

Revised on May 11, 20

# Results for Fiscal Year Ended February 29, 2020

---

April 14, 2020

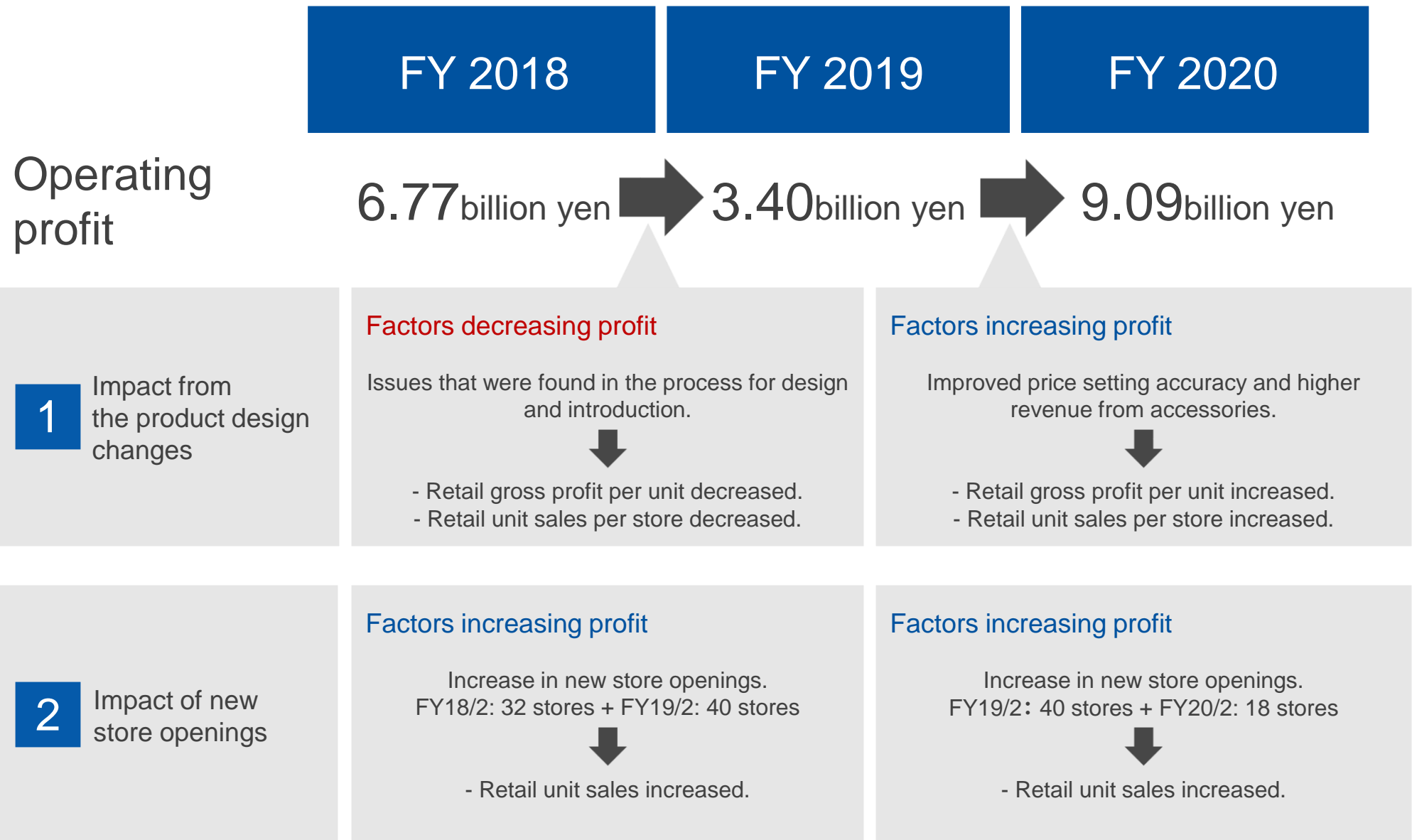
IDOM Inc.

- I. FY2020 results summary
- II. FY2020 outlook
- III. Dividends and treasury stock acquisition
- IV. Supplementary information on results and financial matters

# I. FY2020 results summary

## Change in Results Over Three Most Recent Fiscal Years

	FY2018	FY2019	FY2020
<b>Non-consolidated</b>			
Gross profit	55.72million yen	52.77million yen	58.60million yen
SG&A expenses	48.79million yen	50.01million yen	50.86million yen
Operating income	6.92million yen	2.75million yen	7.73million yen
.....			
<b>Consolidated</b>			
Operating income	6.77million yen	3.40million yen	9.09million yen



- 1 Impact from the product design changes
- 2 Impact of new store openings

# Changes in Gross Profit Due to the Impact from the Product Design Changes

## Structure of gross profit per unit

FY2018

FY2019

FY2020

### Purpose:

- To attract more customers through price adjustments.
- To reduce vehicle unit prices mainly to boost the accessory business.

### Results:

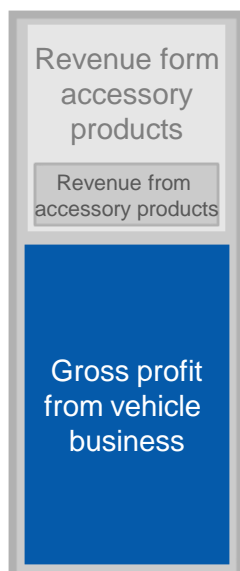
Temporary decline in gross profit due to issues found in conjunction with the design and introduction.

### Improvement measures:

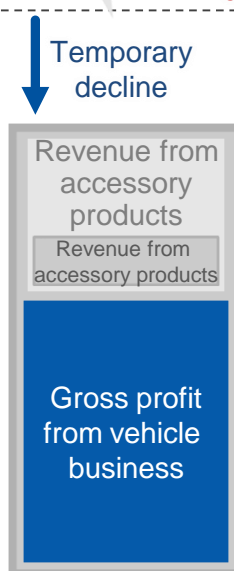
- Offering of appropriate lineup of cars
- Offering of appropriate type of vehicles
- Appropriate pricing
- Further efforts to increase revenue from accessory products



Result

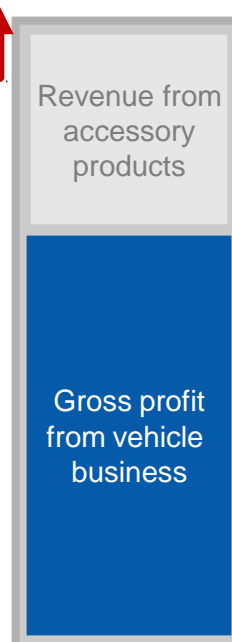


Plan



Result

Positive effects of improvement measures



Result

- Accessory products and services contributing to revenue from accessories
- Auto loans
  - Insurance
  - Warranties
  - Compulsory inspections
  - Glass coating
  - Parts
  - Car navigation systems
  - Dashcams

1 Impact from the product design changes

2 Impact of new store openings



# Store openings (March –February )



Kumamoto  
Kumamoto



Hiroshima-Yoshijima  
Hiroshima



Kurume-Miyaki  
Miyaki, Saga



Wakayama  
Wakayama



Imabari  
Imabari, Ehime



Shimabara  
Shimabara, Nagasaki



Kurashiki-Mizushima  
Kurashiki, Okayama



Okayama-Niwase  
Okayama



Odawarahigashi  
Odawara, Kanagawa



Ube  
Ube, Yamaguchi



Kitami-Tanno  
Hokkaido, Kitami



Minami-Matsumoto  
Nagano, Matsumoto



# Store openings (March –February )



Kashihara-Sakurai  
Nara,Sakurai



Niihama-inter  
Aichi



Oota354bypass  
Gunma



OL Nishinasuno  
Nasushiobara, Tochigi



Tsutakadyaya  
Mie

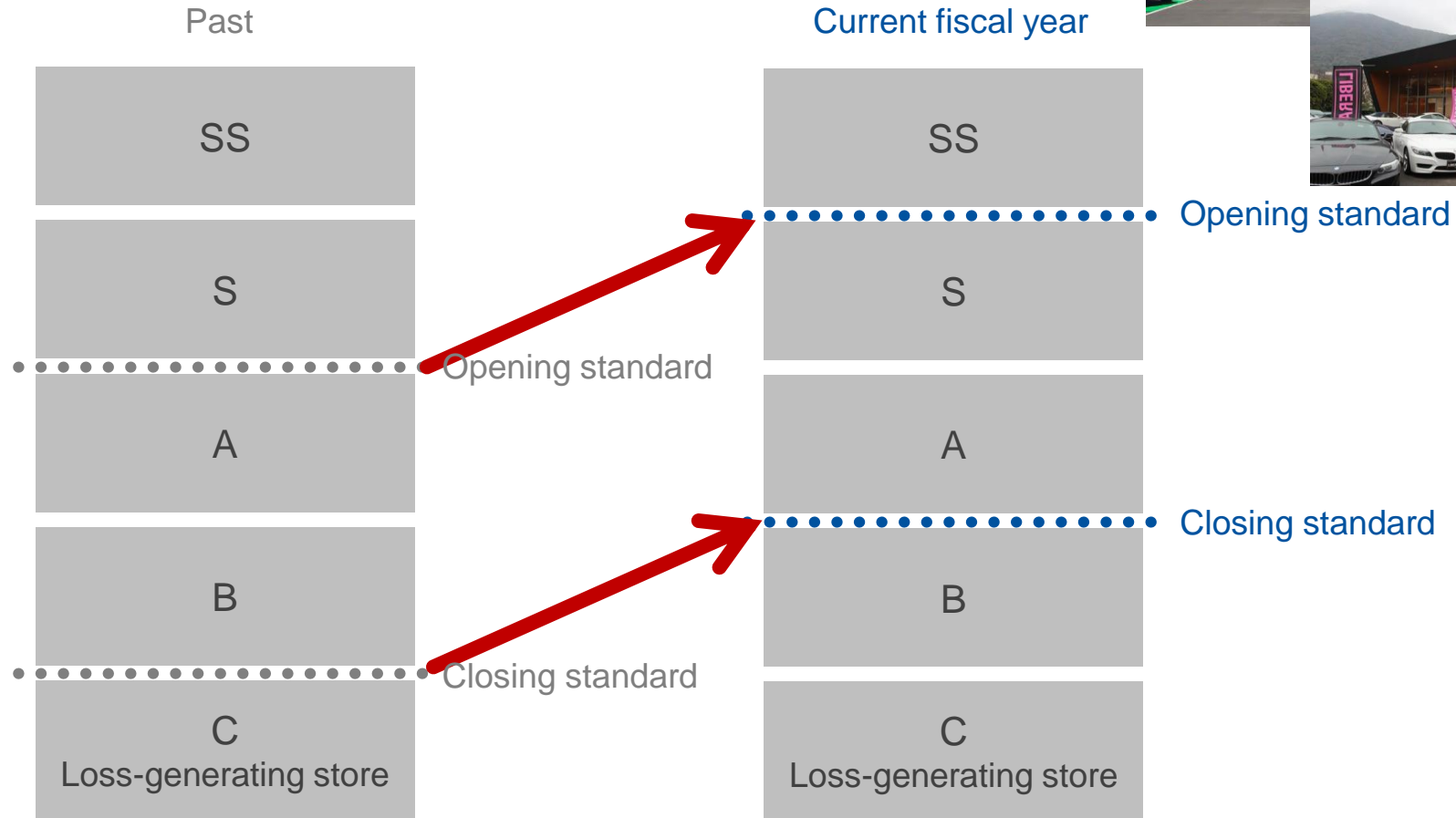


LIBERALA Kurume  
Hukuoka,Kurume



# Review of Opening / Closing Standards

Ranking by profit/capital efficiency

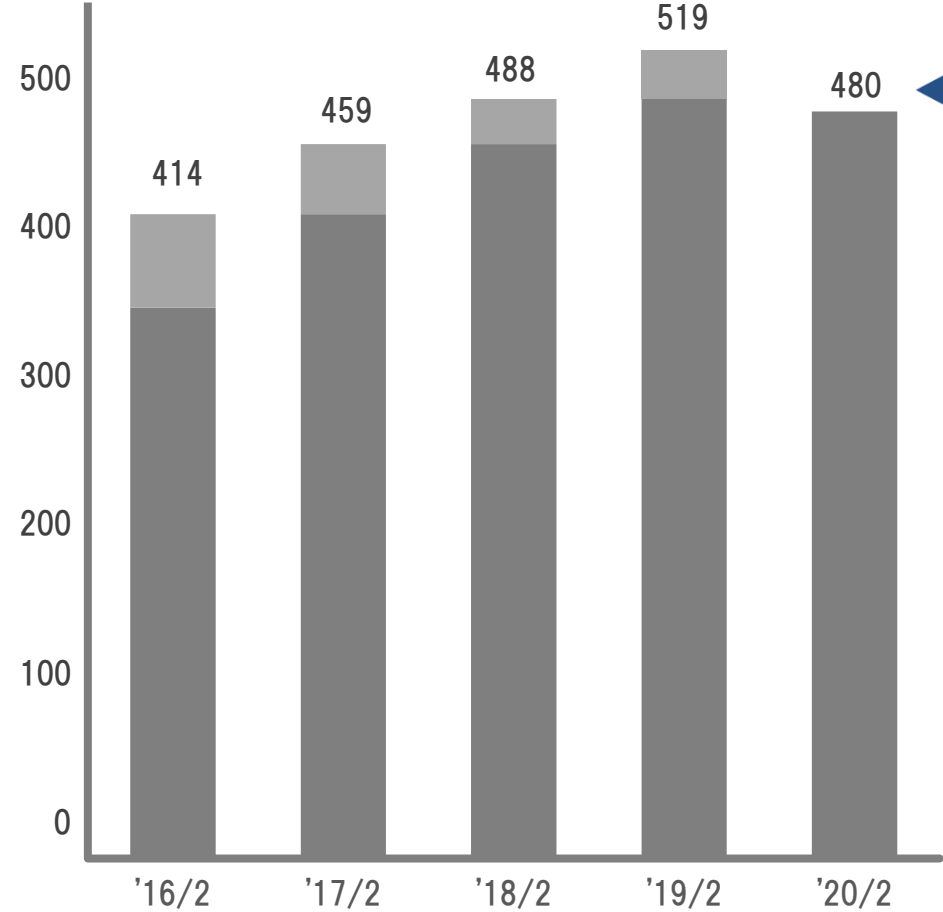


In the current fiscal year, opening and closing standards have become stricter. We will open stores with high profit/capital efficiency and close low profit/capital efficiency stores even if they are in the black, which will enhance the quality of return on investments and working capital (inventory).

# Status of Directly Managed Store Openings / Closings

## Number of directly managed stores

(Unit: stores)



Results	
[Newly opened]	18
[Closed]	57

Net decrease by 39 stores

A new closing standard was used and store closings proceeded. As a result, the number of stores suffered a net decrease.

# 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.

### Enhance efforts for the Gulliver brand



Consider the effective use of facilities equipped with the previous tenants' furnishings

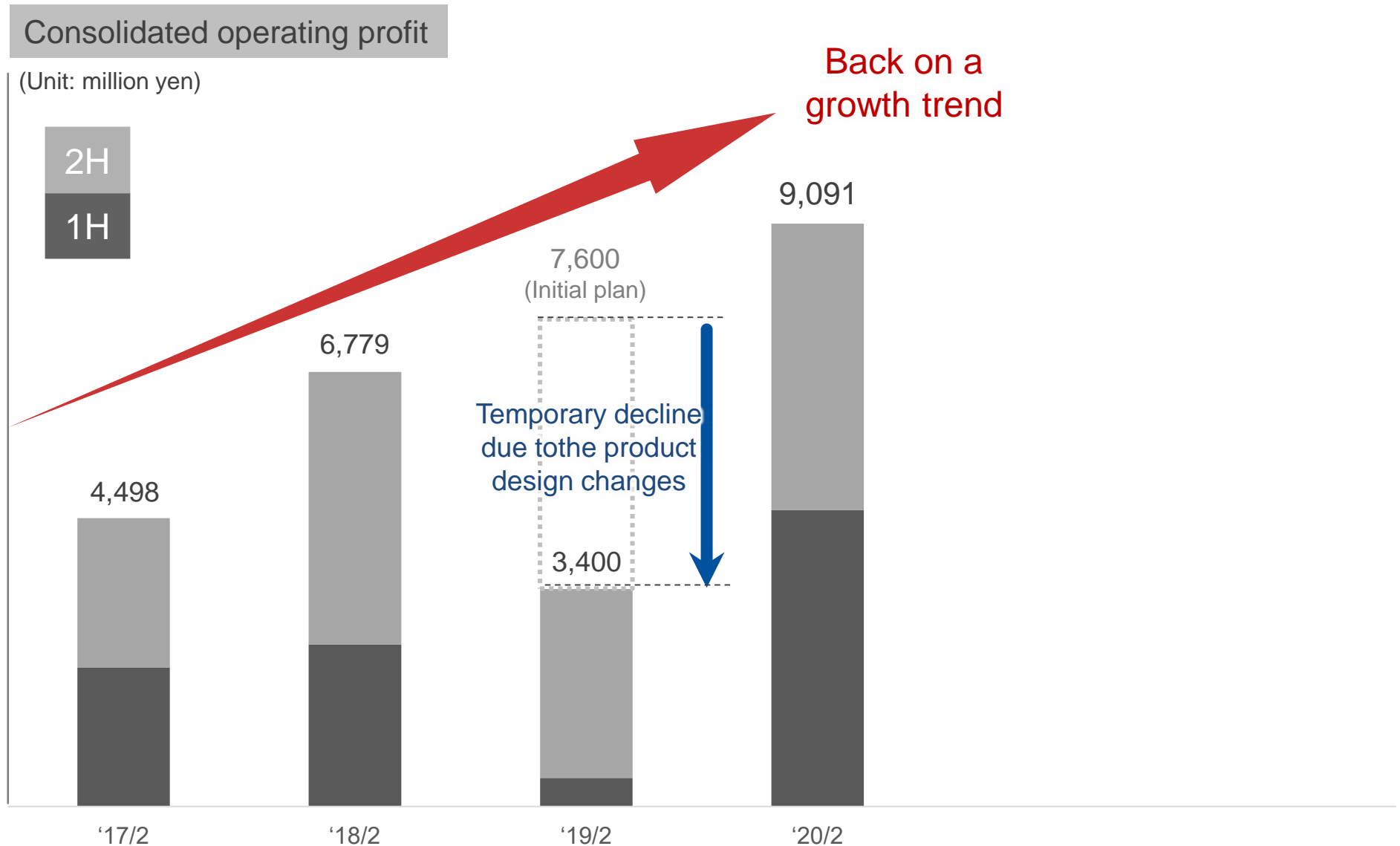
Price setting expertise that Gulliver has accumulated since its foundation

Original vehicle display styles and store layouts

Synchronized inventory control between the headquarters and stores

Marketing activities with a focus on efficiency

# Review of the Operating Results for the Fiscal Year Ended February 29, 2020

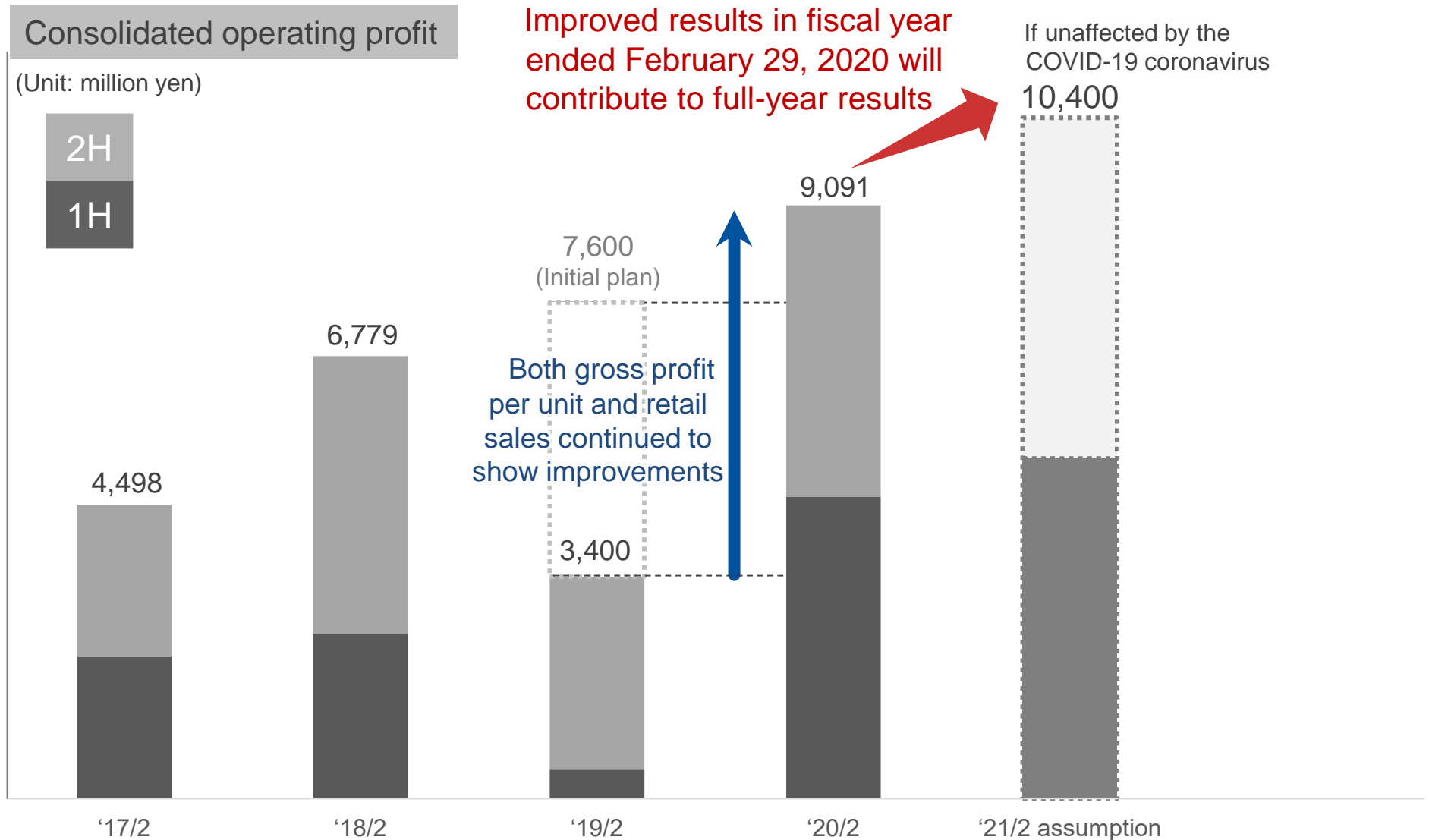


A range of improvement measures contributed to recovery from the temporary decrease that occurred due to changes in product design in the fiscal year ended February 28, 2019. As a result, the business is back on a growth trend.

## II . FY2020 outlook



# Forecasts for the Fiscal Year Ending February 28, 2021 Based on the Assumption that They are Unaffected by the COVID-19 Coronavirus



If there is no impact of the COVID-19 Coronavirus, the improvements in gross profit per unit and retail sales per store recorded in the fiscal year ended February 29, 2020 will contribute to full year results for the fiscal year ending February 28, 2021. Retail sales are expected to rise, aided by contribution to full-year results by stores that opened in the fiscal year ended February 29, 2020, and new stores that will open in the fiscal year ending February 28, 2021.



# Consolidated Operating Profit Forecasts for the Fiscal Year Ending February 28, 2021

	FY2020	FY2021
		If unaffected by the COVID-19 coronavirus
1H	4,624 million yen	5,200 million yen
2H	4,467 million yen	5,200 million yen
Full year	9,091 million yen	10,400 million yen

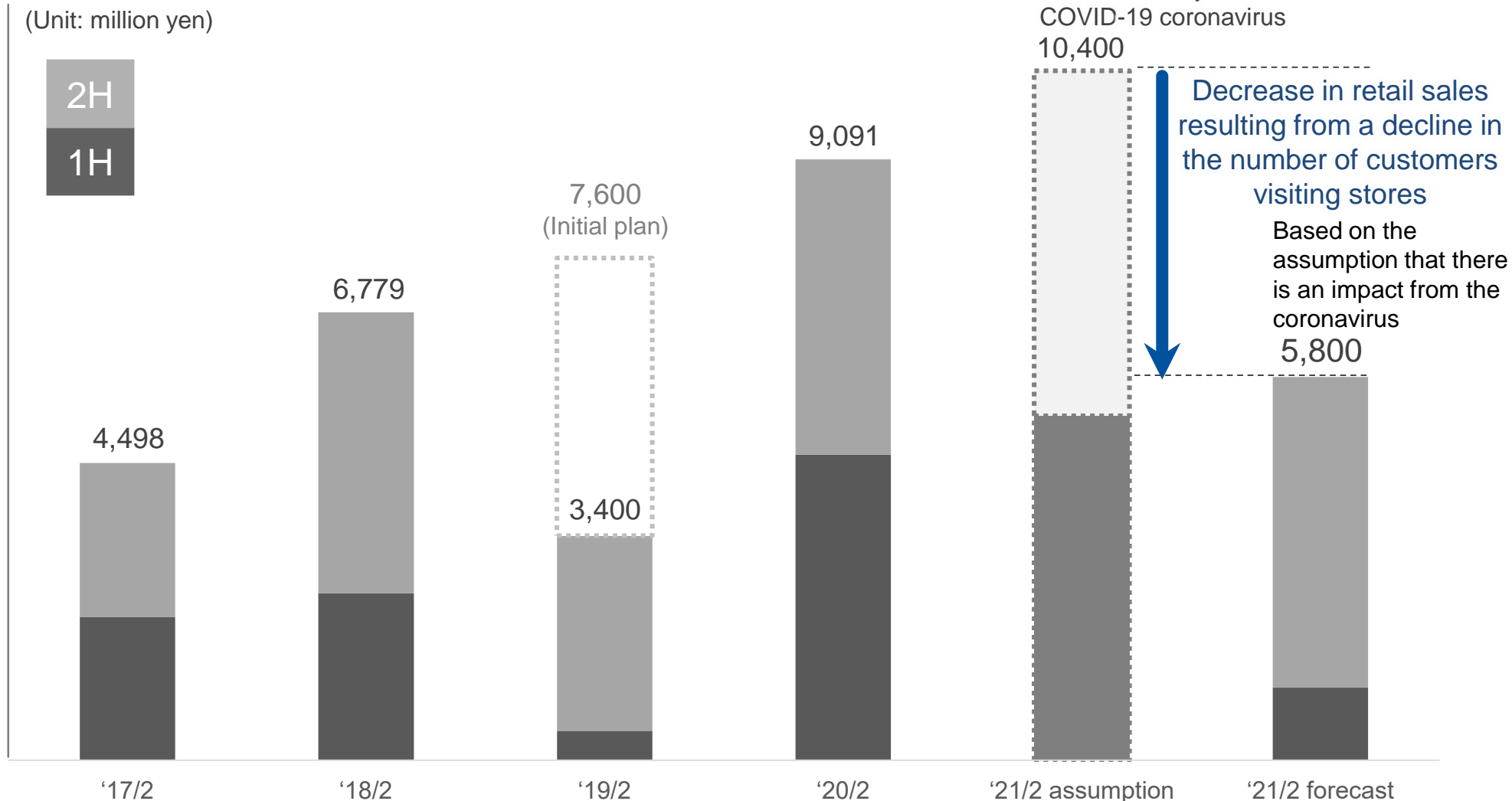
## Retail Sales Forecasts for the Fiscal Year Ending February 28, 2021

	FY2020	FY2021
		If unaffected by the COVID-19 coronavirus
1H	67,831 units	70,500 units
2H	65,157 units	68,400 units
Full year	132,988 units	138,900 units

# Consolidated Operating Profit Forecasts for the Fiscal Year Ending February 28, 2021

## Consolidated operating profit

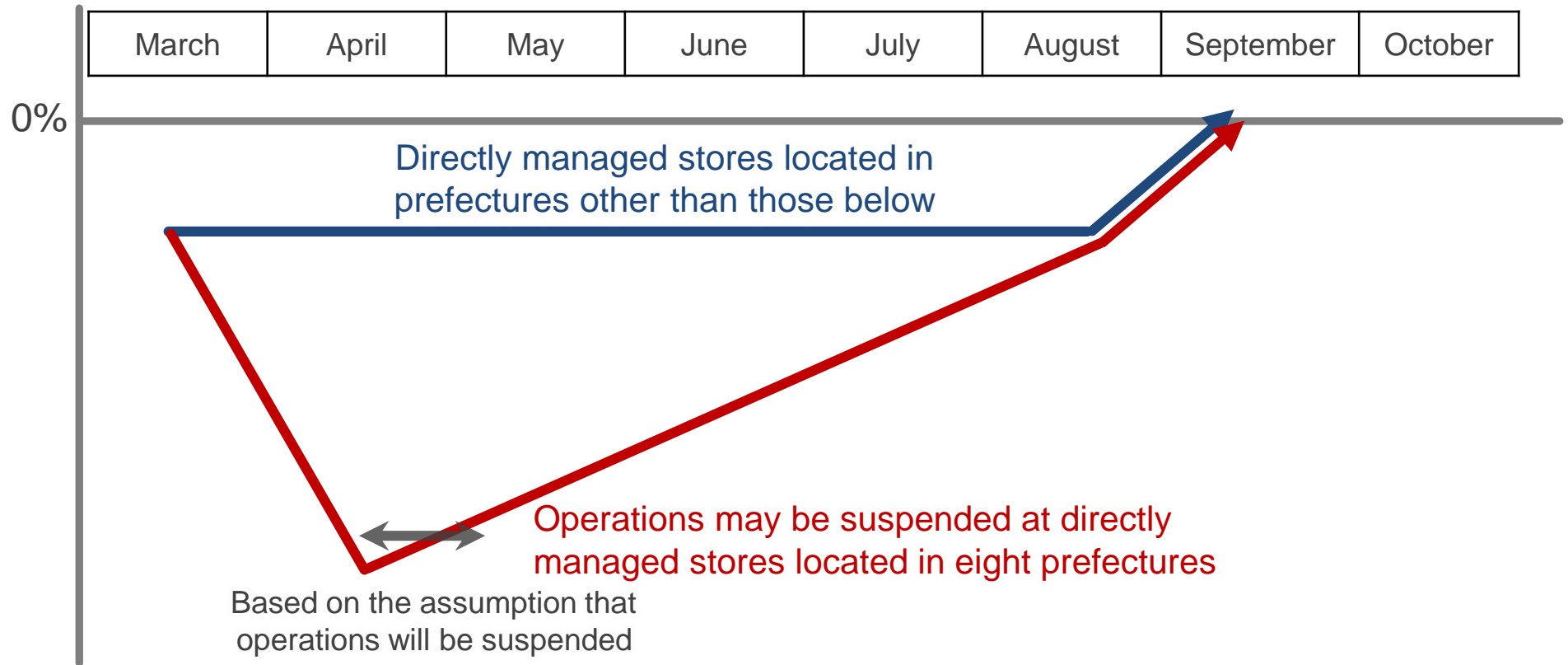
(Unit: million yen)



Based on the assumption that the number of customers visiting directly managed stores will continue to decrease until August due to the impact of the COVID-19 coronavirus, resulting in a decline in retail sales.

# Preconditions for Forecasts for the Fiscal Year Ending February 28, 2021

Assumptions on a decrease in the number of customers visiting stores due to the impact of the COVID-19 coronavirus infection



- The Company assumes that sales operations will be suspended entirely at the directory managed stores located in eight prefectures (Tokyo, Kanagawa, Chiba, Saitama, Osaka, Hyogo, Fukuoka and Aichi) until early May and that the number of customers visiting these and other stores will recover gradually in the middle of May and beyond, making the situation normal by September.
- The Company's current policy is to continue operation mainly by reducing operating hours, and has made the above assumptions, taking future changes in the situation into account.
- The Company assumes that the number of customers who visit the directly managed stores located in prefectures other than the eight prefectures will continue to fall at a certain rate and be back to normal in September and beyond.
- If the number of customers who visit stores returns to normal in September, the Company assumes that retail sales (based on a delivery date or a record date for sales) will be normalized in October in general.

Note: The above expectations including those on dates are assumptions and results may differ depending on actual operating results, changes in the number of customers visiting stores and when the infection will end.

# Retail Sales Forecasts for the Fiscal Year Ending February 28, 2021

	FY2020	FY2021	
		If unaffected by the COVID-19 coronavirus	Forecasts
1H	67,831 units	70,500 units	52,900 units
2H	65,157 units	68,400 units	66,400 units
Full year	132,988 units	138,900 units	119,300 units

# Consolidated Operating Profit Forecasts for the Fiscal Year Ending February 28, 2021

	FY2020	FY2021	
		If unaffected by the COVID-19 coronavirus	Results forecasts
1H	4,624 million yen	5,200 million yen	1,100 million yen
2H	4,467 million yen	5,200 million yen	4,700 million yen
Full year	9,091 million yen	10,400 million yen	5,800 million yen

# Results Forecasts for the Fiscal Year Ending February 28, 2021

		FY2020	FY2021 (Forecast)
Non-consolidated	Gross profit	58.60 billion yen	55.50 billion yen
	SG&A expenses	50.86 billion yen	50.90 billion yen
	Operating profit	7.73 billion yen	4.60 billion yen
.....			
Consolidated	Operating profit	9.09 billion yen	5.80 billion yen

# III. Dividends and treasury stock acquisition



# Dividend payout

**Dividend policy** Earnings performance-linked dividends

## Method

In principle, the dividends are calculated based on consolidated net income of **previous fiscal year** x 30%  
(changed from FY2017 dividends)

## Dividends per share

(Unit: yen)

	FY2019	FY2020	FY2021 (plan)
Interim dividend	5.50	0.60	5.30
Year-end dividend	5.50	0.60	5.30
Annual dividend	11.00	1.20	10.60



Based on  
consolidated net  
income of FY2020

# Resolution by the Board of Directors of Treasury Stock Acquisition

## Reason for acquisition

Implementation of a flexible capital policy in response to changes in the management environment and improvement of capital efficiency.

## Details on acquisition

(1) Type of shares to be acquired

Common stock

(2) Total number of shares to be acquired

3,000,000 shares (maximum)  
Proportion to the total number of shares issued (excluding treasury stock): 3.0%

(3) Total acquisition price for shares

1,500 million yen (maximum)

(4) Acquisition period

April 15, 2020 – July 14, 2020

(Reference) Ownership of treasury stock as of February 29, 2020

- Total number of shares issued (excluding treasury stock): 101,407,429 shares
- Number of treasury stock: 5,480,571 shares

## IV. Supplementary information on results and financial matters

# [Consolidated / Non-consolidated] Income statement

Consolidated	FY ended Feb 28, 2018		FY ended Feb 28, 2019		FY ended Feb 29, 2020		FY ending Feb 28, 2021			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	276,157	100.0	309,410	100.0	361,684	100.0	338,000	100.0	-23,684	-6.5
Cost of sales	210,252	76.1	244,707	79.1	287,724	79.6	267,200	79.1	-20,524	-7.1
Gross profit	65,905	23.9	64,702	20.9	73,959	20.4	70,800	20.9	-3,159	-4.3
SG&A Expenses	59,126	21.4	61,301	19.8	64,868	17.9	65,000	19.2	131,923	0.2
Operating income	6,779	2.5	3,400	1.1	9,091	2.5	5,800	1.7	-3,291	-36.2
Ordinary income	5,797	2.1	2,072	0.7	6,867	1.9	4,100	1.2	-2,767	-40.3
Income before income taxes and minority interests	5,221	1.9	1,478	0.5	3,917	1.1	3,100	0.9	-817	-20.9
Profit attributable to owners of parent	3,578	1.3	381	0.1	3,545	1.0	2,700	0.8	-845	-23.9

Non-Consolidated	FY ended Feb 28, 2018		FY ended Feb 28, 2019		FY ended Feb 29, 2020		FY ending Feb 28, 2020			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	215,777	100.0	234,618	100.0	258,008	100.0	241,000	100.0	-17,008	-6.6
Cost of sales	160,057	74.2	181,847	77.5	199,406	77.3	185,500	77.0	-13,906	-7.0
Gross profit	55,720	25.8	52,770	22.5	58,602	22.7	55,500	23.0	-3,102	-5.3
SG&A Expenses	48,797	22.6	50,018	21.3	50,867	19.7	50,900	21.1	32,961	0.1
Operating income	6,922	3.2	2,751	1.2	7,735	3.0	4,600	1.9	-3,135	-40.5
Ordinary income	6,851	3.2	2,673	1.1	6,964	2.7	3,800	1.6	-3,164	-45.5
Income before income taxes	6,158	2.9	1,707	0.7	3,457	1.3	2,800	1.2	-657	-19.0
Net income	4,324	2.0	933	0.4	3,500	1.4	2,700	1.1	-800	-22.9

# [Consolidated / Non-consolidated] Income statement (half year)

Consolidated	6 months ended August 31, 2018		6 months ended August 31, 2019		6 months ended August 31, 2020		6 months ending August 31, 2021			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	135,468	100.0	143,937	100.0	179,276	100.0	156,000	100.0	-23,276	-13.0
Cost of sales	103,654	76.5	113,771	79.0	142,478	79.5	122,700	78.7	-19,778	-13.9
Gross profit	31,813	23.5	30,165	21.0	36,797	20.5	33,300	21.3	-3,498	-9.5
SG&A Expenses	29,285	21.6	29,719	20.6	32,173	17.9	32,200	20.6	27	0.1
Operating income	2,528	1.9	445	0.3	4,624	2.6	1,100	0.7	-3,498	-76.2
Ordinary income	2,032	1.5	-106	-	3,634	2.0	250	0.2	-3,385	-93.1
Income before income taxes and minority interests	1,876	1.4	-281	-	3,292	1.8	100	0.1	-3,192	-97.0
Profit attributable to owners of parent	1,121	0.9	-598	-	2,124	1.2	100	0.1	-2,025	-95.3

Non-Consolidated	6 months ended August 31, 2018		6 months ended August 31, 2019		6 months ended August 31, 2020		6 months ending August 31, 2021			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	107,606	100.0	110,589	100.0	129,806	100.0	111,800	100.0	-18,006	-13.9
Cost of sales	80,764	75.1	85,959	77.7	100,099	77.1	85,200	76.2	-14,762	-14.8
Gross profit	26,841	24.9	24,630	22.3	29,706	22.9	26,600	23.8	-3,244	-10.9
SG&A Expenses	24,132	22.4	24,337	22.0	25,424	19.6	25,600	22.9	39	0.2
Operating income	2,709	2.5	293	0.3	4,282	3.3	1,000	0.9	-3,283	76.7
Ordinary income	2,489	2.3	95	0.1	3,721	2.9	600	0.5	-3,121	-83.9
Income before income taxes	2,367	2.2	-162	-	3,397	2.6	450	0.4	-2,947	-86.8
Net Income	1,504	1.4	-391	-	2,253	800	800	0.7	-1,453	-64.5

# Main Reason for Posting of Non-Operating Expenses and Extraordinary Losses for the Fiscal Year Ended February 29, 2020

## Management policy

Decide whether to invest in or withdraw from businesses with an emphasis on capital efficiency and establish a solid foundation for the next growth stage.



(Unit: million yen)

1	Directly managed stores	- Reestablishment of a store network with high capital efficiency	Impairment loss	1,026
		- Application of a stricter closing standard	Loss on closing of stores and loss on retirement of non-current assets	808
2	Systems related	- Review of the introduction of an operational system	Impairment loss	822
3	Overseas business	- Centralization of management resources for overseas business - Reduction of the business operated by an equity method subsidiary in New Zealand	Equity method investment loss	627

Non-operating expenses and extraordinary losses were recorded as temporary costs for improving capital efficiency at stores and concentrating management resources at overseas operations.

# [Consolidated] Balance sheets

(million yen)

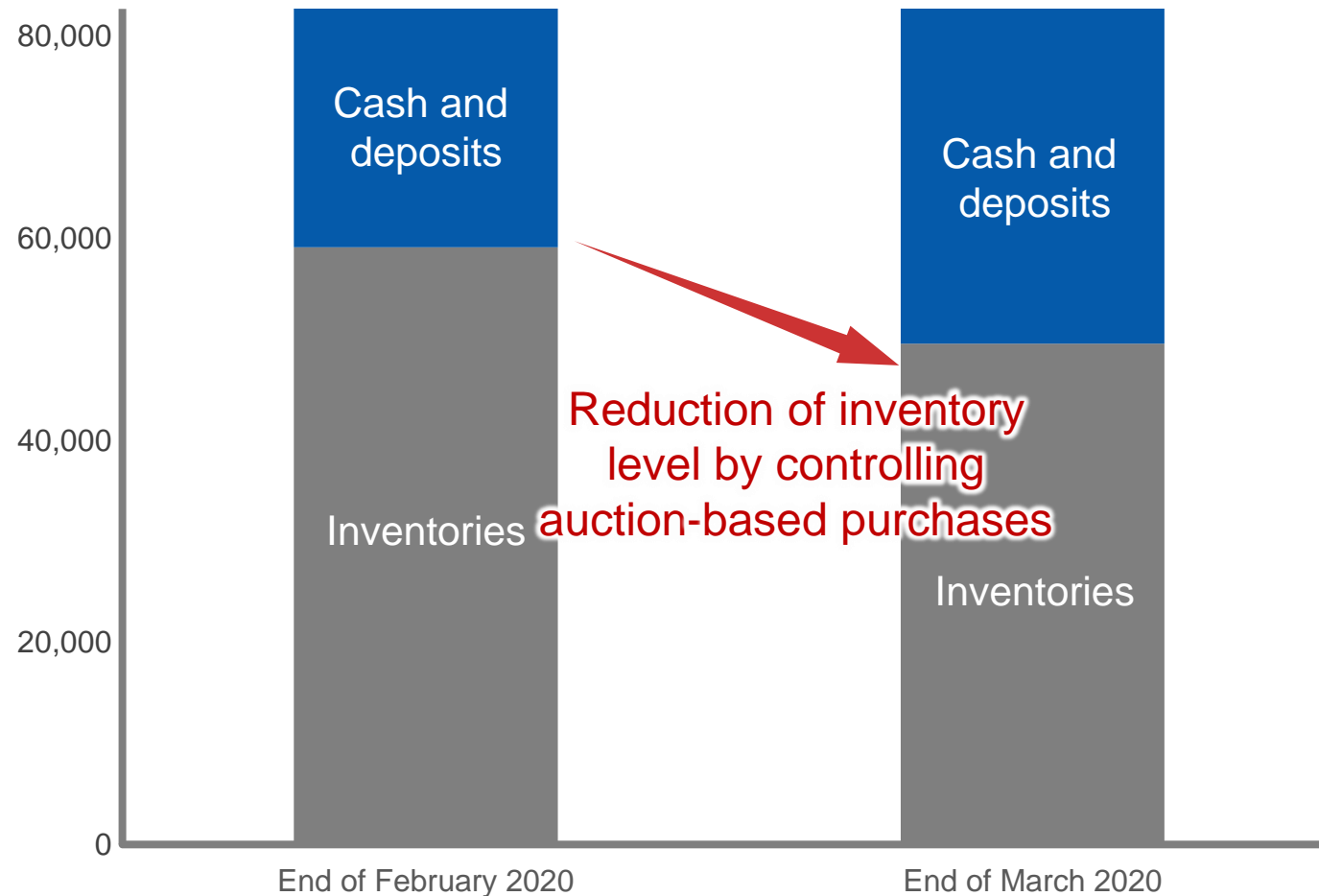
	As of February 28, 2019	As of February 29, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	23,049	37,295
Notes and accounts receivable - trade	6,774	6,715
Merchandise	74,090	79,119
Other	9,043	5,143
Allowance for doubtful accounts	-93	-158
Total current assets	112,865	128,115
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,130	37,000
Accumulated depreciation	-13,141	-14,742
Buildings and structures, net	22,988	22,257
Vehicles	167	256
Accumulated depreciation	-29	-21
Vehicles, net	137	234
Tools, furniture and fixtures	4,333	4,196
Accumulated depreciation	-3,481	-3,487
Tools, furniture and fixtures, net	852	708
Land	218	218
Construction in progress	541	97
Total property, plant and equipment	24,738	23,517
Intangible assets		
Software	2,797	1,877
Goodwill	11,726	10,911
Other	5,330	4,604
Total intangible assets	19,855	17,393
Investments and other assets		
Investment securities	191	152
Shares of subsidiaries and associates	2,261	119
Long-term loans receivable	38	13
Lease and guarantee deposits	6,083	5,938
Construction assistance fund receivables	5,753	5,142
Deferred tax assets	1,438	2,811
Other	741	625
Allowance for doubtful accounts	-116	-48
Total investments and other assets	16,392	14,756
Total non-current assets	60,986	55,667
Total assets	173,851	183,783

	As of February 28, 2019	As of February 28, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	20,026	21,002
Short-term loans payable	9,031	935
Accounts payable - other	3,809	4,034
Current portion of long-term loans payables	12,000	11,079
Income taxes payable	312	1,624
Advances received	11,177	9,773
Deposits received	249	274
Provision for bonuses	820	823
Provision for merchandise warranties	562	662
Other provision	507	544
Other	2,144	5,544
Total current liabilities	60,642	56,299
Non-current liabilities		
Long-term loans payable	68,023	79,824
Long-term guarantee deposited	432	432
Asset retirement obligations	2,279	2,633
Deferred tax liabilities	1,363	1,386
Other provision	561	426
Other	191	193
Total non-current liabilities	72,852	84,897
Total liabilities	133,494	141,196
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,157	4,157
Capital surplus	4,032	4,032
Retained earnings	35,842	38,773
Treasury shares	-3,947	-3,947
Total shareholders' equity	40,084	43,016
Accumulated other comprehensive income		
Foreign currency translation adjustment	-243	-889
Total accumulated other comprehensive income	-243	-889
Stock acquisition rights	3	3
Minority owner shares worth	512	456
Total net assets	40,357	42,586
Total liabilities and net assets	173,851	183,783

# Measures Taken to Mitigate the Impact of the COVID-19 Coronavirus

## Changes in inventories and cash and deposits (non-consolidated)

(Unit: million yen)



With the number of customers visiting stores expected to decline due to the impact of the COVID19 coronavirus, the Company reduced the inventory level by promptly controlling auction-based purchases in March. As a result, cash and deposit increased.



# [Consolidated] Statements of Cash Flows

(million yen)

	FY ended Feb 28, 2018	FY ended Feb 28, 2019	FY ended Feb 29, 2020
I . Cash flows from operating activities	6,989	-19,593	13,757
II . Cash flows from investing activities	-5,315	-11,015	-406
III . Cash flows from financing activities	8,731	30,930	1,142
IV . Effect of exchange rate change on cash and cash equivalents	-19	-114	-184
V . Net increase in cash and cash equivalents	10,387	206	14,308
VI . Cash and cash equivalents at the beginning of period	14,337	22,763	22,970
VII . Increase in cash and cash equivalents from change in consolidation	-1960	-	17
VIII . Cash and cash equivalents at the end of period	22,763	22,970	37,295

## IDOM Inc.

Established: 1994  
Share listing: 1998  
No. of directly managed stores: 480  
No. of franchised stores: 66  
As of 29 February, 2020

## Group companies

### Japan

- [BMW/MINI dealerships]  
Motoren Global  
Motoren Glanz
- Tokyo My Car Sales

### Overseas

- [Western Australia]  
Buick Holdings (DVG)  
IDOM Automotive Essendon
- [New Zealand]  
Gulliver International New Zealand
- [USA]  
Gulliver U.S.A., Gulliver EAST

Retail cars sold at directly  
managed stores by IDOM

**132,988**units

FY2020 results

Total units purchased by  
IDOM Group in Japan\*

**225,658**units

FY2020 results

No. of employees  
(consolidated)

**4,464**

As of 29 February ,2020

\* Total number of vehicles purchased by IDOM's directly managed stores and 100% owned subsidiaries in Japan, excluding franchised stores. It includes purchasing and procurement from corporations and excludes disposal vehicles. Internal transactions within Group are not considered.