

IDOM Inc.

**INTEGRATED REPORT
2023**

TSE Prime 7599



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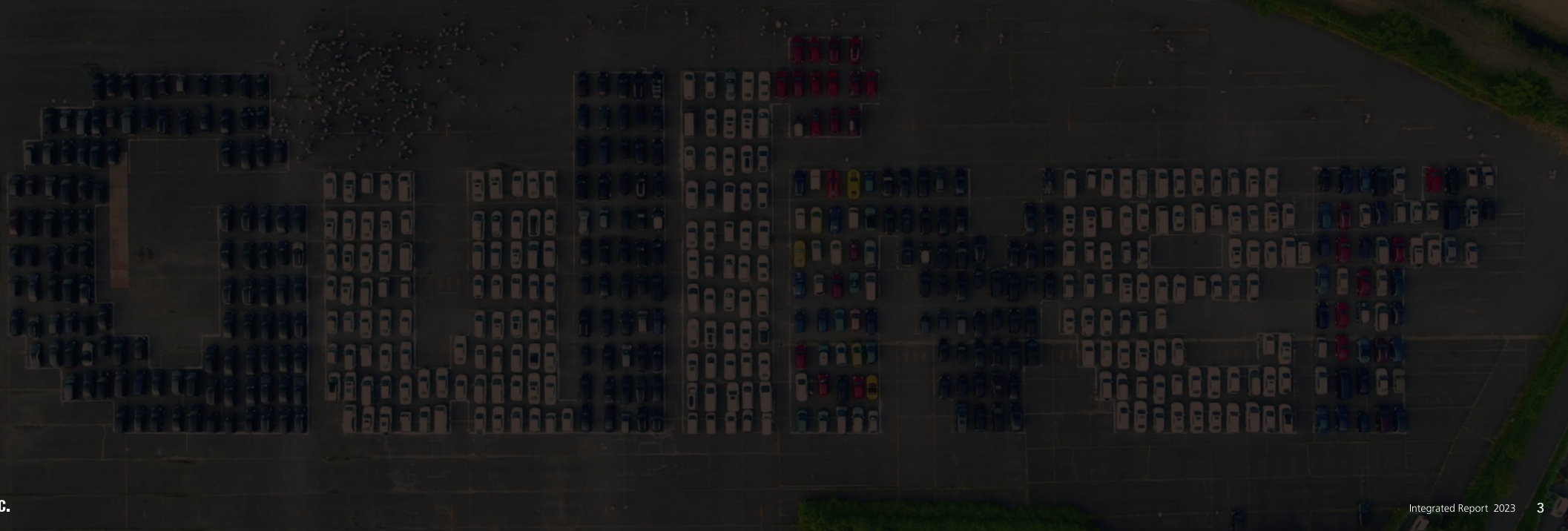
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1

What is IDOM? IDOM Group Profile



What is IDOM?

IDOM's Corporate Philosophy since Its Foundation



What is IDOM?

History of IDOM

Founding—Purchasing and Wholesale Period

**Rapid growth as a used car purchasing specialty store with a unique business model that had never been seen before
Becoming the only hyper growth company in Japan**

In the 1980s, when trade-ins were still the mainstream in the used car industry, IDOM rolled out the unique business model of the used car purchase specialty store. We continued to grow through pioneering initiatives, such as the introduction of an image-based sales system in 1998, which is now the mainstream approach, and in 2004 we became one of only a handful of hyper-growth companies in the world, and the only one in Japan; a title which we still hold today. (A hyper-growth company is one that achieves sales of one billion dollars—around 100 billion yen—within 10 years of its establishment).



The first store with only three employees at the time of foundation (Koriyama, Fukushima)

Listed on the First Section of the TSE in 2003

Opened 500 stores in 1999

Fastest IPO in history at the time in 1998

Founded in 1994

Transition to a Retail Model

As purchase-only stores increased, we shifted to a more profitable retail business model, implementing different retail initiatives including multi-channel operation.

From the 2000s onward, dealers backed by major manufacturers began to participate actively in the used car industry, leading to intensified competition among used vehicle purchasers. IDOM shifted to a more profitable retail business model. Our shift to a retail model can be divided into three phases: the early transition phase, in which we began to engage in retail sales together with wholesale at car purchasing stores, the intermediate transition phase, where we began opening dealerships rather than purchasing stores, and the final transition phase where we engaged in a range of trial retailing initiatives, such as opening dealerships with a multi-channel approach.



We operated a wide range of sales channels in the trial phase.

The Company's name changed to IDOM, Inc. from Gulliver International in 2016

New Retail Model



Release of "Medium-Term Business Plan 2023-2027" in April, 2022

Sale of the Australian business in June, 2022



Kisarazu Kaneda store opened in January, 2023

Reviewing our business portfolio based on experience gained during the transition period, and aiming to make further leaps forward by selecting and concentrating on businesses with high capital efficiency and growth potential, based on our medium-term business plan

We have reviewed our business portfolio and formulated a growth strategy based on experience gained and issues identified through various trials during our transition to a retail model, which will serve as a foothold for future growth—such as confirming the high degree of capital efficiency of large-scale exhibition halls through our multi-channel approach. IDOM has announced its medium-term business plan as a specific plan for achieving further growth. Going forward, we will continue to open large-scale stores and maintenance shops, which are the pillars of our growth strategy, by selecting and concentrating on businesses with higher capital efficiency and growth potential. As our most recent result, in the fiscal year ended February 2023, we overcame factors leading to a decrease in profit—around 5 billion yen due to the sale of our Australian business—to achieve an increase in profits for the fourth consecutive year.

Trend in consolidated operating profit

300

250

200

150

100

50



What is IDOM?

Message from the Presidents



President **Takao Hatori**

IDOM Inc.



President **Yusuke Hatori**

Challenge

A spirit of continuously taking on challenges to revolutionize car distribution

Earning the trust of our customers

Since its founding, IDOM has aimed to achieve continuous growth together with its five stakeholder groups—society, customers, partners, shareholders, and employees—based on its philosophy of "Growing Together" in prosperous coexistence. We have recognized the importance of earning the trust of customers since our founding. We have been working to transform the vehicle distribution and retail sales industry—such as by establishing a vehicle purchasing business model and an Internet-based sales model to overhaul and increase the transparency of automobile sales transactions, which have been regarded as opaque in the past. In recent times, the business environment surrounding the used car distribution industry is constantly changing, as are consumer confidence and the social environment. Through its business, IDOM will tirelessly tackle various issues associated with these changes, free from preconceived notions.

Creation of a recycling-oriented society

At IDOM, we aim to create a recycling-oriented society through our used car business. Cars require a lot of energy and materials in both manufacturing and disposal. By reusing vehicles—which are valuable resources—rather than discarding them, we can not only save resources but also reduce

waste. Through appropriate appraisals and maintenance, we support safe long-term use of vehicles and work to make effective use of resources.

Cars are also an important part of social infrastructure for life and work. Due to the impact of the COVID-19 pandemic, we received many requests from customers for cars that can be used for commuting to and from work, going to hospital, and shopping, etc. On the reverse side, because of economic factors such as soaring resource prices and temporary semiconductor supply shortages, new car prices have risen, making it difficult for customers to purchase them. Although supplies of semiconductors have now recovered, it is quite possible that new car prices will continue to rise due to depletion of resources. Even under such conditions, it is IDOM's mission to continue providing safe and reliable cars at reasonable prices.

IDOM's goal of creating a recycling-oriented society is not just about making effective use of resources. We provide safe vehicles, allowing many people to drive, while making the most of limited resources. To that end, we offer appropriate pricing to enable customers to buy and sell with peace of mind, and provide vehicles, services, and after-sales service that enable them to continue driving safely.

What is IDOM?

Message from the Presidents



Challenge

A spirit of continuously taking on challenges to revolutionize car distribution

Ideas behind the company name IDOM

The company name "IDOM" is derived from the Japanese word "idomu" which means "to challenge" or "to take on," and expresses our desire to share the spirit of continuing to take on challenges—which has remained unchanged since our founding—within the company and to spread it to the outside world.

To realize this ideal, it is necessary to build an environment where everyone can take on challenges.

Two years ago, we introduced the Motivation Cloud, one of our organizational diagnostic tools, and set the Engagement Rating as one of IDOM's important indicators. We conduct organizational diagnostics and actively implement improvement measures to address the issues highlighted by this indicator.

As one of these improvement measures, we have started the Area Employee System. The Area Employee System is an initiative to support employees in working where they want to work. IDOM has 397 stores nationwide, with many employees working in each region. Various employees are transferred around Japan depending on the opening of new stores, hiring or retirement, and career paths. Many employees wish to work in their familiar hometown area, or have become rooted in the communities they are working in and offer to continue work in the same area.

Being able to work where you want to work leads to increased motivation, and we hope that employees who are rooted in their local community will be trusted by their neighbors in the true sense of the word.

By identifying issues and taking effective measures, our Engagement Rating has improved to BBB. We will continue working to improve the working environment so that IDOM employees can continue to take on challenges while satisfying both their physical and spiritual needs.

Expanding our share in the used car market

IDOM is said to be the largest company in the used car market in Japan, but our market share is only around 5%. We believe it is important to

expand our market share by continuing to provide services in line with customer needs and trends.

Resistance to buying used cars is also diminishing, especially among young people, and more customers are choosing used cars.

Based on the pricing know-how we built up during our years of specializing in vehicle purchasing, we have been highly appraised by our customers for providing the true value of used cars. Going forward, we will continue to increase our presence by working to provide used cars that are valuable to our customers.

Formulation of the medium-term management plan

Since 2014, we have pursued a number of initiatives through a process of trial and error, based on our management policy of shifting from a purchase business model to a retail business model.

As part of these efforts, we are opening large-scale stores. By February 2022, we had opened 29 large stores. Driven by these large stores, we achieved record-high retail unit sales and profits at each stage.

These results have assured us that the operation of large stores will permit the steady growth of the retail business. Therefore, in the medium-term business plan formulated in April 2022, we have decided to concentrate management resources on the growth driver of large store development. We have also set targets of 170,000 retail units and operating profits of 21 billion yen by opening 50 more stores in addition to the existing 29 stores, and will continue making steady progress toward achieving them.

Continuing to grow together with stakeholders

Thanks to the support of its stakeholders, IDOM is now in its 30th year. Although there were some difficult times, such as demands for self-restraint on movement due to the COVID-19 pandemic, we have been able to achieve steady growth by transforming our business model and selling our Australian business. We hope that you will look forward to IDOM's continued growth as we work to transform the huge automobile market. Thank you in advance for your continued support.

What is IDOM?

Presidents' Dialogue

In 2008, the brothers Yusuke Hatori and Takao Hatori took over leadership of IDOM from its founder, their father Kenichi Hatori, as joint presidents. This two-president system was unusual, and the first of its kind for a company listed on the Tokyo Stock Exchange. Why did IDOM arrive at this system, and what efforts are being made to maintain appropriate governance? We asked the two presidents.

Q. I think that it is very rare for two brothers to serve as joint presidents. How did you arrive at this system?

A. Yusuke: My brother and I had been working at Gulliver since its founding. We also had experience as store managers, and as we proceeded with discussions in pursuit of our ideal vision for the company, we arrived at the conclusion that the company would be more stable if there were two top executives with the same authority, rather than a president and vice president.

A. Takao: Typically, in companies where problems arise, there are many cases where governance becomes ineffective due to the concentration of authority in one person. Considering such cases, we believe that this system of two presidents who can discuss important issues with each other—while at the same time deciding who is the main person in charge of a particular issue—is a good system for the company.



Takao Hatori

Dialogue

Challenge

Yusuke Hatori

Q. How was this two-president structure decided?

A. Takao: It was decided that we would proceed with a two-president system after several discussions with our father, representative director Kenichi Hatori, and finally after discussions by the Board of Directors. After all, it is a hereditary succession, and I was worried that people would say that we were taking over the company for ourselves. But we eventually arrived at the management style of having two representative directors based on our experience in supporting Gulliver from its initial founding.

Q. What efforts do you make with respect to internal governance aspects, such as the Board of Directors?

A. Yusuke: The Board of Directors is very important. Considering the need for agility in order to proceed with company decision-making, it is difficult to have discussions with a large number of people, and from that perspective, I believe that the Board of Directors should have set functions based on its necessary roles. If there is a time when our business becomes more diversified, we will increase the number of board members according to necessary functions and skills.

What is IDOM?
Presidents' Dialogue

Challenge

Q. One big decision was the decision to sell IDOM's Australian business in 2022. How did you arrive at that decision?

A. Takao: That was a proposal from President Yusuke, but we spent a lot of time discussing it. At the time, the Australian business was growing significantly as a result of successfully injecting our Japanese know-how. However, new car dealers needed licenses, large amounts of funds were required to purchase stock, and large investments



were also needed for the expansion and maintenance of stores. We discussed many times whether we should continue to invest further and grow our Australian business or concentrate our investments on the domestic used car market, which has high efficiency and future growth potential in terms of capital costs. Based on those discussions, we formulated a medium-term management plan to develop large-scale stores in Japan, and decided to withdraw from the Australian business.

A. Yusuke: The starting point for both is what kind of company IDOM should be. Based on the respective roles of Japan and overseas, I believe that we were able to proceed with the discussions on this matter in a very objective manner. By focusing on one side or the other, one asks a question and brings the discussion to the most important point. I believe that this decision was made precisely because of our two-president system.

Q. Finally, please tell us about the future prospects for IDOM.

A. Takao: There is a lot of exciting news coming in the automobile industry at the moment. In addition to EVs, there are various technological developments such as for autonomous driving and safe driving, and many new vehicle models are emerging. I think this is a great opportunity for IDOM to distribute and sell automobiles. We will continue to provide these technologies to



consumers with their current diverse needs, and continue to take on the challenges of matching them with appropriate solutions to satisfy them.

A. Yusuke: Overseas businesses are very sensitive to advanced technologies, and new businesses are starting up right now. To date, we have made good use overseas of the dealership business know-how that we have cultivated in Japan, but we also believe that, by quickly grasping overseas trends, we can further revitalize our domestic business. Looking ahead, we will continue working to grow together with customers around the world, based on the original spirit of IDOM: "Growing Together."

What is IDOM?

Business Model

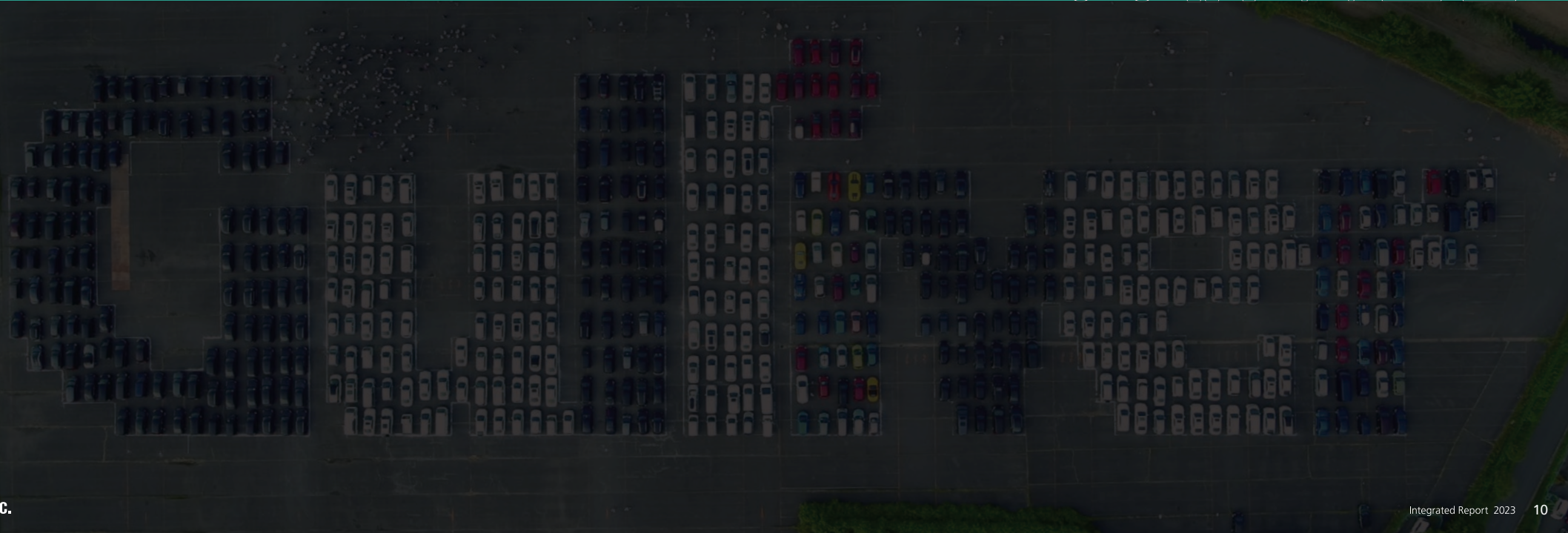
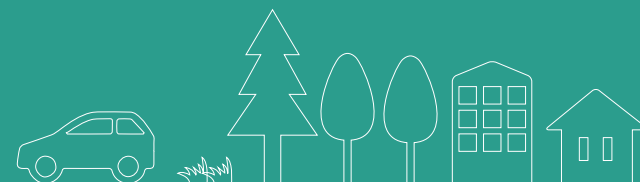
ESG

Data Section

2

Business Model

Business model



Business model

IDOM's Model for Value Creation



Financial Capital

- Products: **84.4** billion yen
- Equity ratio: **36%**

Human Capital

- Number of employees: **3,132**
- **Creating an environment for taking on new challenges**

Social Capital

- Number of store locations: **397**
- **Social contribution activities** such as Gulliver car support

Intellectual Capital

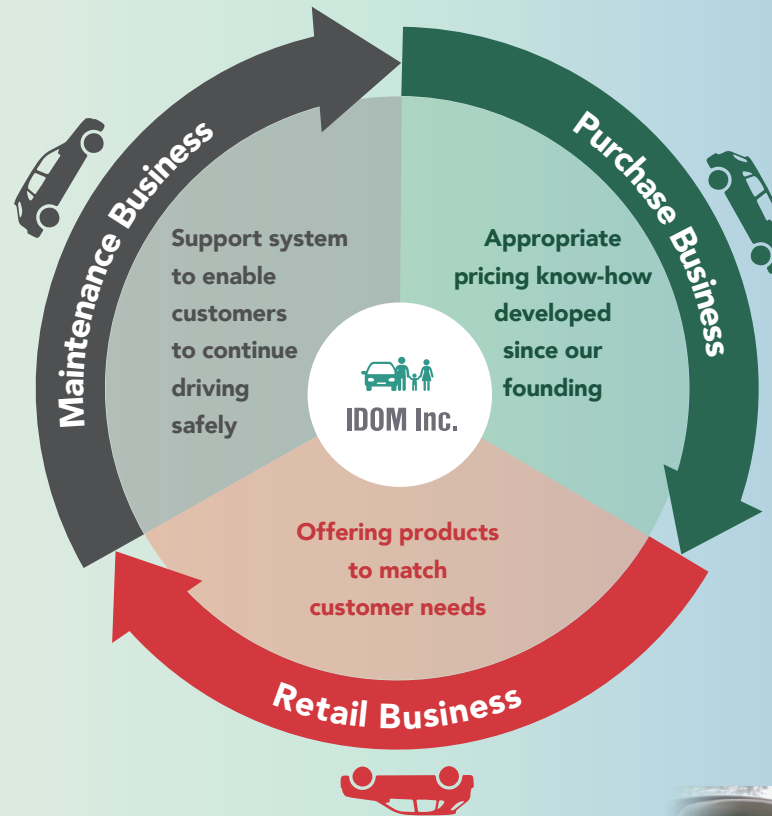
- IT investments (*2): **2** billion yen over five years
- **Pricing know-how** developed since our founding

Manufacturing Capital

- Number of maintenance shops: **14**
- Capital investment: **5.8** billion yen

Natural Capital

- Electric power consumption (*3): **32.08** million kwh
- **SDGs initiatives**



- Sales volume: **247,000** units
- Retail sales: **136,000** units
- Vehicle purchases: **166,000** units
- Operating profit: **18.7** billion yen
- ROIC: **9.9%**
- Motivation Cloud: **BBB**
- **Diversity declaration**
- Cumulative number of customers: **4.6** million
- Development of AI appraisal system
- **Development of Gulliver Auction system**
- CO2 emissions: **15,000** tons
- Used car market share: approx. **5.0%**

Growing Together

Society

Harmonious development with local and international communities

Customers

Providing thrilling experiences to customers

Shareholders

Enhancement of corporate value

Partners

Sound development of the used car industry

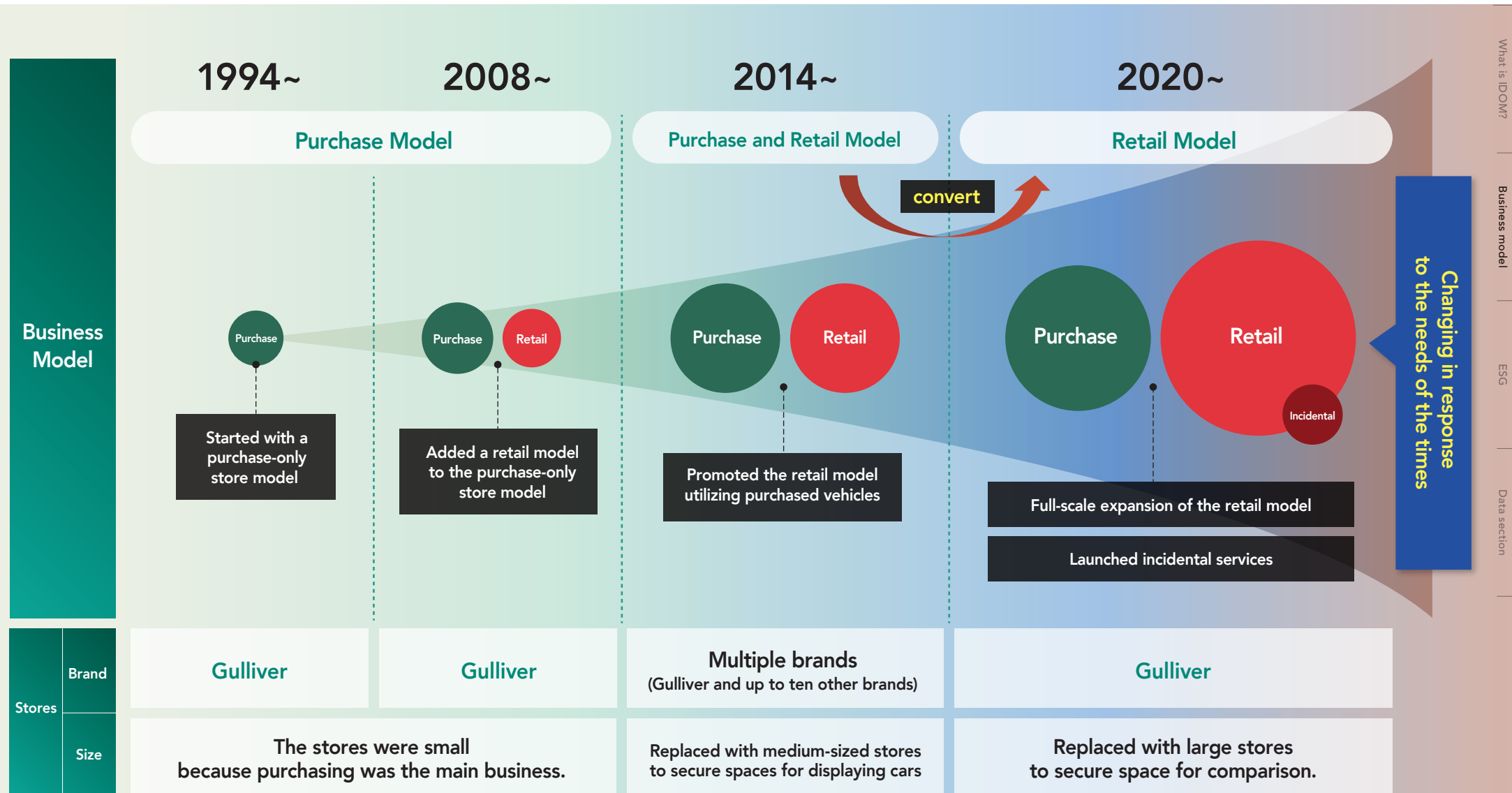
Employees

Creating opportunities for pursuing material and spiritual happiness and achieving self-growth



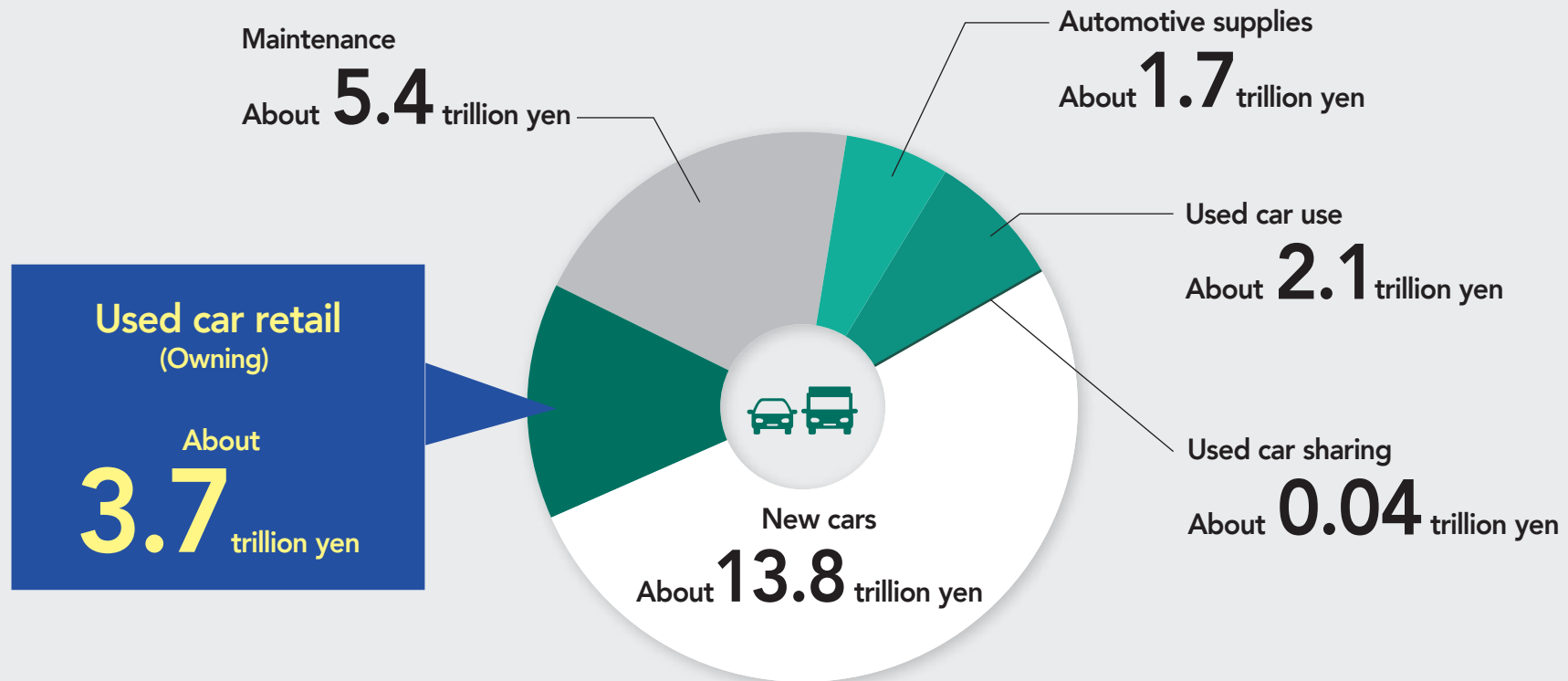
*1 Financial results for the fiscal year ended February 2023
 *2 As of the medium-term business plan
 *3 March 2021 - February 2022 data

Changes in IDOM's Business Models and Store Operations



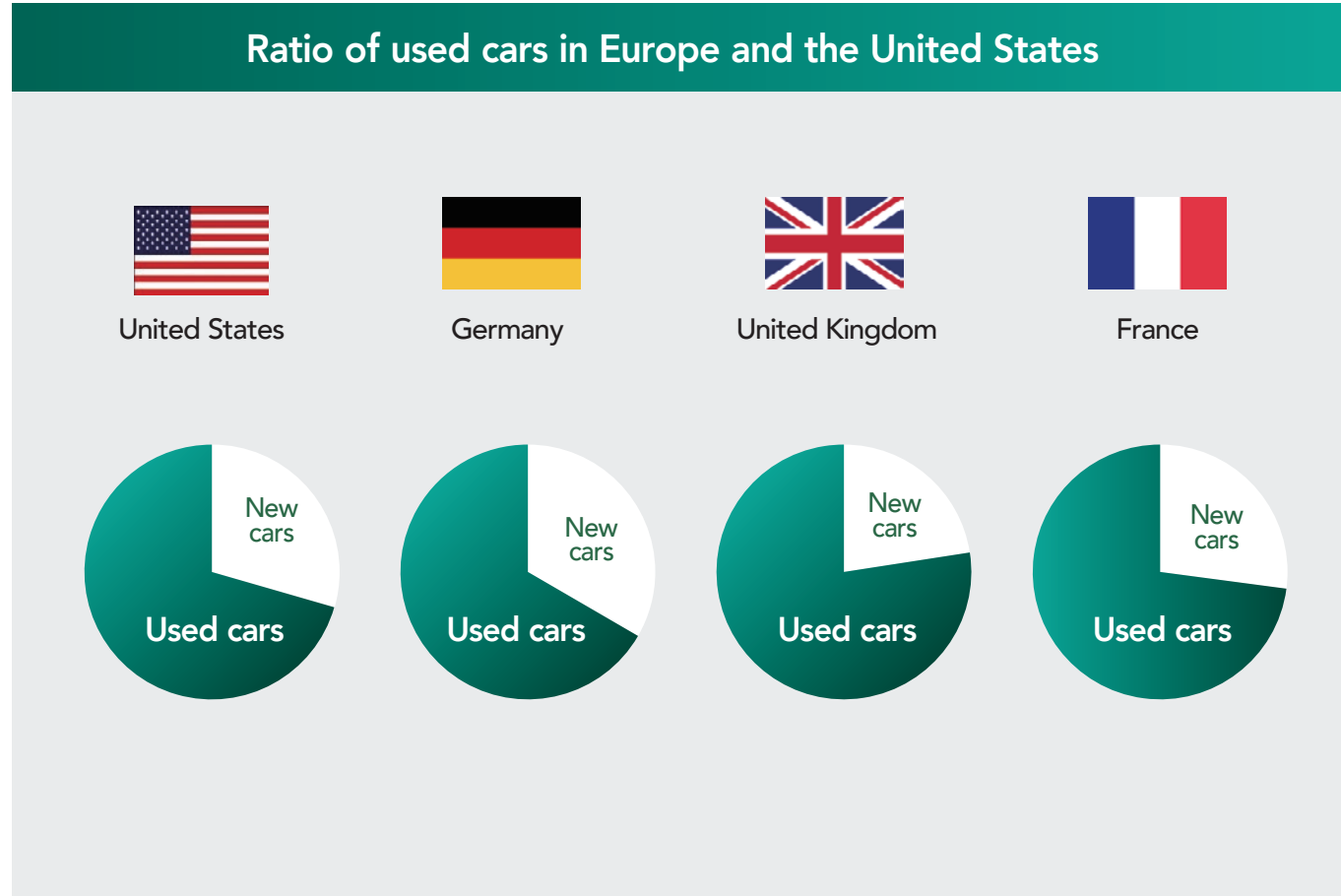
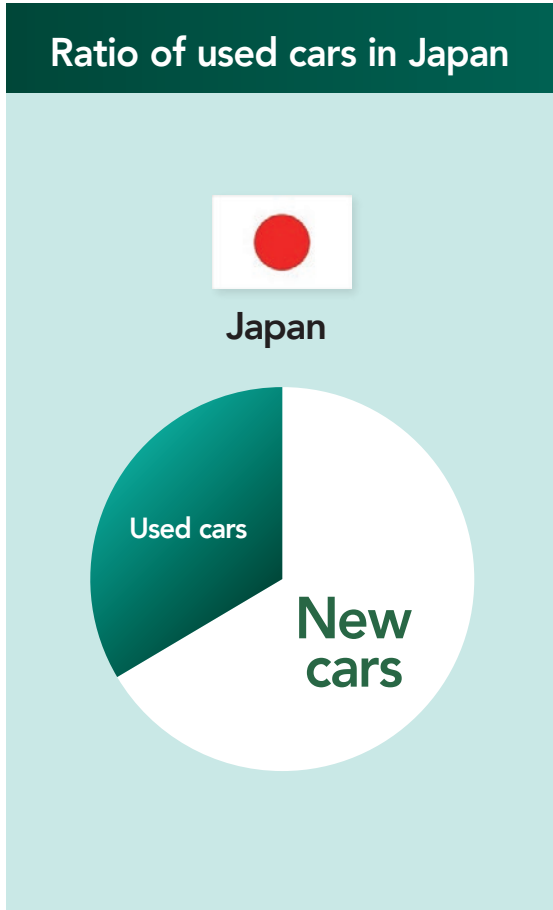
Market Environment Analysis

Automobile-related market in Japan



New cars: Japan Automobile Dealers Association
 Vehicles other than new cars: 2018 overview of automobile aftermarket by Yano Research Institute

Japan's Used Car Market with Much Lower Ratio than Those in Europe and the United States



*1: New cars: 2019 data from Japan Automobile Dealers Association
Used cars: 2020 overview of used car distribution by Yano Research Institute

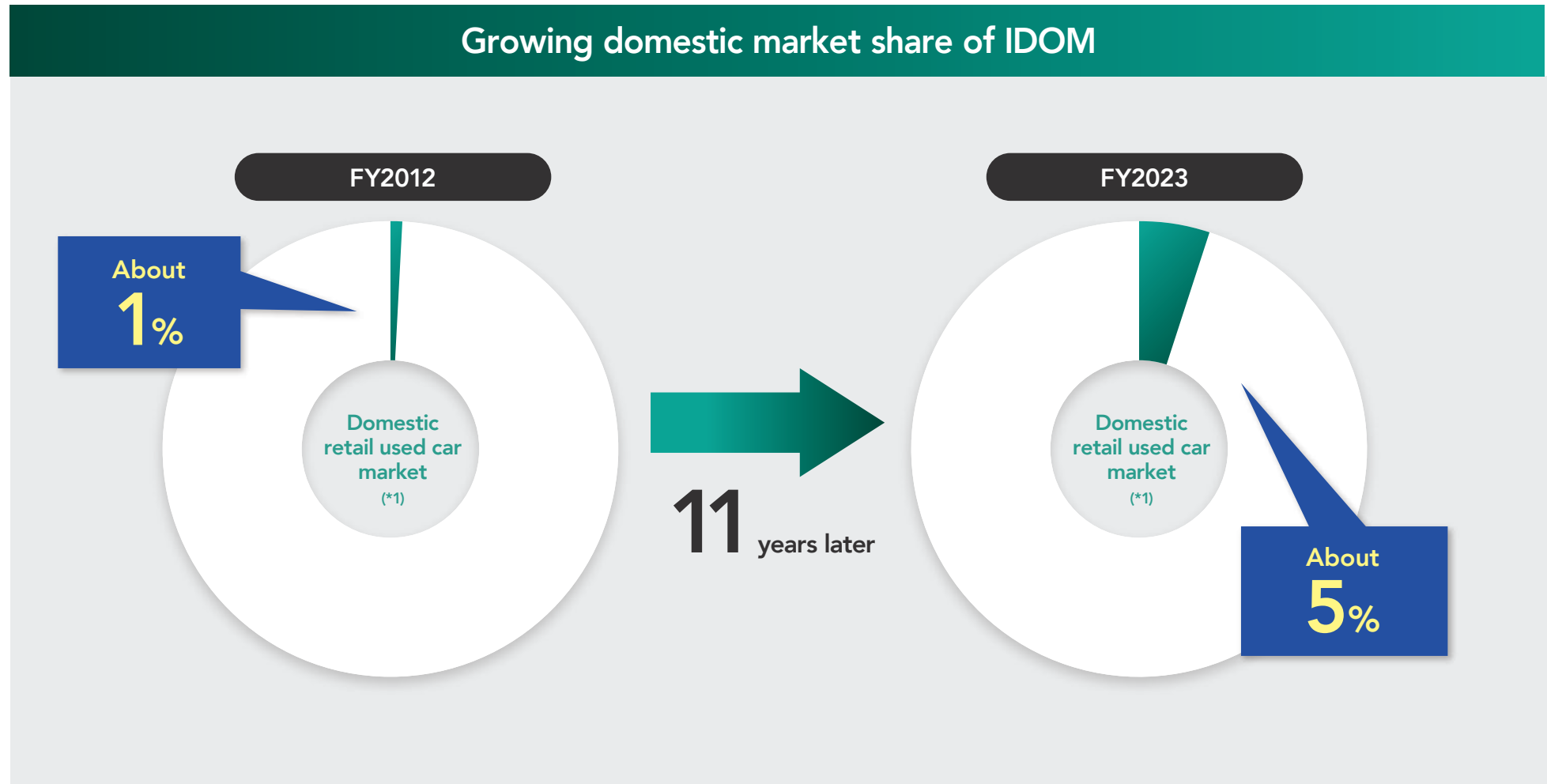
*2: New cars: 2019 MarkLines Automotive Industry Portal
Used cars: edmunds 2019 Used Vehicle Report

*3: 2019 Statistics of Vehicles from Kraftfahrt-Bundesamt (KBA)

*4: 2019 vehicle data from the Society of Motor Manufacturers and Traders (SMMT)

*5: 2017 data on automotive industry in France from Comité des Constructeurs Français d'Automobiles (CCFA)

Used Car Retail Market with a Large Room for Growth of Market Share

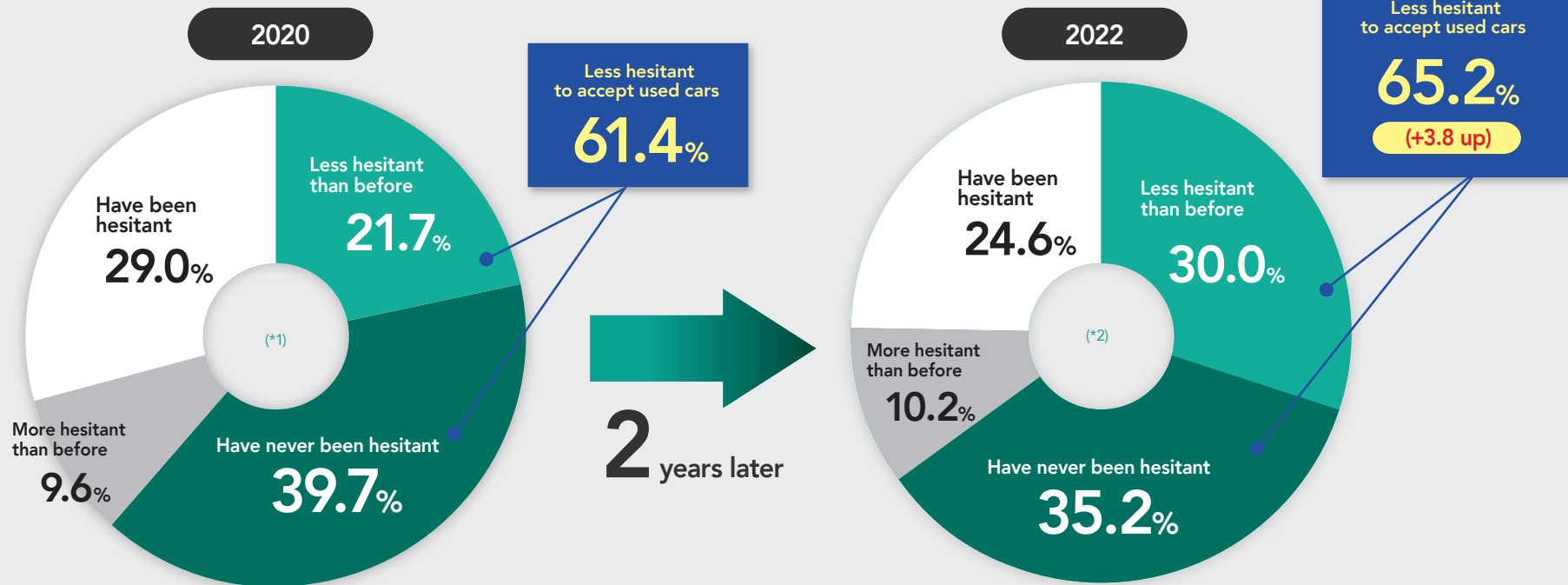


*1: Market share for FY2012 was calculated based on the proportion of IDOM's domestic retail unit sales to the size of the used car retail market in 2008, which was 2.40 million cars (data from Yano Research Institute).

*2: Market share for FY2023 was calculated based on the proportion of IDOM's domestic retail unit sales to the size of the used car retail market in 2019, which was 2.62 million cars (data from Yano Research Institute).

Change in Young People's View of Used Cars

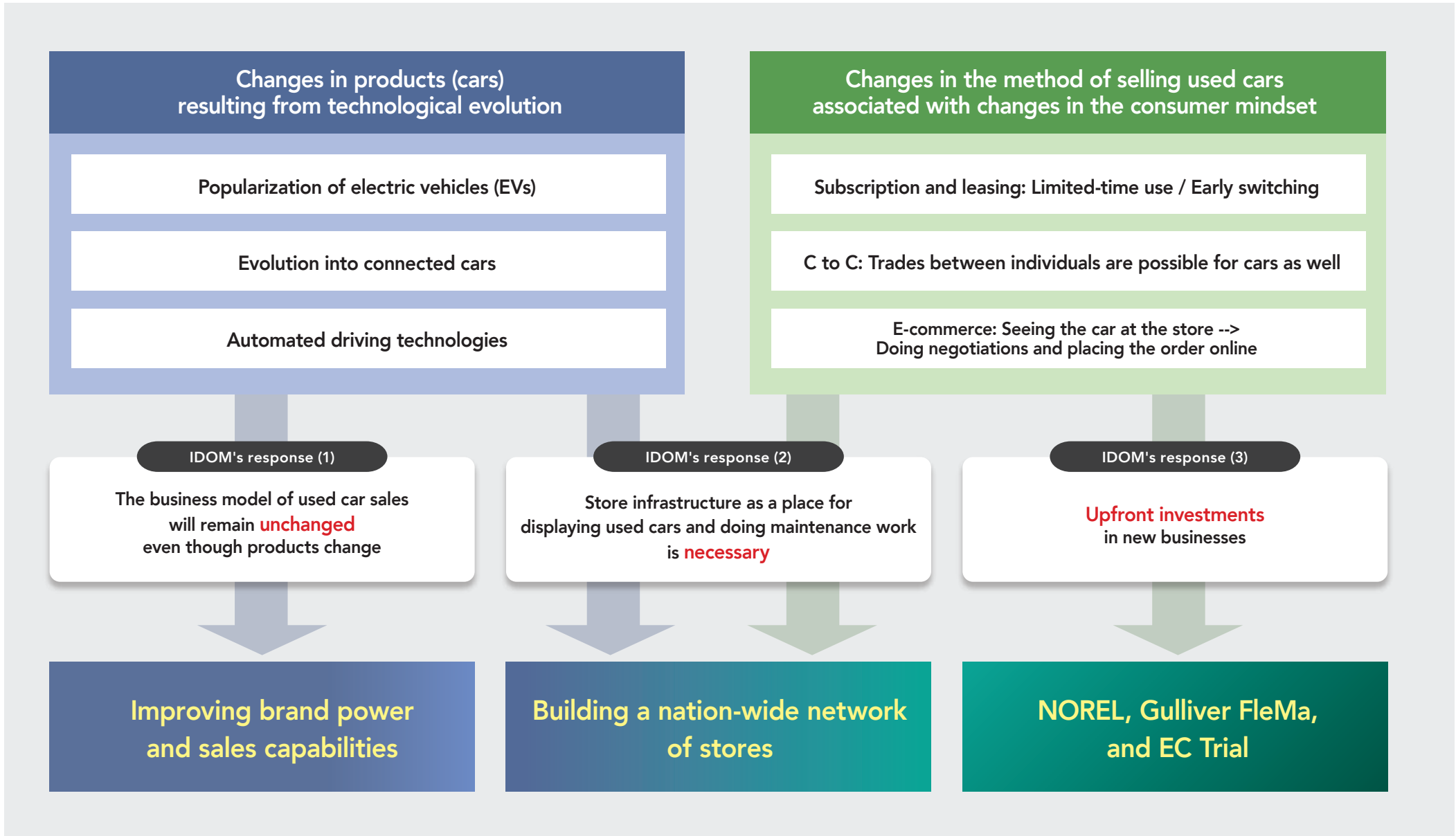
Are you hesitant to accept used cars compared to before (several years ago - up to ten years ago) ?



*1: Result of an online questionnaire conducted in December 2020 (1,000 respondents)

*2: Result of an online questionnaire conducted in March 2022 (1,000 respondents)

Expected Future Changes in the Environment Surrounding the Used Car Industry



Five Competitive Edges of IDOM's Businesses

<p>1. Brand power</p>	<p>Ability to attract customers using the well-known Gulliver brand</p>	<p>Brand recognition surveys (IDOMs own survey and surveys by research companies) Recognition rate of the "Gulliver" brand: 94.9%</p>
<p>2. Number of customers</p>	<p>Number of customers based on the huge number of cars that IDOM has traded since its foundation</p>	<p>(Cumulative total) Number of cars purchased + Number of cars sold: 4.6million cars</p>
<p>3. Sales capabilities</p>	<p>Development and improvement of long-term human resource development plan focused on recruitment of new graduates</p>	<ul style="list-style-type: none"> - Cumulative total retail unit sales: More than 1.2million cars - Enhanced services incidental to retailing
<p>4. IT utilization capabilities</p>	<p>Promotion of DX and shift to AI</p>	<p>Concentrated human resources on the retail business by automating the operation of the purchase business and inventory management</p>
<p>5. Ability to respond to the environment</p>	<p>From purchasing to retailing</p>	<p>Shifted from purchase-oriented business to retail business by responding flexibly to changes in the business environment</p>

Five Competitive Edges of IDOM's Businesses

1. Brand power

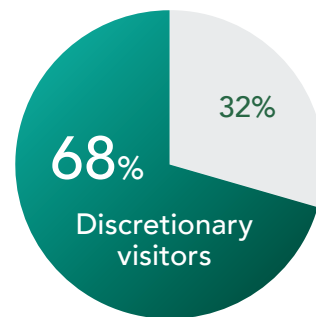
Ability to attract customers using the well-known Gulliver brand

Brand recognition surveys (IDOMs own survey and surveys by research companies)
Recognition rate of the "Gulliver" brand: **94.9%**

Since the time of its founding in 1994, IDOM has opened stores in 47 prefectures across Japan, and has continued to provide services that are in touch with the contemporary needs of customers. Through 30 years of working together with customers, the Gulliver brand has gained widespread recognition. This is one of IDOM's strengths. Thanks to this high level of recognition, IDOM's natural customer attraction rate is now close to 70%, making it possible for us to attract customers without relying on advertising.

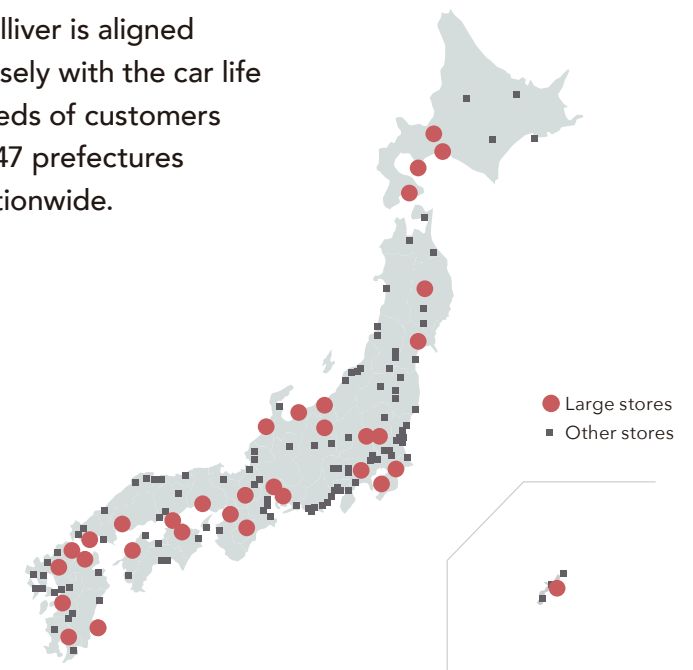
During our transition from a wholesale model to a retail model, we developed multiple channels as part of a trial effort. In the future, though, we will drive brand integration and maximize use of the well-recognized Gulliver brand with the aim of further improving profitability.

Passive attraction of customers using owned media



IDOM stores across the country

Gulliver is aligned closely with the car life needs of customers in 47 prefectures nationwide.



Five Competitive Edges of IDOM's Businesses

2. Number of customers

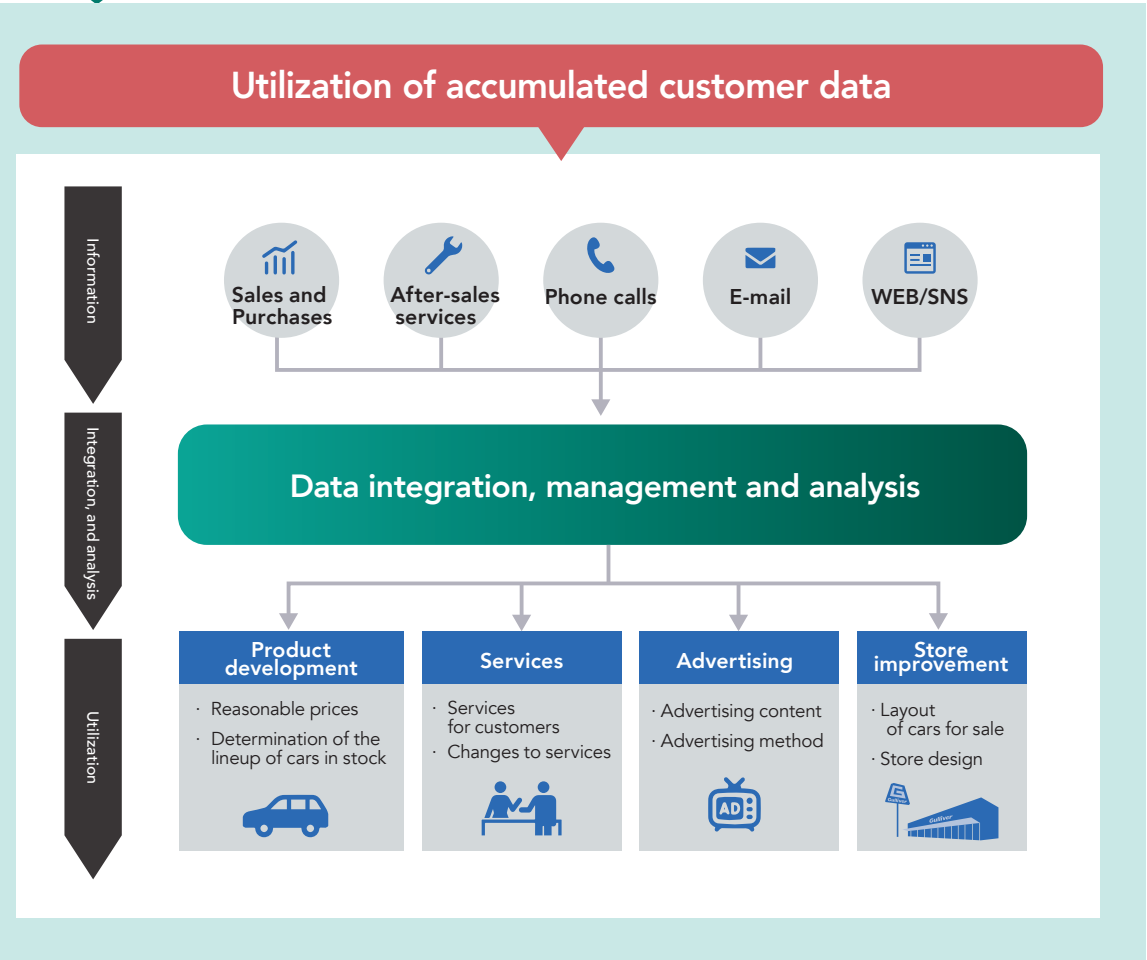
Number of customers based on the huge number of cars that IDOM has traded since its foundation

(Cumulative total)
 Number of cars purchased +
 Number of cars sold : **4.6 million cars**

To stay in touch with the changing needs of customers, IDOM is constantly experimenting through trial and error.

In order to meet a wide range of customer needs, IDOM has flexibly changed its business model together with its customers, through experimenting with multi-channel approaches in the past, and current efforts in developing large-scale stores. Many years of trial and error in working to stay closely in touch with customers has been accumulated as customer feedback and transaction data, and is being utilized to the fullest possible extent.

IDOM will leverage the large amounts of information obtained to develop products, enrich services and better serve customers in a constant effort to increase customer satisfaction.



Five Competitive Edges of IDOM's Businesses

3. Sales capabilities

Development and improvement of long-term human resource development plan focused on recruitment of new graduates

- Cumulative total retail unit sales: More than **1.2 million cars**
- Enhanced services incidental to retailing

Sales = Smart Car Life Planner (SP)

At IDOM, we call salespeople Smart Car Life Planners (SP). This is because we want them to be partners who are in touch with customers' lives and think about their car life together—rather than just buying and selling used cars.

Since an SP's work is close to the customer's car life, we also place importance on CS (Customer Satisfaction) as an indicator of whether the customer was satisfied after the delivery of their vehicle. After delivery, we conduct questionnaire surveys to determine the level of customer satisfaction with the vehicle condition and staff service. We have set up a dedicated CS page on our internal website to constantly monitor the status of CS, and are working continuously to create a culture in which each member of staff can be fully self-aware of their roles as SPs, such as awarding not only stores with top sales performance but also top stores with top-ranking customer satisfaction, through our internal awards system, the IDOM Cup.



Five Competitive Edges of IDOM's Businesses

4. IT utilization capabilities

Promotion of DX and shift to AI

Concentrated human resources on the retail business by automating the operation of the purchase business and inventory management

Since our founding, we have been actively engaged in pioneering initiatives that are ahead of the times, such as adopting an image-based sales system for used car sales. In 2022, we obtained certification under the DX Certification System: a system established by the Japanese government to certify companies that are prepared to promote digital transformation (DX) through a range of initiatives such as the formulation of a management vision and establishment of strategies and systems in line with the basic items of the Digital Governance Code based on the Act on Facilitation of Information Processing.

Currently, we are pursuing a number of initiatives to improve the efficiency of our purchasing business at stores nationwide, such as electronic sales contracts using digital technologies, introducing AI into used vehicle appraisals in the purchase business (AI appraisals), and introducing the in-house auction system Gulliver Auction, made possible by the use of IT. We will continue to engage in active IT investment and digital transformation



Five Competitive Edges of IDOM's Businesses

5. Ability to respond to the environment

From purchasing to retailing

Shifted from purchase-oriented business to retail business by responding flexibly to changes in the business environment

In 1994, when vehicle trade-ins accompanying used car purchases were still the mainstream, IDOM started out as a used car purchase specialty store, and grew rapidly with a unique business model that did not exist at that time. Later, in light of changes in the business environment and customer needs, we shifted from a wholesale purchasing model to a retail model.

We are constantly engaging in new trials to respond to contemporary needs, and continue to take on new challenges without limiting ourselves to our existing businesses, such as the operation of the Gulliver Flea Market, mediating the sale of used cars between individual customers, and the development of the subscription service NOREL, as well as the purchase and sale of used cars at our stores.

With many years of experience, flexibility, and our spirit of engaging in new challenges, IDOM will continue working to offer optimal services in touch with the changing business environment and customer needs.



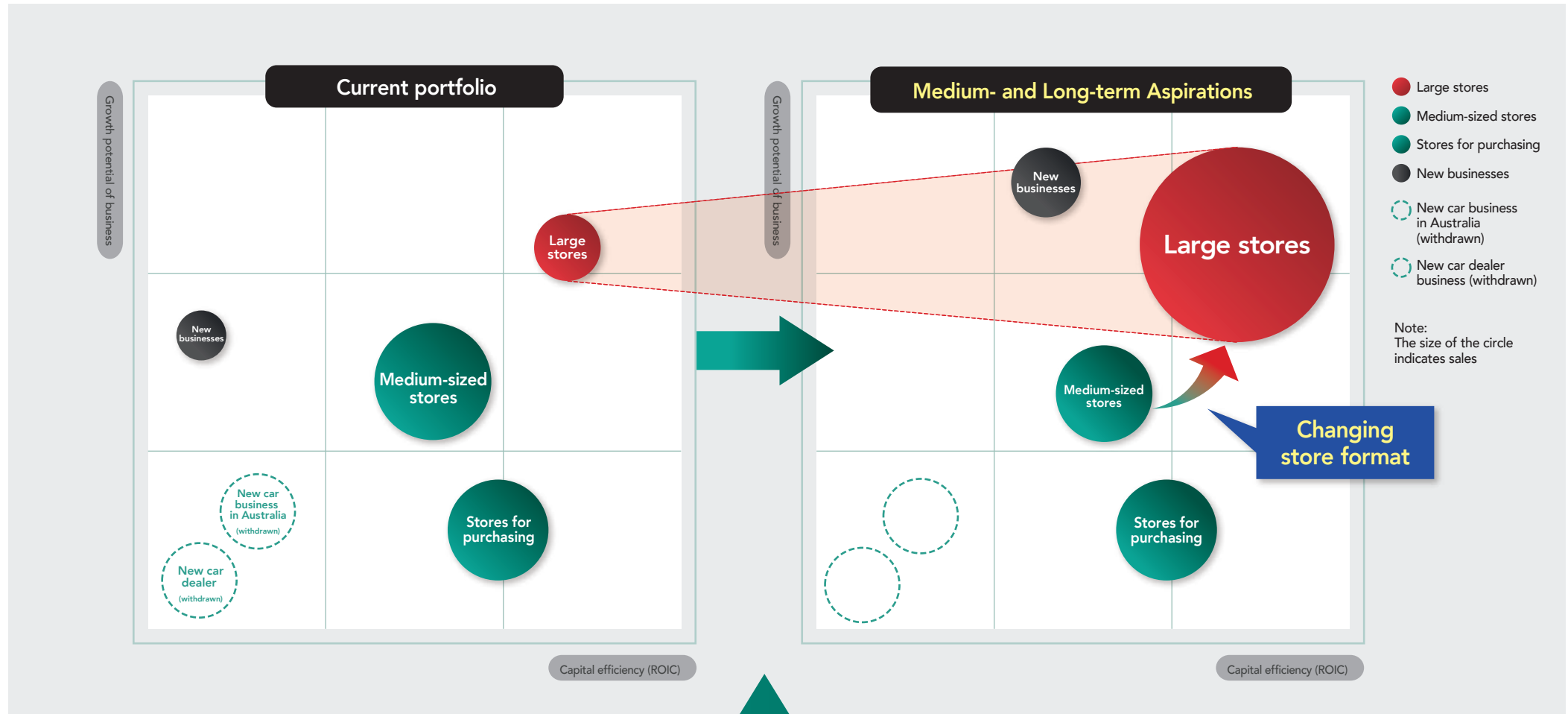
Operation of the Gulliver Flea Market, mediating the sale of used cars between individual customers



Development of the subscription service "NOREL".

Business model

Business Portfolio as a Medium- to Long-Term Goal



What is IDOM?

Business model

ESG

Data section

Medium- and Long-term Aspirations

We will **focus on businesses** with high growth potential and capital efficiency to **redistribute management resources**.
 Moving forward, we will invest intensively in expanding large stores with **high growth potential and capital efficiency**.

Key Management Indicators

		FY2027 Target
1. Retail unit sales at directly managed stores	Increase sales mainly through the opening of large stores.	170 thousand vehicles
2. Operating profit	Steadily increase operating profit	21 billion yen
3. Operating profit margin	Increase margins through the opening of large stores and the improvement of efficiency.	5.0% or higher
4. ROIC	Aim at 10% for the time being while paying attention to capital costs.	10.0% or higher
5. Free cash flows (FCF)	Grow in the medium to long term while clearly recognizing the investment phase and recovery phase.	About 30 billion yen in 5 years

What is IDOM?

Business model

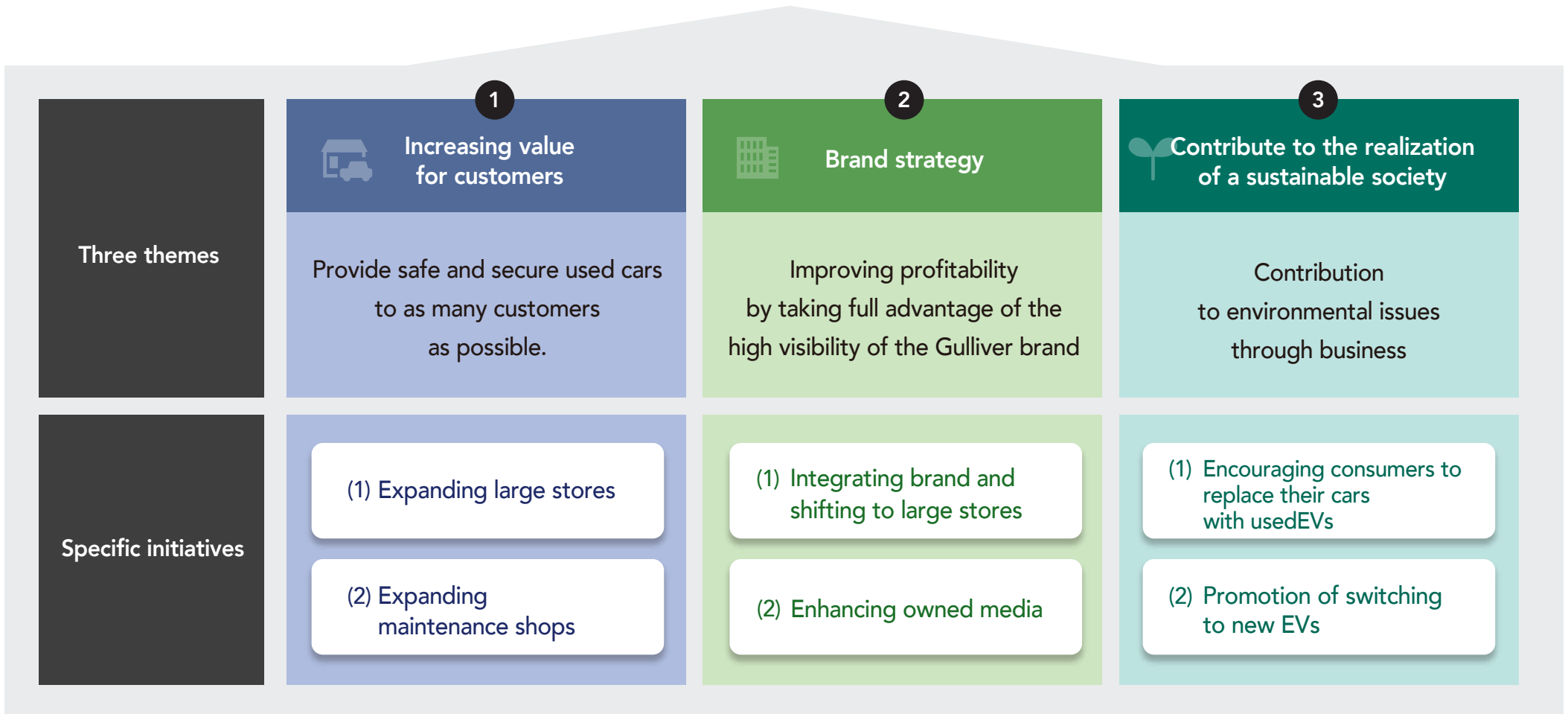
ESG

Data section

Positioning of the Medium-Term Business Plan and Its Three Themes

Position of Medium-Term Business Plan

IDOM aims to **improve asset efficiency** and **facilitate growth simultaneously** with an eye on a mobility-based society in the future



Message from the CFO



CFO **Ryo Nishihata**

In pursuit of continued growth and efficiency in attractive markets

Chief Financial Officer **Ryo Nishihata**

IDOM's history

We were founded in 1994. Our new business specializing in the purchase of used cars grew. We were first listed on the stock market in 1998. In 2006, we moved the focus of the used car sales business from sales to purchases. In recognition of our creation of a new strategy for achieving high customer satisfaction and high revenue, we were awarded a Porter Prize. After that, our operating profit grew to 11.1 billion yen in the fiscal year ended February 28, 2007.

In the used car purchase business, pricing is a decisive factor. Amid the competitors that have entered this market, we launched a retail business. We started a business model of retailing purchased vehicles before wholesaling them. While we tried different store and sales frameworks, there were ups and downs in operating profit.

After overcoming the uncertain business environment during the COVID-19 pandemic that started in 2020, we defined two future growth drivers in April 2021. One is large stores for sales where customers can compare a large number of used cars in person. The other is maintenance shops that guarantee the quality of used cars. On the other hand, we spent several years withdrawing from new car dealer businesses in Japan and in Australia.

The first growth driver, large stores for sales, was so helpful in the improvement of our revenue structure that operating

profit has risen for four consecutive fiscal years from the fiscal year ended February 28, 2019, when the figure hit bottom, to the fiscal year ended February 28, 2023. I believe that maintenance shops, after being certified as designated automobile maintenance facilities, will be another growth driver in terms of maintenance and vehicle inspections in the long run.

Key Management Indicators

When we specified the growth drivers in April 2021, we also announced three management indicators that we would emphasize. They are:

- Operating profit (margin);
- Return on invested capital (ROIC) index in consideration of capital cost; and
- Cash.

As operating profit has risen for four consecutive fiscal years, operating profit margin surged from the 2% level in the fiscal year ended February 29, 2020 to the 4% level in the fiscal year ended in February 28, 2023. We estimate our capital cost ratio at a level in the range of 4-5%. While continuing to invest in large stores for sales and in maintenance shops, we will maintain the ROIC at the 10% level.

Business model

Message from the CFO

Asset compression associated with the sale of the new car dealer business will help improve ROIC. In accordance with the accounting rules, cash flows from operating activities include an increase or decrease in vehicles in stock. Opening of large stores for sales means an increase in vehicles on display and it compresses the cash flow from operating activities. At the pre-inventory stage, we will firmly produce operating profit and control inventories as well as investments in large stores for sales and in maintenance shops in a bid to avoid a negative free cash flow for a second straight year. Since the fiscal year ended February 28, 2021, we have been investing in inventories and in growth drivers. Free cash flow is positive.

Medium-Term Business Plan

In April 2022, we announced a Medium-Term Business Plan to set financial targets for the next five years, specifically for the fiscal year ending February 28, 2027.

- Target operating profit: 21.0 billion yen
- Operating profit margin: 5% or more
- ROIC: 10% or more
- Five-year cumulative total free cash flow: 30.0 billion yen
- Cash allocation

During this Medium-Term Business Plan, we are planning to open 50 large stores for sales. The operating profit target considers the increase in the number of cars that is expected to happen following the opening of these stores. We expect that maintenance shops will have positive effect on profit after they obtain certification as designated automobile maintenance facilities and become ready to perform same-day vehicle inspections.

Incidental services are services other than cars that are matched to customers' needs. Sales in this category include insurance sales and sales of maintenance guarantees. The target is based on the actual sales results of these services at the time of announcement. In the past two years or so, we conducted campaigns, proposed bundles and carried out many different efforts to strengthen incidental services. For the fiscal year ended February 28, 2023, a part of these efforts produced positive results and profit exceeded the level we expected. Operating profit margin goes down when the used car market price rises, and vice versa. Despite these market conditions, we are aiming to keep operating profit margin at 5% or higher.

Regarding ROIC, we will increase profit as a numerator instead of cutting the denominator, invested capital. Thus, our policy is to keep ROIC above 10% while making investing. The free cash flow figure is positive in some years and negative in others. Its five-year cumulative total was a positive 30.0 billion yen.

As for cash allocation for the five years, we will earmark 20.0 billion yen for growth investment and 2.0 billion yen for IT investment. For new business investments, we will continue business development, or exploratory investment, within a certain limit, in preparation for future changes in the environment surrounding the industry. Apart from that, we will pay performance-based dividends and keep the payout ratio at 30%. We will appropriate the remaining funds to debt reduction.



There are four years left before the end of the Medium-Term Business Plan. We will work to win more customers for incidental services that are not mentioned in the initial plan and for vehicle inspection services after maintenance shops are recognized as designated automobile maintenance facilities. In doing this, we will steadily meet the financial targets in the Medium-Term Business Plan.

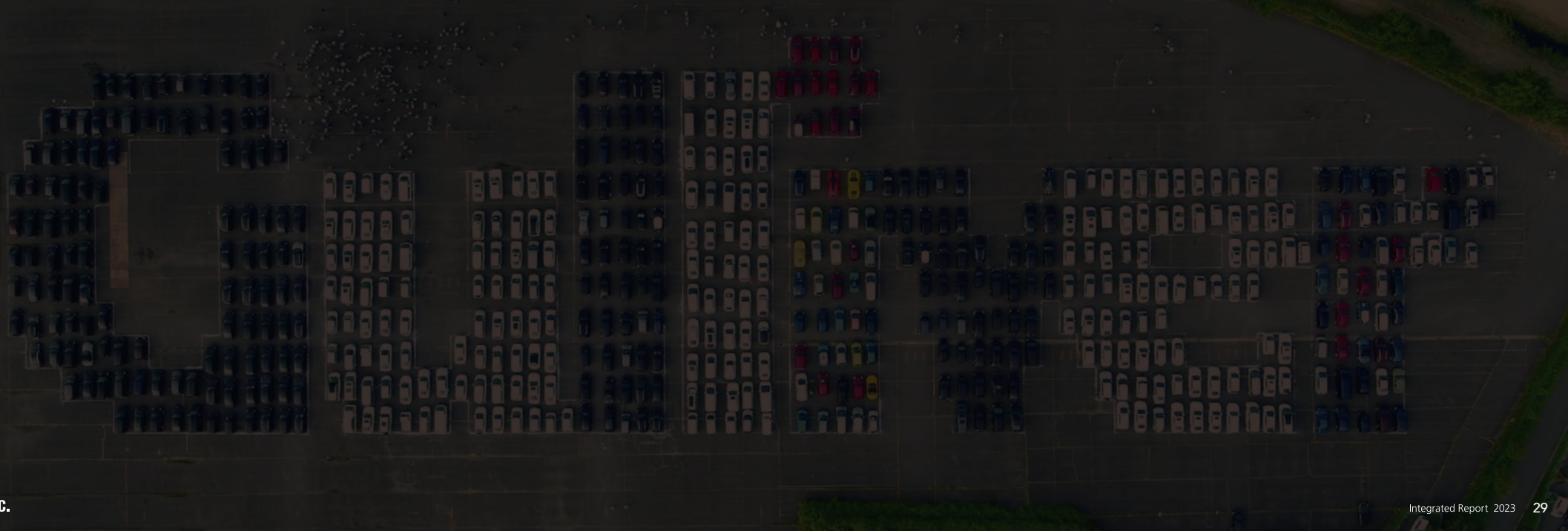
In Conclusion

In used car sales, three leading companies including us have a total market share of approximately 15%. The market is still not oligopolized. And used cars are 30% of all automobiles sold in Japan. This percentage is lower than in other developed countries. In this environment, our large stores for sales enable customers to compare many different used cars and our maintenance shops ensure the quality of the cars. I believe they will continue to serve as growth drivers for us. We intend to work hard to achieve continuous growth.

3

ESG

Environment / Social / Governance



ESG

Message from the Chairperson of the Sustainability Committee

IDOM's business itself has a circulatory form.

The Chairperson of the Sustainability Committee **Masaru Ota**

Creating a recycling-oriented society

IDOM's business operations include the purchase, sale, subscription-based provision and leasing of used cars. The widespread distribution of cars through these business operations contributes to the maximum utilization of cars as resources. The value of IDOM's existence as a company is to encourage the circulation of ownership and circulation of use of cars, and to play a role in the economic cycle in the field of automobiles.

In May 2022, IDOM announced its support for the TCFD recommendations, and is proceeding with the disclosure of information based on them. Based on the results of our domestic business in FY2020 (March 2020 through February 2021), our estimated greenhouse gas (GHG) emissions totaled approximately 13,000 tons for Scope 1 and Scope 2. By introducing LED lighting stores and shifting to paperless operations, we will reduce greenhouse gas emissions from the business itself and expand our retail business in line with the development of large-scale stores equipped with maintenance shops.

In addition to reducing greenhouse gas emissions from our own business, our greatest contribution to the creation of a sustainable society will be to create a society in which cars

are circulated.

The production and disposal of cars involves greenhouse gas emissions. Given that the shorter the period from production to disposal, the greater the greenhouse gas emissions will be, longer use of manufactured cars contributes to reducing emissions.

As I said earlier, cars are part of social infrastructure. As customer needs are prioritized and their life stages—as shown by factors such as income and family structure—change, the most suitable car for a given customer will also continue to change. According to one statistical survey, the average period of use per car is 6.3 years, which is lower than the average useful life of a car, at 13 years. As used car operators, we can extend the period between manufacture and disposal of a single vehicle, ensuring that cars are used for a longer period of time, by multiple drivers.

This is true even with EVs.

Many new EVs—in particular—are expensive, and vehicle types are limited. In the car market, where customer needs are prioritized, it is considered very difficult for everyone to switch to a new EV.

The widespread adoption of EVs is important for achieving carbon neutrality. However, the immediate widespread adoption of these vehicles will be disadvantageous to



The Chairperson of the Sustainability Committee

Masaru Ota

ESG
Message from the Chairperson of the Sustainability Committee

customers. We believe that the purpose of a used car distribution business like ours is to contribute to carbon neutrality while maximizing the use of resources by widely distributing appropriate vehicles at reasonable prices, in line with the needs of each individual customer.

Growing together with our employees

At IDOM, we disclose details of our approach to diversity. This says that we will create an environment in which employees can fully demonstrate their abilities and play an active role, regardless of attributes such as gender, nationality, age, years of service or disabilities.

As the name IDOM suggests, challenge is our key theme. (The Japanese word "idomu" means "to challenge" or "to take on" challenges.) We are working to create an environment where all employees can take on various challenges.

We believe that what is important in creating an environment where employees can take on challenges is the question of how we eliminate the risk of not being able to do so, due to employment at a large company, and due to evaluations or career paths determined by the company.

A typical example of this environment at IDOM is the Challenge Transfer System.

Through the Challenge Transfer System, we are working to create an environment where employees can take on challenges yourself and create their own careers by submitting an application each year outlining where they would like to be transferred and what kind of career path

they wish to take.

Naturally, we are also advancing various initiatives in terms of improving the working environment. In terms of our most recent initiatives, these include the two-day weekly holiday system for all stores, the introduction of the Area Employee System, and the Sakura Project.

To enable our employee to continue taking on challenges, as a company, we believe that it is very important to correct disparities in the two-day weekly system for all our stores, the right to choose where to work with the Area Employee System, the realization of essential diversity with the Sakura Project, and the creation of an environment where people can work with peace of mind.

Giving back to society

As a corporate citizen, we also conduct support activities nationwide for people with concerns about mobility due to natural disasters and social turmoil.

In the past, we have provided reconstruction and recovery support after the 2011 Tohoku earthquake and tsunami, and provided free vehicles to medical professionals as Gulliver Car Support during the COVID-19 pandemic.

In response to an accident in September 2022, in which a three-year-old child was left behind on a kindergarten bus, we cooperated with Octo Corporation, which was one of the first companies to develop safety devices for commuter



buses, and implemented support measures to install monitors free of charge to kindergarten operators throughout Japan. We truly hope that the installation of the initially planned 100 units will be successfully completed, and that such tragic incidents will be reduced.

The circle of support that connects Gulliver stores with local communities is gradually expanding, such as through the disaster response agreement signed with the city of Narashino in Chiba prefecture, which will enable the use of vehicles on display at Gulliver stores in the event of a disaster.

Using IDOM's infrastructure, we would like to continue to do whatever we can to promote the development of a safe and secure environment as much as we can.

Themes of SDGs and Themes IDOM will Address

Related SDGs

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

15 LIFE ON LAND

Themes IDOM will address

Environment (E)

- Contributing to the realization of a **sustainable society** through the used car distribution business (the value of IDOM's existence)
- Driving **paperless operations** (Digitization of sales agreements, reduction of paper resources by sharing meeting materials online, etc.)
- **Switching to LED** for light fixtures at directly operated store locations
- **Promoting the spread of environmentally friendly cars**, including hybrid vehicles and EVs, in response to consumer needs

10 REDUCED INEQUALITIES

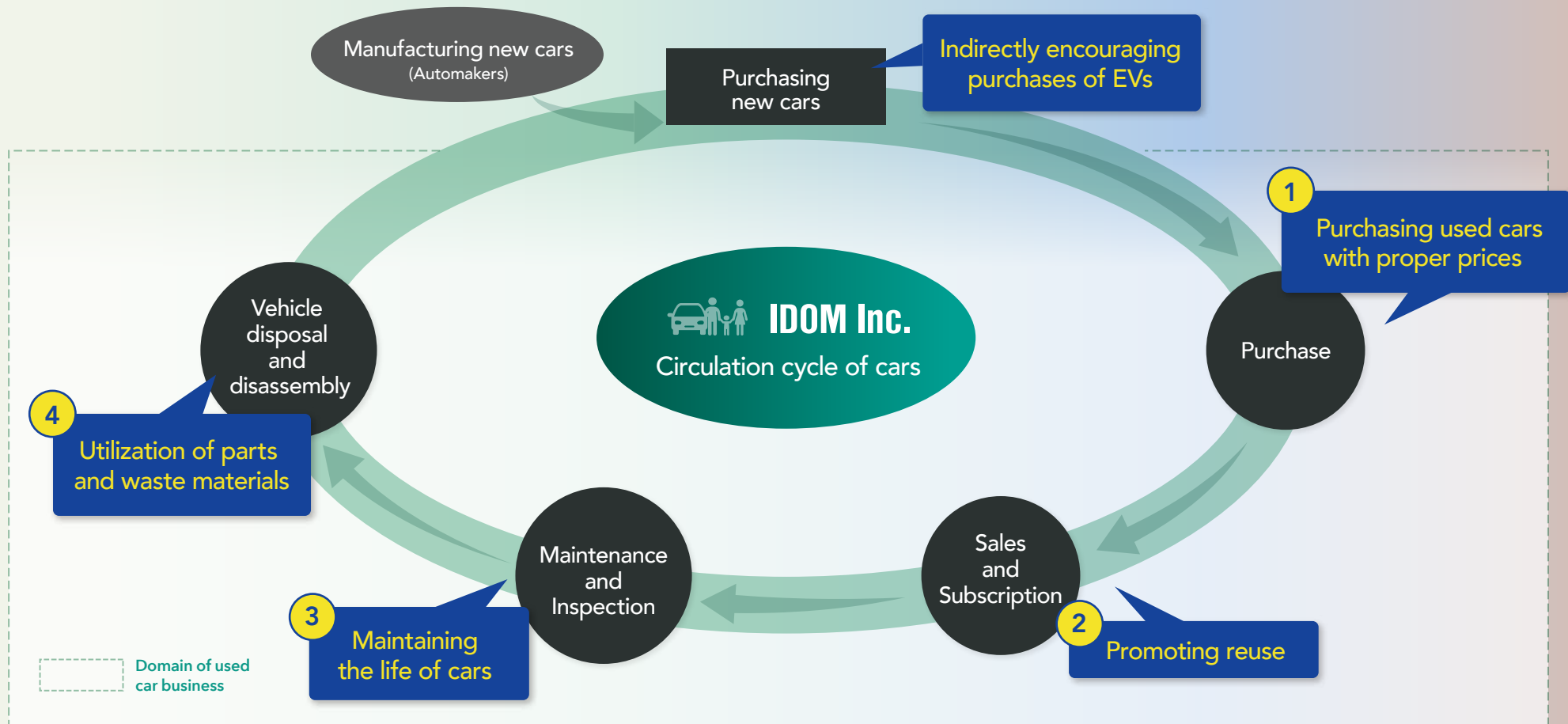
5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Society (S)

- **Ensuring diversity** through consideration for **employee health and healthy working environments** based on the idea of diversity
- **Social Contribution Initiatives** Made Possible Through IDOM' s Business

Circulation Cycle of Used Car Business



What is IDOM? Business model ESG Data section

IDOM circulates used cars to encourage consumers to replace their cars with EVs, thus helping society achieve carbon neutrality.

Sustainable Finance

Borrowing implemented through sustainable finance



Mizuho
Sustainability-Linked
Loan Pro



SDGs
Promotion Loan



Positive Impact
Finance

*Sustainable Finance..... It is interpreted as "finance to realize a sustainable society and planet," a broad concept that includes investments and loans (ESG investment and ESG finance), bond issuance, and various other broad financial services that incorporate various considerations to solve environmental (E), social (S), and governance (G) issues.

Banks and third-party evaluation organizations have evaluated IDOM's used car distribution business as contributing to a recycling-oriented society.

Disclosure in Line with TCFD Recommendations Related to Climate Change

Support for the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations



IDOM has expressed its support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). IDOM considers the problem of climate change to be one of the key issues that affect its businesses.

Based on the TCFD recommendations, it will continue to disclose information regarding governance, risk management, strategies (analysis of risks and opportunities), indices and goals.

[▶ Disclosure under the TCFD](#)

IDOM Sustainability Declaration

Sustainability Declaration

Since it was founded, IDOM has had a corporate philosophy of “Growing Together” , where we aim to grow together with our five key stakeholders: society, customers, employees, partners and shareholders.

Based on this corporate philosophy, we believe that our used car distribution business contributes to a sustainable society and defines the value of IDOM’ s existence as a company.

Going forward, we will continue to boldly tackle the challenges of transforming the used car distribution market and continue to create long term value for all our stakeholders into the future.

Approach to Diversity

Approach to Diversity

IDOM has created an environment where employees can fully demonstrate their abilities and play an active role, regardless of characteristics such as gender, culture, race, religion, sexual orientation, age or disabilities.

We have also established various systems and training for employees to achieve personal growth and self-improvement.

We will continue to respect the human rights of our employees and work actively to create a system that allows employees to attempt various challenges.

We believe that diversity will be achieved by focusing our efforts on improving the environment and developing human resources. For this reason, we have not set numerical diversity targets at this time.



Approach to Diversity and Initiatives

Initiatives to Improve the Environment and Develop Human Resources Based on "Approach to Diversity"

Childcare support

Encouraging employees to take childcare leave regardless of gender

Reduction of working hours

Reducing total working hours through efforts such as increasing the number of public holidays

Supporting women

Operating the Sakura Project to support active roles and empowerment for all female employees (since 2008)

Work style

Creating an environment where employees can make maximum use of their abilities, including telecommuting, by promoting work style reforms

Growth support

Challenge application system that allows employees to apply for transfers for themselves, with the aim of promoting further self-growth

Training system

Theme-specific human resources development training system, with training that varies according to job type, position, and experience

Ability development

Ability development support course, in which employees can participate for the purpose of developing their own abilities

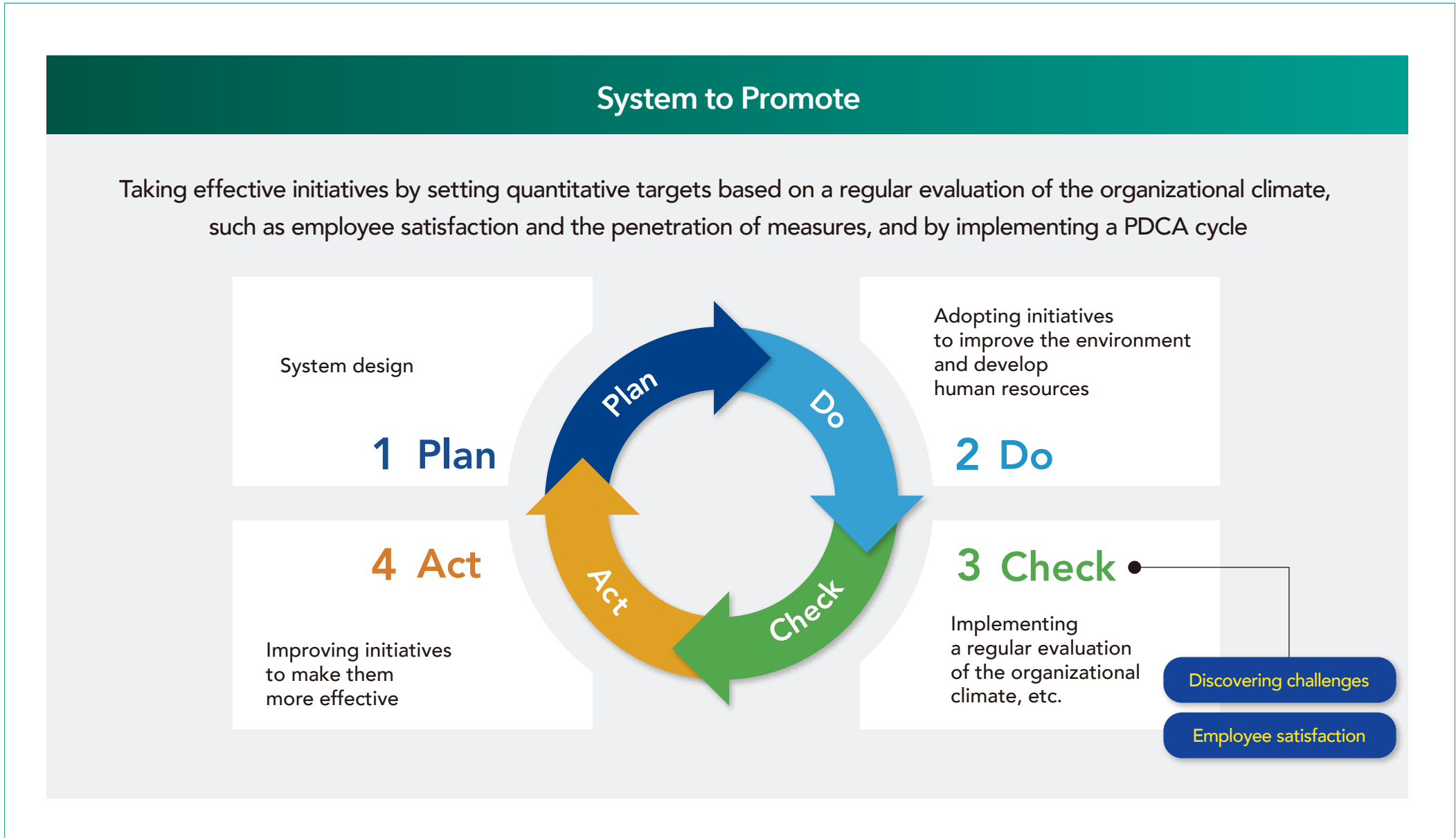
Qualification system

Store manager qualification examination system, for appointment of store managers by qualitative and quantitative evaluation

Management training

Store Pro system, a professional store manager system that challenges managers to engage in store management as business managers

System to Promote Initiatives Based on the Concept of Diversity



ESG Initiatives

External Initiatives

2011

Support for disaster areas and victims

Provided 1,000 used cars when the Tohoku earthquake and tsunami happened

2020

Gulliver Car Support Part 1

When a state of emergency against covid-19 was declared, IDOM provided 10,000 units of used cars free of charge for three months

2022

Gulliver Car Support Part 2

Provided 100 units of safety equipment free of charge for kindergarten buses in response to an accident in which a child was left.

2022

Disaster prevention agreement

Agreement with the Narashino area regarding support by vehicles with power supply facilities in the event of a disaster.

Internal Initiatives

2020

Introduction of Motivation Cloud

Visualizing Employee Engagement

2022

Five- to six-day workweek for all stores

Reduction of disparities in working conditions

2023

Introduced area employee system

Reform the way of working or only nationwide transference

Motivation Cloud

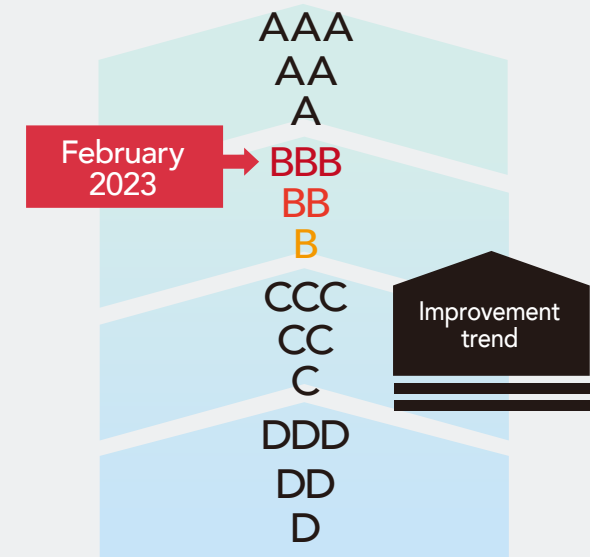
Best Motivation Company 2023



Awarded **7th** place in the Major Companies category for some of IDOM's initiatives

The rating as of February 2023 is **"BBB."**

Rating



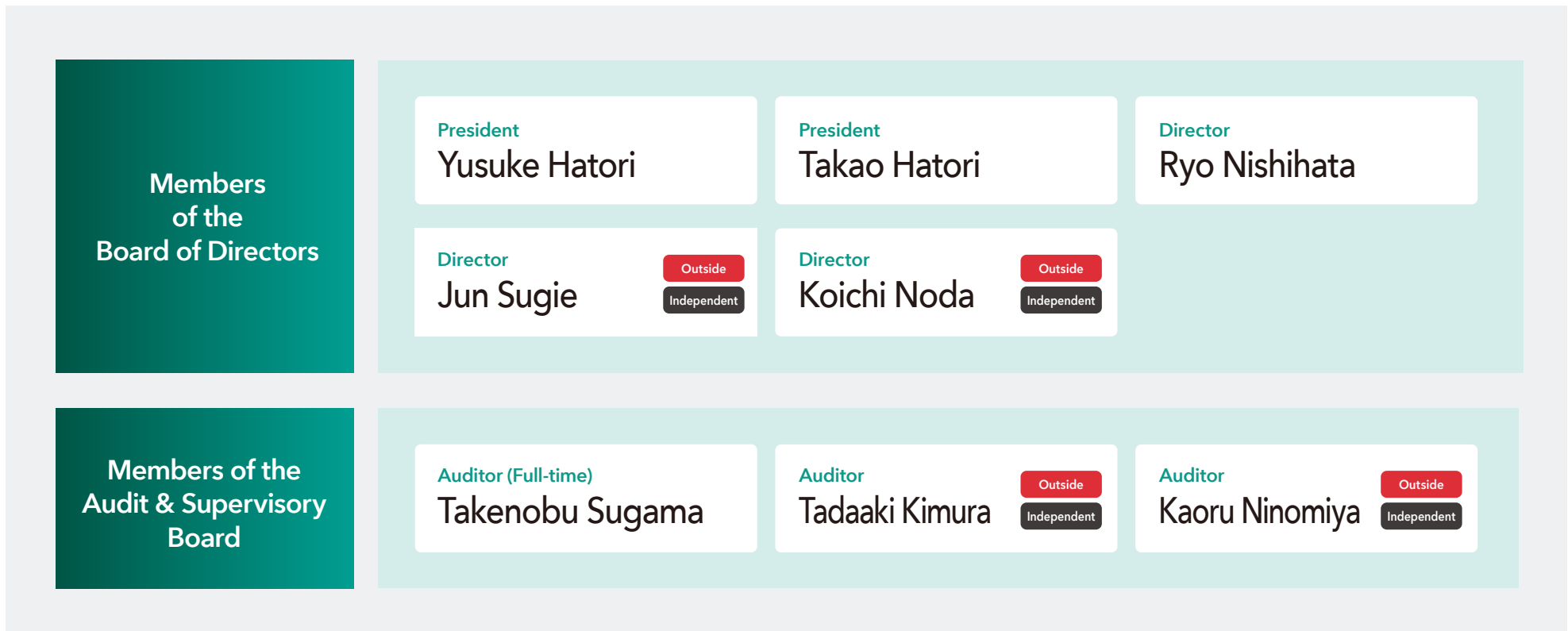
IDOM defines "human capital" as an important resource in our business strategy and introduced the Engagement Score as an indicator of human capital.

IDOM's Governance System

Directors and Executive Officers

A company with an **Audit & Supervisory Board** consisting of five Directors (including two outside directors) and three auditors (including two outside auditors)


The Board of Directors, which has been streamlined through the adoption of an **officer system**, engages in in-depth discussions and quickly makes decisions.



Two-President System


Reason for the two-president system

Enabling representatives to balance each other while also facilitating quick, sound decision-making processes



President

Yusuke Hatori

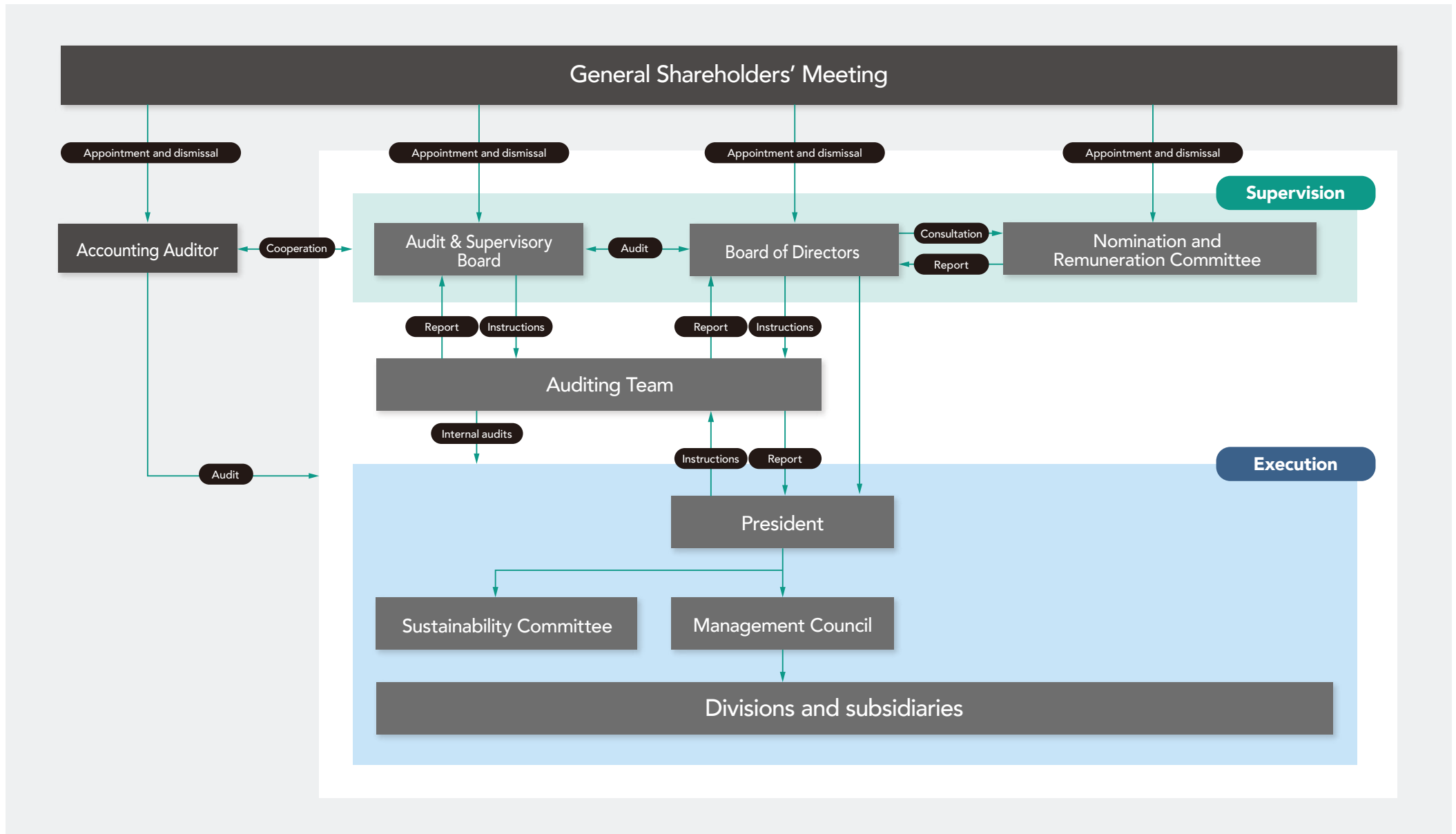



President

Takao Hatori

Important management decisions are made by two presidents through dialectical discussion instead of by a president alone, and by doing so, optimal solutions are achieved. IDOM migrated to the current system in 2008 and will continue to operate under this system going forward.

Corporate Governance Diagram (as of April 14, 2022)



ESG

Directors' Skill Matrix

	Corporate management	Industry insight and marketing	Global experience	Finance and accounting	Sustainability
President Yusuke Hatori	●	●	●		●
President Takao Hatori	●	●		●	●
Director CFO Ryo Nishihata	●		●	●	●
Director Jun Sugie <small>Outside Independent</small>	●			●	●
Director Koichi Noda <small>Outside Independent</small>	●		●		●

Skill	Definition
Corporate management	Experience in corporate management and/or administrative management at listed companies, large-scale corporations or administrative (government) agencies, etc.
Industry insight and marketing	Insight relating to automobile distribution and intimate knowledge of the characteristics of marketing activities
Global experience	Experience leading overseas business operations, or highly international work experience
Finance and accounting	Expertise in finance and accounting
Sustainability	Insight relating to sustainable growth in environmental, social and governance (ESG) issues, etc.

Reason for the selection of skills

IDOM is engaged in automobile distribution operations both in Japan and overseas (in Australia and the United States, etc.)

The Board of Directors believes that it is necessary to gain insight and grasp the characteristics of the automobile distribution industry, and to discuss and supervise medium to long-term business management issues from a global perspective.

The Board also believes that it should discuss and provide supervision to enable the Group to achieve sustainable growth while forecasting future environmental changes and predicting risks and opportunities that may arise in the future. IDOM places an emphasis on the Board of Directors performing such functions, and has selected the skills presented on the left to create a skill matrix for its directors.

Directors, Auditors and Advisers



• Explanation of the Board of Directors and Officers

The number of directors is specified in IDOM's Articles of Incorporation to be no more than five, in order to facilitate prompt decision making. Currently, the Board of Directors consists of a total of five directors, including three directors who have played a central role in IDOM's business operations since the time of its founding, and two outside directors with management experience at other companies. Additionally, with the introduction of an officer system, a certain degree of authority for execution of business has been delegated to executive officers.

Directors are selected for appointment by the Board of Directors, who evaluate candidates based on whether they will contribute to increasing the Company's corporate value while considering the overall balance of experience and knowledge of the Board of Directors. Plenty of opportunities for dialogue with the candidates are provided before their appointment is decided by the board.

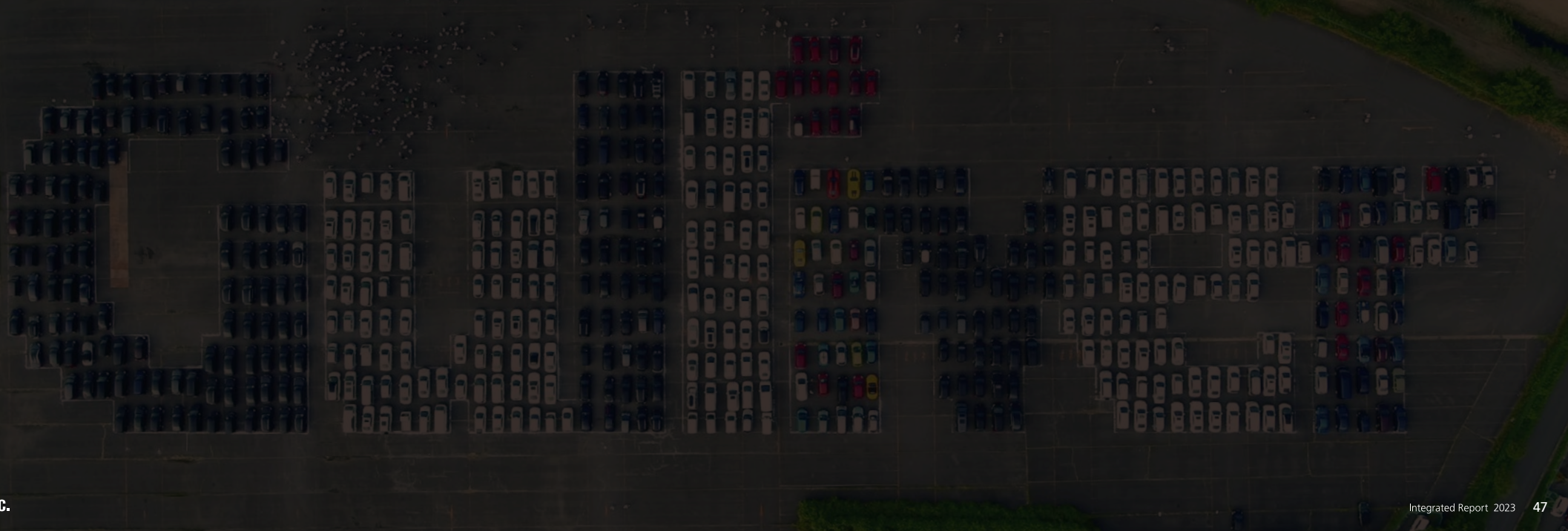
The outside directors frequently exchange opinions from an objective viewpoint with the directors and Audit & Supervisory Board members, and perform their responsibilities as independent outside directors of the Company.

<p>President Yusuke Hatori</p> <p>Internal</p>	<p>Born in 1971. Joined Gulliver in 1995, a year after its foundation. Established several stores, starting with the Sapporo store. After serving as director, executive director, and senior executive director, appointed representative director and president in 2008 with the start of the dual president structure. Currently responsible for corporate strategy and supervises the overseas business, among other operations.</p>
<p>President Takao Hatori</p> <p>Internal</p>	<p>Born in 1972. Joined Gulliver in 1995, a year after its foundation and established the first store in the Kanto area. After serving as director, executive director, and senior executive director, appointed representative director and president in 2008 with the start of the dual president structure. Currently responsible for corporate strategy and supervises all directly managed stores.</p>
<p>Director CFO Ryo Nishihata</p> <p>Internal</p>	<p>Born in 1958. After working at Toa Nenryo Kogyo Co., Ltd.(currently ENEOS Co., Ltd.), joined TERUMO Co., Ltd. and appointed executive officer and CAFO (Chief Accounting & Financial Officer). Joined the Company in March 2020 as CFO (Chief Financial Officer). Appointed director of the Company in 2023.</p>
<p>Director Jun Sugie</p> <p>Outside Independent Director</p>	<p>Born in 1956. Joined the Ministry of Finance and works as chief of the Tokyo Regional Taxation Bureau among other important posts. Appointed director of IDOM in 2017. Currently serves as Vice Chairman and Senior Director of The Investment Trusts Association, Japan and Outside Director of Sumitomo Mitsui Construction Co., Ltd.</p>
<p>Director Koichi Noda</p> <p>Outside Independent Director</p>	<p>Born in 1966. Graduated from Harvard Business School. Works for Rakuten, Inc. as an executive officer, Walmart Japan Holdings as Chief Human Resources Officer and Chief Management Officer, Works Human Intelligence Co., Ltd. as Chief Human Resources Officer (CHRO) and WHI Holdings Co., Ltd as Chief Human Resources Officer (CHRO). Appointed director of the Company in 2018. Currently serves as Executive Officer Chief People Officer of Shiseido Company, Limited.</p>
<p>Auditor(Full-time) Takenobu Sugama</p> <p>Internal</p>	<p>Worked at Mac Projects Co., Ltd. (currently Media Power Co., Ltd.) before joining AKATORI Shopping Department Stores Co., Ltd. (currently AKATORI Co., Ltd.) as Senior Managing Director. Joined the Company in 1996. Appointed an executive officer in 2003. Appointed Auditor (full-time) of the Company in 2021.</p>
<p>Auditor Tadaaki Kimura</p> <p>Outside Independent Director</p>	<p>Currently CEO of adlight Inc. since January 2008 . Registered as a certified public accountant in May 2008. Appointed an Audit & Supervisory Board member of the Company in 2020. Currently serves as Part-time director of KIMURA UNITY CO.,LTD.</p>
<p>Auditor Kaoru Ninomiya</p> <p>Outside Independent Director</p>	<p>Joined in the public relations department of Calbee, Inc. in April 1997. Social Contribution Committee of Calbee, Inc. in April 2021. Appointed an Audit & Supervisory Board member of the Company in 2021.</p>
<p>Honorary Chairman Kenichi Hatori</p>	<p>Founded the Company in 1994. Appointed representative director and chairman of the Company in 2008. Appointed honorary chairman of the Company in 2016.</p>
<p>Adviser Hideo Yamada</p>	<p>12th Commissioner General of the National Police Agency. Appointed advisory of the Company in 2016.</p>

4

Data Section

Data section



Data section

Main Indicators (as of February 28, 2023)

Financials

416.5 billion



Net sales

18.7 billion



Operating profit

9.9 %



ROIC ^{*1}

Retail sales and sales of used cars

136
thousand units



Retail unit sales of used cars ^{*3}

247
thousand units



Number of used cars sold ^{*4}

Number of employees (consolidated)

3,132

Number of stores ^{*2}

397 ^{*2}

Share in the used car retail market ^{*5}

Approx. **5** %

*1: Calculated based on figures in the consolidated financial statements in FY2023 $\text{Operating profit} \times (1 - \text{Effective tax rate}) / (\text{Inventory} + \text{Fixed assets, weighted average of beginning and ending balance})$

*2: Number of directly managed stores excluding ^{*3}: Retail unit sales at IDOM's directly managed stores ^{*4}: Sum of retail unit sales and wholesale unit sales

*5: $(\text{Total retail unit sales at IDOM in FY2023}) / (\text{Retail unit sales of used cars in 2019 estimated by Yano Research Institute, which is 2.62 million cars})$

Principal Financial Data

Consolidated financial results

		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Net sales	million yen	169,398	155,681	210,085	251,516	276,157	309,410	361,684	380,564	459,532	416,514
Gross profit	million yen	36,554	39,075	51,610	61,133	65,859	64,702	73,959	72,810	86,013	74,549
Selling, general and administrative expenses	million yen	29,460	33,750	44,067	56,634	59,080	61,301	64,868	62,239	67,528	55,865
Operating income	million yen	7,094	5,325	7,542	4,498	6,779	3,400	9,091	10,571	18,485	18,684
Ordinary income	million yen	7,201	5,345	6,835	4,160	5,797	2,072	6,867	9,642	17,561	18,146
Profit attributable to owners of parent	million yen	4,360	3,286	4,111	2,247	3,578	381	3,545	1,484	10,794	14,205
Depreciation	million yen	1,354	1,643	2,449	2,964	3,044	2,984	3,140	2,951	2,797	2,581
Net income per share(EPS)	yen	43.01	32.42	40.55	22.17	35.29	3.76	34.97	14.77	107.51	141.48
Net income/equity(ROE)	%	14	9.7	11.5	5.9	9	0.9	8.6	3.4	22	24.5
Ordinary income/total assets (ROA)	%	13.6	9.7	9	4	4.7	1.4	3.8	5.3	9.6	10
Operating income/Net sales	%	4.2	3.4	3.6	1.8	2.5	1.1	2.5	2.8	4	4.5

Principal Financial Data

Consolidated financial position

		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Total assets	million yen	52,779	57,153	94,211	114,047	130,181	173,851	183,783	177,222	189,766	173,293
Net assets	million yen	32,846	34,629	38,245	39,581	41,494	40,357	42,586	45,015	55,709	62,702
Short-term loans payable	million yen	-	4,797	2,124	3,408	1,201	9,031	935	1,117	1,101	-
Long-term loans payable	million yen	4,000	43	22,851	40,774	52,680	68,023	79,824	79,169	67,523	43,000
Equity	million yen	32,841	34,629	37,113	38,641	40,939	39,841	42,126	43,996	54,015	62,086
Equity ratio	%	62.2	60.6	39.4	33.9	31.4	22.9	22.9	24.8	28.5	35.8
Net assets per share(BPS)	yen	323.99	341.49	365.98	381.05	403.71	392.88	415.42	438.18	537.97	618.34

Consolidated cash flows

		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Cash flows from operating activities	million yen	10,061	56	4,121	-4,632	6,989	-19,593	13,757	19,508	8,276	2,275
Cash flows from investing activities	million yen	3,734	-8,540	-17,686	-8,262	-5,315	-11,015	-406	-1,373	-4,500	-166
Cash flows from financing activities	million yen	-5,981	-1,721	17,858	18,092	8,731	30,930	1,142	-12,495	-1,332	-10,634
Cash and cash equivalents at end of period	million yen	14,661	4,863	9,122	14,337	22,763	22,970	37,295	43,179	45,670	37,473

Cash dividends

		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Annual dividends per share*	yen	13	15	12.5	12	7	11	1.2	10.6	4.6	42.5
Dividend payout ratio (Consolidated)	%	30.2	46.3	30.8	54.1	19.8	292.2	3.4	71.8	4.3	30
Ratio of dividends to net assets (Consolidated)	%	4.2	4.5	3.5	3.2	1.8	2.8	0.3	2.5	0.9	7.4

Data section

Consolidated balance sheets

Assets		As of February 28, 2022	As of February 28, 2023
Current assets	Cash and deposits	45,670	37,473
	Notes and accounts receivable - trade	5,620	3,927
	Merchandise	85,363	84,432
	Other	4,907	6,173
	Allowance for doubtful accounts	(416)	(528)
	Total current assets	141,146	131,478
Non-current assets	Property, plant and equipment		
	Buildings and structures	37,102	41,306
	Accumulated depreciation	(16,061)	(16,873)
	Buildings and structures, net	21,040	24,433
	Vehicles	298	236
	Accumulated depreciation	(60)	(148)
	Vehicles, net	238	88
	Tools, furniture and fixtures	4,279	5,077
	Accumulated depreciation	(3,114)	(3,362)
	Tools, furniture and fixtures, net	1,164	1,715
	Land	136	136
	Construction in progress	1,083	67
	Total property, plant and equipment	23,663	26,441
	Intangible assets		
	Software	1,465	1,300
	Goodwill	5,995	86
	Other	4,314	2
	Total intangible assets	11,775	1,389
	Investments and other assets		
Investment securities	20	0	
Shares of subsidiaries and associates	129	29	
Long-term loans receivable	228	76	
Leasehold and guarantee deposits	4,405	5,045	
Construction assistance fund receivables	4,289	3,955	
Deferred tax assets	3,677	4,435	
Other	438	449	
Allowance for doubtful accounts	(8)	(6)	
Total investments and other assets	13,181	13,984	
Total non-current assets	48,620	41,815	
Total assets	189,766	173,293	

Liabilities, Net assets		As of February 28, 2022	As of February 28, 2023
Liabilities	Current liabilities		
	Accounts payable - trade	23,618	4,822
	Short-term borrowings	1,101	-
	Current portion of long-term borrowings	10,000	24,145
	Accounts payable - other	4,713	3,812
	Income taxes payable	3,960	864
	Advances received	9,548	-
	Contract liabilities	-	25,336
	Deposits received	215	309
	Provision for bonuses	1,965	897
	Provision for merchandise warranties	884	-
	Other provisions	1,327	342
	Other	3,750	3,635
	Total current liabilities	61,085	64,165
	Non-current liabilities		
	Long-term borrowings	67,523	43,000
	Long-term guarantee deposits	587	599
	Asset retirement obligations	2,236	2,643
	Deferred tax liabilities	1,535	-
	Other provisions	680	-
Other	407	183	
Total non-current liabilities	72,972	46,426	
Total liabilities	134,057	110,591	
Net assets	Shareholders' equity		
	Share capital	4,157	4,157
	Capital surplus	4,361	5,250
	Retained earnings	49,673	56,738
	Treasury shares	(4,344)	(4,344)
	Total shareholders' equity	53,847	61,801
	Accumulated other comprehensive income		
	Foreign currency translation adjustment	168	284
	Total accumulated other comprehensive income	168	284
	Share acquisition rights	-	147
Non-controlling interests	1,693	468	
Total net assets	55,709	62,702	
Total liabilities and net assets	189,766	173,293	

Data section

Consolidated statements of income

	As of February 28, 2022	As of February 28, 2023
Net sales	459,532	416,514
Cost of sales	373,519	341,964
Gross profit	86,013	74,549
Selling, general and administrative expenses	67,528	55,865
Operating profit	18,485	18,684
Non-operating income		
Interest income	31	107
Subsidy income	54	26
Other	106	67
Total non-operating income	191	202
Non-operating expenses		
Interest expenses	917	571
Foreign exchange losses	72	71
theft loss	11	87
Share of loss of entities accounted for using equity method	92	–
Other	21	9
Total non-operating expenses	1,115	739
Ordinary profit	17,561	18,146
Extraordinary income		
Gain on sale of non-current assets	23	54
Gain on sale of shares of subsidiaries and associates	–	795
Gain on liquidation of subsidiaries	–	19
Subsidy income	5	91
Compensation income	25	–
Other	5	48
Total extraordinary income	59	1,008

	As of February 28, 2022	As of February 28, 2023
Extraordinary losses		
Loss on retirement of non-current assets	378	222
Loss on valuation of investment securities	109	–
Loss on sale of shares of subsidiaries and associates	276	–
Impairment losses	114	103
Loss on store closings	82	–
Loss on COVID19	4	–
Head office relocation expenses	870	–
Other	32	76
Total extraordinary losses	1,870	402
Profit before income taxes	15,750	18,752
Income taxes - current	4,836	2,859
Income taxes - deferred	(516)	1,621
Total income taxes	4,319	4,480
Profit	11,430	14,272
Profit attributable to non-controlling interests	635	67
Profit attributable to owners of parent	10,794	14,205
Profit	11,430	14,272
Other comprehensive income		
Foreign currency translation adjustment	(7)	303
Share of other comprehensive income of entities accounted for using equity method	58	–
Total other comprehensive income	50	303
Comprehensive income	11,481	14,576
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,829	14,321
Comprehensive income attributable to non-controlling interests	651	255

What is IDOM?

Business Model

ESG

Data Section

Data section

Consolidated statements of cash flows

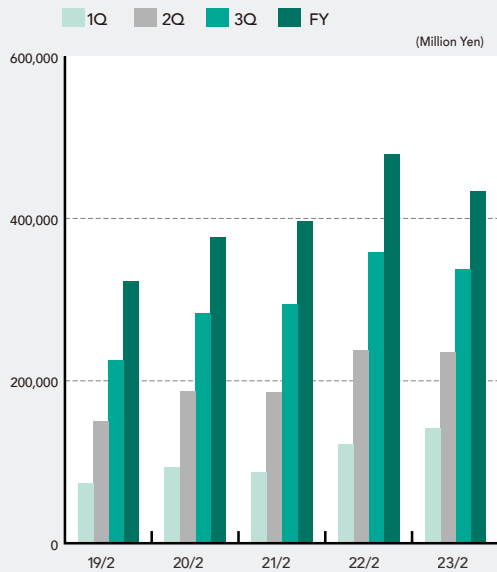
	As of February 28, 2022	As of February 28, 2023
Cash flows from operating activities		
Profit before income taxes	15,750	18,752
Depreciation	2,797	2,581
Amortization of goodwill	454	110
Increase (decrease) in provision for bonuses	858	(1,067)
Increase (decrease) in allowance for doubtful accounts	53	197
yyy	147	(884)
Interest and dividend income	(31)	(107)
Share of loss (profit) of entities accounted for using equity method	92	-
Share-based payment expenses	-	143
Interest expenses	917	571
Foreign exchange losses (gains)	51	576
Subsidy income	(5)	(91)
Loss on retirement of non-current assets	378	222
Loss (gain) on valuation of investment securities	109	-
Loss (gain) on sale of shares of subsidiaries and associates	276	(795)
Impairment losses	114	103
Loss on COVID19	4	-
Loss (gain) on liquidation of subsidiaries	-	(19)
Headquarters relocation cost	870	-
Decrease (increase) in trade receivables	3,083	4,660
Decrease (increase) in inventories	(13,978)	(24,349)
Decrease (increase) in consumption taxes refund receivable	(160)	96
Decrease (increase) in accounts receivable - other	(1,021)	708
Increase (decrease) in accrued consumption taxes	(3,083)	179
Increase (decrease) in trade payables	2,995	1,847
Increase (decrease) in accounts payable - other	306	431
Increase (decrease) in accrued expenses	0	431
Other, net	1,157	3,009
Subtotal	12,141	7,309
Interest and dividends received	31	107
Interest paid	(915)	(571)
Income taxes paid	(2,980)	(4,661)
Subsidies received	5	91
Payments for loss on COVID-19	(4)	-
Net cash provided by (used in) operating activities	8,276	2,275

	As of February 28, 2022	As of February 28, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,961)	(5,441)
Proceeds from sale of property, plant and equipment	154	85
Purchase of intangible assets	(463)	(402)
Payments for asset retirement obligations	(681)	(29)
Loan advances	(206)	(2,910)
Proceeds from collection of loans receivable	200	138
Payments of leasehold and guarantee deposits	(277)	(834)
Proceeds from refund of leasehold and guarantee deposits	1,350	196
Payments of construction assistance fund receivables	(209)	(115)
Proceeds from collection of construction assistance fund receivables	534	450
Purchase of shares of subsidiaries and associates	(8)	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	71	8,597
Proceeds from liquidation of subsidiaries	-	119
Other, net	(2)	(21)
Net cash provided by (used in) investing activities	(4,500)	(166)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,285	-
Proceeds from long-term borrowings	82	-
Repayments of long-term borrowings	(1,932)	(10,169)
Purchase of treasury shares	0	0
Proceeds from issuance of share acquisition rights	-	3
ppp	(768)	(1,856)
Proceeds from share issuance to non-controlling shareholders	-	1,387
Net cash provided by (used in) financing activities	(1,332)	(10,634)
Effect of exchange rate change on cash and cash equivalents	31	328
Net increase (decrease) in cash and cash equivalents	2,474	(8,196)
Cash and cash equivalents at beginning of period	43,179	45,670
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	16	-
Cash and cash equivalents at end of period	45,670	37,473

Financial, Non-Financial Highlights

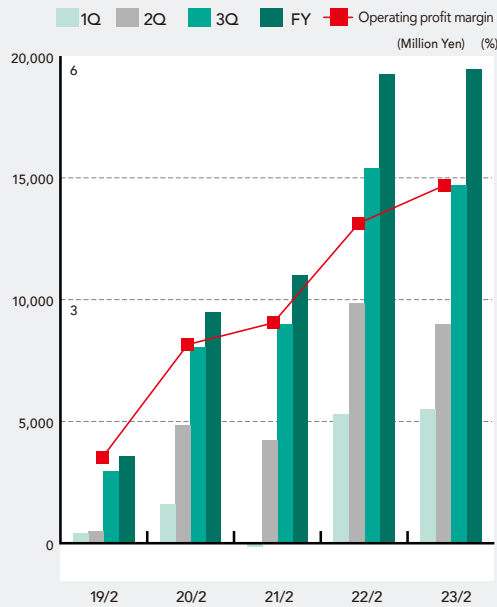
Financial Highlights

Trend in net sales



	19/2	20/2	21/2	22/2	23/2
FY	309,410	361,684	380,564	459,532	416,514
3Q	216,134	272,574	282,082	344,620	324,248
2Q	143,937	179,276	178,109	227,775	225,478
1Q	71,411	90,206	83,724	117,013	135,601

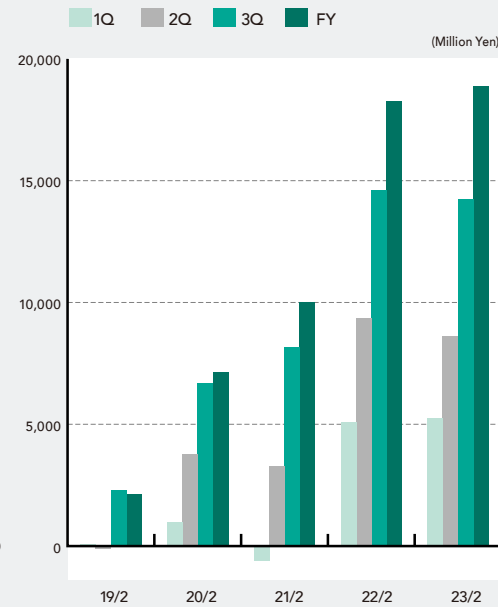
Operating profit & Operating profit margin



	19/2	20/2	21/2	22/2	23/2
FY	3,400	9,091	10,571	18,485	18,684
3Q	2,835	7,728	8,616	14,760	14,115
2Q	445	4,624	4,053	9,440	8,616
1Q	378	1,510	(153)	5,084	5,256

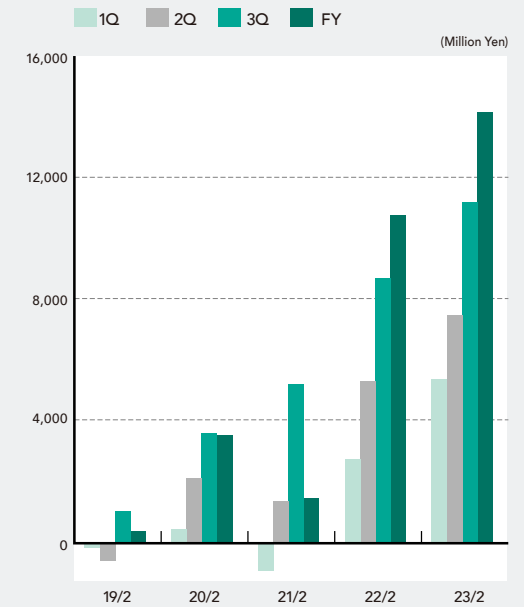
Operating profit margin					
	19/2	20/2	21/2	22/2	23/2
FY	1.10%	2.51%	2.78%	4.02%	4.49%

Ordinary profit



	19/2	20/2	21/2	22/2	23/2
FY	2,072	6,867	9,642	17,561	18,146
3Q	2,200	6,432	7,849	14,046	13,698
2Q	(106)	3,634	3,147	9,011	8,280
1Q	103	959	(552)	4,911	5,053

Profit attributable to owners of parent



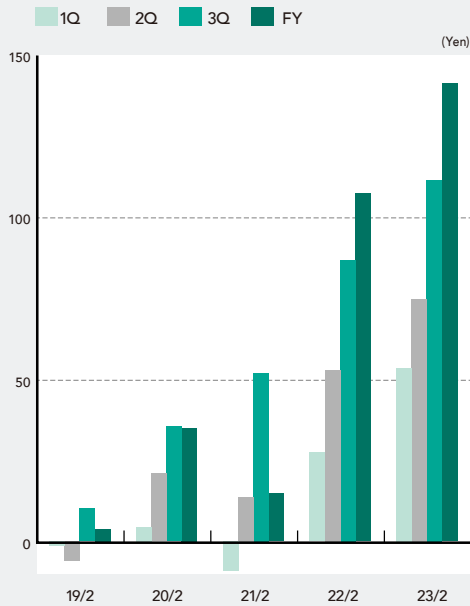
	19/2	20/2	21/2	22/2	23/2
FY	381	3,545	1,484	10,794	14,205
3Q	1,029	3,597	5,226	8,738	11,219
2Q	(598)	2,124	1,375	5,311	7,516
1Q	(146)	447	(914)	2,752	5,377

*Net income is presented as profit attributable to owners of parent from FY2/17.

Financial, Non-Financial Highlights

Financial Highlights

Net income per share (EPS)

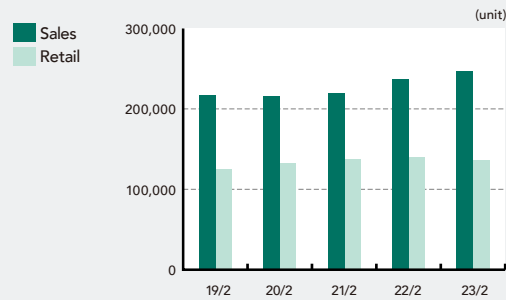


	19/2	20/2	21/2	22/2	23/2
FY	3.76	34.97	14.77	107.51	141.48
3Q	10.15	35.48	51.97	87.03	111.74
2Q	(5.9)	21.0	13.7	52.9	74.9
1Q	(1.5)	4.4	(9.1)	27.4	53.6

*EPS is based on the number of shares before the stock split.

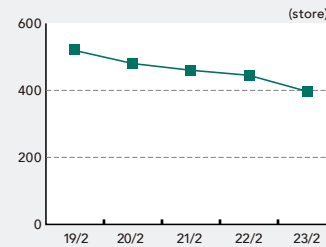
Non-Financial Highlights

Total no. of car sales & Retail unit volumes



	19/2	20/2	21/2	22/2	23/2
Total no. of car sales (unit)	217,235	215,495	219,914	237,489	247,392
Retail unit volumes (unit)	124,527	132,988	137,382	140,119	135,599

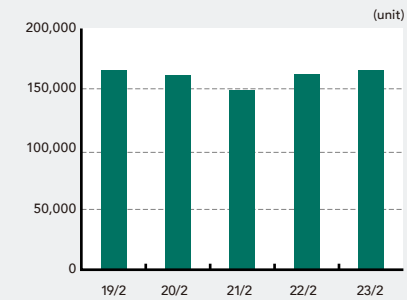
Total no. of directly managed stores



	19/2	20/2	21/2	22/2	23/2
Total no. of directly managed stores	519	480	460	445	397*

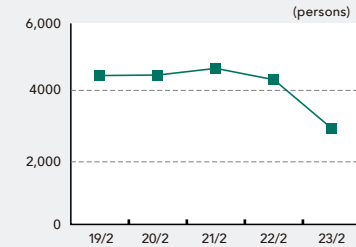
*Change in counting standard for the number of directly managed stores from Q4 FY 2023. Stores (specialized in traveling sales and traveling purchases, online sales, product display) were removed.

Total no. of car purchases



	19/2	20/2	21/2	22/2	23/2
Total no. of car purchases	165,178	160,963	148,892	161,951	165,529

Number of employees (Consolidated)



	19/2	20/2	21/2	22/2	23/2
Number of employees	4,450	4,464	4,629	4,347	3,132

Corporate Profile, Stock Data

Corporate Profile

Company Name	IDOM Inc.
Headquarters	JP Tower 26F, 2-7-2, Marunouchi, Chiyoda-ku, Tokyo, Japan 100-7026
Founded	October 12, 1994
Stock Exchange Listing	The Prime Market of the Tokyo Stock Exchange (Securities code 7599)
Capital stock	4,157 million yen (As of February 28, 2023)
Net sales (Consolidated)	416,514 million yen (Fiscal year ended February 28, 2023)
Number of employees (Consolidated)	3,132 (As of February 28, 2023)
Directors and Auditors	President Yusuke Hatori President Takao Hatori
Group Companies	Japan Tokyo Mycar Co., Ltd. IDOM CaaS Technology Co., Ltd. IDOM Business Support Co., Ltd. U.S.A. Gulliver East, Inc. Gulliver East, Inc.

Stock Data

Outstanding balance of Issued Stocks	106,888,000																														
Total number of authorized shares	400,000,000																														
Number of shareholders	8,680 (As of February 28, 2023)																														
Major Shareholders	<table border="0"> <tr> <td>Forward Co.,Ltd.</td> <td>28,000,000</td> <td>27.89%</td> </tr> <tr> <td>The Master Trust Bank of Japan,Ltd. (trust account)</td> <td>8,444,800</td> <td>8.41%</td> </tr> <tr> <td>Yusuke Hatori</td> <td>5,873,600</td> <td>5.85%</td> </tr> <tr> <td>BIGMOTOR Co.,Ltd.</td> <td>5,697,600</td> <td>5.67%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (trust account)</td> <td>5,119,700</td> <td>5.10%</td> </tr> <tr> <td>ForwardY Co.,Ltd.</td> <td>3,000,000</td> <td>2.99%</td> </tr> <tr> <td>ForwardYT Co.,Ltd.</td> <td>3,000,000</td> <td>2.99%</td> </tr> <tr> <td>THE BANK OF NEW YORK MELLON 140044</td> <td>2,070,815</td> <td>2.06%</td> </tr> <tr> <td>Aioi Nissay Dowa Insurance Co.,Ltd.</td> <td>2,000,000</td> <td>1.99%</td> </tr> <tr> <td>Takao Hatori</td> <td>1,873,500</td> <td>1.87%</td> </tr> </table>	Forward Co.,Ltd.	28,000,000	27.89%	The Master Trust Bank of Japan,Ltd. (trust account)	8,444,800	8.41%	Yusuke Hatori	5,873,600	5.85%	BIGMOTOR Co.,Ltd.	5,697,600	5.67%	Custody Bank of Japan, Ltd. (trust account)	5,119,700	5.10%	ForwardY Co.,Ltd.	3,000,000	2.99%	ForwardYT Co.,Ltd.	3,000,000	2.99%	THE BANK OF NEW YORK MELLON 140044	2,070,815	2.06%	Aioi Nissay Dowa Insurance Co.,Ltd.	2,000,000	1.99%	Takao Hatori	1,873,500	1.87%
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