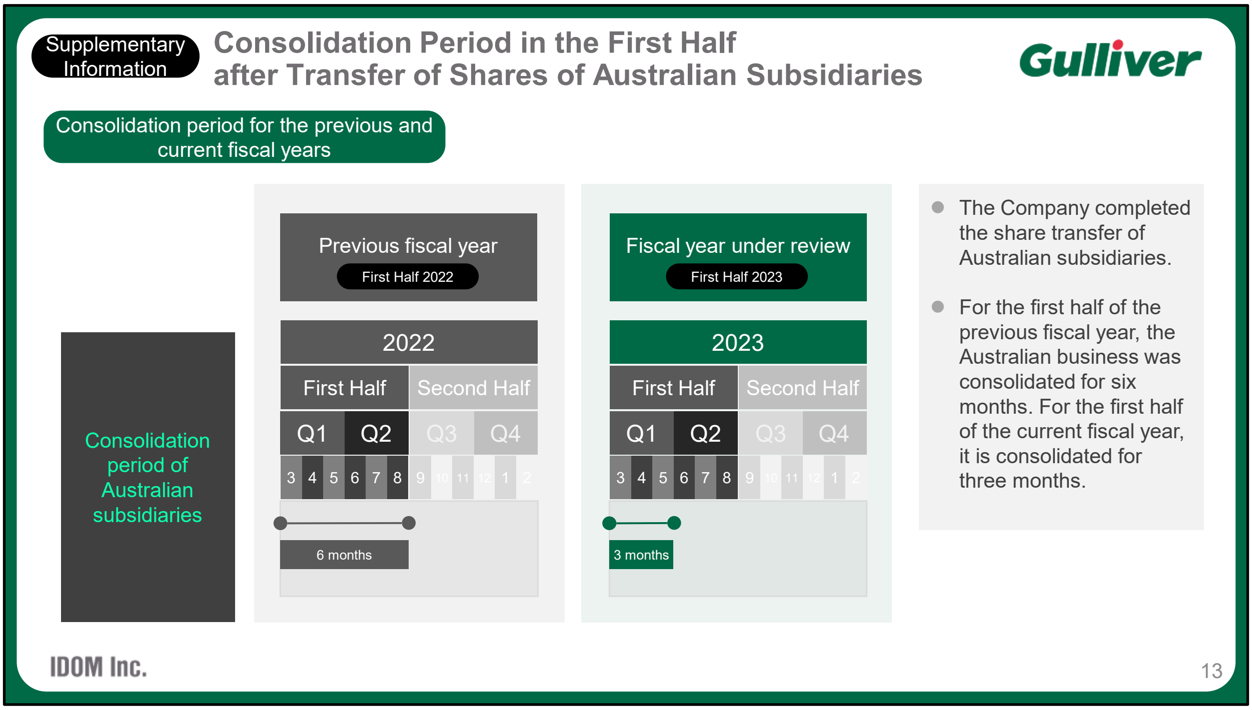
FY2023 Q2 Financials

1. First Half Results Summary FY2023

（❷Consolidated P/L、 Consolidated Balance Sheets、
Consolidated Cash Flows）



IDOM Inc.



We will now be taking an in-depth look at results, mainly at consolidated results.

The Australia segment was fully included in the consolidated accounting for the first half in the preceding fiscal year. For the period under review, it was only consolidated for three months due to the sale of the Australian business.

Consolidated **First Half FY2023 Results (Year-on-Year)**

Gulliver

(billion yen)	Previous Fiscal Year First Half 2022	Fiscal Year Under Review First Half 2023	YoY changes Percent change
Net sales	227.8	225.5	△2.3
			△1.0%
Operating profit	9.4	8.6	△0.8
Operating profit margin (%)	4.1%	3.8%	△8.7%
Ordinary profit	9.0	8.3	△0.7
Ordinary profit margin (%)	4.0%	3.7%	△8.1%
Profit attributable to owners of parent	5.3	7.5	+2.2
Profit margin (%)	2.3%	3.3%	+41.5%
Consolidation Period of Australian Subsidiaries	6 months	3 months	

1 Net sales, operating profit and ordinary profit declined due to the share transfer of Australian subsidiaries.

2 The Company posted a gain on sales of shares of subsidiaries of 0.8 billion yen as extraordinary income.

IDOM Inc.

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The slide shows year-on-year comparison of the consolidated results between FY2022 and FY2023.

As I explained, Net sales, operating profit, and ordinary profit declined due to the sale of Australian subsidiaries.

Profit attributable to owners of parent stood at 7.5 billion yen, reflecting extraordinary income of 0.8 billion yen arising from this sale.

It rose 2.2 billion yen to a new record high.

Other factors in the individual profit figures are identical to those in the Domestic Core Business.

Consolidated

First Half FY2023 Results (Compared with Initial Forecast)

Gulliver

(billion yen)

	Initial Forecast First Half 2023	Results for fiscal year under review First Half 2023	Compared with Initial Forecast Percent change
Net sales	206.8	225.5	+18.7
			+9.0%
Operating profit	8.6	8.6	+0.0
Operating profit margin (%)	4.2%	3.8%	+0.2%
Ordinary profit	8.2	8.3	+0.1
Ordinary profit margin (%)	3.9%	3.7%	+1.6%
Profit attributable to owners of parent	7.2	7.5	+0.3
Profit margin (%)	3.5%	3.3%	+ 4.4%
Consolidation Period of Australian Subsidiaries	4 Months	3 Months	

1 Net sales rose given that auction market prices were higher than expected and vehicle prices increased.

2 The Domestic Core Business recorded a new high profit, although this is almost the same as the initial forecast. This is due to the shortening of the consolidation period of the Australian subsidiaries from the initially forecast four months to three months.

IDOM Inc.

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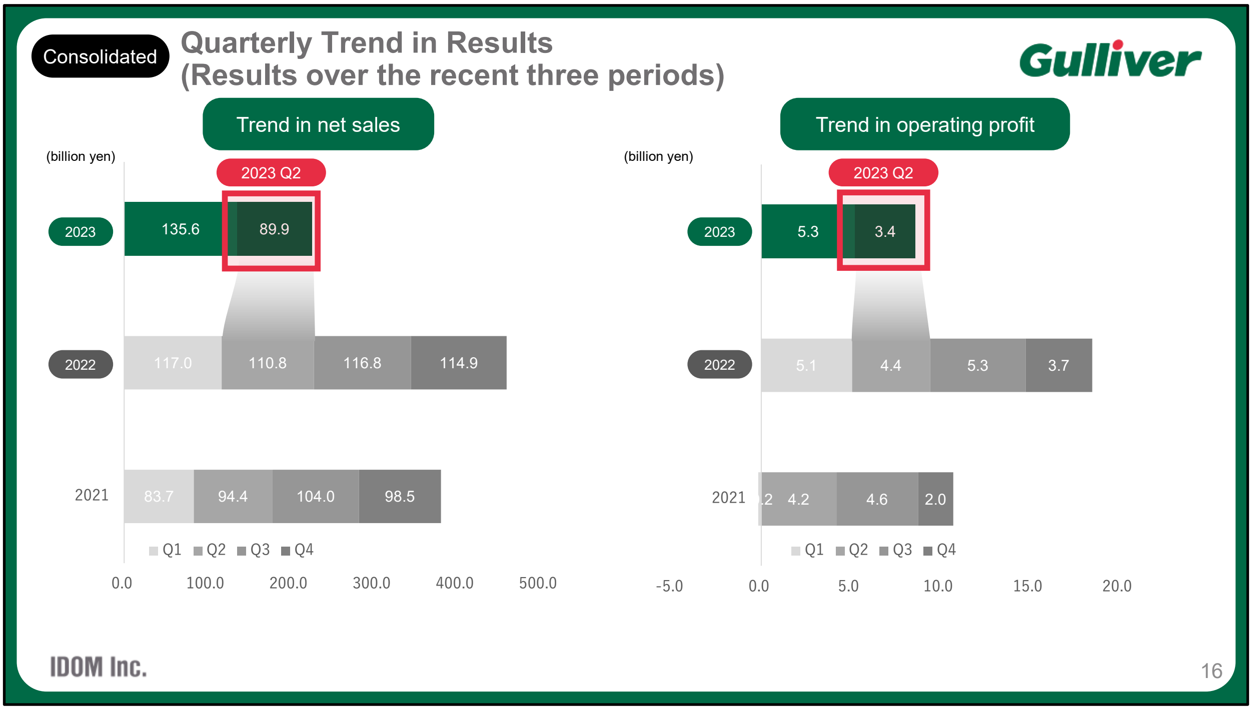
Next, we will be looking at the comparison with the initial forecast.

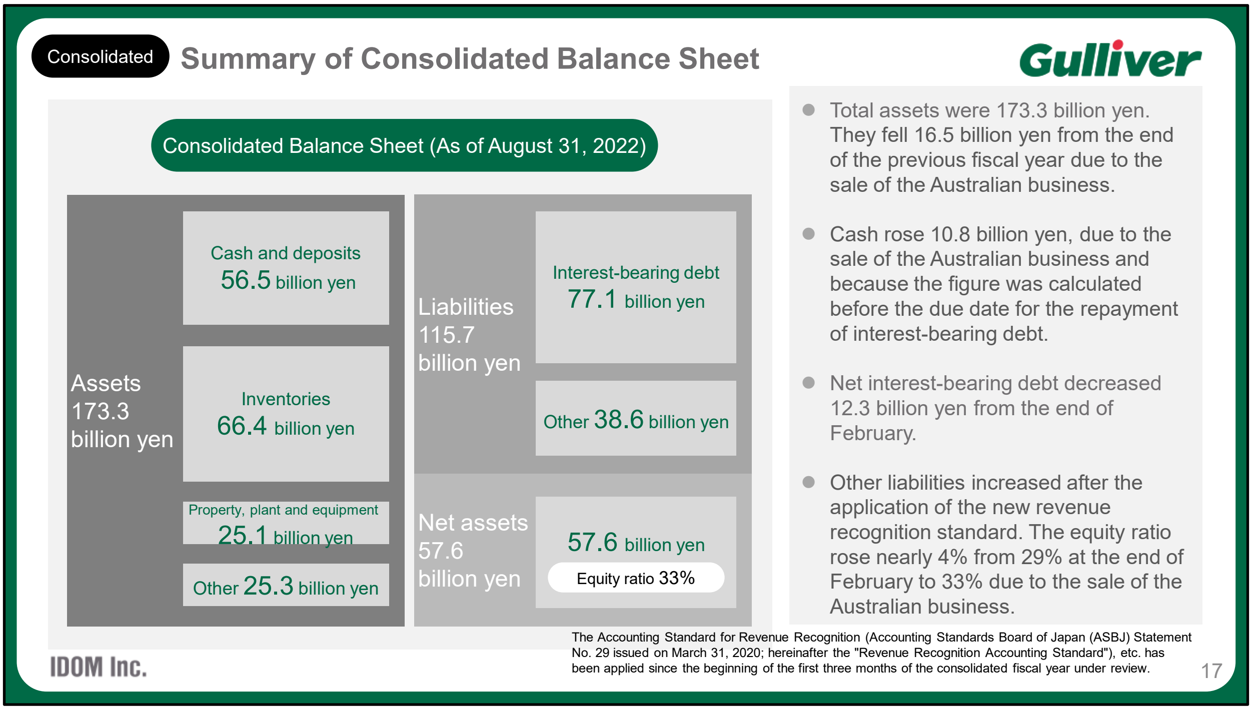
Net sales were higher than forecast, reflecting higher prices in the auction market than expected despite the negative impact of the time difference in the sale of the Australian business.

Meanwhile, operating profit and ordinary profit were almost as forecast. The positive factors in the Domestic Core Business offset the negative factors of the time difference in the sale of the Australian business.



The slide shows quarterly trend in consolidated net sales and operating profit.

In the second quarter, these figures decreased due to the sale of the Australian business.



You are seeing a consolidated balance sheet.

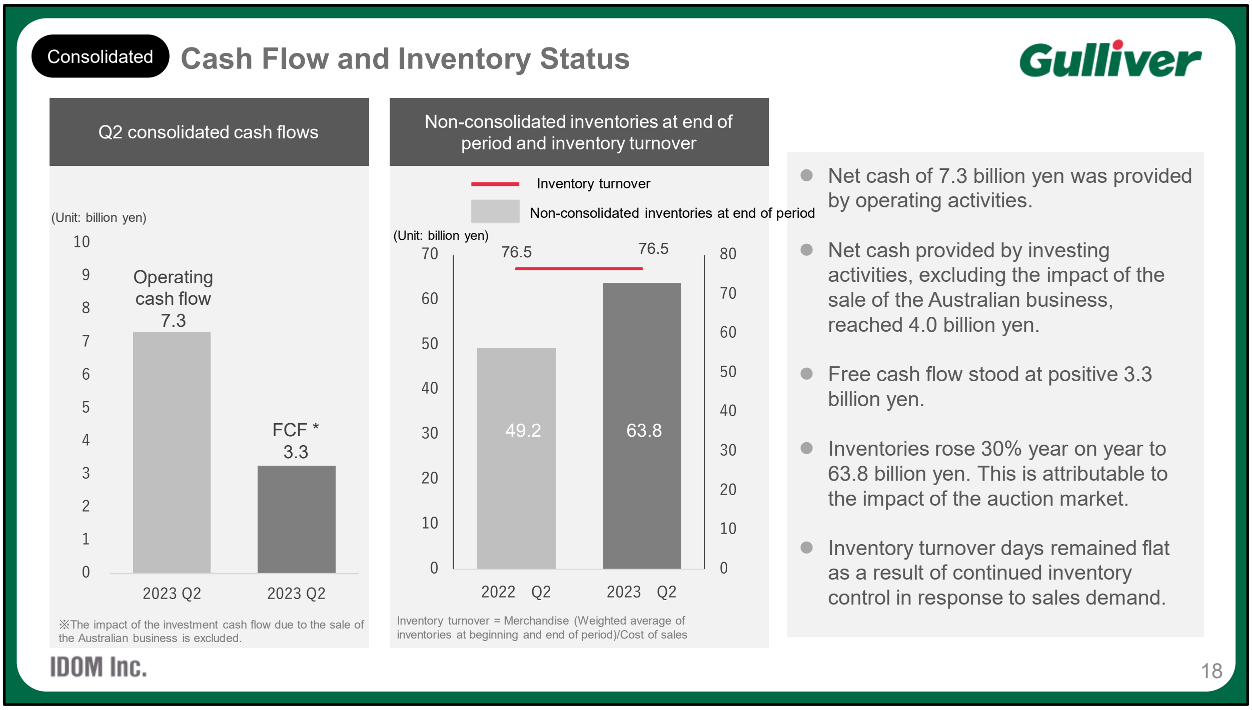
Total assets were 173.3 billion yen.

It contracted 16.5 billion yen from the end of the previous fiscal year as a result of the sale of the Australian business.

Cash increased 10.8 billion yen. In addition to the positive effect of the sale of the Australian business, this figure reflected the state before the repayment of interest-bearing debt.

Net interest-bearing debt decreased 12.3 billion yen from 32.9 billion yen at the end of the previous fiscal year to 20.6 billion yen.

As a result of the application of the new revenue recognition standard, a liability of 20.3 billion yen was recognized. Even so, the equity ratio rose by around 4% from 29% at the end of February to 33%.



This slide explains the consolidated cash flows excluding the impact of Australia.

Net cash of 7.3 billion yen was provided by operating activities. An investment of 4.0 billion yen was made in the purchase of property, plant and equipment and intangible assets.

As a result, free cash flow at normal times stood at positive 3.3 billion yen.

Next, we are looking at non-consolidated inventories.

The figure rose 30% year on year to 63.8 billion yen. The number of inventory units increased and the inventory unit value surged in line with the rise in prices in the auction market.

However, we are continuing to implement inventory control according to sales demand. With an inventory turnover period of 76.5 days, we are maintaining inventory efficiency.

Large Stores Opened in FY2023

Gulliver

Kusatsuminami(Opened in June 2022)

Kusatsu-shi, Shiga Prefecture

Recent launch of new stores

Opening of large stores
- Nagano (April 2022)
  including an attached maintenance shop
- R1 Chiryu (April 2022)
  including an attached maintenance shop
- Kusatsuminami (June 2022)
  including an attached maintenance shop

3 stores in total
(Plans to open 7 new stores this fiscal year)

Number of Large Stores	32 (as of August 31, 2022)

IDOM Inc.

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Now I will be talking about the opening of large stores and maintenance shops. It is part of the growth strategy.

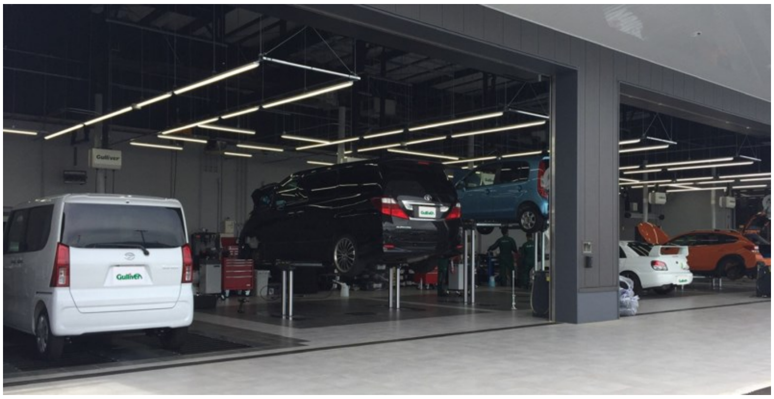
A large store was opened in June in Kusatsu in Shiga Prefecture. It is the third store to open this fiscal year.

We are making smooth progress towards the opening of seven stores in accordance with the full-year plan.

Now we have a total of 32 stores. All of them are performing well.

Maintenance Shops Opened in FY2023

Gulliver



Nagano car maintenance shop (Opened in April 2022)

Nagano-shi, Nagano Prefecture

Recent launch of new maintenance shops

Opening of new maintenance shops
- Nagano (April 2022)
- R1 Chiryu (April 2022)
- Kusatsuminami (June 2022)

3 shops in total

Number of Maintenance Shops	11 Seven of them are designated maintenance shops

IDOM Inc.

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A maintenance shop was opened next to the large store in Kusatsu.

A total of eleven maintenance shops are in operation.

Posting of Extraordinary Income due to the Transfer of Shares of Australian Subsidiaries

Gulliver

Impact on earnings for the fiscal year ending February 28, 2023	・Figures in the forecasts presented in the Summary of Consolidated Financial Results for the Year Ended February 28, 2022 (Based on Japanese GAAP) disclosed on April 14, 2022 remain unchanged. ・Extraordinary income from the gain on sale of shares of subsidiaries and associates of around 0.8 billion yen was recorded on a consolidated basis and around 2.9 billion yen on a non-consolidated basis in the second quarter of FY2023 as planned.
Reason for difference between consolidated and non-consolidated accounting	In non-consolidated accounting, the calculation is based on the value at the time of acquisition. (The Domestic Core Business adopts the figure used in non-consolidated accounting.) In consolidated accounting, accumulated goodwill amortization is deducted from the acquisition value and the net profit of the Australian subsidiaries for each fiscal year is added to it.

Amount reported of extraordinary income	Consolidated	0.8 billion yen
	Non-consolidated	2.9 billion yen

The sale of the Australian business produced extraordinary income on both a consolidated basis and a non-consolidated basis. The way that extraordinary income is posted for each of these is different.

According to the accounting rules, extraordinary income is recorded on the basis of the acquisition value in non-consolidated accounting. The Domestic Core Business adopts the figure used in non-consolidated accounting.

However, in consolidated accounting, assets, liabilities and goodwill are recognized based on the acquisition value, and then goodwill is amortized. This lowers the acquisition cost.

In addition, the net profit of the Australian business in each fiscal year is added. In recent years, it has performed well, which is a factor that increases the cost.

On a cash basis, we were able to recover the invested capital in the period from the acquisition in 2015 to today. We believe that we sold the Australian business at a good time from a perspective that includes the interest rate and the foreign exchange rate.

Gulliver

FY2023 Q2 Financials

2. Revision of Earnings Forecast

IDOM Inc.

Consolidated

Full-Year Revised Forecast FY2023 (Compared with initial forecast)

Gulliver

(billion yen)	Initial Forecast First Half 2023	Revised Forecast First Half 2023	Comparisons with Initial Forecast	Percent change
Net sales	366.8	410.0 [1]	+43.2	+11.8%
Operating profit	15.5	17.0	+1.5	+9.7%
Operating profit margin (%)	4.2%	4.2%		
Ordinary profit	14.8	16.4	+1.6	+10.8%
Ordinary profit margin (%)	4.0%	4.0%		
Profit attributable to owners of parent	11.6	12.9	+1.3	+10.8%
Profit margin (%)	3.2%	3.1%		

[1] The Domestic Core Business is expected to stay buoyant.

IDOM Inc. 23

Now I will be talking about revision of earnings forecast.

This slide shows the consolidated earnings forecast for the full year.

The retail unit sales for the full year is in line with the initial forecast and is expected to recover in the second half.

The wholesales forecast assumes that the briskness in the first half will continue in the second half.

Assuming this, we have revised full-year operating profit forecast upwards 1.5 billion yen to 17.0 billion yen.

Consolidated

Full-Year Revised Forecast FY2023 (Year-on-Year)

Gulliver

(billion yen)	Results Full Year 2022	Revised Forecast Full Year 2023	YoY changes / Percent change
Net sales	459.5	410.0	△49.5
			△10.8%
Operating profit	18.5	17.0	△1.5
Operating profit margin (%)	4.0%	4.2%	△8.0%
Ordinary profit	17.6	16.4	△1.2
Ordinary profit margin (%)	3.8%	4.0%	△6.6%
Profit attributable to owners of parent	10.8	12.9	+2.1
Profit margin (%)	2.3%	3.1%	+19.0%

1 Net sales and profit figures are forecast to drop due to the sale of the Australian business.

IDOM Inc.

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This slide compares the new full-year consolidated forecast and the results for the previous fiscal year.

On a full-year basis, there is a wider gap in the period for which the Australian business is included in the consolidated accounting. Net sales and profits are expected to be lower than their levels in the previous fiscal year.

Domestic Core Business

Full-Year Revised Forecast FY2023 (Compared with initial forecast)

Gulliver

(billion yen)	Initial Forecast Full Year 2023	Revised Forecast Full Year 2023	Comparisons with Initial Forecast
Net sales	310.0	358.0	+48.0
Percent change			+15.5%
Operating profit	13.5	15.8 ❶	+2.3
Operating profit margin (%)	3.9%	4.4%	+17.0%

❶ The unit vehicle price, number of wholesale vehicles and retail gross profit per unit are expected to rise as the upward trend of the auction market will continue in the second half.

The number of retail vehicles will rally in the second half, as projected in the initial full-year forecast.

Regarding the number of wholesale vehicles, the trend in the first half will continue in the second half.

IDOM Inc.

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Full-year operating profit of the Domestic Core Business is now forecast to be 15.8 billion yen, up 2.3 billion yen from the initially forecasted figure of 13.5 billion yen.

The forecast operating profit margin has been raised to 4.4%.

According to the non-consolidated forecast, a gain on extinguishment of tie-in shares of approximately 5.0 billion yen following the merger with Gulliver Insurance scheduled in February next year will be posted as an extraordinary income.

However, the Domestic Core Business includes IDOM and Gulliver Insurance. This extraordinary income will be offset and it will have no impact.

For details, please refer to the timely disclosure materials.

Domestic Core Business

Full-Year Revised Forecast FY2023 (Year-on-Year)

Gulliver

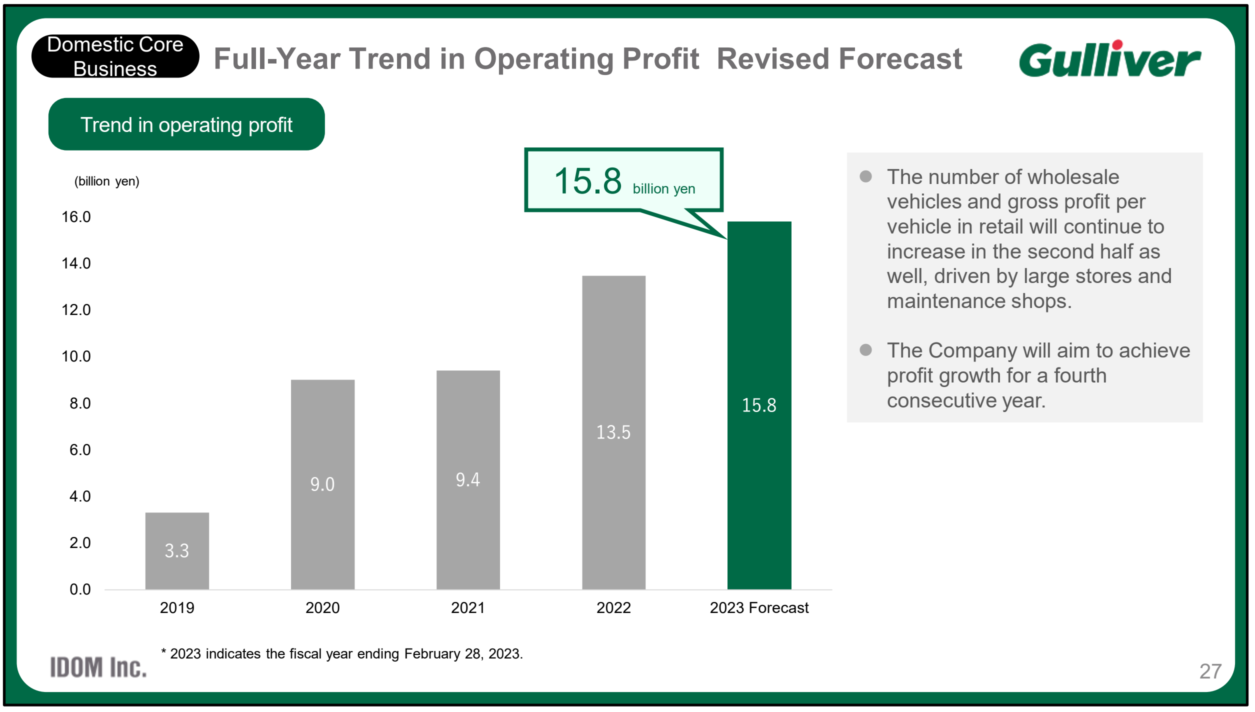
(billion yen)	Results Full Year 2022	Revised Forecast Full Year 2023	YoY changes / Percent change
Net sales	308.0	358.0	+50.0
			+16.2%
Operating profit	13.5	15.8 (1)	+2.3
Operating profit margin (%)	4.4%	4.4%	+17.2%

(1) In the Domestic Core Business, operating profit is forecast to grow 2.3 billion yen or 17% year on year.

IDOM Inc. 26

Next, we are looking at a comparison with the results for the previous fiscal year.

The full-year operating profit for the Domestic Core Business was 13.5 billion yen for the previous fiscal year. The revised forecast suggests a year-on-year rise of 2.3 billion yen or 17%.



We have taken a look at the revised forecast.

We streamlined our business portfolio. With large stores and maintenance shops as growth drivers, we attained profit growth for the fourth consecutive fiscal year and increased operating profit nearly fivefold in the four-year period starting in the fiscal year ended February 2019.

There was a temporary change in the retail to wholesale composition ratio but operating profit margin never fell below 4%.

ROIC surpassed 10%.

Despite harsh external conditions, we will work to unfailingly achieve growth in the second half.

We sincerely ask for your continued support.

FY2023 Q2 Business

First Half Results FY2023
About Medium-Term Business Plan 2023 - 2027

IDOM Inc.

My name is Takao Hatori, President of IDOM Inc.

Today, I will be briefing you about the four items shown on this slide.

Item (i) is the transfer of shares of the Australian subsidiaries. Their sale was completed in July.

Item (ii) is the medium-term business plan announced in April. I will again present a summary.

Item (iii) is growth potential, especially regarding the used car business.

And item (iv) is questions received from investors in and after April. I will answer some of them.

Gulliver

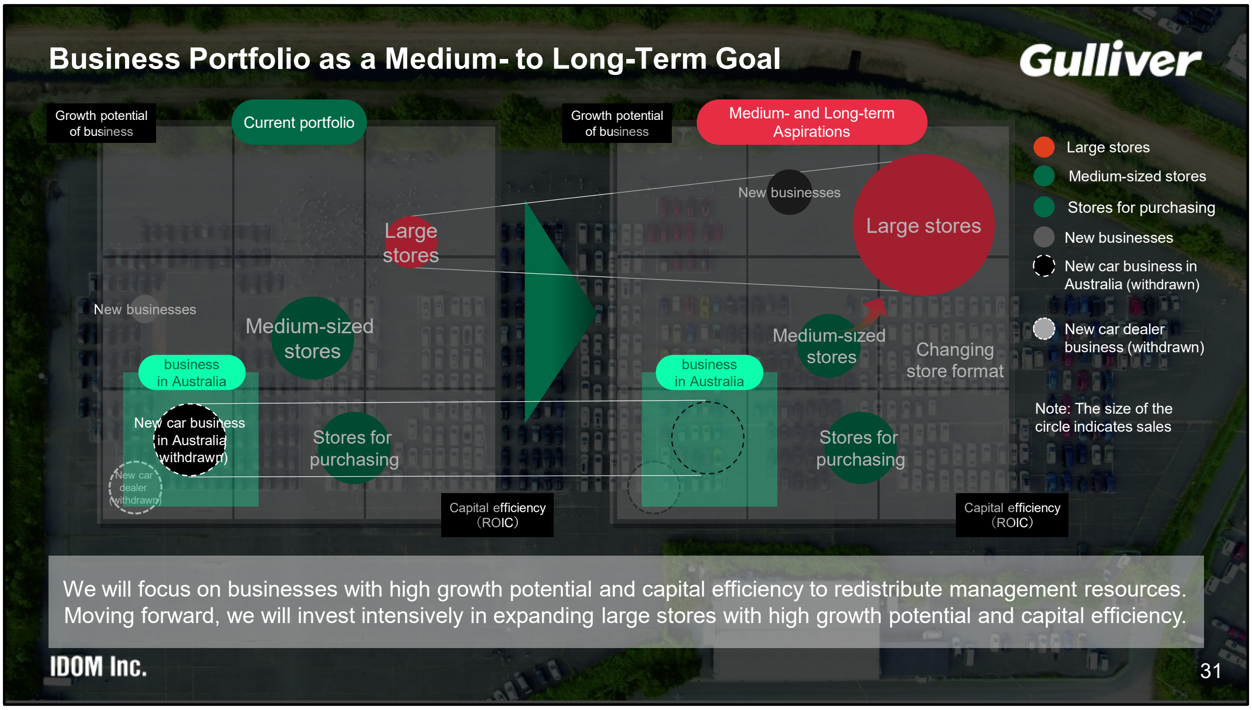
1 About the transfer of shares of the Australian subsidiaries

2 Summary of「Medium-Term Business Plan 2023 - 2027」

3 Used car purchase business and Used car retail business

4 Questions received from investors

IDOM Inc.



Now I will be talking about the sale of Australian subsidiaries.

We make management decisions on the allocation of management resources based on the business portfolio presented on this slide.

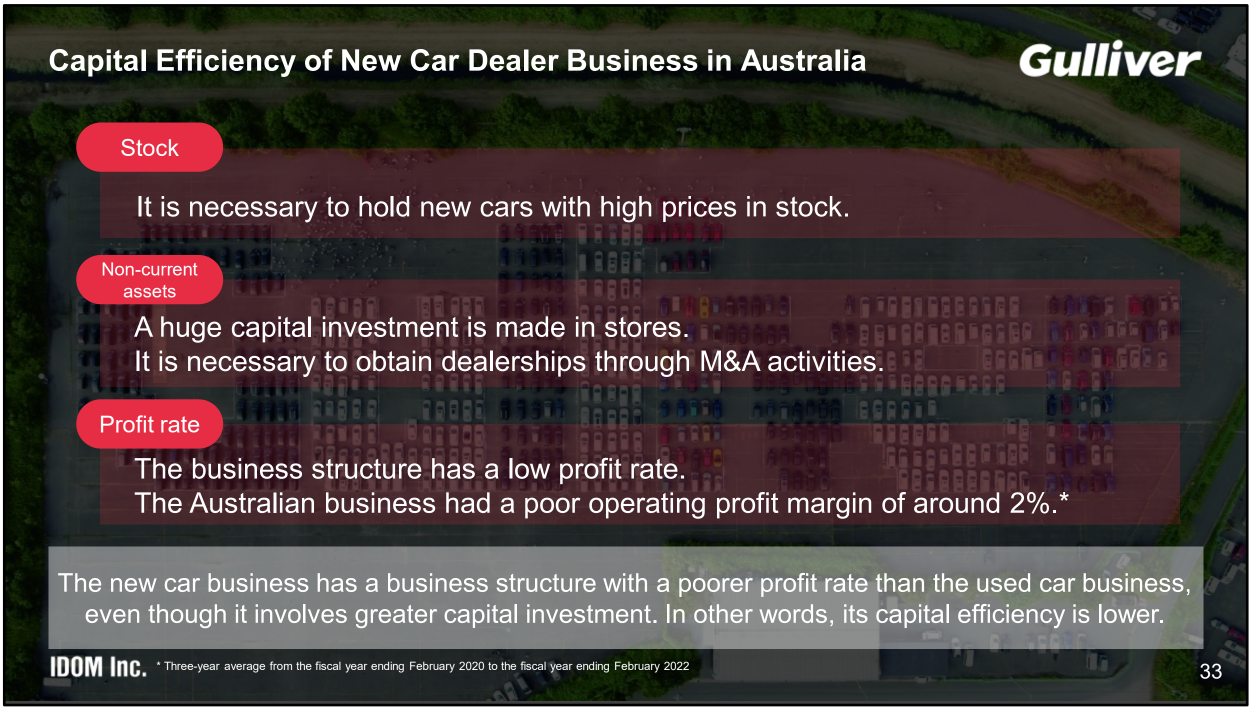
We studied the growth potential and capital efficiency of the recently sold new car dealership business in Australia in light of this business portfolio before deciding to sell it.

We will now move on to the growth potential of the new car dealership in Australia and capital efficiency.

First, we are looking at the growth potential of the new car dealership business.

Changes in social circumstances and the consumption environment may change the relationship between new car manufacturers and new car dealers.

The new car dealership business is susceptible to the trends at new car manufacturers. From a medium- and long-term perspective, our judgment was that it would be difficult to expect high growth potential from the business in comparison with the used car sales business in Japan.



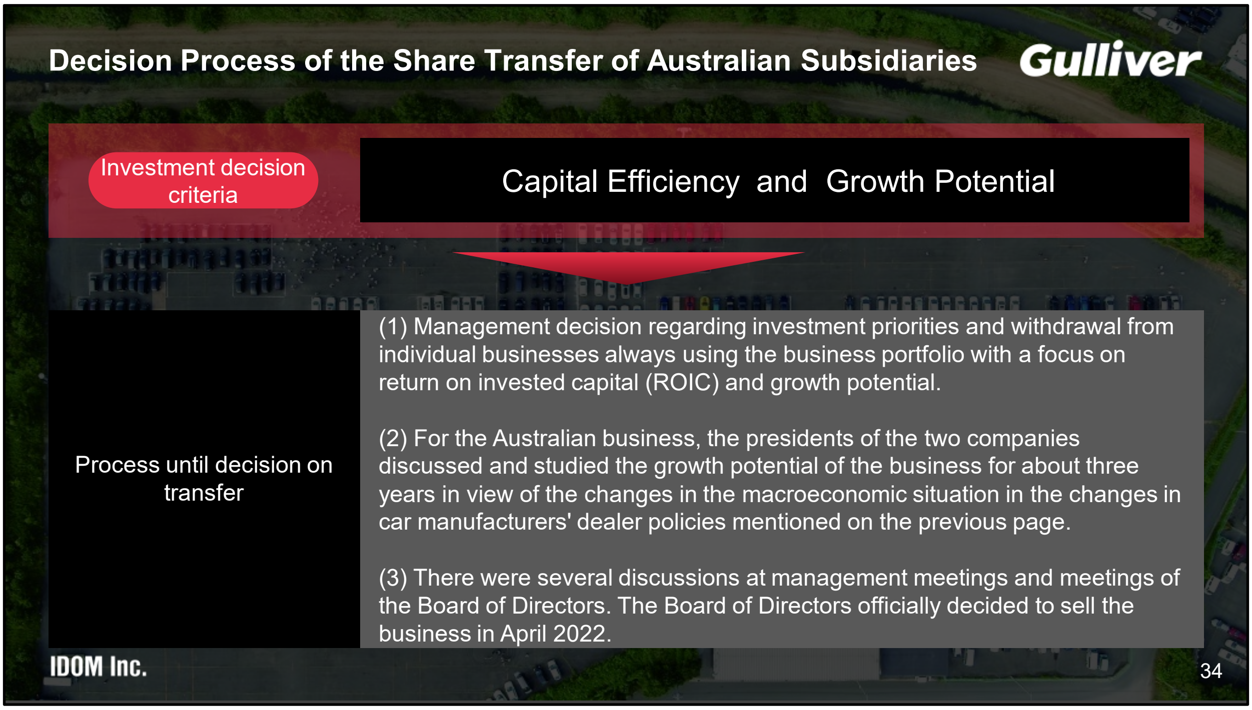
This slide explains capital efficiency of new car dealer business.

This business holds an inventory of high-priced new cars.

In addition, new car dealers make huge capital investments in stores. To expand their business areas, they need to invest in M&A activities to secure dealerships.

However, the operating profit margin of the Australian business was in the range of 2% to 3% whereas that of the Domestic Core Business is around 4%.

This shows that the domestic used car sales business is superior in capital efficiency as well.



Next, I will talk about the factors behind the sell-off.

Around three years ago, Yusuke Hatori, another president mainly in charge of overseas operations, proposed the exploration of the future potential of the new car dealership.

In response, we studied it from many different perspectives for a long time.

Finally, the Board of Directors discussed the matter and made a decision to sell the business.

I am convinced that the sale of the new car dealership businesses in Australia and in Japan will enable us to focus on our growth drivers, increase operating profit margin and improve capital efficiency.

Gulliver

1 About the transfer of shares of the Australian subsidiaries

2 Summary of「Medium-Term Business Plan 2023 - 2027」

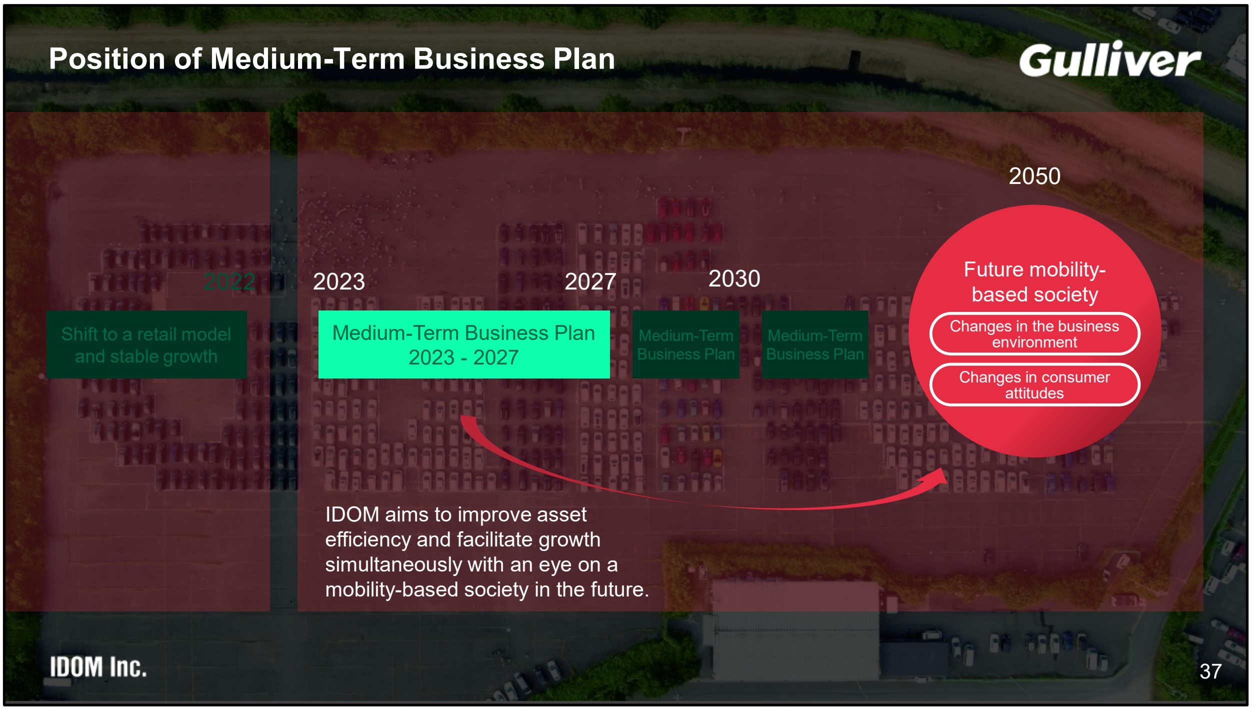
3 Used car purchase business and Used car retail business

4 Questions received from investors

IDOM Inc.

We already explained the medium-term business plan in April. Now let me recap it.

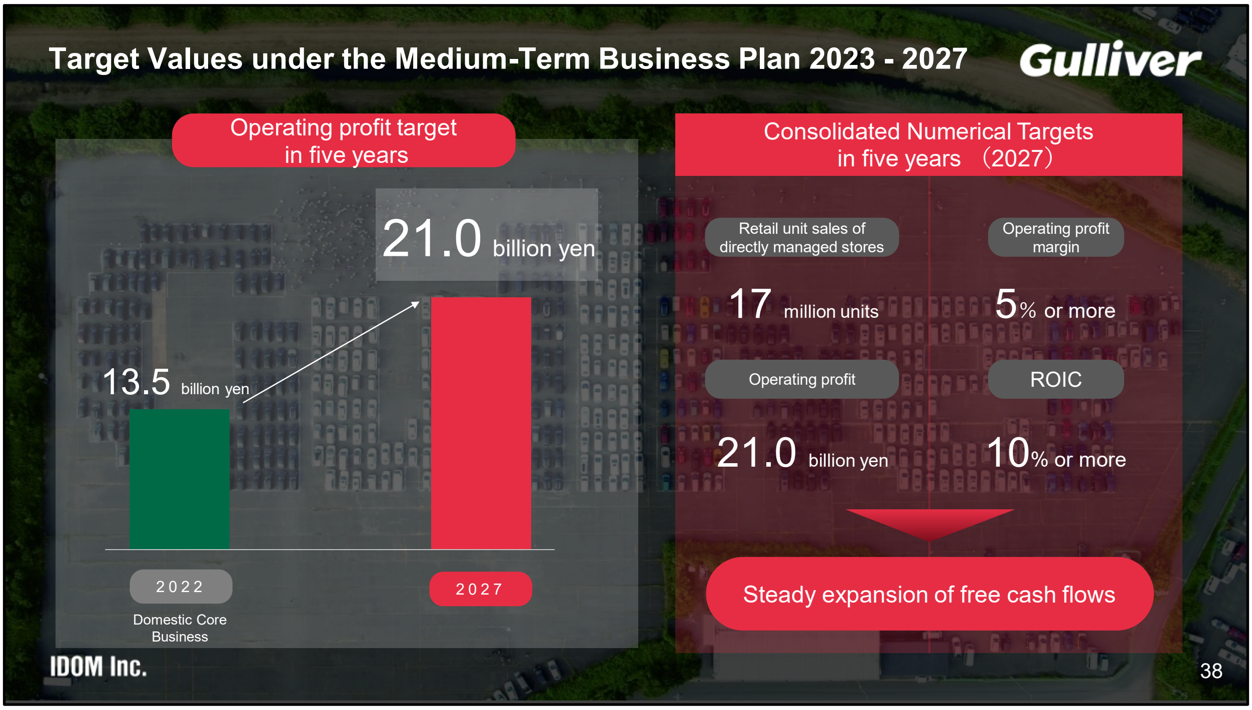
The Company released "Medium-Term Business Plan 2023–2027" in April 2022.



The medium-term business plan is for the five-year period starting in 2023.

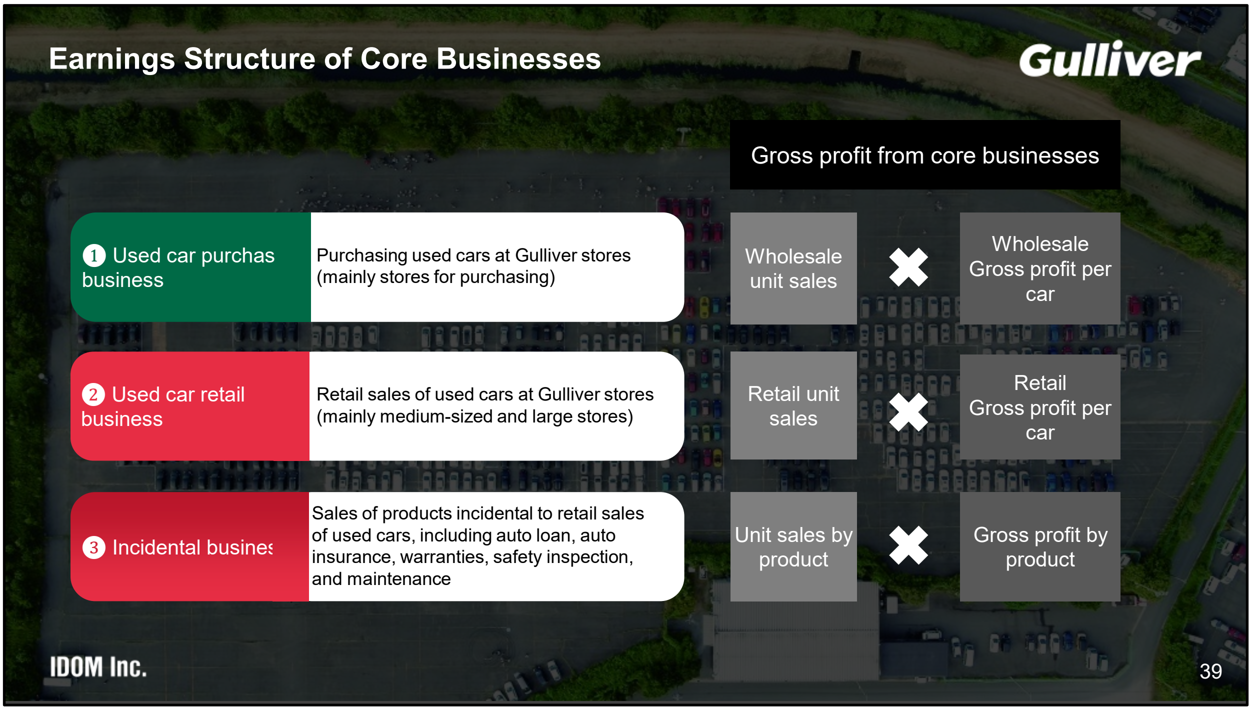
It plans for our actions in view of the future of mobility society towards 2050, including changes in goods and in consumer sentiment.

The actions are aimed at increasing capital efficiency and achieving growth.



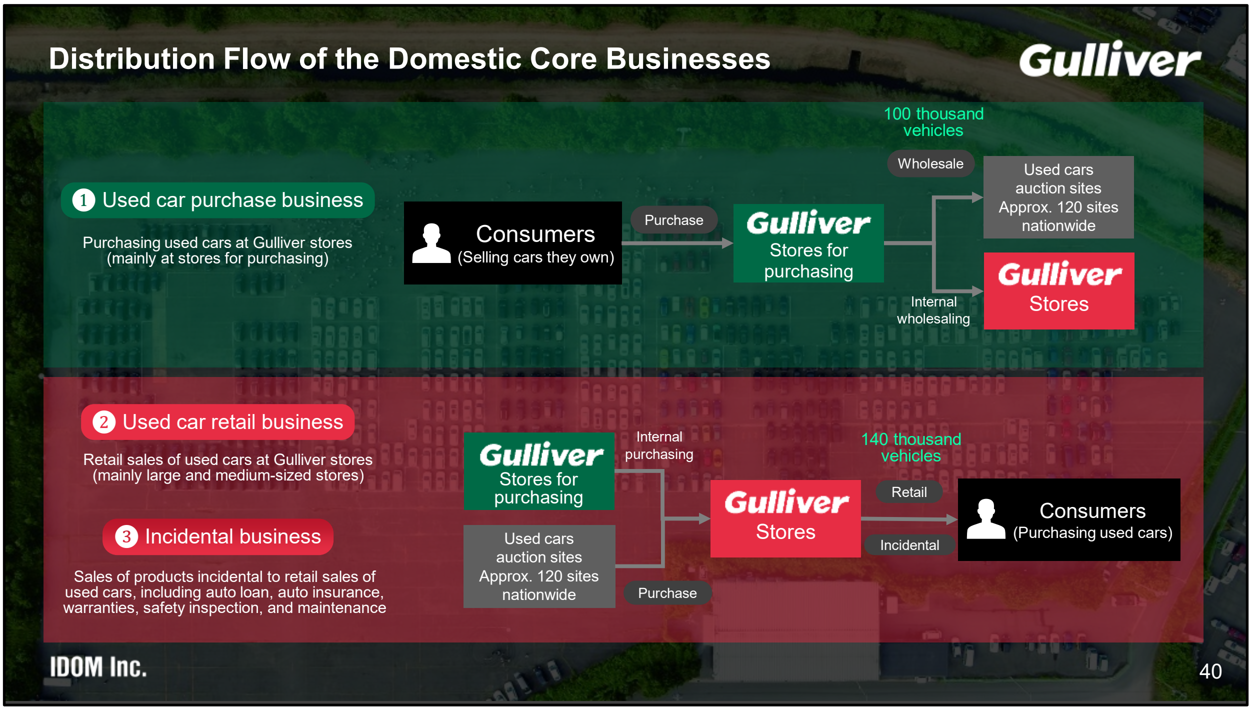
This slide shows the targets in the medium-term business plan.

Growth potential appears to be poor due to the sale of the Australian business. The plan aims to increase the operating profit of the Domestic Core Business at least 1.5-fold from the current level of 13.5 billion yen to 21.0 billion yen.



Using this slide, I will briefly explain the gross profit structure of our purchase business, used car retail business, and business selling products incidental to retail.

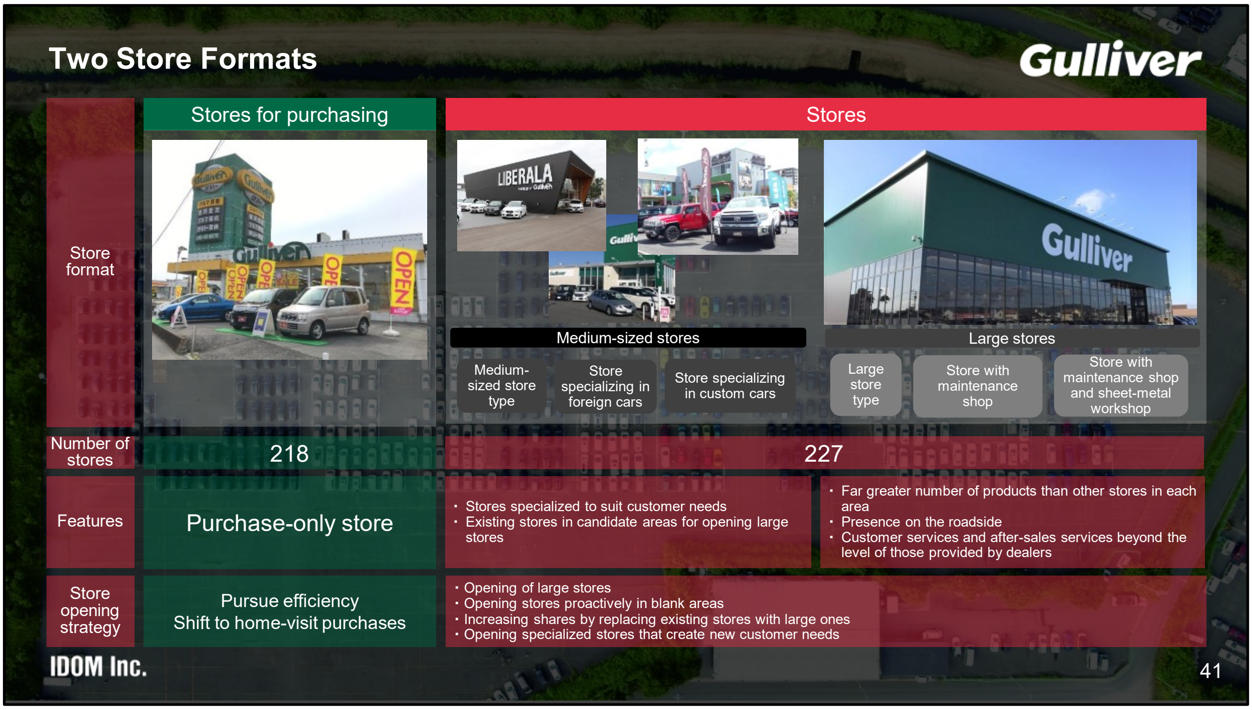
In the used car business, we handle products without regular prices. This means that the amount of sales depends on the unit price of each car. Therefore, we attach importance mainly to retail unit sales and gross profit per car.



I will explain distribution flow of the domestic core businesses.

In the used car purchase business, we mainly purchase used cars from consumers and sell them at auction or wholesale to Gulliver stores.

In contrast, the distribution flow in the used car retail business and incidental business is as follows. We purchase used cars not only from Gulliver stores for purchasing but also from auctions to offer a lineup that fulfills customers' needs. Then, we retail them.



This slide explains our store formats in Japan.

On the leftmost side are stores for purchasing that have been operating since our foundation. They engage mainly in purchasing.

The ones on the right side are the sales stores.

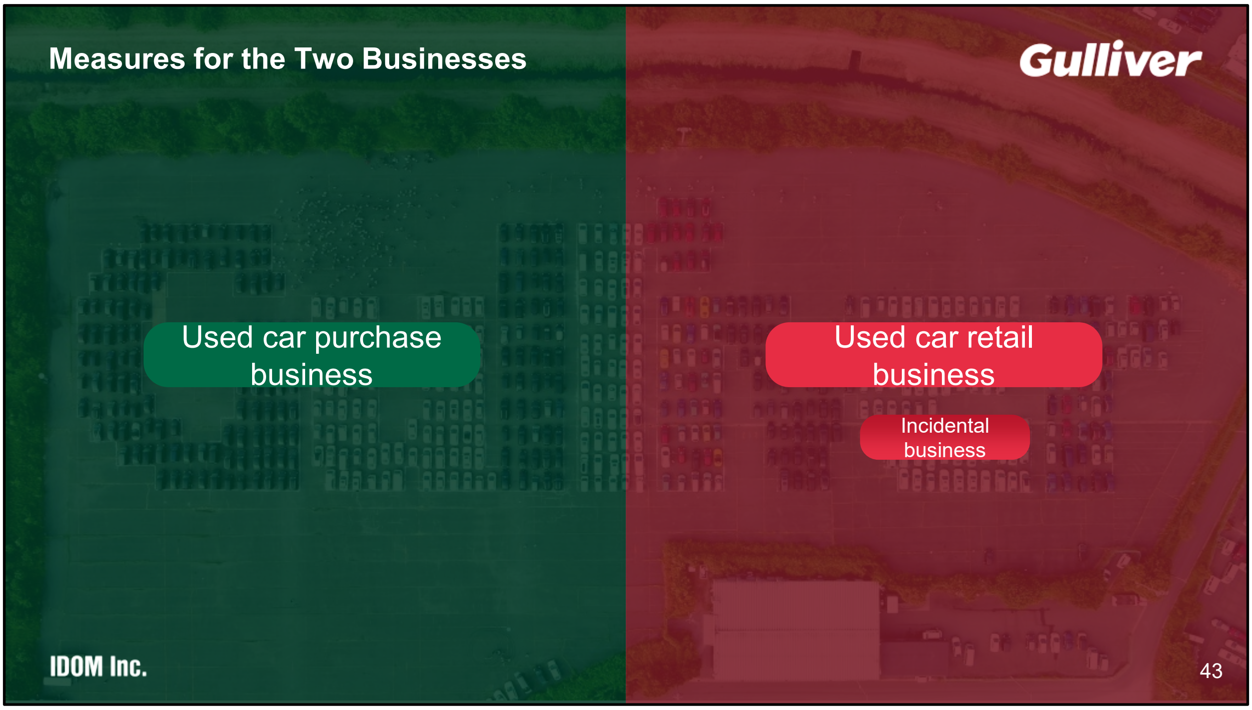
Those on the left side are medium-sized stores that have been operating since 2014. They also run specialized stores suited to customers' needs. Many of our existing stores fall under this category.

On the right side are the large stores. They are classified into three types: standalone large stores, stores with maintenance shops, and stores with maintenance shops and sheet-metal workshops.

Each large store has a wide space for displaying cars, boasts a far greater number of products than other stores in each area, has a presence on the roadside, and offers meticulous customer services and after-sales services.

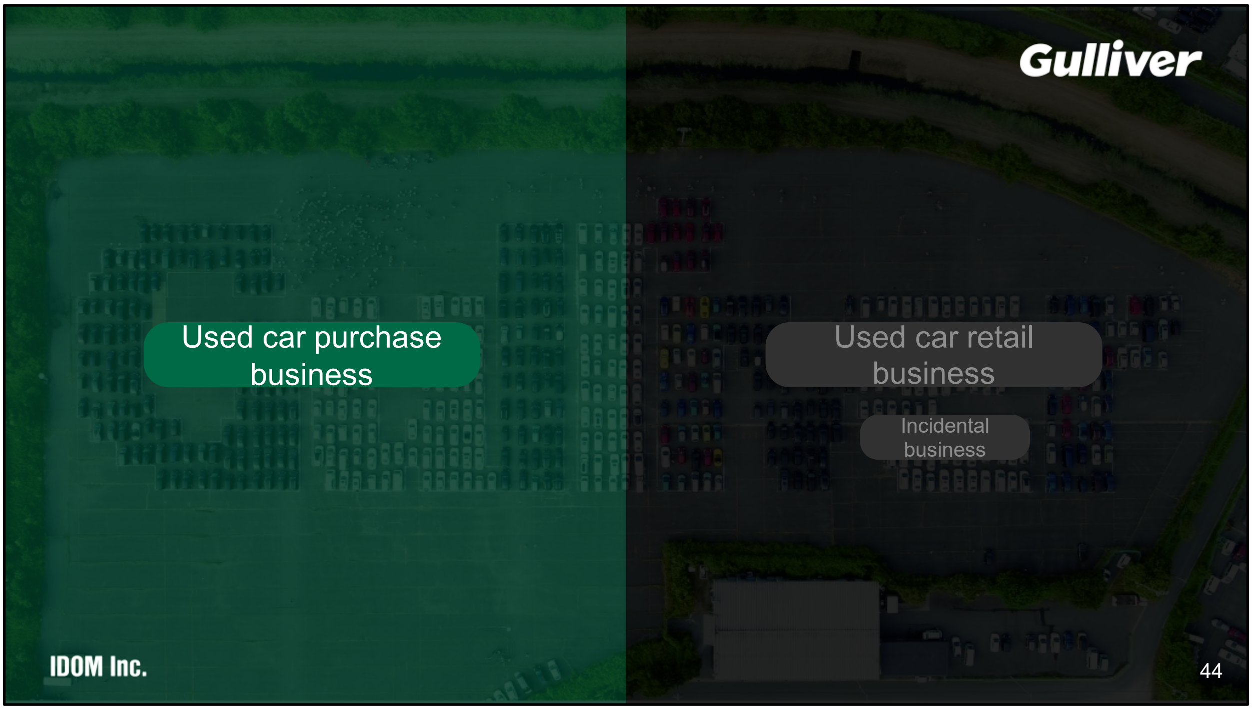
Gulliver

IDOM Inc.

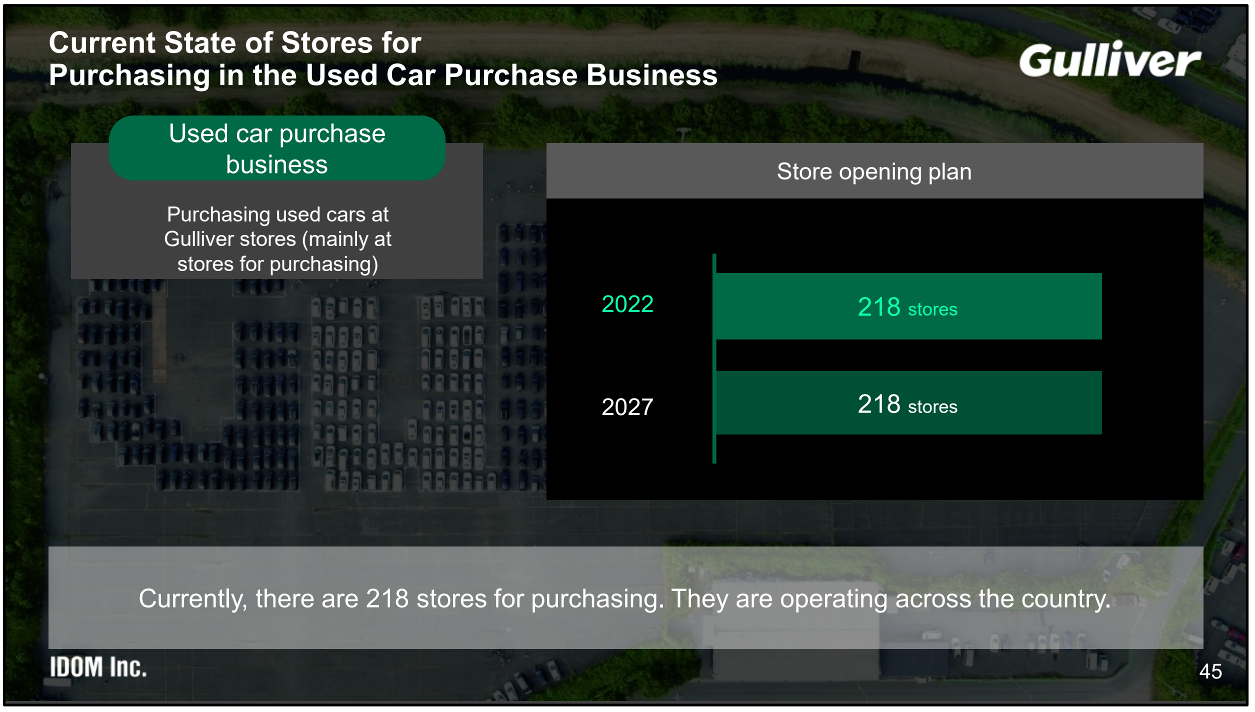


I will mainly talk about the growth potential of the used car business.

Let us take a look at measures for the used car purchase business and the used car retail business. These two businesses constitute a part of the used car business.

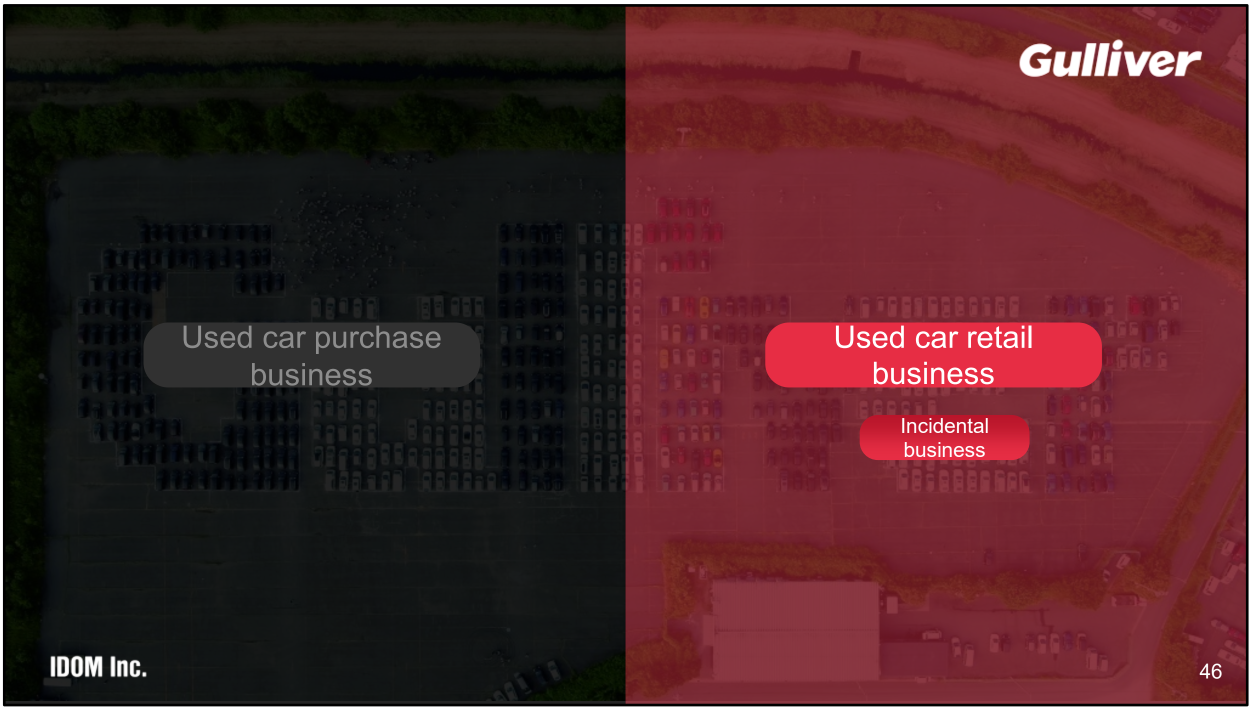


First, I will explain the used car purchase business.

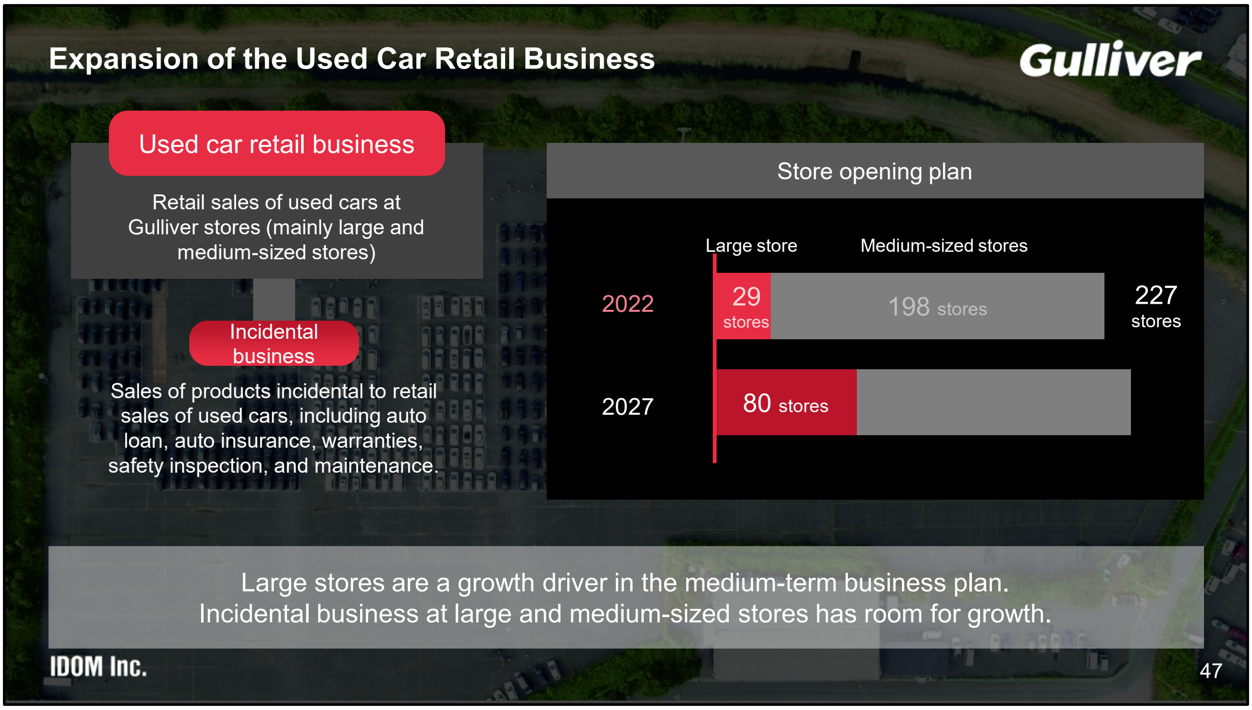


In the used car purchase business, we already run 218 stores for purchasing across the country.

Since we operate nationwide, we believe we are in a stage of increasing the efficiency of existing stores rather than additionally investing in expansion.



Next, I will talk about the used car retail and incidental business.

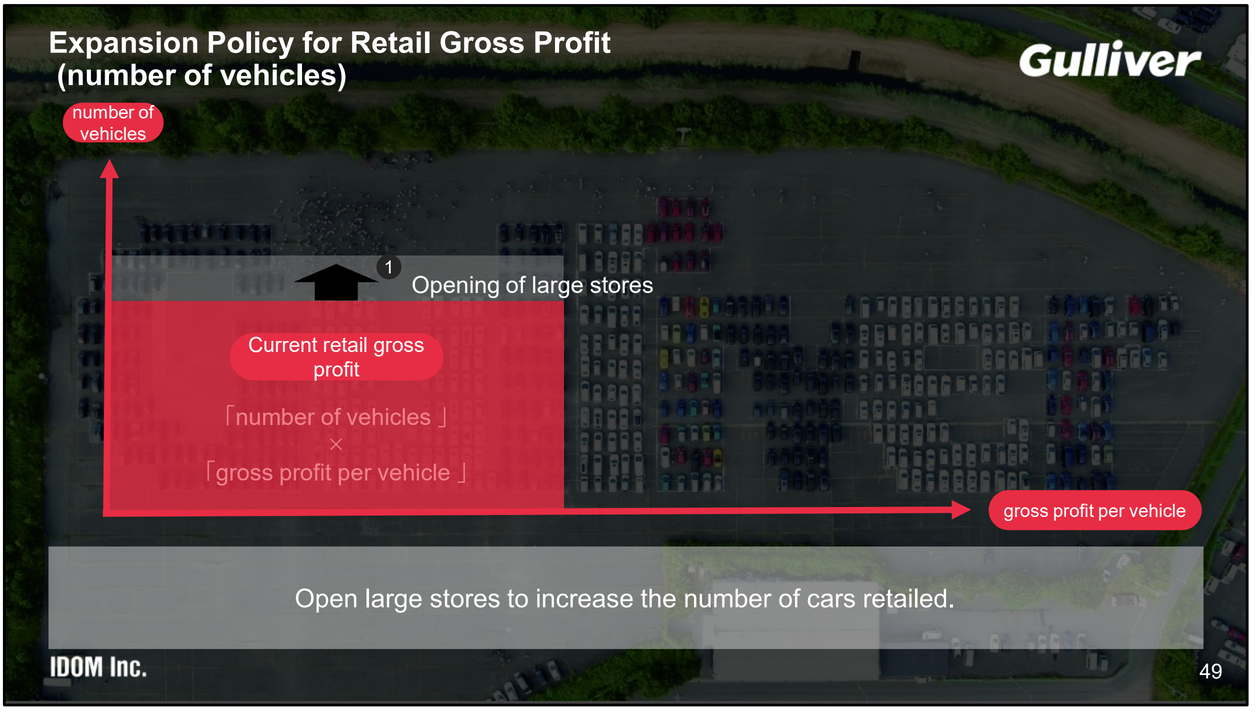


In the used car retail business, we are striving for growth mainly through large stores. It is a key growth strategy in the medium-term business plan.

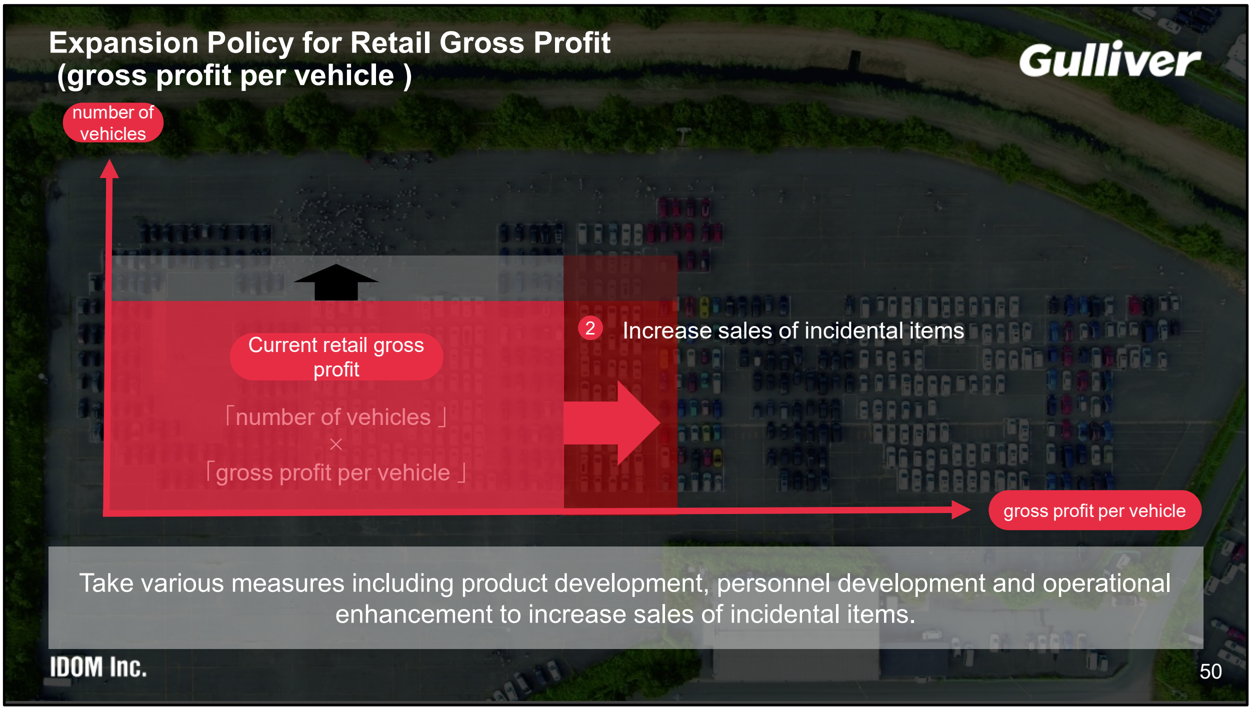
For incidental business at large and medium-sized stores, our efforts are still incomplete. We believe there is large room for growth.

Next, I will be talking about our steps for increasing the gross profit of the used car retail business.

In this diagram, the vertical axis is the number of vehicles and the horizontal axis is gross profit per vehicle. We will take different steps to increase both to expand retail gross profit expressed as a rectangle.



The step for increasing the number of vehicles on the vertical axis is the opening of large stores.



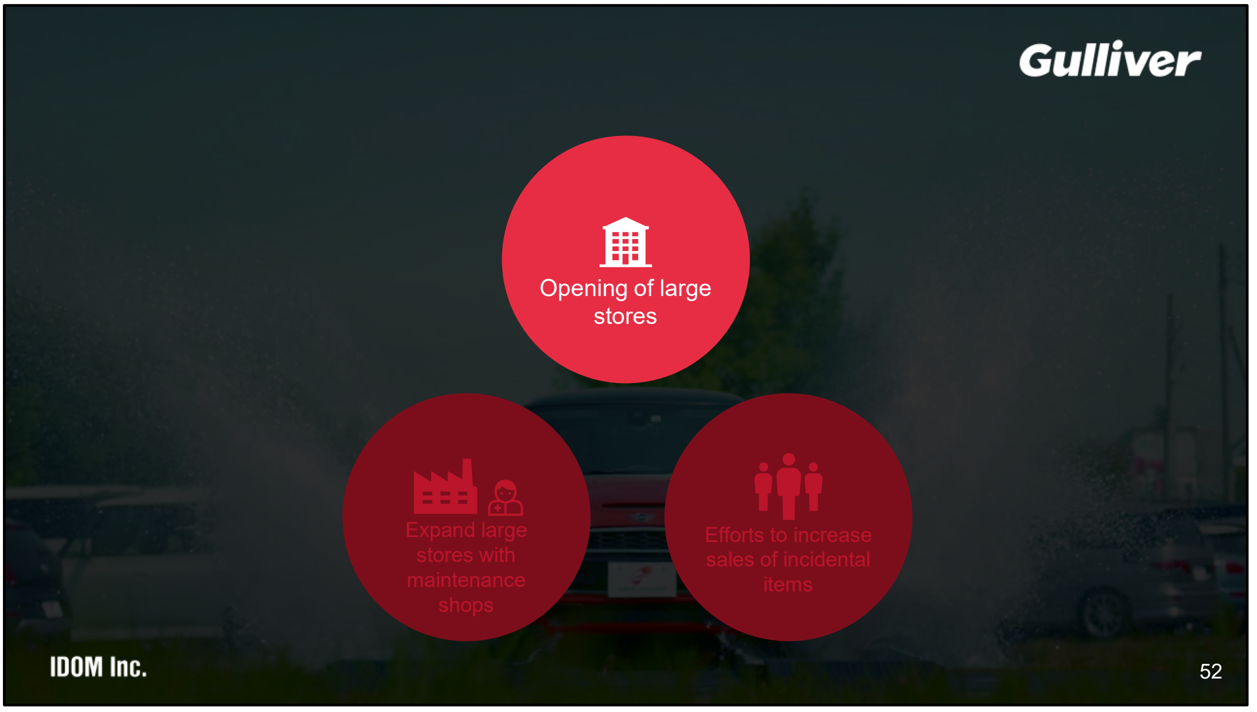
The step for increasing gross profit per vehicle on the horizontal axis is increasing sales of incidental items.

Currently, many different steps are in progress.

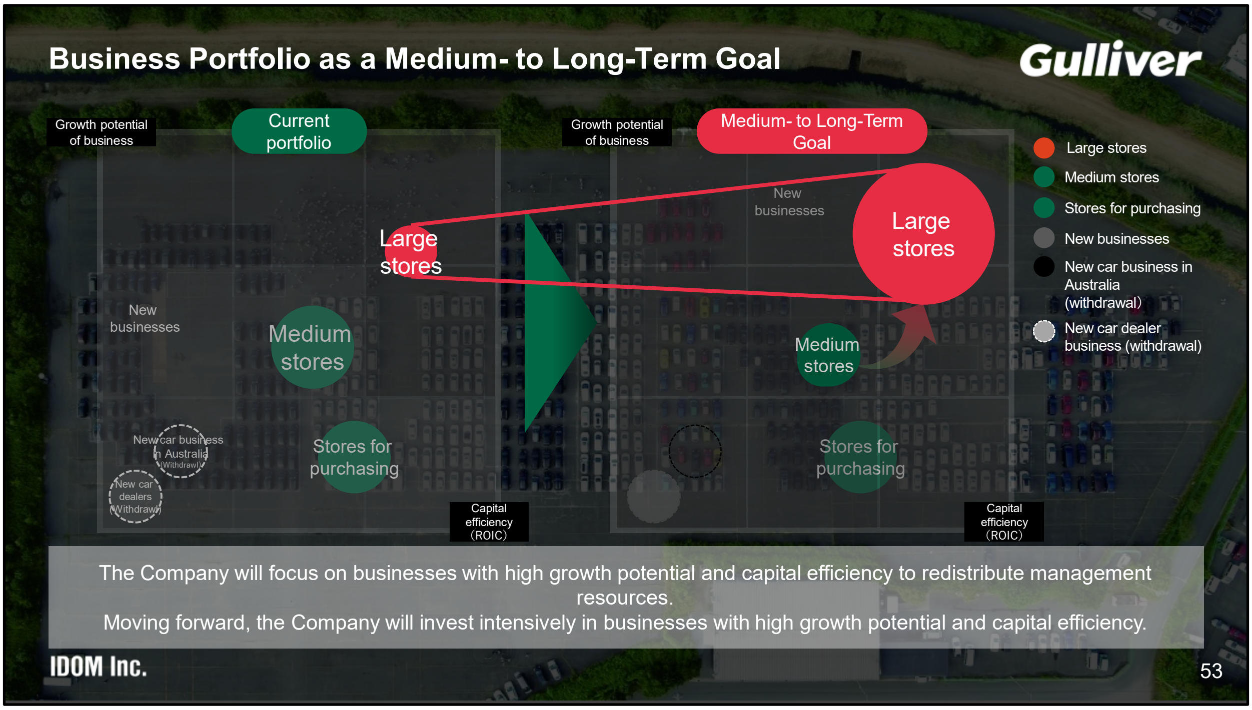
The medium-term business plan is based on the assumption that gross profit per vehicle has upside potential driven by the opening of large stores.

The used car retail business has three different measures.

First, we will open large stores to increase our market share. Second, we will expand large stores with maintenance shops to enhance automobile inspection and other services. And third, we will promote sales of incidental items to expand gross profit per vehicle.



Now I will explain the opening of large stores.



The used car retail business at large stores has high growth potential and high capital efficiency according to its past results.

We will intensively invest management resources in it.

Features and Outline of Large Stores

Gulliver

Features

①	Refined store design
②	Number of displayed cars that is among the largest in each area
③	Prices and product lineup optimized for each area
④	Negotiation area for enjoying choosing a car

Outline

Site area	8,000 m^2 or more
Number of exhibited vehicles	About 300

Capital expenditures	About 200 million yen
Payback period	About 3 years (cash flow after tax, recovery of capital investment)

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This slide shows the features and outline of large stores.

These stores feature a site area of 2,500 tsubo or more, and the number of cars they display is among the largest in their area. Our goal is to build stores that can be easily visited by customers, such as stores with negotiation areas that allow customers to enjoy choosing a car.

We will invest approx. 0.2 billion yen, and the payback period will be approx. 3 years.

Large Stores Opened in FY2023

Gulliver

Kusatsuminami(Opened in June 2022)

Kusatsu-shi, Shiga Prefecture

Recent launch of new stores

Opening of large stores

- Nagano (April 2022)
  including an attached maintenance shop
- R1 Chiryu (April 2022)
  including an attached maintenance shop
- Kusatsuminami (June 2022)
  including an attached maintenance shop

3 stores in total
(Plans to open 7 new stores this fiscal year)

Number of Large Stores	32 (as of August 31, 2022)

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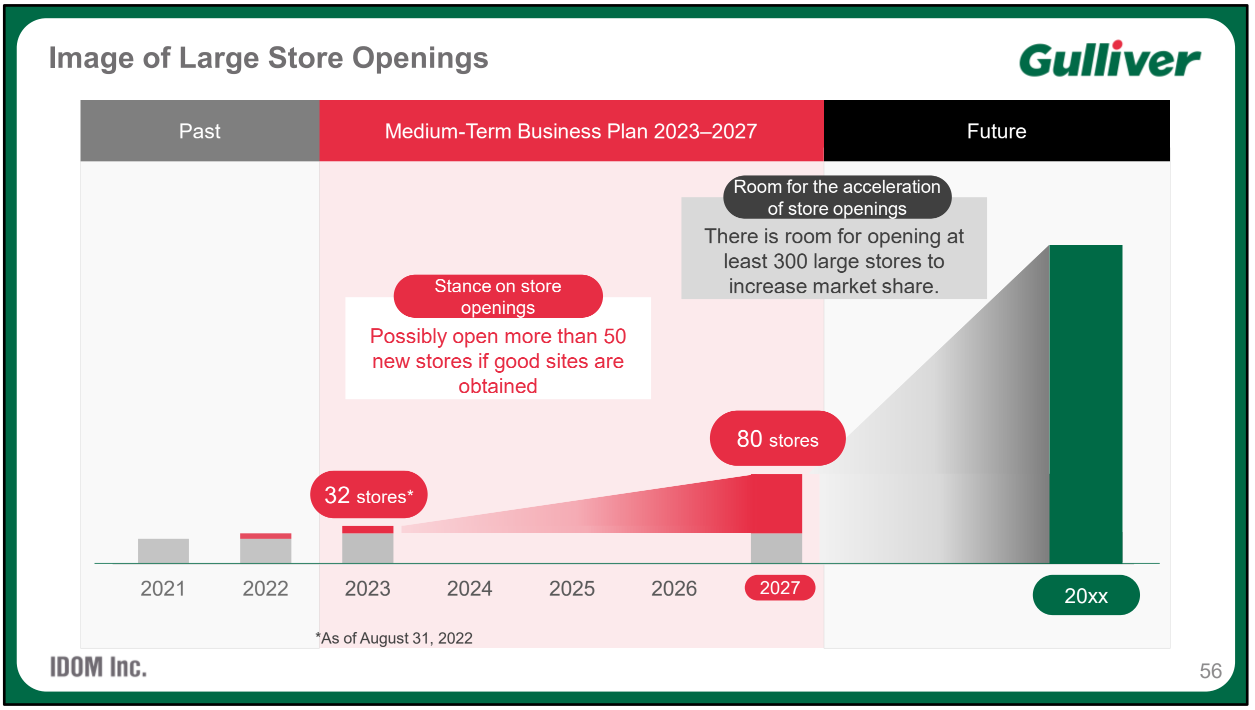
This slide shows the Kusatsu Minami store that opened this quoter.

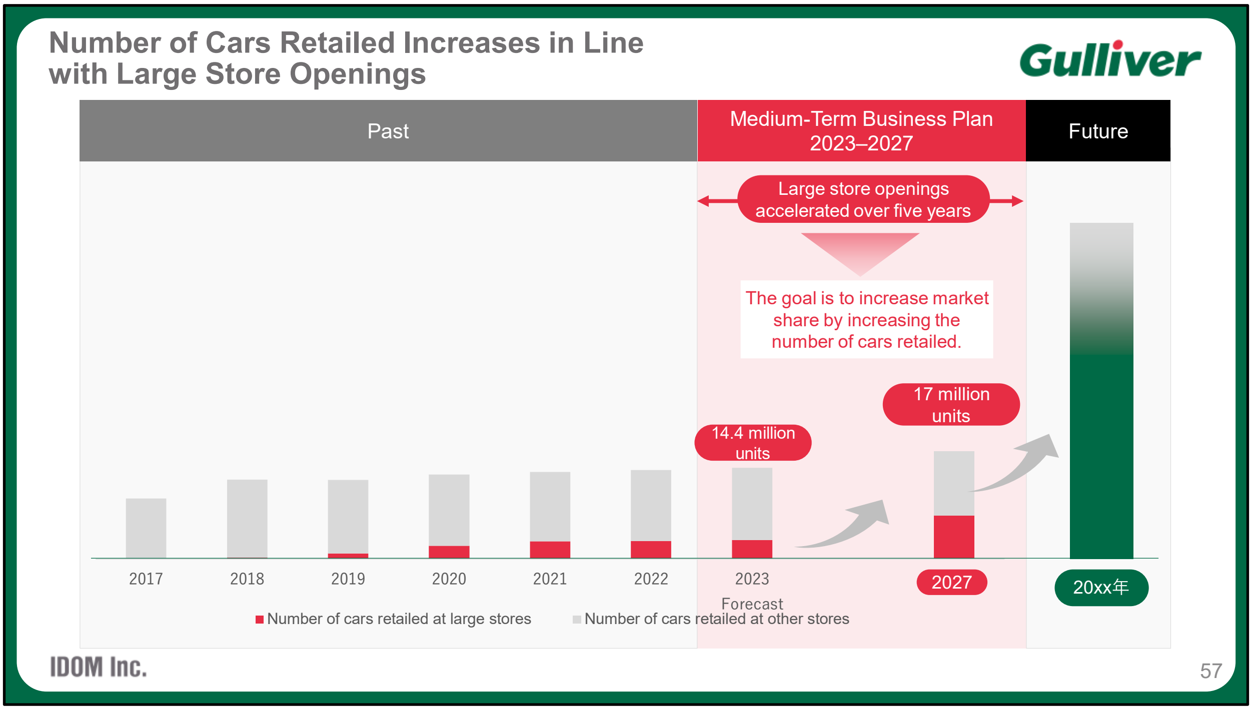
We currently have 32 large stores.



The medium-term business plan sets a target of opening 50 large stores over five years.

We will endeavor to operate 80 stores in the fiscal year ending February 2027.

With this number of stores, we forecast that our market share will be around 6%. To further increase our market share, we think there is room for opening around 300 additional stores.



We will increase the number of vehicles retailed chiefly by opening large stores. The goal of this is to increase our market share.

Recent results show that large stores have healthy performance. The number of vehicles they retailed increased year on year.

We foresee that our market share will grow as we open large stores.

Now I will move on to the maintenance shops attached to large stores.

Features and Outline of the Maintenance Shops

Gulliver

Features

①	Complete with latest equipment
②	Attached to a Gulliver store
③	Refined exterior design
④	Generous waiting area for customers
⑤	Sheet-metal workshop also attached in some areas

Outline

Work items	Safety inspections and maintenance before delivery	Capital expenditures	About 200 million yen
Number of Maintenance Shops	11 seven of them are designated maintenance shops. (as of August 31, 2022)	Payback period	About 3 years (cash flow after tax, recovery of capital investment)

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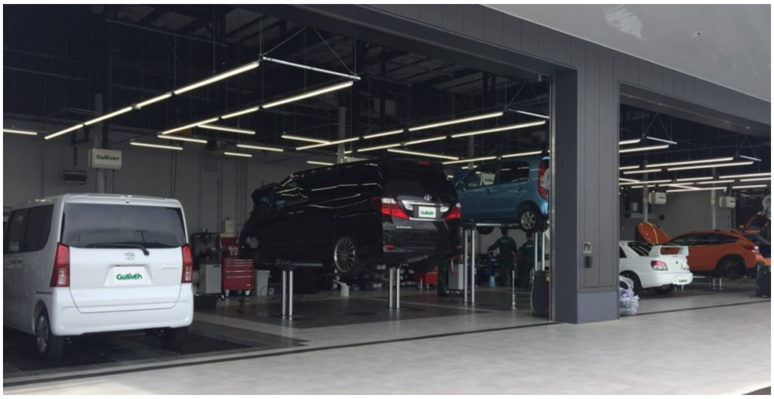
These are the features and outline of the maintenance shops attached to large stores.

These facilities permit maintenance work to be witnessed and checked by customers on a real-time basis. They are complete with latest equipment.

We expect the amount of capital expenditures to be around 0.2 billion yen and the payback period to be approx. 3 years.

Maintenance Shops Opened in FY2023

Gulliver



Nagano car maintenance shop (Opened in April 2022)

Nagano-shi, Nagano Prefecture

Recent launch of new maintenance shops

Opening of new maintenance shops
- Nagano (April 2022)
- R1 Chiryu (April 2022)
- Kusatsuminami (June 2022)

3 shops in total

Number of Maintenance Shops	11 Seven of them are designated maintenance shops

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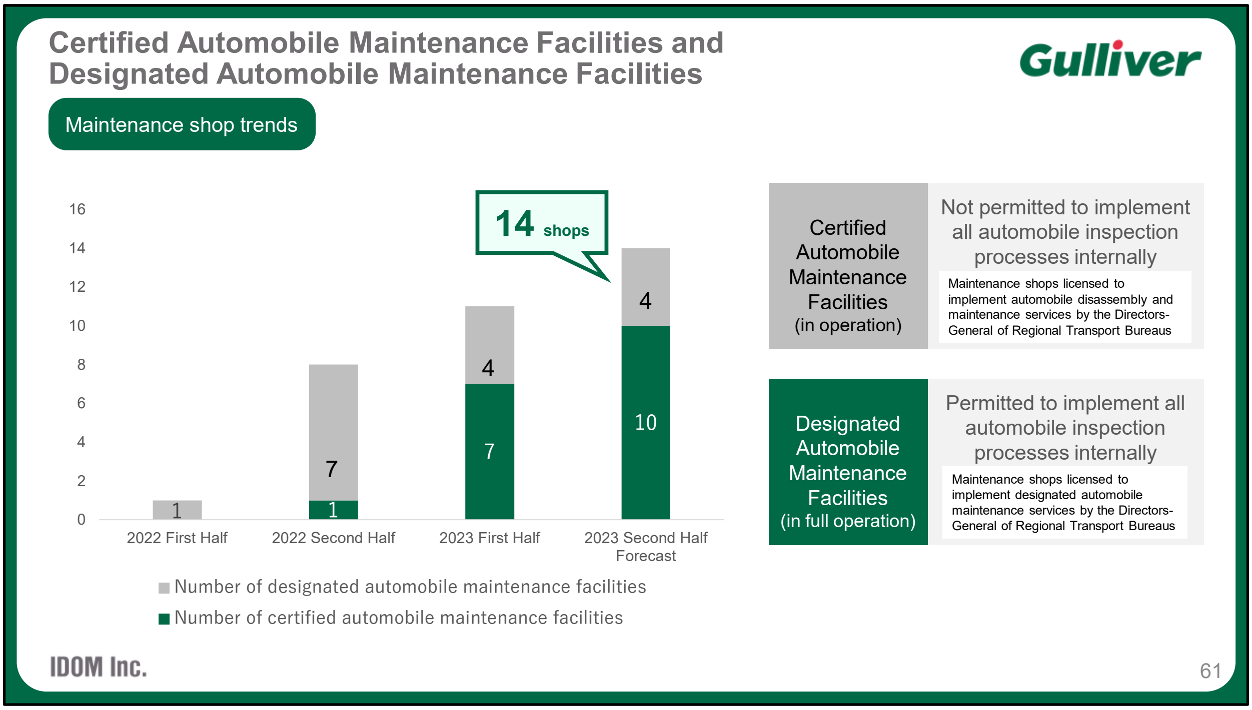
This slide shows the Nagano maintenance shop that opened this quoter.



It takes six to twelve months for a maintenance shop to become a designated automobile maintenance facility which is permitted to complete all of the automobile inspection processes independently.

Therefore, it takes some time from opening to the start of full-scale operations including one-day automobile inspections and other services.

Seven of eleven maintenance shops were certified as designated shops, and things are moving as scheduled.

Maintenance Shop Interior and Exterior

Gulliver

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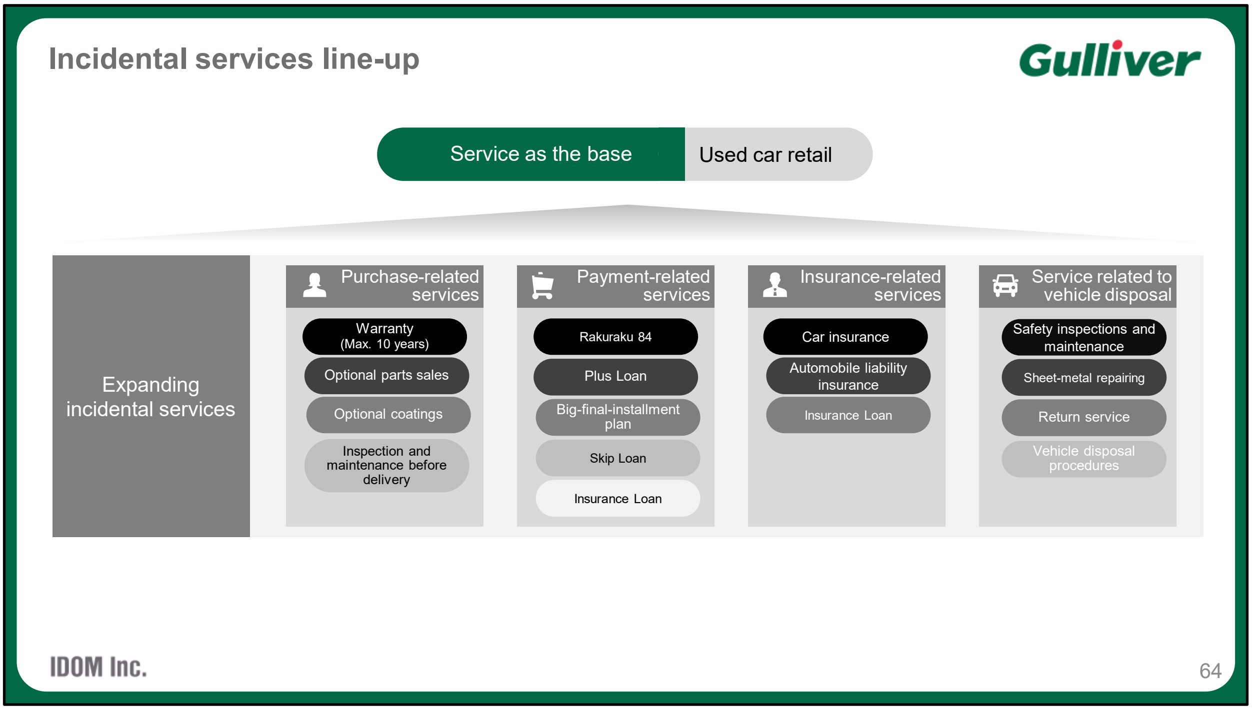
This slide shows maintenance shop equipment.

Since it opened, it has had the equipment necessary for acquiring the designated automobile maintenance facility status.

It also has a space where customers can view the maintenance work.

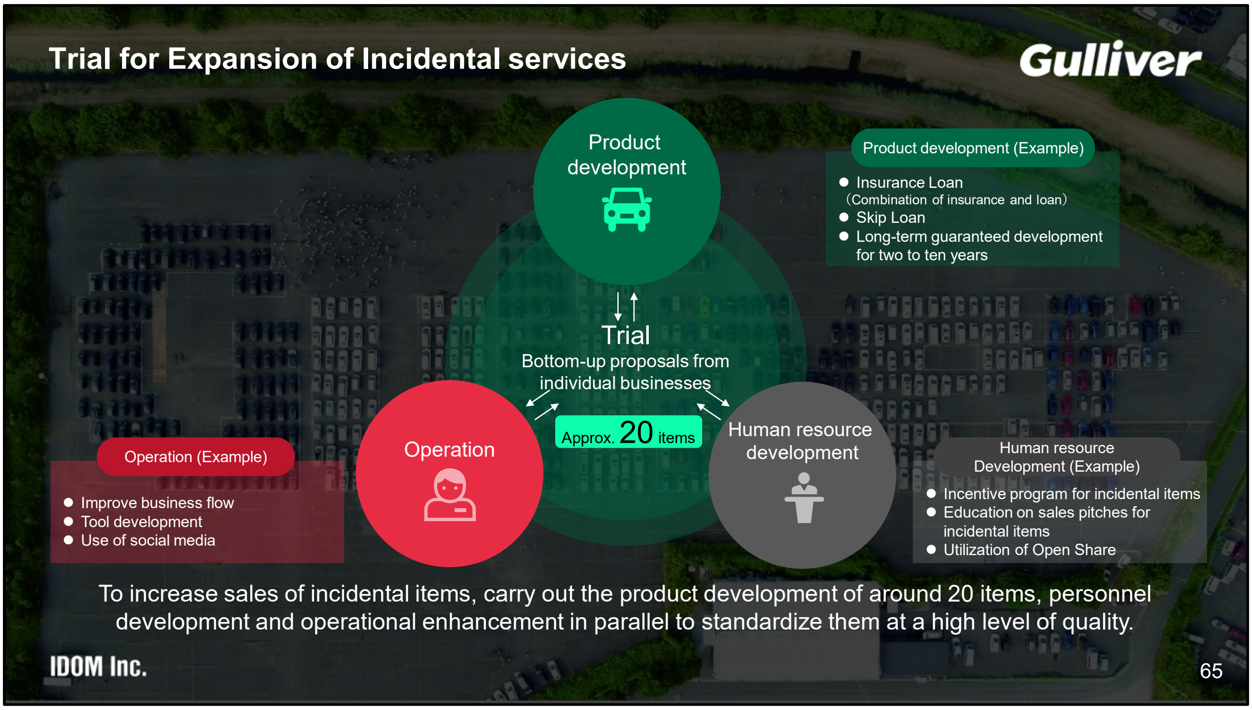
Now I will explain efforts to increase sales of incidental items.



This is the lineup of our incidental services.

These items are sold in connection with retailing used cars.

We are making different efforts to increase sales of these items.



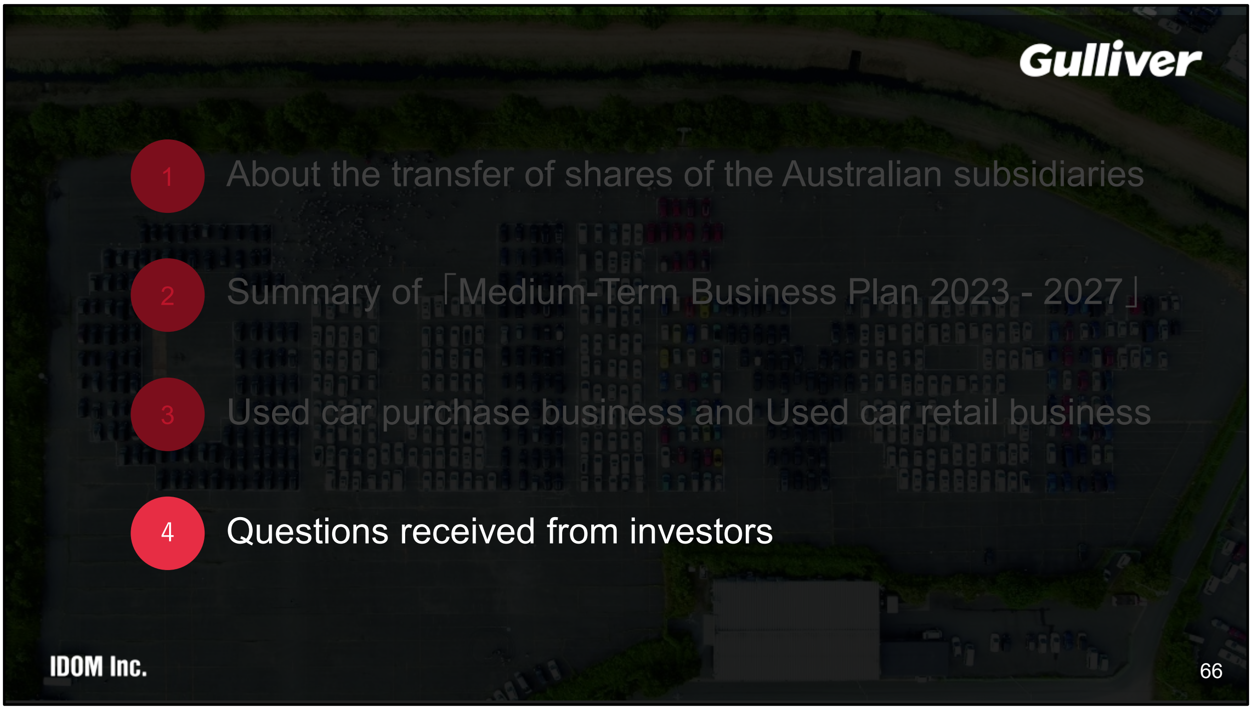
Different product development, personnel development and operations trials are being carried out in parallel to increase sales of incidental items. We will thus aim to standardize them at a high level of quality so that they can eventually be implemented at all stores.

· Product development: Hokeron is a unique product from us that integrates insurance and loans. An insurance policy can be purchased by taking out a loan that lasts a maximum of seven years. It features a long term, a low premium and the absence of the risk of a premium increase during the insurance period.

· Personnel development: An incentive program for incidental items was launched, the evaluation system was revised adding capacity evaluation requirements and a personnel education system able to publicize and instantly share information about trials implemented at stores all over the country was established.

· Operations: We are also working on the improvement of work flow and on marketing using social media.

The medium-term business plan does not consider the growth of incidental item sales. If positive results are achieved, we will need to revise the target.



Since we announced the medium-term business plan in April this year, we have received a number of questions from investors. We have organized them and I will be answering some of them.

Questions received from investors

Gulliver

Question ❶	Auction market prices are staying high. If they fall, will it have any impact on the financial results?
Question ❷	It seems that you are shifting from purchases to auctions. What impact will this have on gross profit?
Question ❸	Will the increase in EV sales have any impact on IDOM's business?

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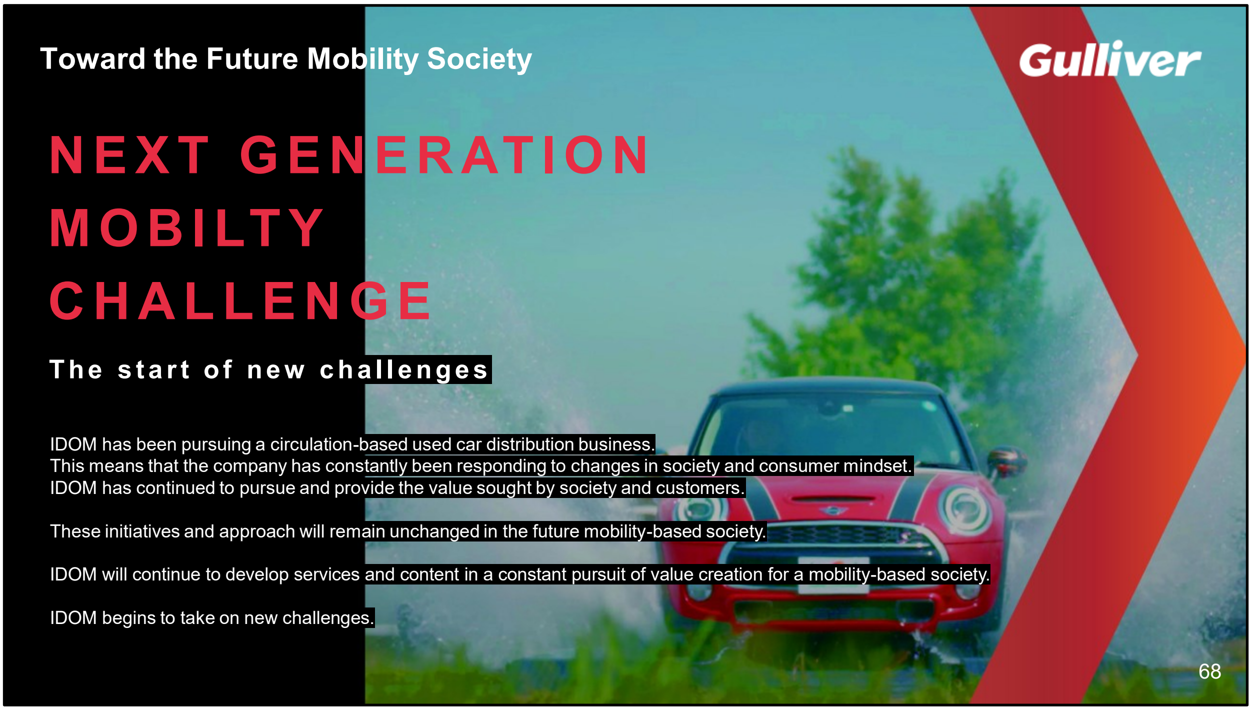
Answer to question (i)
It will have no impact because prices in the purchase and retail businesses are determined in connection with automobile auction market prices.
If market prices fall, cars will be more affordable to customers and this will stimulate the retail market.

Answer to question (ii)
It is not important for large stores to sell purchased cars.
We define inventories matched to local needs as a key factor for success. We will continue to purchase through auctions to meet local needs.

Answer to question (iii)
We understand that it has no negative impact at all.
We regard it as a great opportunity in which 80 million vehicles will be replaced in the used car market.
We see that currently used electric vehicles are less valued than gasoline vehicles.
Their prices will be corrected by new demand following the ubiquitization of vehicle charging facilities and the reuse of high quality batteries for electric vehicles.
We hope that the expansion of the EV market will be a strong favorable wind.



Half a year has passed since the announcement of the medium-term business plan.

To meet its targets, we are currently making good progress in terms of opening large stores and other efforts.

I hope that investors will continue to look forward to IDOM's growth.

Your support will be appreciated.