

Translation

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IDOM Inc.

Notice of Share Transfer of Consolidated Subsidiaries and Posting of Extraordinary Loss

Tokyo, September 15, 2021— IDOM Inc. ("the Company") announces that a meeting of the Board of Directors held today decided to transfer all shares of its consolidated subsidiaries, Motoren Global Co., Ltd. and Motoren Glanz Co., Ltd., as detailed below.

1. Reason for the share transfer

The Company has positioned the operation of large stores for used cars with high capital efficiency and maintenance factories equipped with the latest facilities as the core of its future growth strategies. To implement these businesses more aggressively by concentrating its management resources, the Company has decided to withdraw from the BMW and Mini new car dealership operated in Asahikawa, Hokkaido, and the western region of Chiba Prefecture.

2. Overview of the subsidiaries to be transferred

a. Overview of Motoren Global Co., Ltd.

(1) Name	Motoren Global Co., Ltd.	
(2) Location	Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo (Tokyo Building)	
(3) Name and title of representative	Yusuke Hatori, CEO	
(4) Business	Sale and maintenance of BMW automobiles, and the sale of repair parts and accessories (Place of business: Asahikawa, Hokkaido)	
(5) Capital	5 million yen*	
(6) Established	November 2012	
(7) Major shareholders and their shareholding ratios	IDOM Inc.: 100%	
(8) Relationship between the listed company and the relevant company	Capital relationship	The Company holds all shares outstanding of Motoren Global Co., Ltd.
	Personal relationship	One Director of the Company concurrently serves as Director of Motoren Global Co., Ltd.
	Business relationship	The Company is lending funds to Motoren Global Co., Ltd.
(9) Operating results and financial position of the company for the last three years	Net sales: 840 million yen (fiscal year ended December 2020) Financial data other than net sales in the latest business period are not disclosed based on the agreement requested by the recipient of the shares to be transferred.	

b. Overview of Motoren Glanz Co., Ltd.

(1) Name	Motoren Glanz Co., Ltd.	
(2) Location	1-2-3 Baraki, Ichikawa, Chiba Prefecture	
(3) Name and title of representative	Yusuke Hatori, CEO	
(4) Business	Sale and maintenance of BMW automobiles, and the sale of repair parts and accessories (Place of business: western region of China Prefecture)	
(5) Capital	50 million yen*	
(6) Established	December 2001	
(7) Major shareholders and their shareholding ratios	Motoren Global Co., Ltd.: 100%	
(8) Relationship between the listed company and the relevant company	Capital relationship	Motoren Global Co., Ltd., a subsidiary of the Company, holds all shares of Motoren Glanz Co., Ltd. issued and outstanding.
	Personal relationship	One Director of the Company concurrently serves as Director of Motoren Glanz Co., Ltd.
	Business relationship	The Company is lending funds to Motoren Global Co., Ltd. Motoren Glanz Co., Ltd. conducts transactions such as selling and buying of vehicles with the Company.
(9) Operating results and financial position of the company for the last three years	Net sales: 15,383 million yen (fiscal year ended March 2021) Financial data other than net sales in the latest business period are not disclosed based on the agreement requested by the recipient of the shares to be transferred.	

* The Company plans to undertake a capital increase of Motoren Global Co., Ltd. on September 16, 2021, and Motoren Global Co., Ltd. plans to undertake a capital increase of Motoren Glanz Co., Ltd. on the same day. As a result, the capital of Motoren Global Co., Ltd. will be 473 million yen and the capital of Motoren Glanz Co., Ltd. will be 473 million yen.

3. Overview of the recipient of shares to be transferred

(1) Name	Motoren Lepio Co., Ltd.	
(2) Location	10-2 Nagakuni Higashimachi, Tsuchiura, Ibaraki Prefecture	
(3) Name and title of representative	Masazumi Adachi, CEO	
(4) Business	Sale and maintenance of BMW automobiles, and the sale of repair parts and accessories	
(5) Capital	10 million yen	
(6) Established	June 2008	
(7) Relationship between the listed company and the relevant company	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Business relationship	Not applicable
	Applicability to related parties	Not applicable

4. Number of shares to be transferred, transfer price and the number of shares held before and after transfer

a. Shares of Motoren Global Co., Ltd.

(1) Number of shares held before the transfer	94,200 (plan) (Percentage of voting rights: 100%)
(2) Number of shares to be transferred	94,200 (plan)
(3) Transfer price	Not disclosed based on the agreement requested by the recipient of the shares transferred
(4) Number of shares held after the transfer	0 shares (Percentage of voting rights: 0%)

b. Shares of Motoren Glanz Co., Ltd.

(1) Number of shares held before the transfer	17,320 (plan) (Percentage of voting rights: 100%)
(2) Number of shares to be transferred	17,320 (plan)
(3) Transfer price	Not disclosed based on the agreement requested by the recipient of the shares transferred
(4) Number of shares held after the transfer	0 shares (Percentage of voting rights: 0%)

5. Schedule

(1) Date of resolution by the Board of Directors	September 15, 2021
(2) Date of agreement	September 15, 2021
(3) Date of share transfer	September 30 and October 1, 2021 (tentative)*

* The Company plans to transfer the shares of Motoren Glanz Co., Ltd. held by Motoren Global Co., Ltd. on September 30, 2021, and the shares of Motoren Global Co., Ltd. held by the Company on October 1, 2021.

6. Outlook

Impact on consolidated financial results

The results between January and December of Motoren Global Co., Ltd. and Motoren Glanz Co., Ltd. are incorporated into the consolidated financial results. For the period under review (period ending February 2022), the results for the nine months from January to September are expected to be consolidated, and the impact of this share transfer on the Company's full-year forecasts for net sales, operating profit and ordinary profit will be negligible.

As a result of the share transfer, the Company expects to post a loss on sales of shares of subsidiaries and associates of approximately 300 million yen for the consolidated results and approximately 900 million yen for the non-consolidated results as extraordinary losses for the third quarter. However, the impact on profit attributable to owners of parent and non-consolidated profit will be limited when an expected decrease in income taxes is included, and the Company will not revise its full-year forecasts at this point.

While the share transfer will be a factor of decrease in the next fiscal year (ending February 2023), its impact on changes in operating profit is expected to be negligible. The Company expects that capital efficiency (indicators such as ROIC) will improve.

(Ref.) Consolidated financial forecasts for the fiscal year under review (announced on July 14, 2021) and consolidated results for the previous fiscal year (Millions of yen)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Forecasts for the fiscal year under review (FY ending Feb. 2022)	405,400	15,000	13,900	7,100
Results in the previous fiscal year (FY ended Feb. 2021)	380,564	10,571	9,642	1,484