

**Translation**

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**Summary of Consolidated Financial Results  
for the Nine Months Ended November 30, 2020  
(Based on Japanese GAAP)**

January 14, 2021

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: January 14, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended November 30, 2020 (from March 1, 2020 to November 30, 2020)

(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	%
Nine months ended November 30, 2020	282,082	3.5	8,616	11.5	7,849	22.0	5,226	45.3
Nine months ended November 30, 2019	272,574	26.1	7,728	172.6	6,432	192.3	3,597	249.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 30, 2020	51.97		–	
Nine months ended November 30, 2019	35.48		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2020	174,846	47,959	26.9	469.29
As of February 29, 2020	183,783	42,586	22.9	415.42

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 29, 2020	–	0.60	–	0.60	1.20
Year ending February 28, 2021	–	5.30	–		
Year ending February 28, 2021 (Forecast)				5.30	10.60

3. Forecast of consolidated financial results for the year ending February 28, 2021 (from March 1, 2020 to February 28, 2021)

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	361,700	0.0	10,100	11.1	8,900	29.6	5,500	55.1	54.73

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2020  
(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 November 30, 2020	106,888,000 shares	As of February 29, 2020	106,888,000 shares
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Number of treasury shares at the end of the period

As of November 30, 2020	6,480,571 shares	As of February 29, 2020	5,480,571 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2020	100,571,065 shares	Nine months ended November 30, 2019	101,407,434 shares
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## 1. Qualitative Information on Quarterly Financial Results

### (1) Analysis of operating results

In the first nine months of the fiscal year under review (March 1, 2020 to November 30, 2020), stay-at-home requests were issued by the central and local governments in April and May in response to the spread of COVID-19 infections, and the number of visitors to the directly managed stores in Japan decreased. After the lifting of the declaration of a state of emergency in late May, however, the number recovered rapidly, and in September, the number of visitors to the directly managed stores returned to normal. In addition, the stores undertook initiatives to increase efficiency, which has been successful. Reflecting those trends, the number of cars sold in retail trade at the directly managed stores stood at 104,830 (up 3.2% year on year).

Meanwhile, the number of cars purchased fell from a year ago due to a sluggish new car market in the first half of the fiscal year, but in the third quarter, recovered to the year-ago level, reflecting a recovery in the new car market.

The Company curbed advertising expenses based on prospects for sales demand that took into account the impact of the COVID-19 infection. Cost control, including travel and transport costs, was also implemented and overall SG&A expenses decreased.

Subsidy income related to COVID-19 infections in Japan and overseas was posted in extraordinary income.

In response to stay-at-home requests and the declaration of a state of emergency issued by the central and local governments due to the spread of COVID-19, the Company reduced its business hours and temporarily closed stores in Japan and Australia. The fixed cost and expenses (SG&A expenses) incurred during the temporary suspension were posted as an extraordinary loss related to the infectious disease. In an effort to improve store efficiency, the Company closed directly managed stores. Consequently, a loss on retirement of non-current assets and a loss on store closings were posted under extraordinary losses.

As a result of the above, the consolidated business results for the first nine months were net sales of 282,082 million yen (up 3.5% year on year), operating profit of 8,616 million yen (up 11.5%), ordinary profit of 7,849 million yen (up 22.0%) and profit attributable to owners of parent of 5,226 million yen (up 45.3%).

Regional segment-specific earnings are as indicated below:

#### I. Japan

The Japan segment resulted in net sales of 216,733 million yen (up 4.2% year on year) and segment income (operating profit) of 7,314 million yen (down 10.4% year on year). Although the number of cars sold in retail trade grew strongly, the number of cars purchased and gross profit per car in wholesale decreased mainly in the first quarter due to the impact of the COVID-19 infection. In the third quarter, the number of cars purchased and gross profit per car in wholesale recovered to the year-ago level.

#### II. Australia

The Australia segment recorded net sales of 63,987 million yen (up 2.4% year on year) and segment income (operating profit) of 1,861 million yen (as compared to a segment loss (operating loss) of 97 million yen in the same period of the previous fiscal year). Personnel expenses that correspond to government subsidies related to the COVID-19 infection are transferred to and posted as a loss related to the infectious disease under extraordinary losses. This was a factor for the profit growth.

## (2) Analysis of financial position

### Assets

Total assets as of the end of the first nine months ended November 30, 2020 were 174,846 million yen (down 4.9% compared to the end of the previous fiscal year).

Current assets totaled 120,319 million yen (down 6.1% from the end of the previous fiscal year) chiefly as a result of a decrease in merchandise (down 9,784 million yen).

Non-current assets decreased 2.0% from the end of the previous fiscal year to 54,527 million yen mainly due to a decrease of 1,169 million yen in buildings and structures.

### Liabilities

Total liabilities as of the end of the first nine months ended November 30, 2020 were 126,887 million yen (down 10.1% compared to the end of the previous fiscal year).

Current liabilities totaled 41,689 million yen (down 25.9% from the end of the previous fiscal year) chiefly as a result of a decrease in the current portion of long-term borrowings (down 10,717 million yen) and a fall in accounts payable - trade (down 4,309 million yen).

Non-current liabilities stood at 85,197 million yen (up 0.4% from the end of the previous fiscal year) due primarily to a rise in deferred tax liabilities (up 91 million yen) and an increase in other provisions (up 71 million yen).

### Net assets

Total net assets as of the end of the first nine months ended November 30, 2020 were 47,959 million yen (up 12.6% compared to the end of the previous fiscal year) due chiefly to an increase in retained earnings (up 4,633 million yen).

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

The Company has revised its consolidated earnings forecasts for the fiscal year ending February 28, 2021, announced on October 14, 2020. For more details, please refer to "Notice on Revision of the Full-Year Forecast" announced today (January 14, 2021).

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

(Millions of yen)

	As of February 29, 2020	As of November 30, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	37,295	42,246
Notes and accounts receivable - trade	6,715	4,408
Merchandise	79,119	69,335
Other	5,143	4,583
Allowance for doubtful accounts	(158)	(256)
<b>Total current assets</b>	<b>128,115</b>	<b>120,319</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	37,000	36,499
Accumulated depreciation	(14,742)	(15,411)
Buildings and structures, net	22,257	21,088
Vehicles	256	190
Accumulated depreciation	(21)	(28)
Vehicles, net	234	161
Tools, furniture and fixtures	4,196	4,244
Accumulated depreciation	(3,487)	(3,554)
Tools, furniture and fixtures, net	708	689
Land	218	218
Construction in progress	97	117
<b>Total property, plant and equipment</b>	<b>23,517</b>	<b>22,275</b>
<b>Intangible assets</b>		
Software	1,877	1,782
Goodwill	10,911	11,036
Other	4,604	4,696
<b>Total intangible assets</b>	<b>17,393</b>	<b>17,516</b>
<b>Investments and other assets</b>		
Investment securities	152	141
Shares of subsidiaries and associates	119	131
Long-term loans receivable	13	13
Leasehold and guarantee deposits	5,938	5,867
Construction assistance fund receivables	5,142	4,731
Deferred tax assets	2,811	3,337
Other	625	556
Allowance for doubtful accounts	(48)	(44)
<b>Total investments and other assets</b>	<b>14,756</b>	<b>14,735</b>
<b>Total non-current assets</b>	<b>55,667</b>	<b>54,527</b>
<b>Total assets</b>	<b>183,783</b>	<b>174,846</b>

(Millions of yen)

	As of February 29, 2020	As of November 30, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	21,002	16,692
Short-term borrowings	935	1,034
Current portion of long-term borrowings	11,079	361
Accounts payable - other	4,034	3,713
Income taxes payable	1,624	1,700
Advances received	9,773	7,388
Deposits received	274	293
Provision for bonuses	823	276
Provision for merchandise warranties	662	739
Other provisions	544	726
Other	5,544	8,761
Total current liabilities	56,299	41,689
Non-current liabilities		
Long-term borrowings	79,824	79,720
Long-term guarantee deposits	432	485
Asset retirement obligations	2,633	2,565
Deferred tax liabilities	1,386	1,477
Other provisions	426	497
Other	193	449
Total non-current liabilities	84,897	85,197
Total liabilities	141,196	126,887
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,157	4,157
Capital surplus	4,032	4,384
Retained earnings	38,773	43,407
Treasury shares	(3,947)	(4,344)
Total shareholders' equity	43,016	47,604
Accumulated other comprehensive income		
Foreign currency translation adjustment	(889)	(484)
Total accumulated other comprehensive income	(889)	(484)
Share acquisition rights	3	3
Non-controlling interests	456	836
Total net assets	42,586	47,959
Total liabilities and net assets	183,783	174,846

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

**Consolidated statements of income (cumulative)**

	(Millions of yen)	
	Nine months ended November 30, 2019	Nine months ended November 30, 2020
Net sales	272,574	282,082
Cost of sales	216,480	227,986
Gross profit	56,093	54,096
Selling, general and administrative expenses	48,364	45,480
Operating profit	7,728	8,616
Non-operating income		
Interest income	34	32
Interest on tax refund	18	–
Foreign exchange gains	–	34
Other	22	49
Total non-operating income	75	116
Non-operating expenses		
Interest expenses	1,024	765
Foreign exchange losses	249	–
Share of loss of entities accounted for using equity method	77	46
Other	21	70
Total non-operating expenses	1,372	882
Ordinary profit	6,432	7,849
Extraordinary income		
Gain on sale of businesses	57	–
Subsidy income	22	1,516
Other	1	7
Total extraordinary income	81	1,523
Extraordinary losses		
Loss on retirement of non-current assets	526	278
Loss on store closings	109	105
Settlement package	140	–
Loss on COVIT19	–	1,598
Other	28	18
Total extraordinary losses	805	2,000
Profit before income taxes	5,708	7,372
Income taxes - current	2,726	2,347
Income taxes - deferred	(621)	(525)
Total income taxes	2,105	1,821
Profit	3,603	5,550
Profit attributable to non-controlling interests	5	324
Profit attributable to owners of parent	3,597	5,226

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

(Millions of yen)

	Nine months ended November 30, 2019	Nine months ended November 30, 2020
Profit	3,603	5,550
Other comprehensive income		
Foreign currency translation adjustment	(661)	536
Share of other comprehensive income of entities accounted for using equity method	53	(92)
Total other comprehensive income	(608)	443
Comprehensive income	2,994	5,994
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,069	5,631
Comprehensive income attributable to non- controlling interests	(75)	362