Translation

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IDOM Inc.

Notice of Differences between Results and Forecasts for the First Six Months of Fiscal Year Ending February 28, 2023, Revision of Full-year Forecasts, and Posting of Extraordinary Income (Gain on Extinguishment of Tie-in Shares) Associated with Absorption-type Merger of a Subsidiary

Tokyo, October 14, 2022 — IDOM Inc. (the "Company") hereby announces differences between the forecast for the first six months of the fiscal year ending February 28, 2023, announced on April 14, 2022, and actual results announced today. In view of recent trends in business performance, the Company also revised its full-year forecast for the fiscal year ending February 28, 2023, announced on April 14, 2022. The details are as follows.

1. Differences between consolidated earnings forecast for the first six months (March 1, 2022 – August 31, 2022) of the fiscal year ending February 28, 2023 and actual results

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Yen)
Previously announced forecasts (A)	206,800	8,600	8,150	7,200	71.71
Actual results (B)	225,478	8,616	8,280	7,516	74.86
Change (B – A)	18,678	16	130	316	–
Percentage change (%)	9.0%	0.2%	1.6%	4.4%	–
Reference: Half-year results for the fiscal year ended February 28, 2022	227,775	9,440	9,011	5,311	52.90

2. Differences between non-consolidated earnings forecast for the first six months (March 1, 2022 – August 31, 2022) of the fiscal year ending February 28, 2023 and actual results

	Net sales	Ordinary profit	Profit	Profit per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Yen)
Previously announced forecasts (A)	154,500	5,750	7,800	77.68
Actual results (B)	178,303	6,560	8,575	85.41
Change (B – A)	23,803	810	775	–
Percentage change (%)	15.4%	14.1%	9.9%	–
Reference: Half-year results for the fiscal year ended February 28, 2022	150,239	5,939	3,170	31.57

3. Reasons for differences

In its previously announced forecasts, the Company assumed that auto auction prices would be on a par with the previous fiscal year. However, actual prices exceeded our forecasts and unit vehicle prices rose. Moreover, the number of wholesale vehicles came to 55,289 units, compared to our forecast of 50,000 units, and retail gross profit per unit also increased.

The consolidation period for the Australian subsidiary, regarding which share transfer has been completed, has become three months from March to May 2022, compared with our forecast of four months from March to June 2022.

As a result of the above, net sales, ordinary profit and profit on a non-consolidated basis exceeded the forecast values. Attributable to non-consolidated results that exceeded the projection, net sales on a consolidated basis exceeded the forecasted values.

4. Revision to consolidated earnings forecast for the fiscal year ending February 28, 2023 (March 1, 2022 – February 28, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Yen)
Previously announced forecasts (A)	366,800	15,500	14,800	11,600	115.53
Revised forecasts (B)	410,000	17,000	16,400	12,850	127.98
Change (B – A)	43,200	1,500	1,600	1,250	–
Percentage change (%)	11.8%	9.7%	10.8%	10.8%	–
Reference: Full-year results for the fiscal year ended February 28, 2022	459,532	18,485	17,561	10,794	107.51

5. Revision to non-consolidated earnings forecast for the fiscal year ending February 28, 2023 (March 1, 2022 – February 28, 2023)

	Net sales	Ordinary profit	Profit	Profit per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Yen)
Previously announced forecasts (A)	309,000	11,500	11,700	116.53
Revised forecasts (B)	357,000	13,800	18,200	181.26
Change (B – A)	48,000	2,300	6,500	–
Percentage change (%)	15.5%	20.0%	55.6%	–
Reference: Full-year results for the fiscal year ended February 28, 2022	306,733	11,573	6,553	65.27

6. Reasons for revision

The upward trend in auto auction prices seen in the first half of the fiscal year under review will likely continue in the latter half, and the Company expects increases in unit vehicle price, number of wholesale vehicles and retail gross profit per unit, compared with its previously announced forecasts. In addition, with the absorption-type merger of its wholly owned subsidiary Gulliver Insurance Co., Ltd. announced today, 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.

In light of the above, we have revised our consolidated and non-consolidated performance forecasts.