

Q2 FY2023

First Half Results for Fiscal Year Ending February 28, 2023

Financials

&

Business

TSE Prime 7599

IDOM Inc.

July 17th, 2022

Financials

- 1. First Half Results FY2023 ① ② 4
- 2. Revision of Earnings Forecast 22

Business

- 1. The Sales of the Australian Business 30
- 2. Summary of Medium- Term Business Plan 2023 - 2027 35
- 3. Used Car Purchase Business and Used Car Retail Business 42
- 4. Questions received from investors 66

- Appendix. Reference Information of Results and Financial Matters 69

First Half FY2023 Results Highlights



Financials

(Domestic Core Business) *1
Both net sales and
operating profit increased



- Net sales and operating profit in the Domestic Core Business increased for the first half of FY2023, overcoming a decline in profit attributable to the new revenue recognition standard.

Net sales 179.3 billion yen

Operating profit 7.4 billion yen

YoY +19.0%

YoY +8.6%

Stores

Opened large stores and
maintenance shops highlighted
in the growth strategy



- The Company opened three large stores.
- The Company also opened three maintenance shops

Progress in line with
annual plan

Progress in line with
annual plan

M & A

Share transfer of Australian
subsidiaries and posting of
extraordinary income



- The Company completed the share transfer of Australian subsidiaries in July 2022 and posted extraordinary income.

FY2023 Q2 Financials

1. First Half Results Summary FY2023 (① Domestic Core Business)

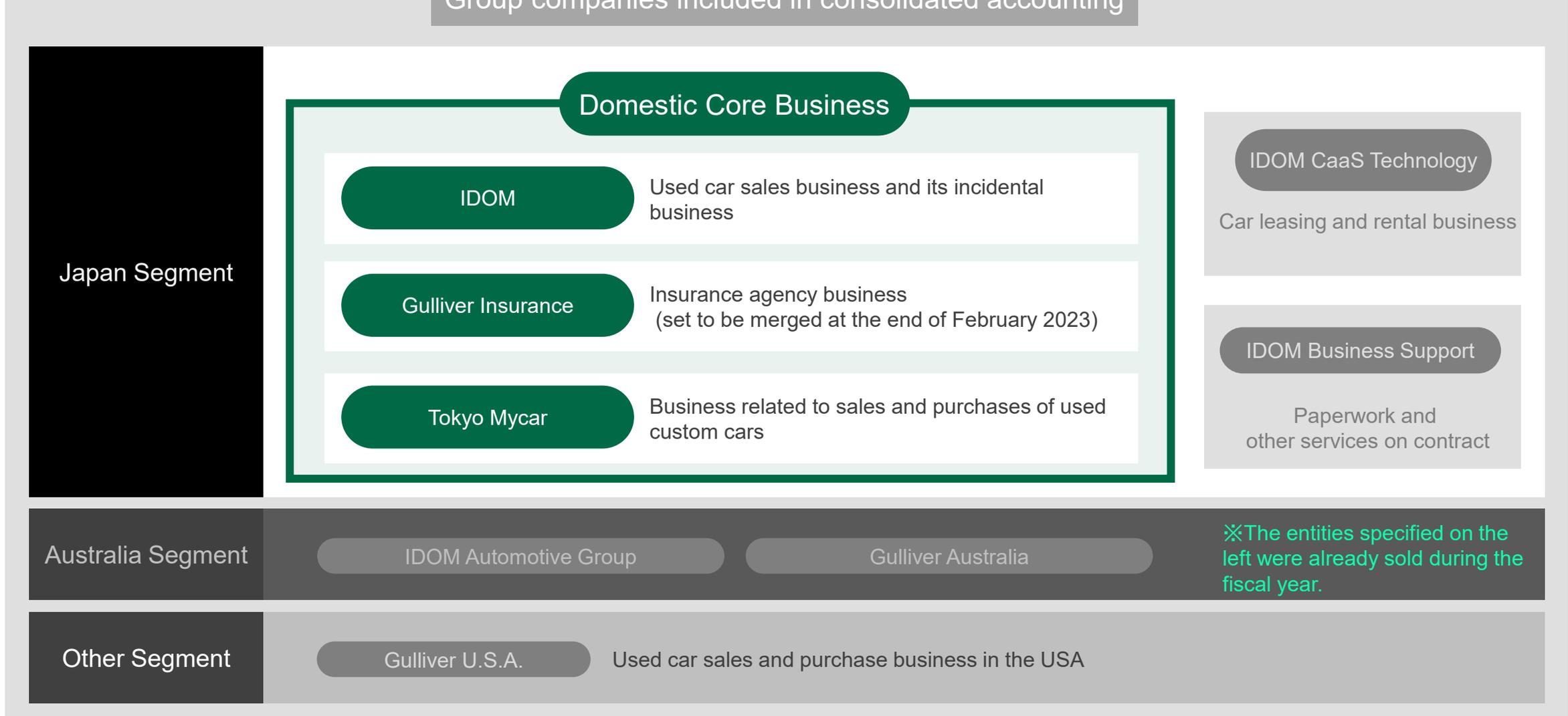
Gulliver



Subjects of Consolidated Accounting, Domestic Core Business and Regional Segments



Group companies included in consolidated accounting



Trend in net sales

(billion yen)

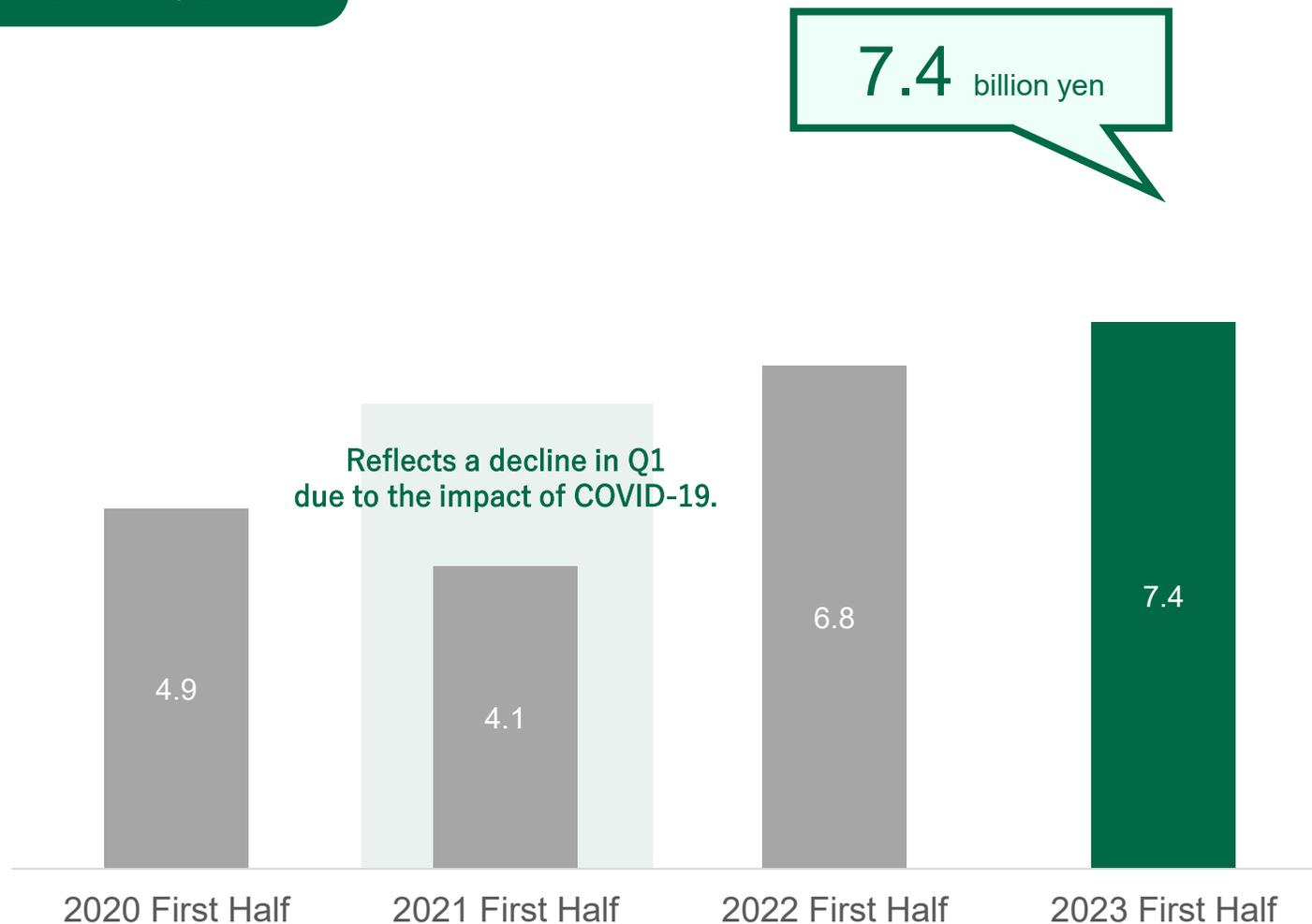


● Domestic Core Business net sales rose 19.0% year on year, to 179.3 billion yen.

Trend in operating profit

(billion yen)

10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0



- Consolidated operating profit grew 8.6% year on year, to 7.4 billion yen (operating profit margin of 4.1%).

	Previous Fiscal Year First Half 2022	Fiscal Year Under Review First Half 2023	YoY changes Percent change
(billion yen)			
Net sales	150.6	179.3 ¹	+28.6 +19.0%
Operating profit	6.8	7.4	+0.6
Operating profit margin (%)	4.5%	4.1%	+8.6%
Ordinary profit	6.7	7.2 ²	+0.6
Ordinary profit margin (%)	4.4%	4.0%	+8.5%
Profit attributable to owners of parent	3.7	9.0 ³	+5.3
Profit margin (%)	2.4%	5.0%	+145.1%

¹ Vehicle prices rose in line with auction market prices.

² Profit at all levels reached a record high for the first half of the fiscal year.

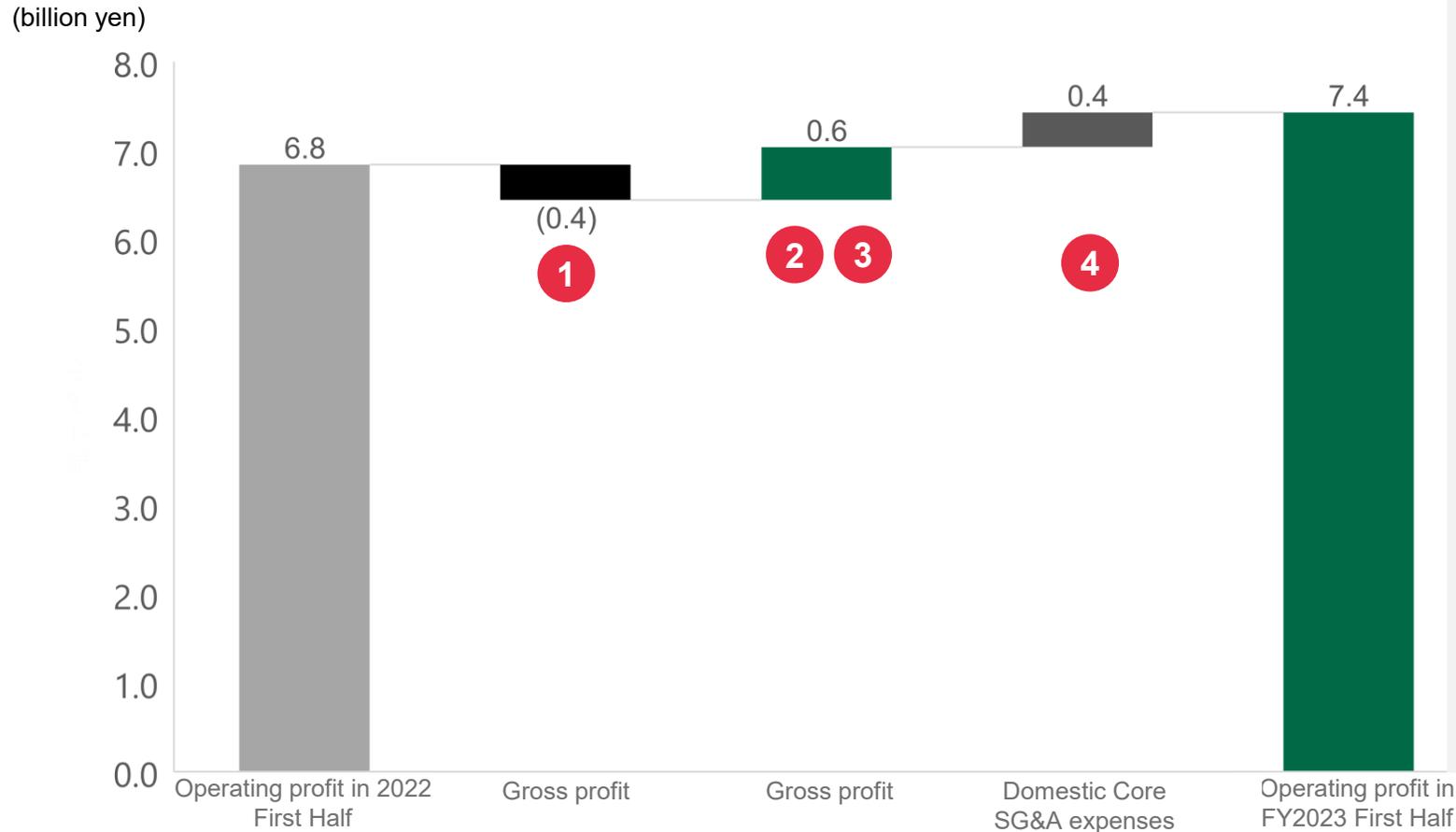
³ Temporary gains and losses were posted. (1) (2) (3)

(1) 0.85 billion yen was posted as head office relocation expenses in extraordinary losses in the previous fiscal year.

(2) The goodwill impairment loss posted for the previous fiscal year was deducted from taxable income after the transfer of shares of the Australian subsidiaries.

(3) The Company posted 2.9 billion yen for a gain on sales of shares as extraordinary profit due to the share transfer of Australian subsidiaries.

Analysis of Factors in the YoY Change in Operating Profit



- 1 Gross profit declined by 0.4 billion yen following the application of the new revenue recognition standard.
- 2 Retail unit sales decreased due to a decline in the number of directly managed domestic stores, but retail unit sales at large stores increased year on year. Gross profit per unit increased.
- 3 In wholesale, the number of cars increased. Gross profit per car decreased as a result of the decline in Q1.
- 4 Rent expenses declined due to head office relocation and personnel expenses decreased, reflecting restraints on the employment of new graduates.

The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29 issued on March 31, 2020; hereinafter the "Revenue Recognition Accounting Standard"), etc. has been applied since the beginning of the first three months of the consolidated fiscal year under review.

First Half FY2023 Results (Compared with Initial Forecast)



	Initial Forecast	Results for Fiscal Year Under Review	Compared with Initial Forecast
	(billion yen) First Half 2023	First Half 2023	Percent change
Net sales	155.0	179.3 ¹	+24.3 +15.7%
Operating profit	6.8	7.4 ²	+0.7
Operating profit margin (%)	4.4%	4.1%	+10.1%

¹ Net sales rose given that auction market prices were higher than expected and vehicle prices increased.

² Operating profit increased due to the impact of the number of cars in wholesales surpassing the forecast and the growth of gross profit per vehicle retailed.

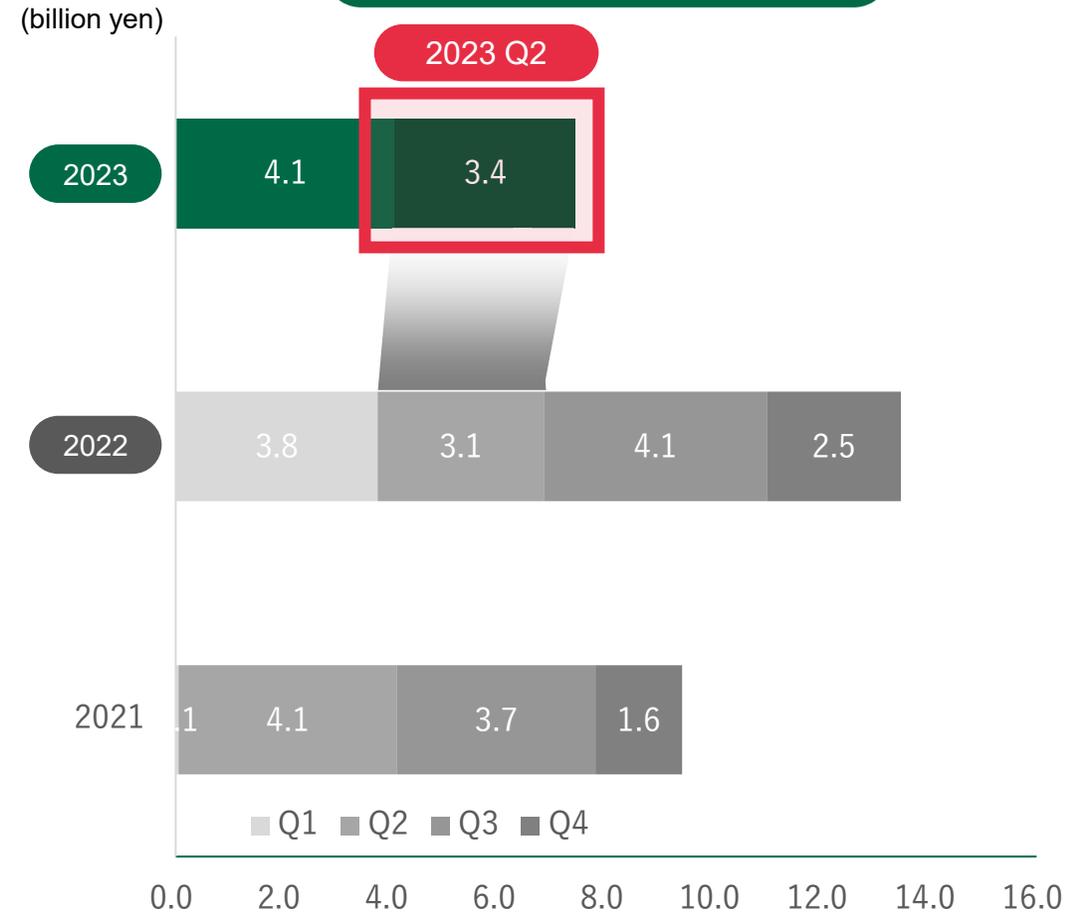
Quarterly Trend in Results (Results over the recent three periods)



Trend in net sales



Trend in operating profit



FY2023 Q2 Financials

1. First Half Results Summary FY2023

(② Consolidated P/L, Consolidated Balance Sheets, Consolidated Cash Flows)

Gulliver

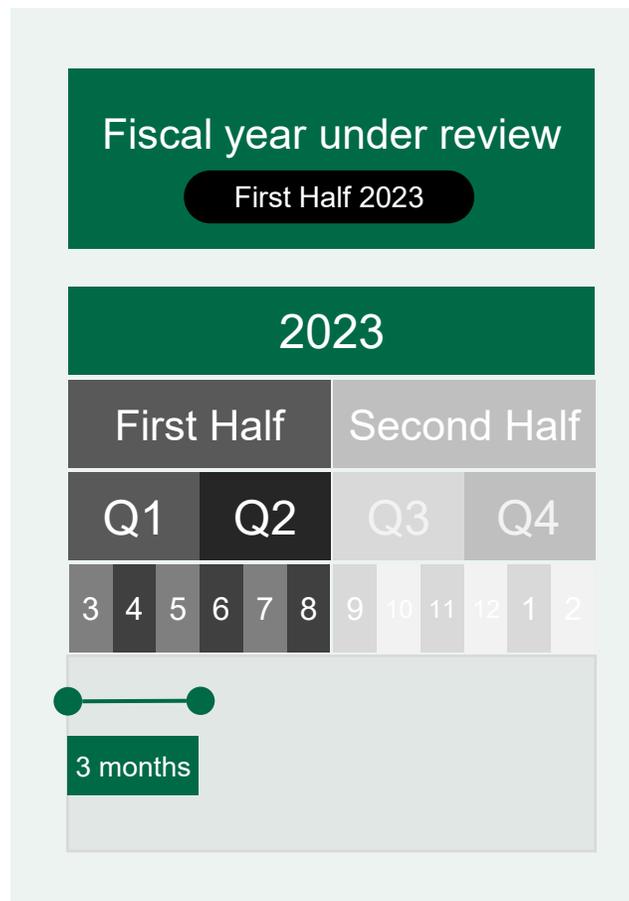
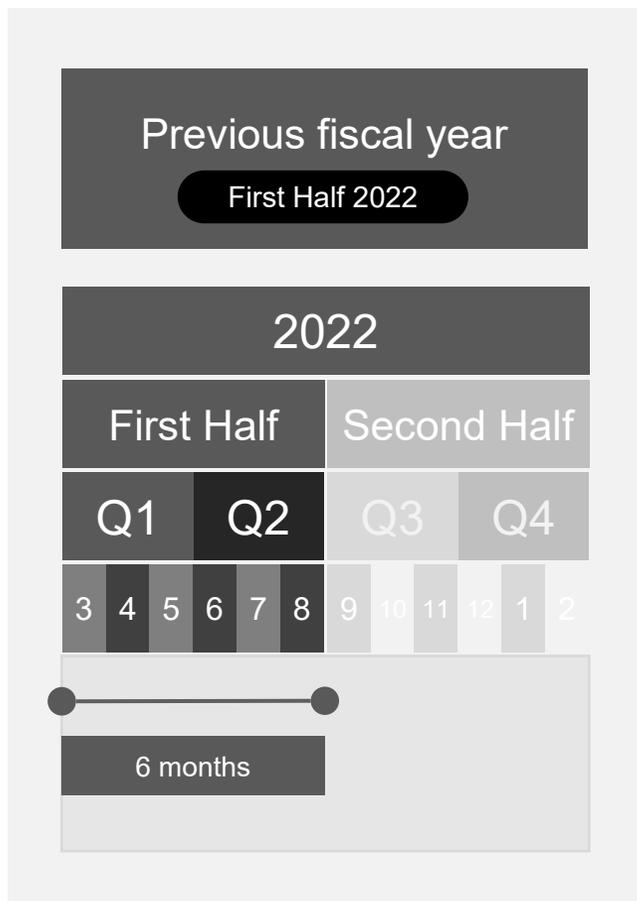


Consolidation Period in the First Half after Transfer of Shares of Australian Subsidiaries



Consolidation period for the previous and current fiscal years

Consolidation period of Australian subsidiaries



- The Company completed the share transfer of Australian subsidiaries.
- For the first half of the previous fiscal year, the Australian business was consolidated for six months. For the first half of the current fiscal year, it is consolidated for three months.

	Previous Fiscal Year	Fiscal Year Under Review	YoY changes
	First Half 2022	First Half 2023	Percent change
(billion yen)			
Net sales	227.8	225.5	△ 2.3 ① △ 1.0%
Operating profit	9.4	8.6	△ 0.8
Operating profit margin (%)	4.1%	3.8%	△ 8.7%
Ordinary profit	9.0	8.3	△ 0.7
Ordinary profit margin (%)	4.0%	3.7%	△ 8.1%
Profit attributable to owners of parent	5.3	7.5	+ 2.2 ②
Profit margin (%)	2.3%	3.3%	+ 41.5%
Consolidation Period of Australian Subsidiaries	6 months	3 months	

① Net sales, operating profit and ordinary profit declined due to the share transfer of Australian subsidiaries.

② The Company posted a gain on sales of shares of subsidiaries of 0.8 billion yen as extraordinary income.

First Half FY2023 Results (Compared with Initial Forecast)

	Initial Forecast	Results for fiscal year under review	Compared with Initial Forecast
	First Half 2023	First Half 2023	Percent change
(billion yen)			
Net sales	206.8	225.5 ¹	+ 18.7 + 9.0%
Operating profit	8.6	8.6 ²	+ 0.0
Operating profit margin (%)	4.2%	3.8%	+ 0.2%
Ordinary profit	8.2	8.3	+ 0.1
Ordinary profit margin (%)	3.9%	3.7%	+ 1.6%
Profit attributable to owners of parent	7.2	7.5	+ 0.3
Profit margin (%)	3.5%	3.3%	+ 4.4%
Consolidation Period of Australian Subsidiaries	4 Months	3 Months	

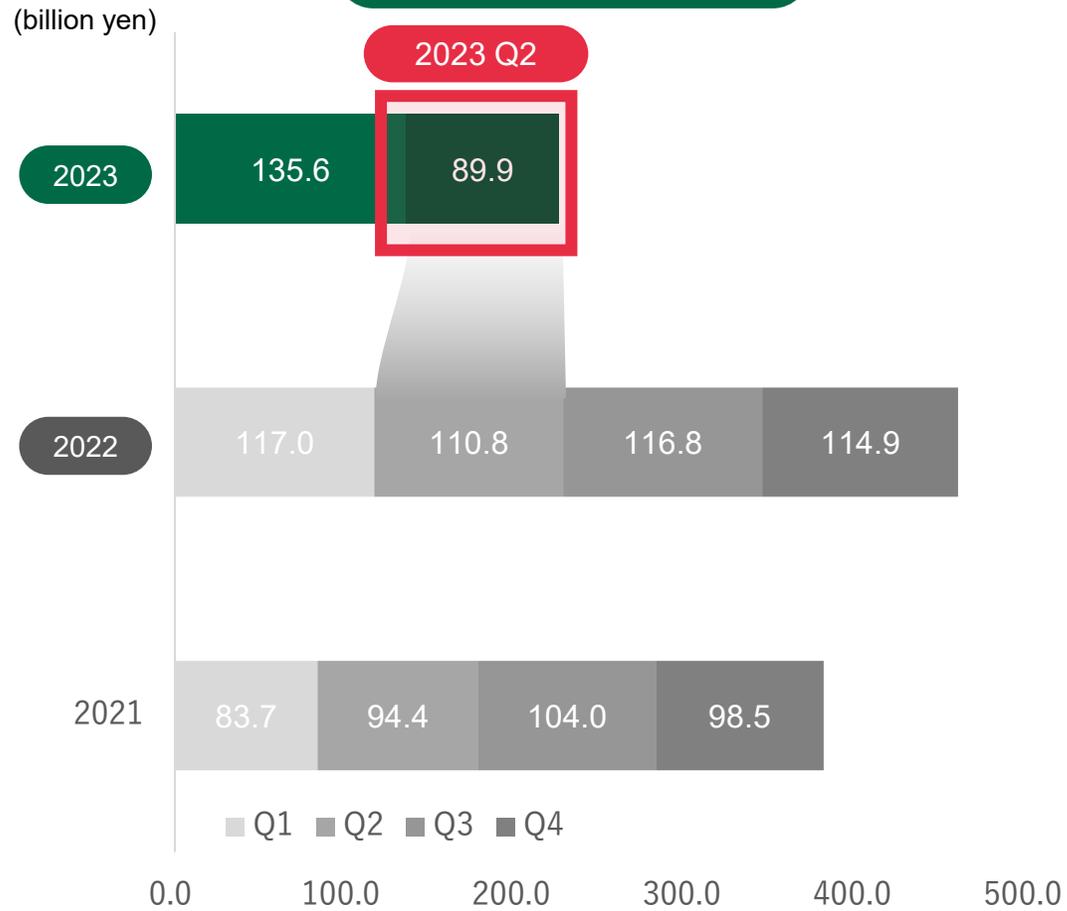
1 Net sales rose given that auction market prices were higher than expected and vehicle prices increased.

2 The Domestic Core Business recorded a new high profit, although this is almost the same as the initial forecast. This is due to the shortening of the consolidation period of the Australian subsidiaries from the initially forecast four months to three months.

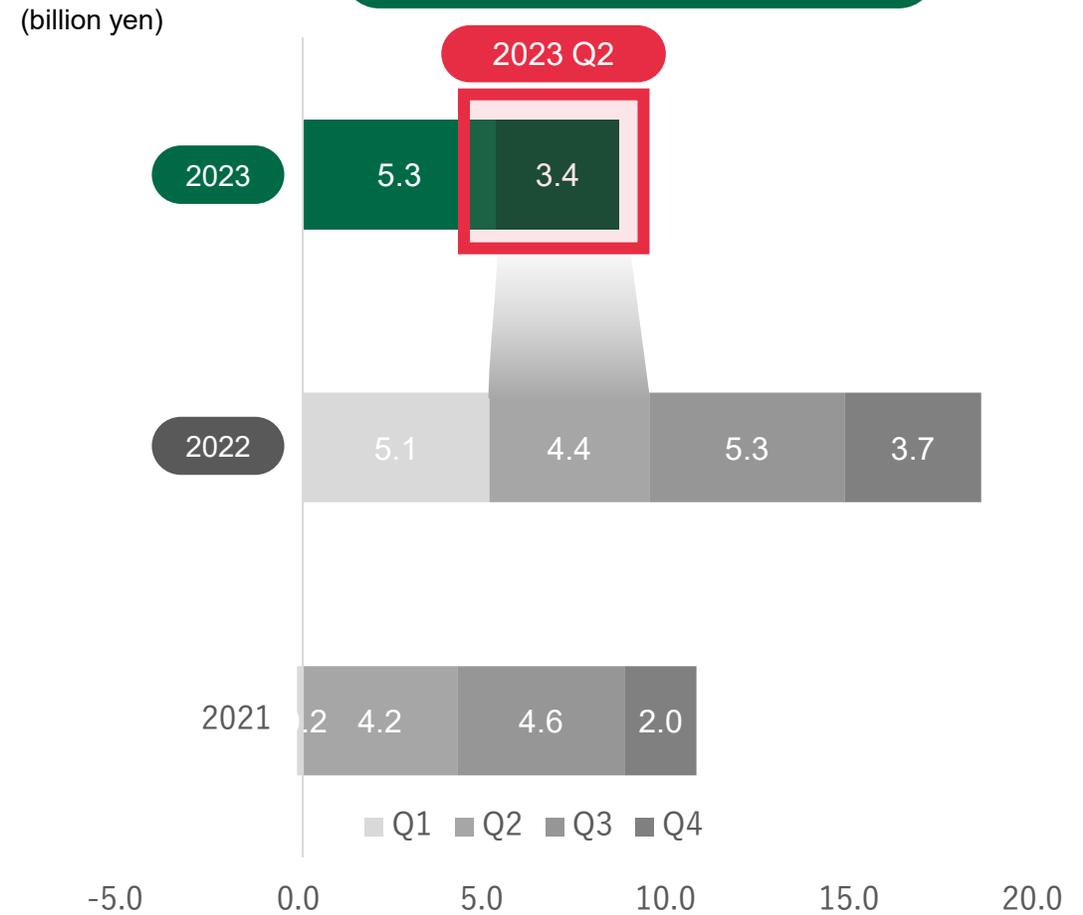
Quarterly Trend in Results (Results over the recent three periods)



Trend in net sales



Trend in operating profit



Consolidated Balance Sheet (As of August 31, 2022)

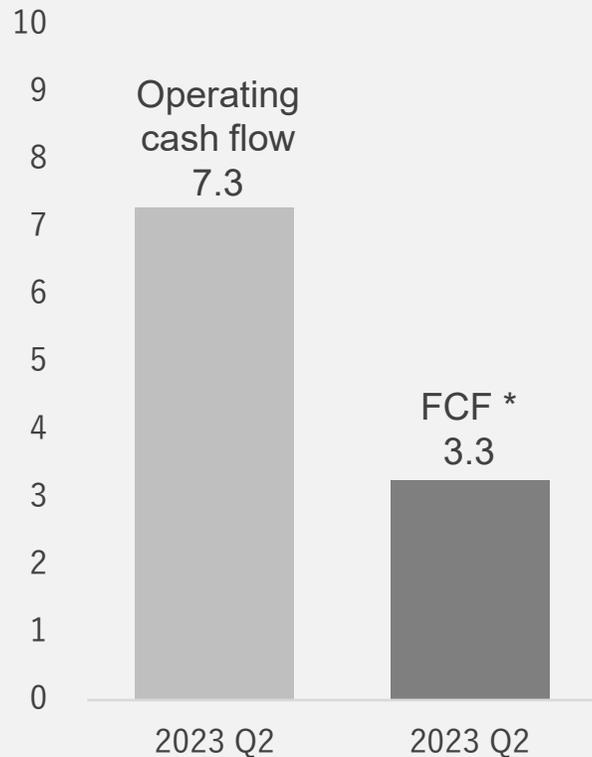
Assets 173.3 billion yen	Cash and deposits 56.5 billion yen	Liabilities 115.7 billion yen	Interest-bearing debt 77.1 billion yen	
	Inventories 66.4 billion yen		Other 38.6 billion yen	
	Property, plant and equipment 25.1 billion yen	Net assets 57.6 billion yen	57.6 billion yen	
	Other 25.3 billion yen		Equity ratio 33%	

- Total assets were 173.3 billion yen. They fell 16.5 billion yen from the end of the previous fiscal year due to the sale of the Australian business.
- Cash rose 10.8 billion yen, due to the sale of the Australian business and because the figure was calculated before the due date for the repayment of interest-bearing debt.
- Net interest-bearing debt decreased 12.3 billion yen from the end of February.
- Other liabilities increased after the application of the new revenue recognition standard. The equity ratio rose nearly 4% from 29% at the end of February to 33% due to the sale of the Australian business.

The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29 issued on March 31, 2020; hereinafter the "Revenue Recognition Accounting Standard"), etc. has been applied since the beginning of the first three months of the consolidated fiscal year under review.

Q2 consolidated cash flows

(Unit: billion yen)

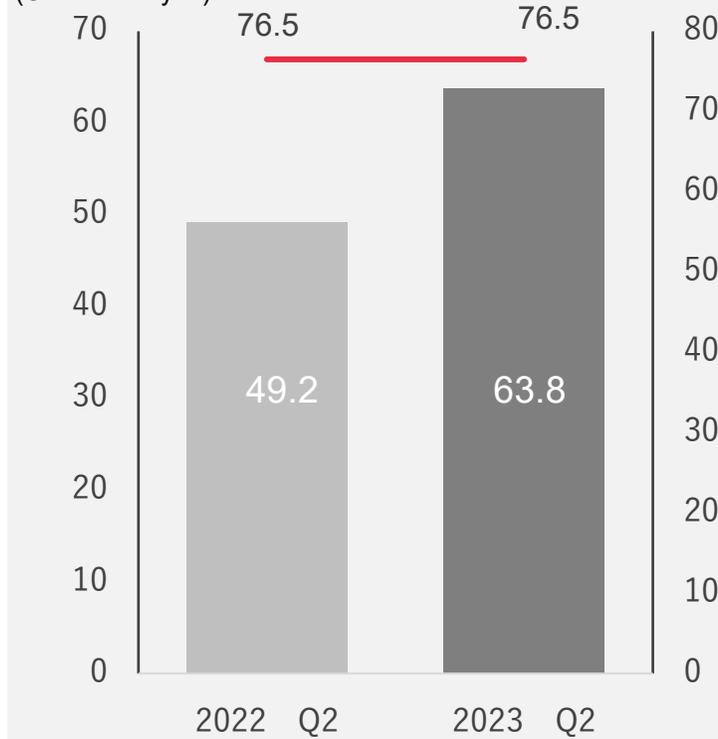


※The impact of the investment cash flow due to the sale of the Australian business is excluded.

Non-consolidated inventories at end of period and inventory turnover

— Inventory turnover
 ■ Non-consolidated inventories at end of period

(Unit: billion yen)



Inventory turnover = Merchandise (Weighted average of inventories at beginning and end of period)/Cost of sales

- Net cash of 7.3 billion yen was provided by operating activities.
- Net cash provided by investing activities, excluding the impact of the sale of the Australian business, reached 4.0 billion yen.
- Free cash flow stood at positive 3.3 billion yen.
- Inventories rose 30% year on year to 63.8 billion yen. This is attributable to the impact of the auction market.
- Inventory turnover days remained flat as a result of continued inventory control in response to sales demand.

Large Stores Opened in FY2023



Kusatsuminami(Opened in June 2022)

Kusatsu-shi, Shiga
Prefecture

Recent launch of new stores

Opening of large stores

- Nagano (April 2022)
including an attached maintenance shop
- R1 Chiryu (April 2022)
including an attached maintenance shop
- Kusatsuminami (June 2022)
including an attached maintenance shop

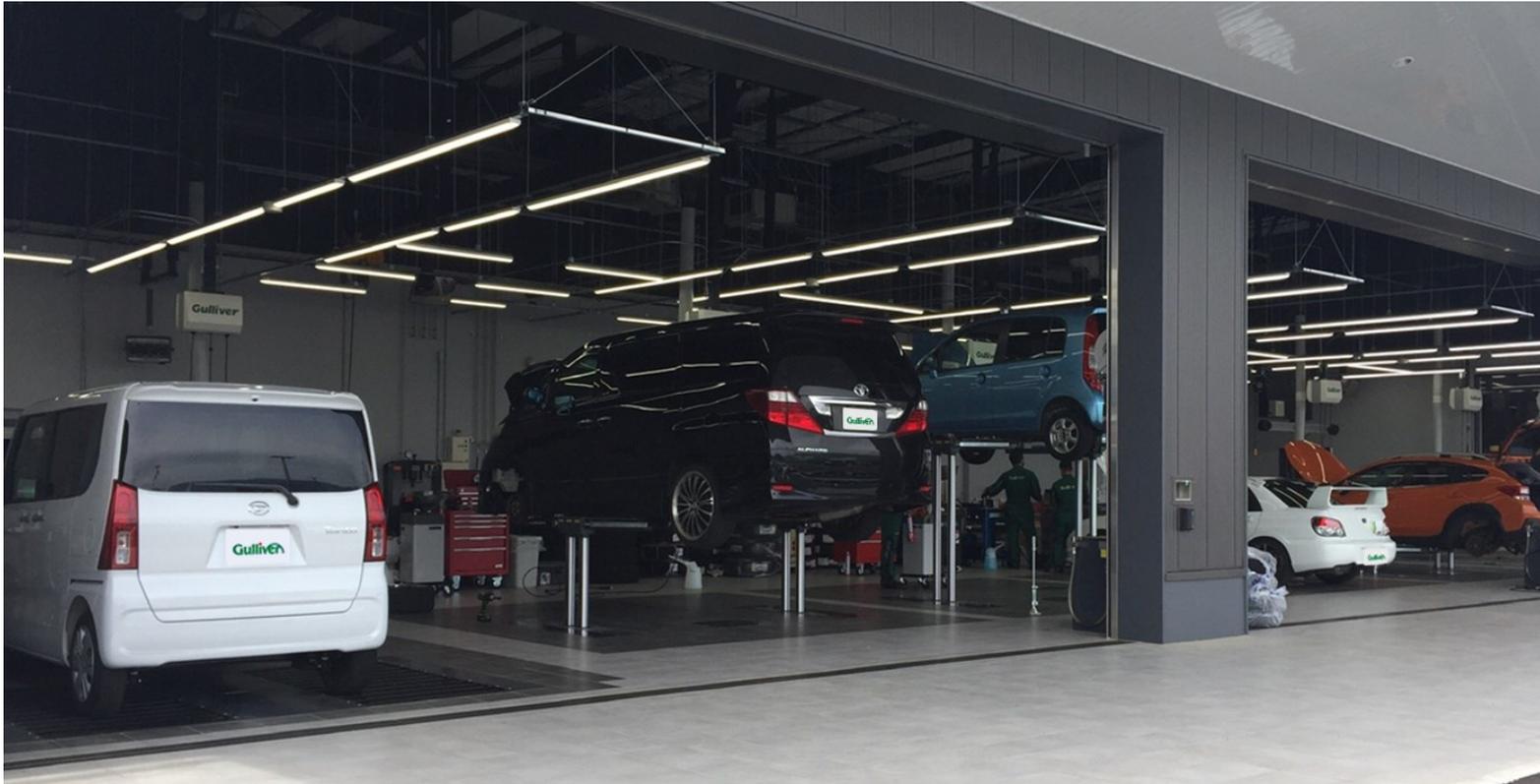
3 stores in total
(Plans to open 7 new stores this fiscal year)

Number of
Large Stores

32

(as of August 31, 2022)

Maintenance Shops Opened in FY2023



Nagano car maintenance shop (Opened in April 2022)

Nagano-shi, Nagano
Prefecture

Recent launch of
new maintenance shops

Opening of new maintenance shops

- Nagano (April 2022)
- R1 Chiryu (April 2022)
- Kusatsuminami (June 2022)

3 shops in total

Number of
Maintenance
Shops

11

Seven of them are designated
maintenance shops

Posting of Extraordinary Income due to the Transfer of Shares of Australian Subsidiaries



Impact on earnings for the fiscal year ending February 28, 2023

- Figures in the forecasts presented in the Summary of Consolidated Financial Results for the Year Ended February 28, 2022 (Based on Japanese GAAP) disclosed on April 14, 2022 remain unchanged.
- Extraordinary income from the gain on sale of shares of subsidiaries and associates of around 0.8 billion yen was recorded on a consolidated basis and around 2.9 billion yen on a non-consolidated basis in the second quarter of FY2023 as planned.

Amount reported of extraordinary income	Consolidated	0.8 billion yen
	Non-consolidated	2.9 billion yen

Reason for difference between consolidated and non-consolidated accounting

In non-consolidated accounting, the calculation is based on the value at the time of acquisition. (The Domestic Core Business adopts the figure used in non-consolidated accounting.)
 In consolidated accounting, accumulated goodwill amortization is deducted from the acquisition value and the net profit of the Australian subsidiaries for each fiscal year is added to it.

FY2023 Q2 Financials

2. Revision of Earnings Forecast

Gulliver



Consolidated

Full-Year Revised Forecast FY2023 (Compared with initial forecast)



(billion yen)	Initial Forecast	Revised Forecast	Comparisons with Initial Forecast
	First Half 2023	First Half 2023	Percent change
Net sales	366.8	410.0	+43.2 +11.8%
Operating profit	15.5	17.0	+1.5
Operating profit margin (%)	4.2%	4.2%	+9.7%
Ordinary profit	14.8	16.4	+1.6
Ordinary profit margin (%)	4.0%	4.0%	+10.8%
Profit attributable to owners of parent	11.6	12.9	+1.3
Profit margin (%)	3.2%	3.1%	+10.8%

① The Domestic Core Business is expected to stay buoyant.

(billion yen)	Results	Revised Forecast	YoY changes
	Full Year 2022	Full Year 2023	Percent change
Net sales	459.5	410.0	△ 49.5 △ 10.8%
Operating profit	18.5	17.0	△ 1.5
Operating profit margin (%)	4.0%	4.2%	△ 8.0%
Ordinary profit	17.6	16.4	△ 1.2
Ordinary profit margin (%)	3.8%	4.0%	△ 6.6%
Profit attributable to owners of parent	10.8	12.9	+2.1
Profit margin (%)	2.3%	3.1%	+19.0%

① Net sales and profit figures are forecast to drop due to the sale of the Australian business.

Full-Year Revised Forecast FY2023 (Compared with initial forecast)



(billion yen)	Initial Forecast	Revised Forecast	Comparisons with Initial Forecast
	Full Year 2023	Full Year 2023	Percent change
Net sales	310.0	358.0	+48.0 +15.5%
Operating profit	13.5	15.8	+2.3
Operating profit margin (%)	3.9%	4.4%	+17.0%

① The unit vehicle price, number of wholesale vehicles and retail gross profit per unit are expected to rise as the upward trend of the auction market will continue in the second half.

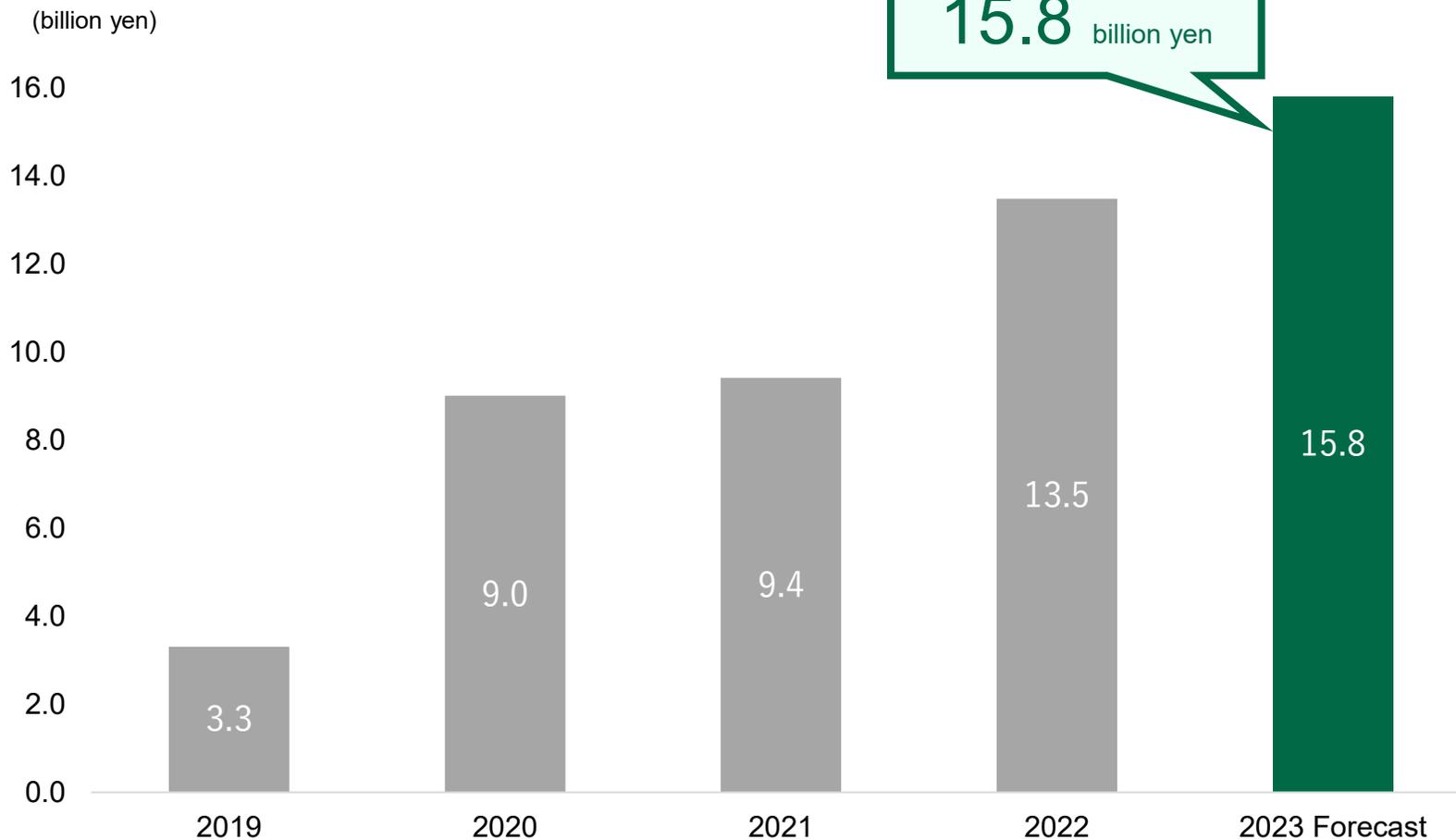
The number of retail vehicles will rally in the second half, as projected in the initial full-year forecast.

Regarding the number of wholesale vehicles, the trend in the first half will continue in the second half.

	Results		YoY changes
	Full Year 2022	Revised Forecast Full Year 2023	Percent change
(billion yen)			
Net sales	308.0	358.0	+50.0 +16.2%
Operating profit	13.5	15.8	+2.3
Operating profit margin (%)	4.4%	4.4%	+17.2%

1 In the Domestic Core Business, operating profit is forecast to grow 2.3 billion yen or 17% year on year.

Trend in operating profit



- The number of wholesale vehicles and gross profit per vehicle in retail will continue to increase in the second half as well, driven by large stores and maintenance shops.
- The Company will aim to achieve profit growth for a fourth consecutive year.

FY2023 Q2 Business

First Half Results FY2023 About Medium-Term Business Plan 2023 - 2027



- 1 About the transfer of shares of the Australian subsidiaries
- 2 Summary of 「Medium-Term Business Plan 2023 - 2027」
- 3 Used car purchase business and Used car retail business
- 4 Questions received from investors

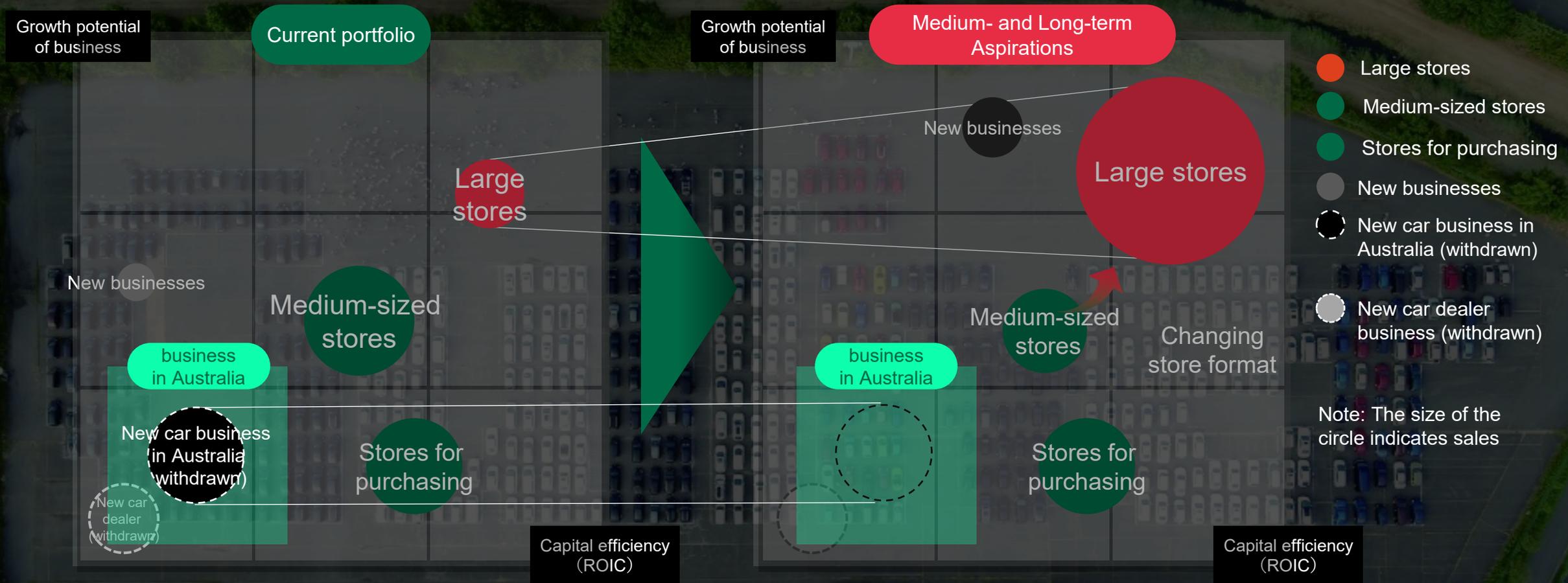
1 About the transfer of shares of the Australian subsidiaries

2 Summary of 「Medium-Term Business Plan 2023 - 2027」

3 Used car purchase business and Used car retail business

4 Questions received from investors

Business Portfolio as a Medium- to Long-Term Goal



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.

Past

Manufacturers and dealers' relationships of co-existence and mutual prosperity

New car sales at stores for selling

Future prospects

Shift to manufacturers' direct sales model

Start to focus on online sales as the shift to electric vehicles occurs

The relationships between manufacturers and dealers will change in the future.

The judgment from a medium- and long-term perspective is that a high growth potential cannot be expected.

Stock

It is necessary to hold new cars with high prices in stock.

Non-current assets

A huge capital investment is made in stores.
It is necessary to obtain dealerships through M&A activities.

Profit rate

The business structure has a low profit rate.
The Australian business had a poor operating profit margin of around 2%.*

The new car business has a business structure with a poorer profit rate than the used car business, even though it involves greater capital investment. In other words, its capital efficiency is lower.

Investment decision
criteria

Capital Efficiency and Growth Potential

Process until decision on
transfer

- (1) Management decision regarding investment priorities and withdrawal from individual businesses always using the business portfolio with a focus on return on invested capital (ROIC) and growth potential.
- (2) For the Australian business, the presidents of the two companies discussed and studied the growth potential of the business for about three years in view of the changes in the macroeconomic situation in the changes in car manufacturers' dealer policies mentioned on the previous page.
- (3) There were several discussions at management meetings and meetings of the Board of Directors. The Board of Directors officially decided to sell the business in April 2022.

1

About the transfer of shares of the Australian subsidiaries

2

Summary of 「Medium-Term Business Plan 2023 - 2027」

3

Used car purchase business and Used car retail business

4

Questions received from investors

Release of “Medium-Term Business Plan 2023–2027”



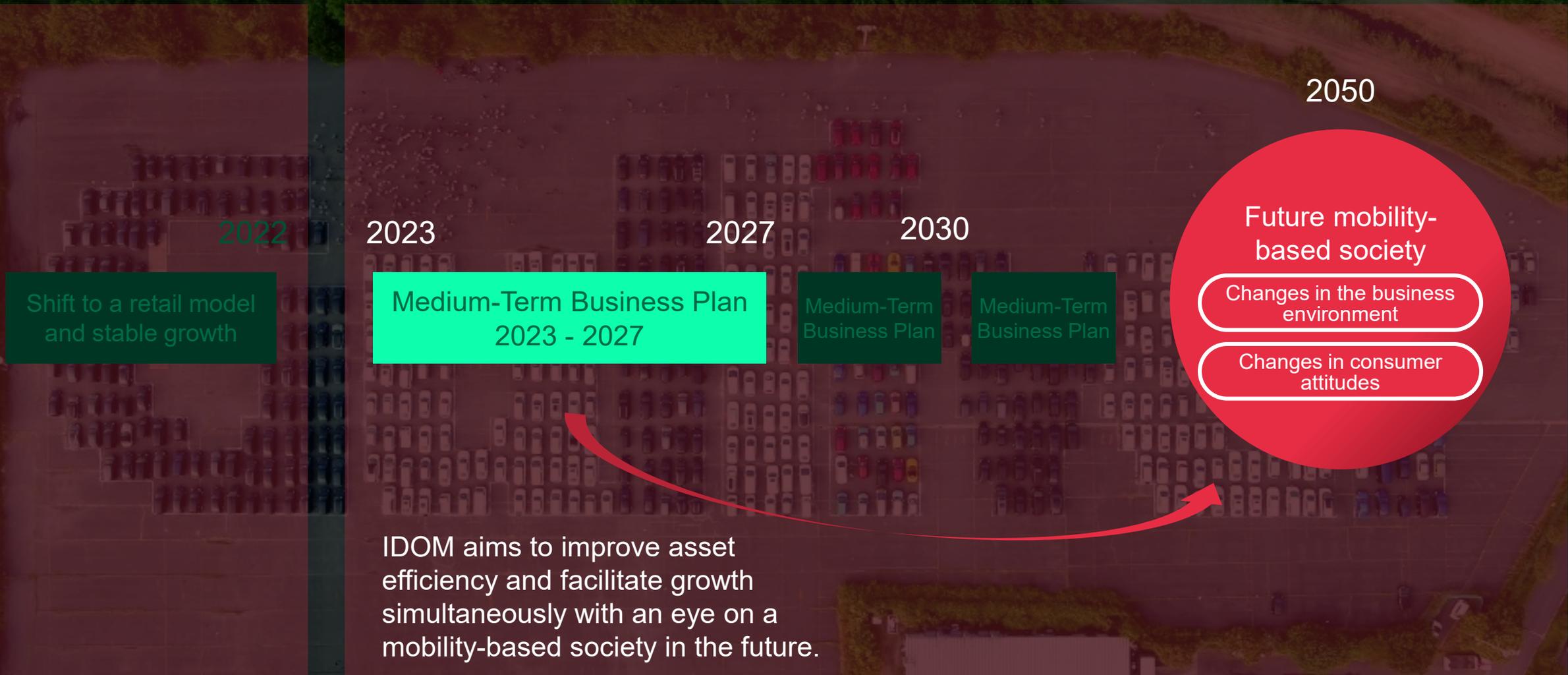
- Release of Medium-Term Business Plan

The Company released “Medium-Term Business Plan 2023–2027” on Friday, 4/15/2022.

Reference link

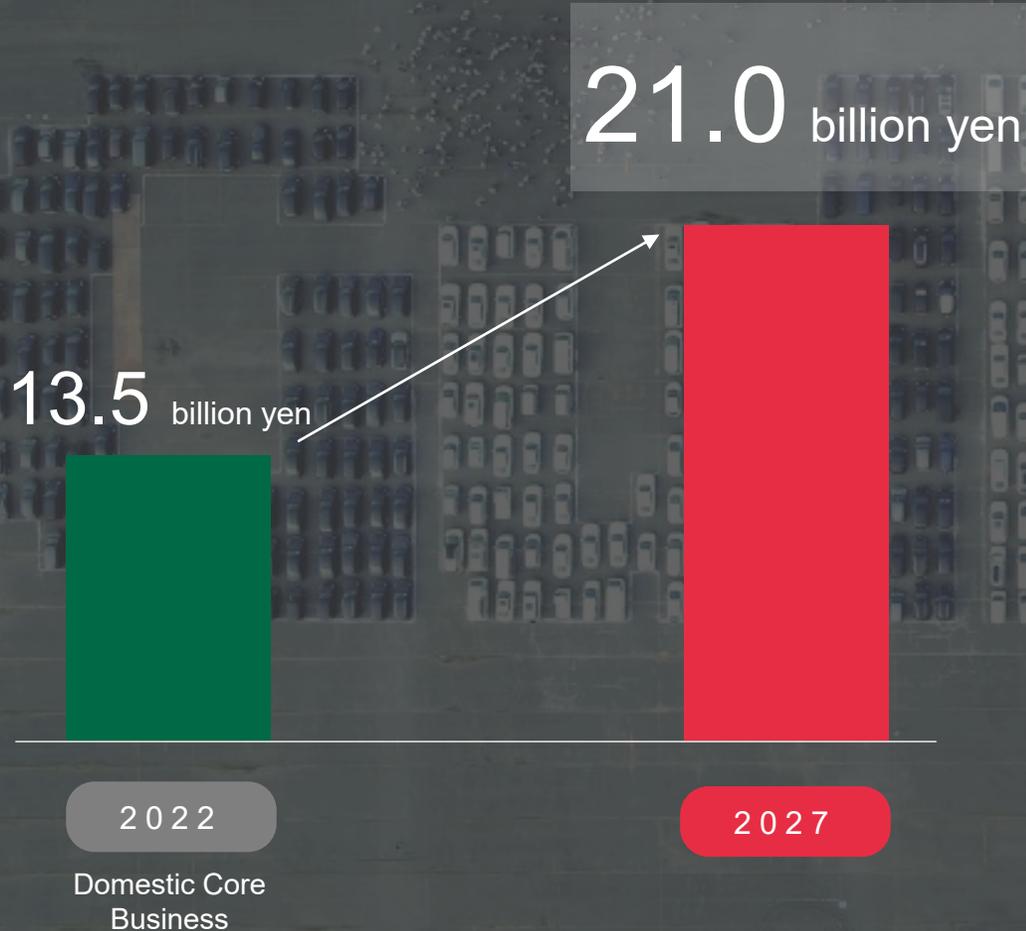
https://221616.com/idom/wp-content/uploads/2022/08/e-chukei_20220415.pdf

Position of Medium-Term Business Plan



Target Values under the Medium-Term Business Plan 2023 - 2027

Operating profit target in five years



Consolidated Numerical Targets in five years (2027)

Retail unit sales of
directly managed stores

17 million units

Operating profit
margin

5% or more

Operating profit

21.0 billion yen

ROIC

10% or more

Steady expansion of free cash flows

Earnings Structure of Core Businesses

Gross profit from core businesses

① Used car purchase business

Purchasing used cars at Gulliver stores (mainly stores for purchasing)

Wholesale unit sales



Wholesale Gross profit per car

② Used car retail business

Retail sales of used cars at Gulliver stores (mainly medium-sized and large stores)

Retail unit sales



Retail Gross profit per car

③ Incidental business

Sales of products incidental to retail sales of used cars, including auto loan, auto insurance, warranties, safety inspection, and maintenance

Unit sales by product



Gross profit by product

Distribution Flow of the Domestic Core Businesses

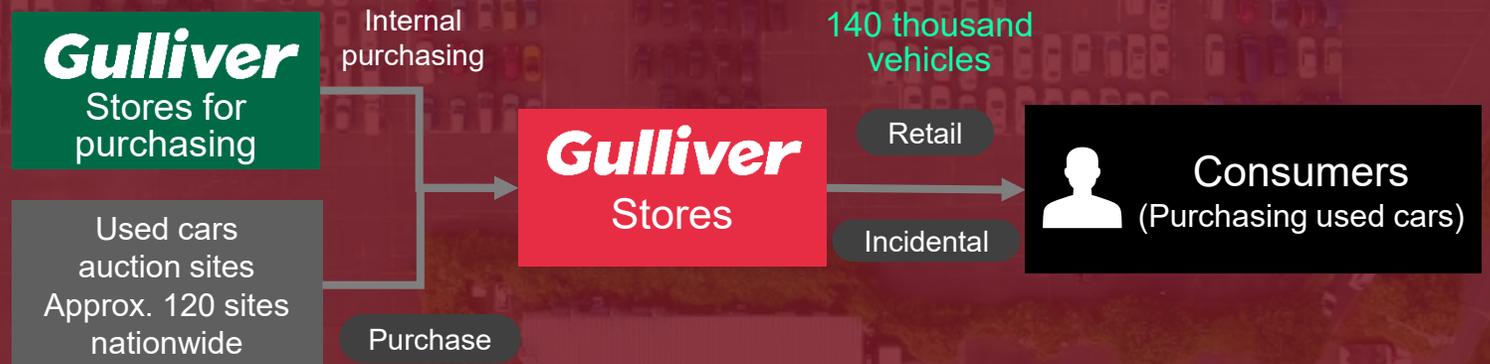
1 Used car purchase business

Purchasing used cars at Gulliver stores (mainly at stores for purchasing)



2 Used car retail business

Retail sales of used cars at Gulliver stores (mainly large and medium-sized stores)



3 Incidental business

Sales of products incidental to retail sales of used cars, including auto loan, auto insurance, warranties, safety inspection, and maintenance

Two Store Formats

<p>Store format</p>	<p>Stores for purchasing</p> 	<p>Stores</p>  <p>Medium-sized stores</p> <ul style="list-style-type: none"> Medium-sized store type Store specializing in foreign cars Store specializing in custom cars <p>Large stores</p> <ul style="list-style-type: none"> Large store type Store with maintenance shop Store with maintenance shop and sheet-metal workshop
<p>Number of stores</p>	<p>218</p>	<p>227</p>
<p>Features</p>	<p>Purchase-only store</p>	<ul style="list-style-type: none"> Stores specialized to suit customer needs Existing stores in candidate areas for opening large stores Far greater number of products than other stores in each area Presence on the roadside Customer services and after-sales services beyond the level of those provided by dealers
<p>Store opening strategy</p>	<p>Pursue efficiency Shift to home-visit purchases</p>	<ul style="list-style-type: none"> Opening of large stores Opening stores proactively in blank areas Increasing shares by replacing existing stores with large ones Opening specialized stores that create new customer needs

1

About the transfer of shares of the Australian subsidiaries

2

Summary of 「Medium-Term Business Plan 2023 - 2027」

3

Used car purchase business and Used car retail business

4

Questions received from investors

Measures for the Two Businesses

Gulliver

Used car purchase
business

Used car retail
business

Incidental
business

Used car purchase
business

Used car retail
business

Incidental
business

Current State of Stores for Purchasing in the Used Car Purchase Business

Used car purchase business

Purchasing used cars at Gulliver stores (mainly at stores for purchasing)

Store opening plan

2022

218 stores

2027

218 stores

Currently, there are 218 stores for purchasing. They are operating across the country.

Used car purchase
business

Used car retail
business

Incidental
business

Expansion of the Used Car Retail Business

Used car retail business

Retail sales of used cars at Gulliver stores (mainly large and medium-sized stores)

Incidental business

Sales of products incidental to retail sales of used cars, including auto loan, auto insurance, warranties, safety inspection, and maintenance.

Store opening plan



Large stores are a growth driver in the medium-term business plan.
Incidental business at large and medium-sized stores has room for growth.

Measures for Increasing Retail Gross Profit (number of vehicles x gross profit per vehicle)

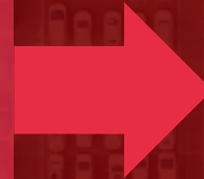
Gulliver

number of
vehicles



Current retail gross
profit

「number of vehicles」
×
「gross profit per vehicle」



gross profit per vehicle

We will (1) accelerate the opening of large stores (vertical axis) and (2) increase sales of incidental items (horizontal axis) to expand retail gross profit.

Expansion Policy for Retail Gross Profit (number of vehicles)

Gulliver

number of vehicles



1 Opening of large stores

Current retail gross profit

$$\begin{aligned} & \text{「number of vehicles」} \\ & \times \\ & \text{「gross profit per vehicle」} \end{aligned}$$

gross profit per vehicle



Open large stores to increase the number of cars retailed.

Expansion Policy for Retail Gross Profit (gross profit per vehicle)

Gulliver

number of vehicles



Current retail gross profit

$$\begin{aligned} & \text{「number of vehicles」} \\ & \times \\ & \text{「gross profit per vehicle」} \end{aligned}$$

2

Increase sales of incidental items



gross profit per vehicle

Take various measures including product development, personnel development and operational enhancement to increase sales of incidental items.

Three Measures in the Used Car Retail Business

Gulliver



Opening of large stores



Expand large stores with maintenance shops



Efforts to increase sales of incidental items



Opening of large stores

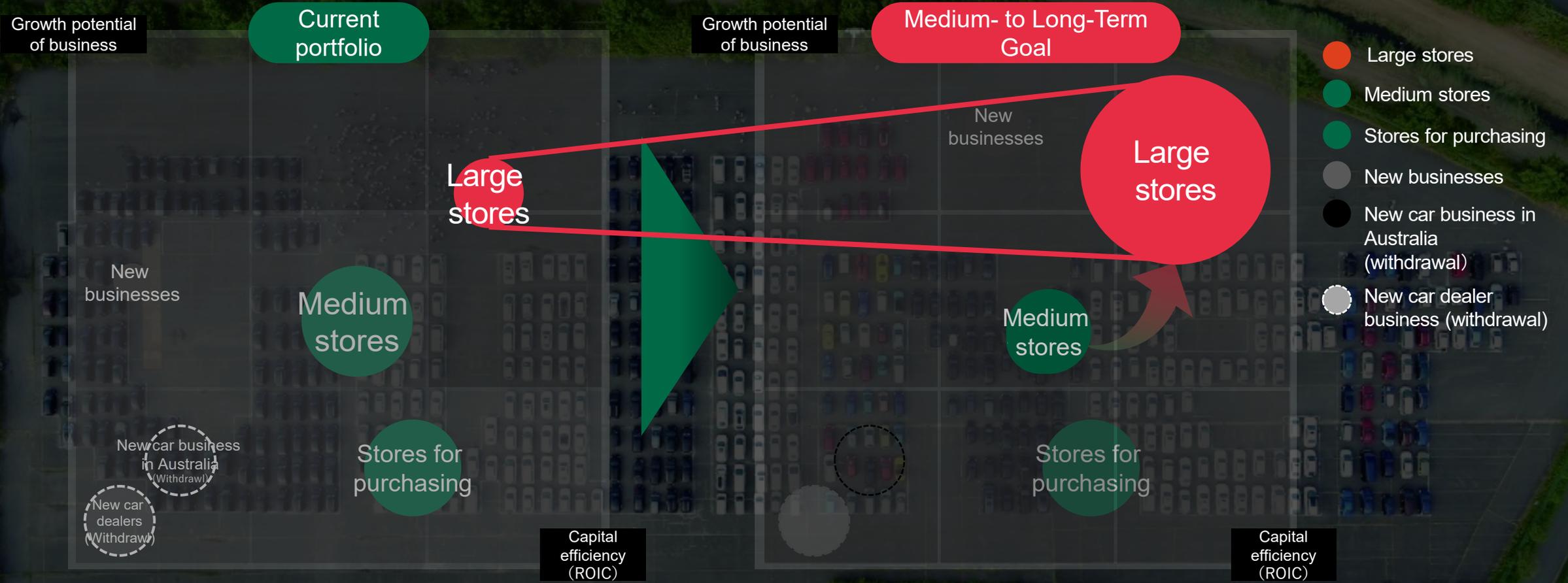


Expand large stores with maintenance shops



Efforts to increase sales of incidental items

Business Portfolio as a Medium- to Long-Term Goal



The Company will focus on businesses with high growth potential and capital efficiency to redistribute management resources.

Moving forward, the Company will invest intensively in businesses with high growth potential and capital efficiency.

Features and Outline of Large Stores



Features

- ① Refined store design
- ② Number of displayed cars that is among the largest in each area
- ③ Prices and product lineup optimized for each area
- ④ Negotiation area for enjoying choosing a car

Outline

Site area	8,000 m ² or more
Number of exhibited vehicles	About 300

Capital expenditures	About 200 million yen
Payback period	About 3 years (cash flow after tax, recovery of capital investment)

Large Stores Opened in FY2023



Kusatsuminami(Opened in June 2022)

Kusatsu-shi, Shiga
Prefecture

Recent launch of new stores

Opening of large stores

- Nagano (April 2022)
including an attached maintenance shop
- R1 Chiryu (April 2022)
including an attached maintenance shop
- Kusatsuminami (June 2022)
including an attached maintenance shop

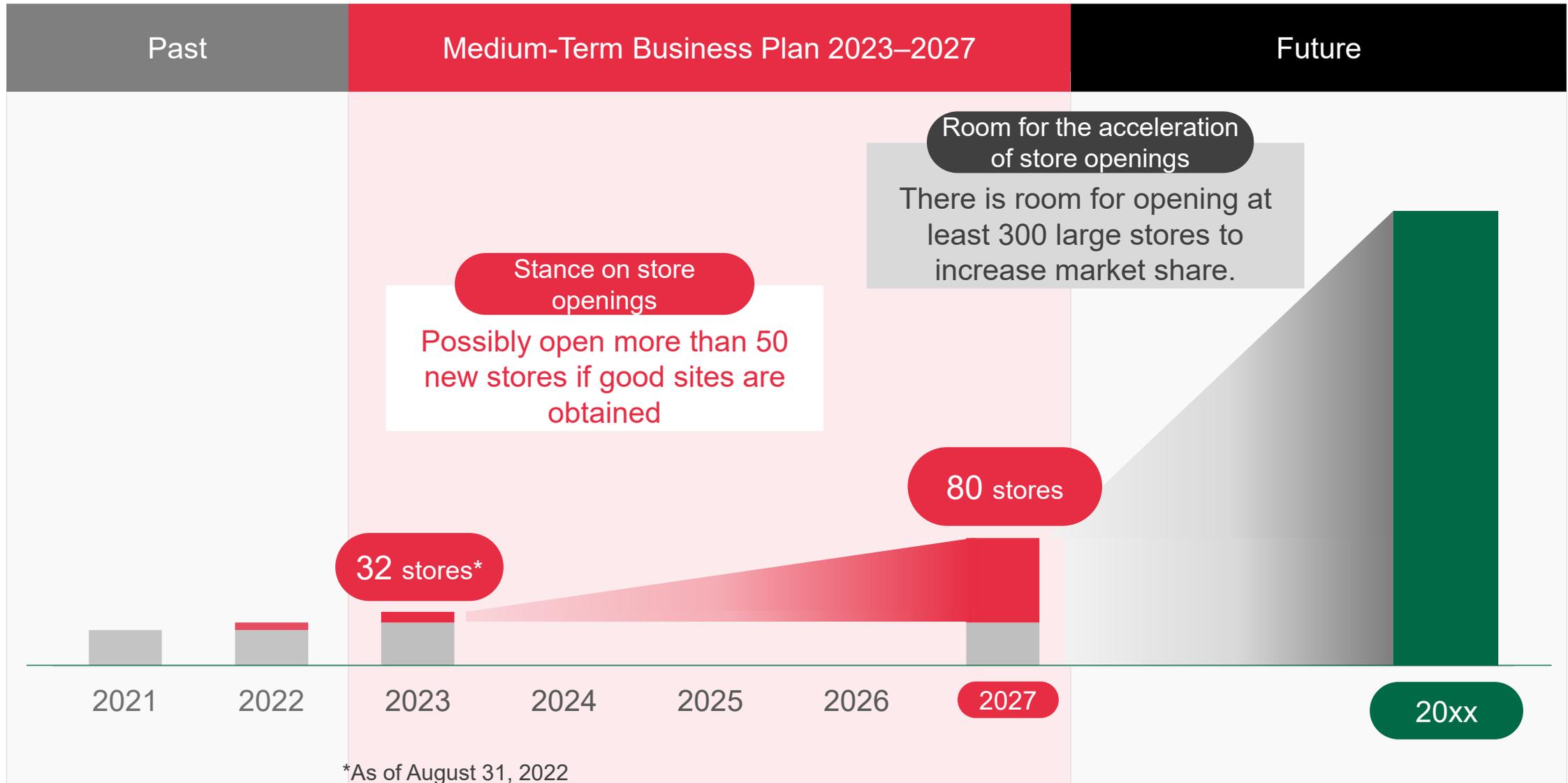
3 stores in total
(Plans to open 7 new stores this fiscal year)

Number of
Large Stores

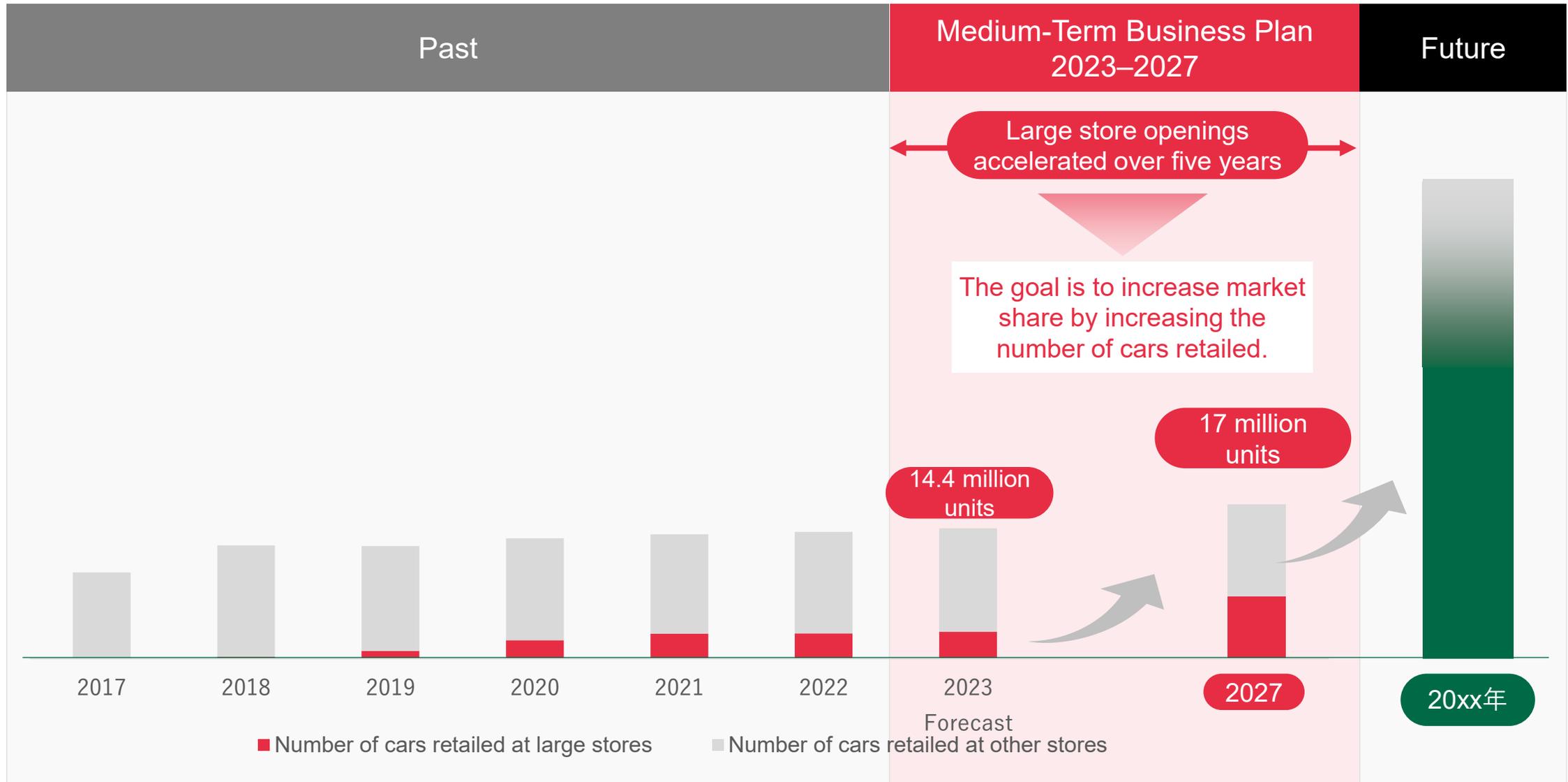
32

(as of August 31, 2022)

Image of Large Store Openings



Number of Cars Retailed Increases in Line with Large Store Openings





Opening of large stores



Expand large stores with maintenance shops



Efforts to increase sales of incidental items

Features and Outline of the Maintenance Shops



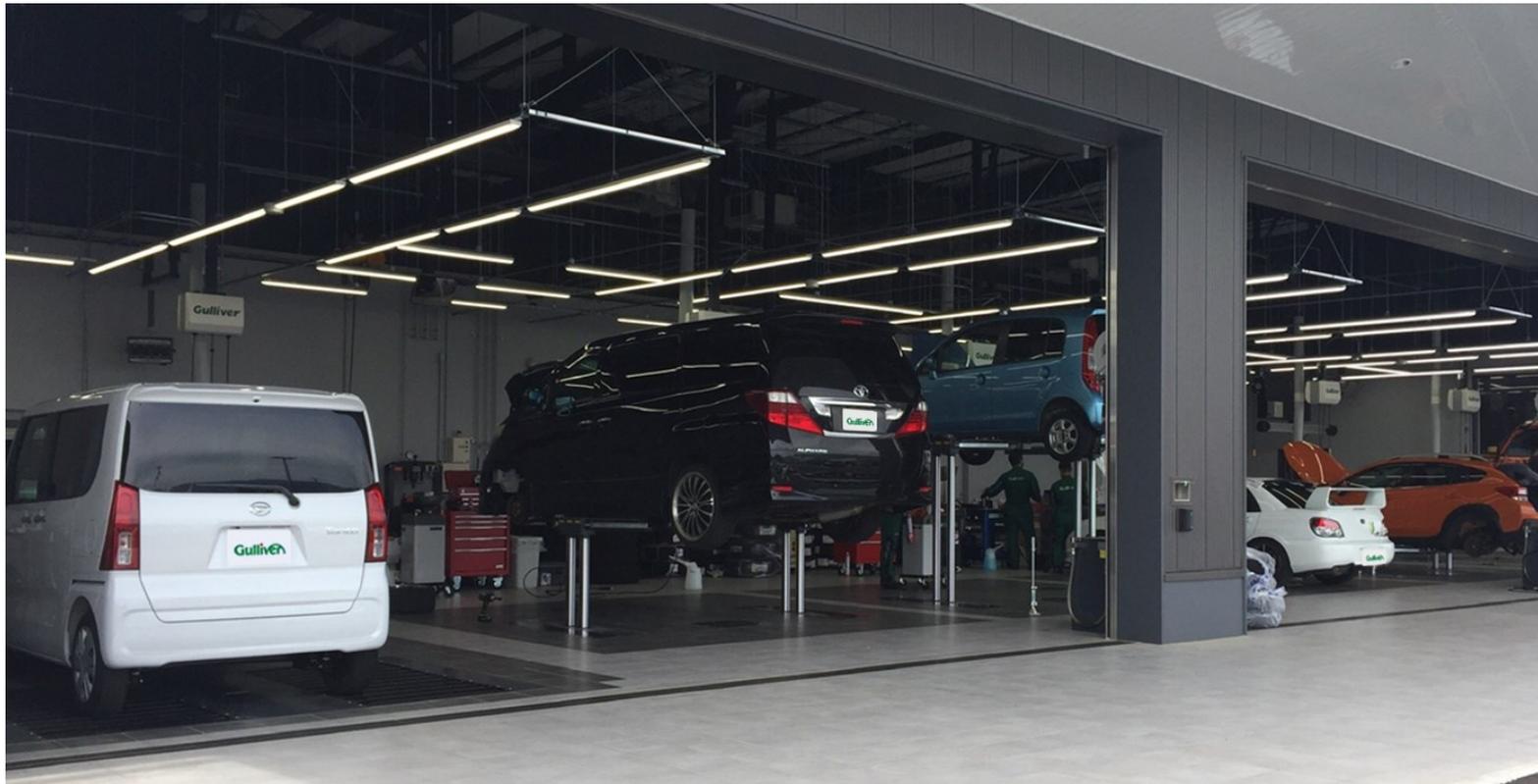
Features

- ① Complete with latest equipment
- ② Attached to a Gulliver store
- ③ Refined exterior design
- ④ Generous waiting area for customers
- ⑤ Sheet-metal workshop also attached in some areas

Outline

Work items	Safety inspections and maintenance before delivery	Capital expenditures	About 200 million yen
Number of Maintenance Shops	11 seven of them are designated maintenance shops. (as of August 31, 2022)	Payback period	About 3 years (cash flow after tax, recovery of capital investment)

Maintenance Shops Opened in FY2023



Nagano car maintenance shop (Opened in April 2022)

Nagano-shi, Nagano
Prefecture

Recent launch of
new maintenance shops

Opening of new maintenance shops

- Nagano (April 2022)
- R1 Chiryu (April 2022)
- Kusatsuminami (June 2022)

3 shops in total

Number of
Maintenance
Shops

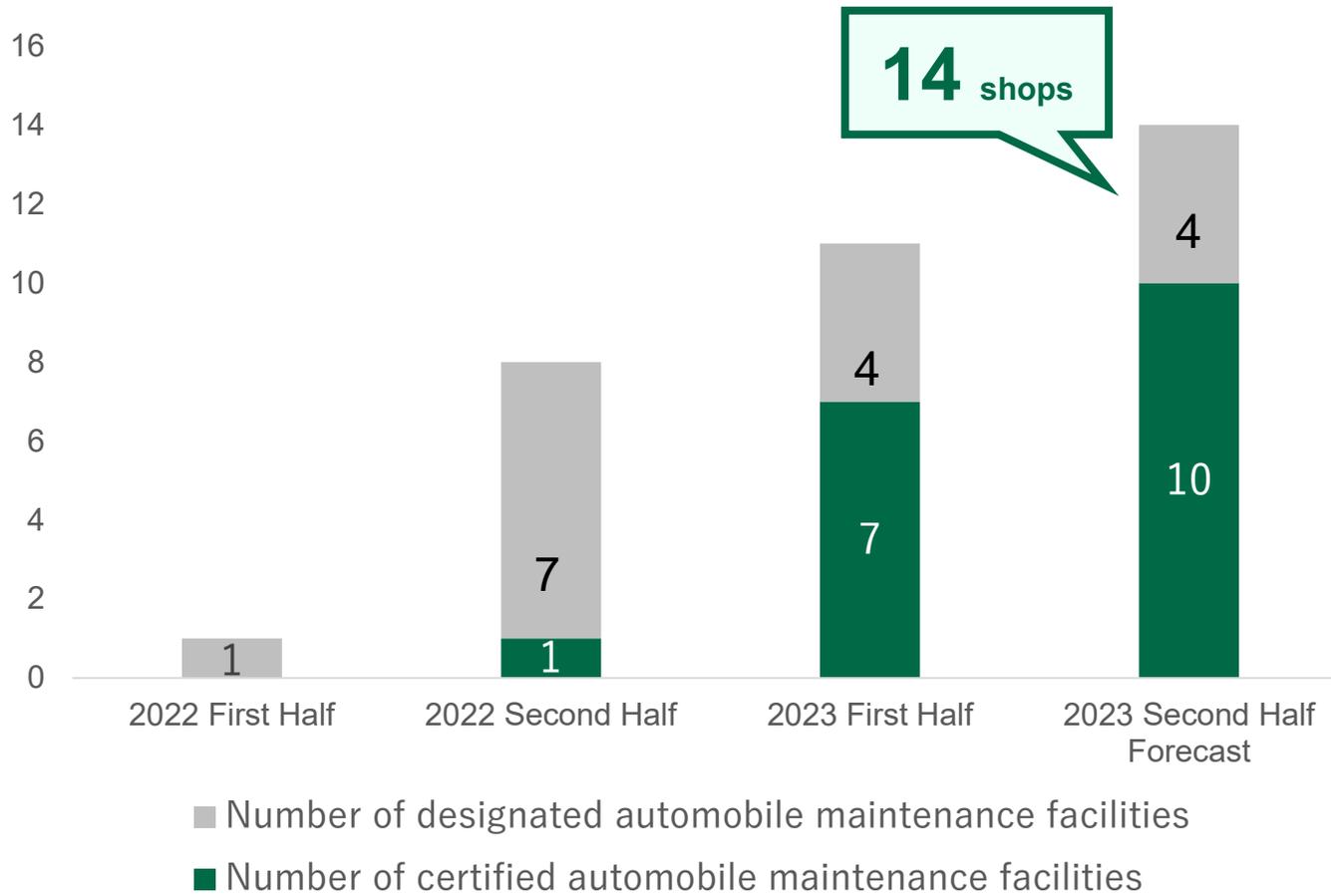
11

Seven of them are designated
maintenance shops

Certified Automobile Maintenance Facilities and Designated Automobile Maintenance Facilities



Maintenance shop trends



<p>Certified Automobile Maintenance Facilities (in operation)</p>	<p>Not permitted to implement all automobile inspection processes internally</p> <p>Maintenance shops licensed to implement automobile disassembly and maintenance services by the Directors-General of Regional Transport Bureaus</p>
<p>Designated Automobile Maintenance Facilities (in full operation)</p>	<p>Permitted to implement all automobile inspection processes internally</p> <p>Maintenance shops licensed to implement designated automobile maintenance services by the Directors-General of Regional Transport Bureaus</p>

Maintenance Shop Interior and Exterior





Opening of large stores



Expand large stores with maintenance shops



Efforts to increase sales of incidental items

Service as the base

Used car retail

Expanding
incidental services



Purchase-related services

Warranty
(Max. 10 years)

Optional parts sales

Optional coatings

Inspection and
maintenance before
delivery



Payment-related services

Rakuraku 84

Plus Loan

Big-final-installment
plan

Skip Loan

Insurance Loan



Insurance-related services

Car insurance

Automobile liability
insurance

Insurance Loan



Service related to vehicle disposal

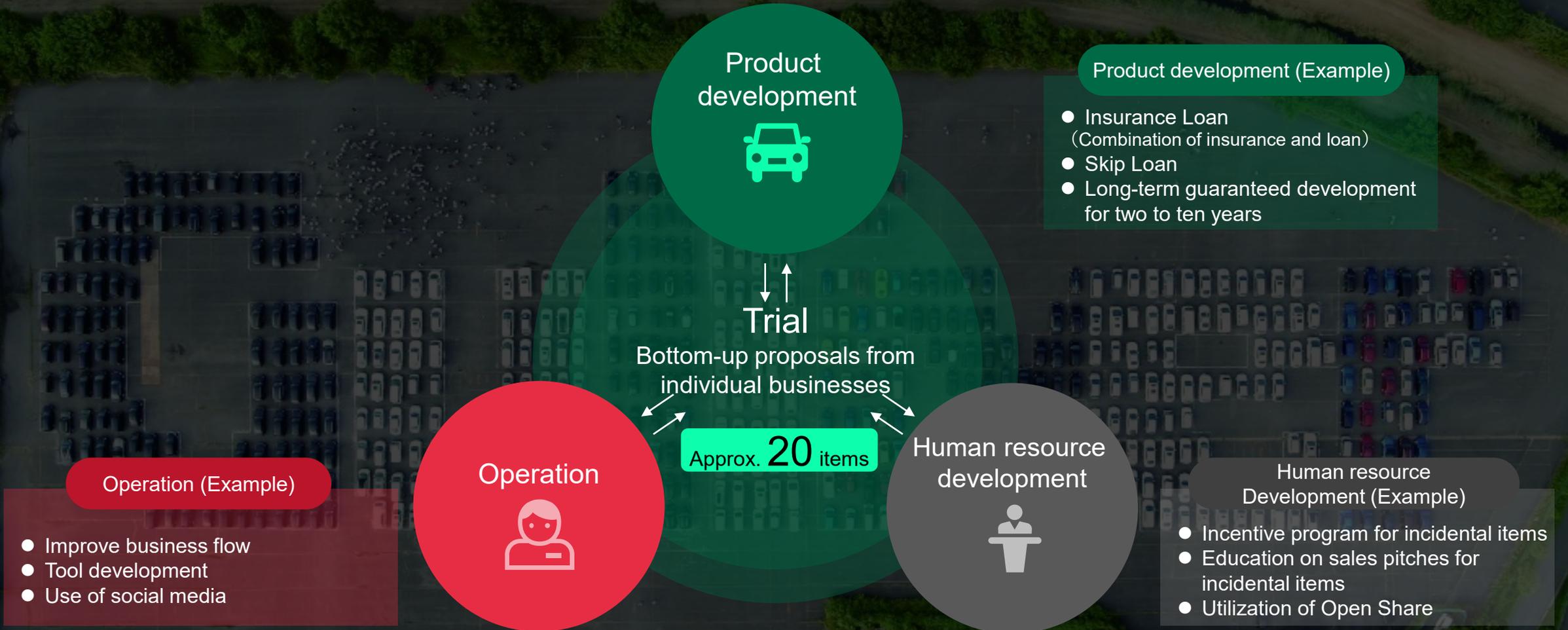
Safety inspections and
maintenance

Sheet-metal repairing

Return service

Vehicle disposal
procedures

Trial for Expansion of Incidental services



To increase sales of incidental items, carry out the product development of around 20 items, personnel development and operational enhancement in parallel to standardize them at a high level of quality.

1

About the transfer of shares of the Australian subsidiaries

2

Summary of 「Medium-Term Business Plan 2023 - 2027」

3

Used car purchase business and Used car retail business

4

Questions received from investors

Question ①

Auction market prices are staying high. If they fall, will it have any impact on the financial results?

Question ②

It seems that you are shifting from purchases to auctions. What impact will this have on gross profit?

Question ③

Will the increase in EV sales have any impact on IDOM's business?

NEXT GENERATION MOBILITY CHALLENGE

The start of new challenges

IDOM has been pursuing a circulation-based used car distribution business. This means that the company has constantly been responding to changes in society and consumer mindset. IDOM has continued to pursue and provide the value sought by society and customers.

These initiatives and approach will remain unchanged in the future mobility-based society.

IDOM will continue to develop services and content in a constant pursuit of value creation for a mobility-based society.

IDOM begins to take on new challenges.



Fact Book

Appendix. Supplementary Information on Results and Financial Matters

Gulliver



[Consolidated / Non-consolidated] Income Statement (half year)



Consolidated	6 months ended August 31, 2019		6 months ended August 31, 2020		6 months ended August 31, 2021		6 months ended August 31, 2022			
	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)						
Sales	179,276	100.0	178,109	100.0	227,775	100.0	225,478	100.0	△2,296	△1.0
Cost of sales	142,478	79.5	144,145	80.9	185,308	81.4	187,209	83.0	1,901	1.0
Gross profit	36,797	20.5	33,963	19.1	42,466	18.6	38,269	17.0	△4,197	△9.9
SG&A Expenses	32,173	17.9	29,910	16.8	33,025	14.5	29,652	13.2	△3,373	△10.2
Operating profit	4,624	2.6	4,053	2.3	9,440	4.1	8,616	3.8	△824	△8.7
Ordinary profit	3,634	2.0	3,147	1.8	9,011	4.0	8,280	3.7	△730	△8.1
Profit before income taxes and minority interests	3,292	1.8	2,717	1.5	7,951	3.5	9,181	4.1	1,230	15.5
Profit attributable to owners of parent	2,124	1.2	1,375	0.8	5,311	2.3	7,516	3.3	2,204	41.5

Non-Consolidated	6 months ended August 31, 2019		6 months ended August 31, 2020		6 months ended August 31, 2021		6 months ended August 31, 2022			
	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)						
Sales	129,806	100.0	134,150	100.0	150,239	100.0	178,303	100.0	28,064	18.7
Cost of sales	100,099	77.1	107,145	79.9	120,147	80.0	147,944	83.0	27,797	23.1
Gross profit	29,706	22.9	27,004	20.1	30,092	20.0	30,359	17.0	267	0.9
SG&A Expenses	25,424	19.6	23,736	17.7	23,983	16.0	23,601	13.2	△382	△1.6
Operating profit	4,282	3.3	3,267	2.4	6,108	4.1	6,757	3.8	649	10.6
Ordinary profit	3,721	2.9	3,101	2.3	5,939	4.0	6,560	3.7	621	10.4
Profit before income taxes	3,397	2.6	2,383	1.8	4,655	3.1	9,537	5.3	4,882	104.9
Profit	2,253	1.7	2,005	1.5	3,170	2.1	8,575	4.8	5,405	170.5

[Consolidated / Non-consolidated] Income Statement



Consolidated	FY ended Feb 29, 2020		FY ended Feb 28, 2021		FY ended Feb 28, 2022		FY ending Feb 28, 2023			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	361,684	100.0	380,564	100.0	459,532	100.0	410,000	100.0	△49,532	△10.8
Cost of sales	287,724	79.6	307,754	80.9	373,519	81.3	336,600	82.1	△36,919	△9.9
Gross profit	73,959	20.4	72,810	19.1	86,013	18.7	73,400	17.9	△12,613	△14.7
SG&A Expenses	64,868	17.9	62,239	16.4	67,528	14.7	56,400	13.8	△11,128	△16.5
Operating profit	9,091	2.5	10,571	2.8	18,485	4.0	17,000	4.1	△1,485	△8.0
Ordinary profit	6,867	1.9	9,642	2.5	17,561	3.8	16,400	4.0	△1,161	△6.6
Profit before income taxes and minority interests	3,917	1.1	4,524	1.2	15,750	3.4	16,500	4.0	749	4.8
Profit attributable to owners of parent	3,545	1.0	1,484	0.4	10,794	2.3	12,850	3.1	2,055	19.0

Non-Consolidated	FY ended Feb 29, 2020		FY ended Feb 28, 2021		FY ended Feb 28, 2022		FY ending Feb 28, 2023			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	258,008	100.0	275,710	100.0	306,733	100.0	357,000	100.0	50,266	16.4
Cost of sales	199,406	77.3	219,258	79.5	245,661	80.1	292,700	82.0	47,038	19.1
Gross profit	58,602	22.7	56,451	20.5	61,071	19.9	64,300	18.0	3,228	5.3
SG&A Expenses	50,867	19.7	48,593	17.6	49,164	16.0	50,000	14.0	835	1.7
Operating profit	7,735	3.0	7,858	2.9	11,907	3.9	14,300	4.0	2,392	20.1
Ordinary profit	6,964	2.7	7,642	2.8	11,573	3.8	13,800	3.9	2,226	19.2
Profit before income taxes	3,457	1.3	△458	-	9,450	3.1	21,000	5.9	11,549	122.2
Profit	3,500	1.4	△2,081	-	6,553	2.1	18,200	5.1	11,646	177.7

[Consolidated] Balance Sheets



(Unit: million yen)

	As of February 28, 2022	As of August 31, 2022
Assets		
Current assets		
Cash and deposits	45,670	56,477
Notes and accounts receivable - trade	5,620	2,875
Merchandise	85,363	66,426
Other	4,907	5,835
Allowance for doubtful accounts	△416	△398
Total current assets	141,146	131,215
Non-current assets		
Property, plant and equipment		
Buildings and structures	37,102	38,447
Accumulated depreciation	△16,061	△16,091
Buildings and structures, net	21,040	22,355
Vehicles	298	237
Accumulated depreciation	△60	△105
Vehicles, net	238	132
Tools, furniture and fixtures	4,279	4,559
Accumulated depreciation	△3,114	△3,236
Tools, furniture and fixtures, net	1,164	1,323
Land	136	136
Construction in progress	1,083	1,102
Total property, plant and equipment	23,663	25,050
Intangible assets		
Software	1,465	1,391
Goodwill	5,995	90
Other	4,314	2
Total intangible assets	11,775	1,484
Investments and other assets		
Investment securities	20	0
Shares of subsidiaries and associates	129	29
Long-term loans receivable	228	81
Lease and guarantee deposits	4,405	4,788
Construction assistance fund receivables	4,289	4,167
Deferred tax assets	3,677	6,015
Other	438	428
Allowance for doubtful accounts	△8	△6
Total investments and other assets	13,181	15,505
Total non-current assets	48,620	42,039
Total assets	189,766	173,255

	As of February 28, 2022	As of August 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	23,618	4,790
Short-term loans payable	1,101	-
Current portion of long-term loans payables	10,000	30,000
Accounts payable - other	4,713	2,143
Income taxes payable	3,960	1,407
Advances received	9,548	-
Contract liability	-	20,335
Deposits received	215	176
Provision for bonuses	1,965	1,561
Provision for merchandise warranties	884	-
Other provision	1,327	408
Other	3,750	4,561
Total current liabilities	61,085	65,383
Non-current liabilities		
Long-term loans payable	67,523	47,145
Long-term guarantee deposited	587	613
Asset retirement obligations	2,236	2,371
Deferred tax liabilities	1,535	-
Other provision	680	-
Other	407	183
Total non-current liabilities	72,972	50,312
Total liabilities	134,057	115,696
Net assets		
Shareholders' equity		
Capital stock	4,157	4,157
Capital surplus	4,361	5,250
Retained earnings	49,673	51,669
Treasury shares	△4,344	△4,344
Total shareholders' equity	53,847	56,732
Accumulated other comprehensive income		
Foreign currency translation adjustment	168	291
Total accumulated other comprehensive income	168	291
Minority owner shares worth	1,693	533
Total net assets	55,709	57,558
Total liabilities and net assets	189,766	173,255

[Consolidated] Statements of Cash Flows



(Unit: million yen)

	6 months ended August 31, 2021	6 months ended August 31, 2022
Profit before income taxes	7,951	9,181
Depreciation	1,406	1,322
Amortization of goodwill	239	106
Net increase (decrease) in working capital	1,275	△2,674
Income taxes paid	△1,815	△2,786
Other, net	△976	2,143
Cash flows from operating activities	8,081	7,292
Cash flows from investing activities	△1,204	2,220
Free cash flow	6,877	9,513
Cash flows from financing activities	△2,462	986
Net increase (decrease) resulting from exchange rate change and new consolidation	△107	306
Net increase (decrease) in cash and cash equivalents	4,306	10,806
Cash and cash equivalents at the beginning of period	43,179	45,670
Cash and cash equivalents at the end of period	47,502	56,477