

Translation

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IDOM Inc.

Notice Regarding Absorption-Type Merger of Consolidated Subsidiary (Gulliver Insurance Co., Ltd.)

Tokyo, October 14, 2022 — IDOM Inc. (“the Company”) announces that at a meeting of the Board of Directors held today the Company decided to conduct an absorption-type merger (hereafter, “merger”) with its 100%-owned consolidated subsidiary Gulliver Insurance Co., Ltd.

As this merger is an absorption-type merger of a 100%-owned consolidated subsidiary the details and items for disclosure have been summarized as follows:

1. Purpose of merger

The Company makes management decisions on its investment priorities and the withdrawal from businesses in its business portfolio with a focus on returns on invested capital (ROIC) and growth potential. For the medium to long term, we plan to concentrate our management resources on the retail business operated by large stores in Japan (with maintenance shops). Based on these ideas, we are reviewing the management and operating structures of each business and group company, with the aim of realizing optimum cost structures and enhancing operational efficiency, and this merger is one part of that process.

2. Outline of merger

(1) Merger schedule:

Resolution of the Board of Directors: October 14, 2022

Contract settlement date: October 14, 2022

Effective date: February 28, 2023 (planned)

Note: The Company and Gulliver Insurance Co., Ltd. will not hold a shareholders’ meetings regarding this decision since this merger is deemed a simple merger under Article 796-3 of the Company Law of Japan and a short-form merger under Article 784-1 of the Company Law of Japan.

(2) Merger method:

The Company plans to conduct an absorption-type merger and remain as the surviving company.

(3) Merger allocation:

There will be no issuance of new shares or transfer of merger related funds since the Company is merging with a 100%-owned subsidiary.

(4) New share warrants and corporate bond with attached share warrants of the absorbed company:

Not applicable.

3. Outline of merging companies (As of August 31, 2022)

	Surviving company	Absorbed company
(1) Name of company	IDOM Inc.	Gulliver Insurance Co., Ltd.
(2) Head office	2-7-2, Marunouchi, Chiyoda-ku, Tokyo, Japan	2-7-2, Marunouchi, Chiyoda-ku, Tokyo, Japan
(3) Representative	President: Yusuke Hatori President: Takao Hatori	President: Yusuke Hatori
(4) Main business	Sale of used vehicles	Insurance agency business
(5) Capital	4,157 million yen	101 million yen
(6) Date of establishment	October 25, 1994	July 23, 2007
(7) Number of shares issued	106,888,000	200
(8) Fiscal year-end	The end of February	The end of February
(9) Number of employees	3,205 (consolidated)	0
(10) Major shareholders and their shareholdings	Forward Co., Ltd. (27.9%) The Master Trust Bank of Japan, Ltd. (trust account) (9.1%) BIGMOTOR Co., Ltd. (5.7%) Yusuke Hattori (5.4%) Custody Bank of Japan, Ltd. (trust account) (5.2%)	IDOM Inc. (100%)
(11) Financial position and operating results of the immediately preceding fiscal year (ended February 28, 2022)		
Net assets	55,709 million yen (consolidated)	4,139 million yen
Total assets	189,766 million yen (consolidated)	4,439 million yen
Net assets per share	537.97 yen	20,695,839.73 yen
Net sales	459,532 million yen	1,686 million yen
Operating profit	18,485 million yen	1,389 million yen
Ordinary profit	17,561 million yen	1,389 million yen
Profit attributable to owners of parent/Profit	10,794 million yen	969 million yen
Profit per share	107.51 yen	4,848,433.03 yen

4. Effect of merger

The Company's name, location, representatives, amount of capital or fiscal year-end date will not change as a result of this merger.

5. Impact on the Company's financial results

As a result of this merger, the Company expects to post a gain on extinguishment of tie-in shares of about 5,000 million yen as extraordinary income in its non-consolidated financial statements for the current fiscal year under review. This gain on extinguishment of tie-in shares is eliminated in the consolidated settlement of accounts, and therefore has no impact on the consolidated results for the fiscal year ending February 28, 2023.