

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

IDOM Inc.

Notice Regarding Company Split (Simplified Absorption-type Company Spin-off)

Tokyo, April 30, 2020—IDOM Inc. (the “Company”) hereby announces that it resolved at a meeting of the Board of Directors held on April 30, 2010 that IDOM CaaS Technology Inc. (hereinafter “IDOM CaaS Technology”), a subsidiary established by the Company, will succeed the NOREL business, a service that offers unlimited use of cars for a monthly fixed rate, and the GO2GO business, an intermediary service for car-sharing between individuals, which have been operated by the Company, by way of a simplified absorption-type company spin-off.

Certain disclosure items and details have been omitted because this is a company split through which the Company will have its wholly owned subsidiary succeed its business units.

1. Reason for the company split

The Company launched the NOREL business (a service offering unlimited use of cars for a monthly fixed rate) in 2016 and the GO2GO business (an intermediary service for car-sharing between individuals) in 2019. Given the revolutionary change occurring in the automobile distribution business, the Company has been taking steps to facilitate expansion in new fields with respect to automobile-related services. In doing so, it has decided to conduct a company spin-off primarily for the clarification of business responsibilities, the acceleration of decision-making processes, the implementation of sound investments, and the visualization of business performance.

2. Outline of the company split

(1) Schedule for the company split

Meeting of the Board of Directors for the resolution of an agreement for the absorption-type company spin-off	April 30, 2020
Conclusion of the agreement for the company spin-off	April 30, 2020
Scheduled date of the company split (effective date)	June 8, 2020 (plan)

(Note) Since the company split is a simplified company spin-off as provided for in paragraph 2 of Article 784 in the Companies Act, the Company will implement it without seeking a resolution for approval at its General Meeting of Shareholders.

(2) Method of the company split

The company split is an absorption-type spin-off wherein the Company is the splitting company and IDOM CaaS Technology is the successor company.

(3) Details of allotments related to the company split

The Company will receive 1,598,400 common shares from IDOM CaaS Technology, which are treated as compensation for the company split.

(4) Handling of stock acquisition rights and bond with stock acquisition rights accompanying the company split

There is no change attributable to the company split in conjunction with the handling of stock acquisition rights issued by the Company. The Company has not issued any bonds with stock acquisition rights.

(5) Change in capital due to the company split

There is no change in the Company's capital due to the company split.

(6) Rights and obligations to be succeeded by the successor company

IDOM CaaS Technology will take over assets held by the Company only to the extent that they are related to these businesses as of the effective date of the spin-off, as well as their accompanying rights and obligations, except where otherwise provided for in the company spin-off agreement.

(7) Outlook with respect to the fulfillment of obligations

The Company does not see any issues in terms of the possibility of the Company and IDOM CaaS Technology fulfilling their respective obligations after the effective date of the company split.

3. Overview of the companies involved in the company split

		Splitting company (the Company)	Successor company
(1)	Company name	IDOM Inc.	IDOM CaaS Technology Inc.
(2)	Location	7-3, 2-chome Marunouchi, Chiyoda-ku, Tokyo	7-3, 2-chome Marunouchi, Chiyoda-ku, Tokyo
(3)	Names and title of representatives	Yusuke Hatori President and Representative Director Takao Hatori President and Representative Director	Takao Hatori President and Representative Director
(4)	Business outline	Business of purchasing and selling used cars and the selling of new cars	Planning and operation of the NOREL service that offers unlimited use of cars for a monthly fixed rate and the GO2GO intermediary service for car-sharing between individuals
(5)	Capital	4,157 million yen	4 million yen
(6)	Date of establishment	October 1994	April 2020
(7)	Number of shares issued	106,888,000 shares	1,600,000 shares*
(8)	Closing of fiscal year	End of February	End of February
(9)	Major shareholders and ownership	Forward Co., Ltd. 26.2%	IDOM Inc.: 100%
(10)	Financial conditions and operating results for the immediately preceding fiscal year		

Accounting period	Fiscal year ended February 29, 2020	-
Net assets	42,586 million yen	-
Total assets	183,783 million yen	-
Net assets per share	415.42 yen	-
Sales	361,684 million yen	-
Operating profit	9,091 million yen	-
Ordinary profit	6,867 million yen	-
Profit attributable to owners of parent	3,545 million yen	-
Profit for the term	34.97 yen	-

* The number of shares issued factors in consideration that the Company will receive from IDOM CaaS Technology, namely, its 1,598,400 shares in the subsidiary.

4. Outline of the business units to be spun off

(1) Details of the businesses to be spun off

Planning and operation of the NOREL service that offers unlimited use of cars for a monthly fixed rate.

Planning and operation of the GO2GO intermediary service for car-sharing between individuals.

(2) Operating results of the business units to be spun off (Fiscal year ended February 29, 2020)

	Financial results of the business subject to the spin-off (a)	Consolidated financial results of the Company (b)	Ratio (a/b)
Net sales	463 million yen	361,684 million yen	0.1%

(3) Items and values of assets and liabilities to be spun off

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	-	Current liabilities	-
Non-current assets	297 million yen	Non-current liabilities	-
Total	297 million yen	Total	-

(Note) The values of assets and liabilities to be spun off have been calculated based on the balance sheet as of February 29, 2020. Actual values for assets and liabilities to be spun off will be finalized after the adjustment of changes that may occur until the effective date of the company split.

5. Status of the listed company and the successor company in absorption-type spin-off after the company split

No change will occur for the Company pertaining to its company name, location, representatives' names and titles, business outline, capital, or accounting period as a result of the company split.

No change will occur for IDOM CaaS Technology pertaining to its company name, location, representative's name and title, business outline, capital, or accounting period as a result of the company split.

6. Future outlook

The impact of the company split on forecasts for the financial results for the fiscal year ending February 28, 2021 is minor.