

**IDOM Inc.**

2nd Quarter Results for  
Fiscal Year Ending  
February 28, 2022

IDOM Inc. | October 15, 2021

- I. First Half Results and Full-Year Results Forecasts
- II. Progress in Growth Strategies
- III. Supplementary Information on Results and Financial Matters
- IV. Reference Materials

Consolidated earnings forecasts stated herein have been prepared based on the information available to the Company at the time that this report was prepared and contains certain risks and uncertainties.

Depending on market trends, economic conditions and other factors, actual performance may vary from the projected performance.

# I. First Half Results and Full-Year Results Forecasts

- 1** Year-on-Year Comparison
- 2 Comparison with Forecasts
- 3 Full-Year Results Forecasts

# First Half FY2022 Results Summary (Year-on-Year)

(unit: billion yen)

Consolidated	FY2021 Mar - Aug	FY2022 Mar - Aug		
	Results	Results	Change	Y/Y
Sales	178.1	227.8	+49.7	+28%
Gross profit	34.0	42.5	+8.5	+25%
SG&A Expenses	29.9	33.0	+3.1	+10%
Operating income	4.1	9.4	+5.4	+133%

Sales rose due to an increase in retail unit sales at directly managed stores in Japan. The number of new cars sold at the Australian subsidiaries also increased. Non-consolidated SG&A expenses remained unchanged. Foreign exchange gains increased at Australian subsidiaries due to the depreciation of the yen. As a result, operating income rose significantly.






## Posting a record profit

(unit: billion yen)

Consolidated	FY2021	FY2022		
	Mar - Aug	Mar - Aug	Change	Y/Y
	Results	Results		
Operating income	4.1	9.4	+5.4	+133%
Ordinary income	3.1	9.0	+5.9	+186%
Profit attributable to owners of parent	1.4	5.3	+3.9	+286%

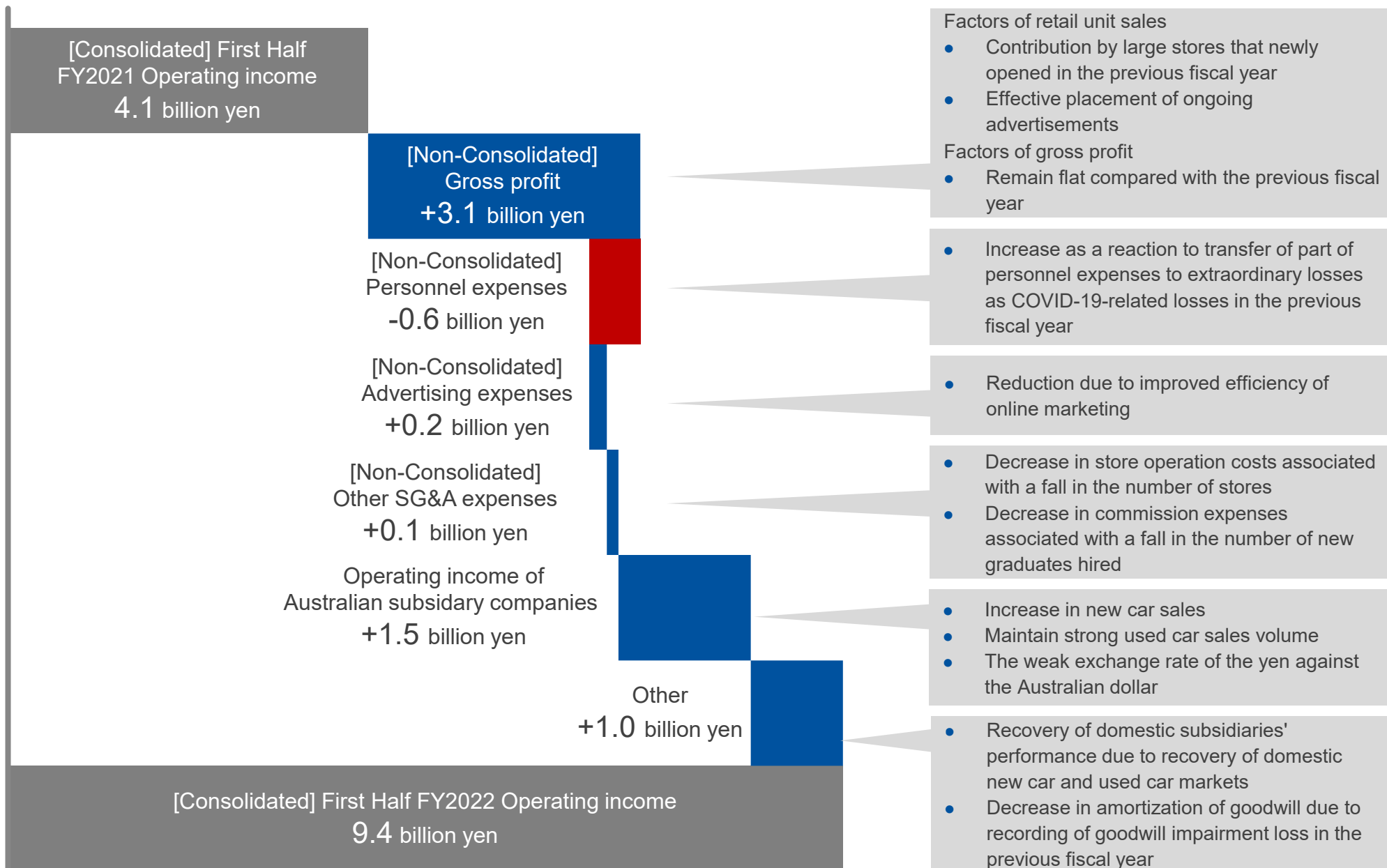
Profit at all levels reached a record high for the first half of the fiscal year.

# Difference Factors of Consolidated Operating Income for First Half FY2022 (Year-on-Year)

		Result (vs. previous fiscal year)	Factors different from the previous fiscal year
1	Retail unit sales of directly managed stores		<ul style="list-style-type: none"> <li>• Contribution by large stores that newly opened in the previous fiscal year</li> <li>• Effective placement of ongoing advertisements</li> </ul>
2	Gross profit per unit		<ul style="list-style-type: none"> <li>• Remain flat compared with the previous fiscal year</li> </ul>
3	Non- consolidated SG&A expenses		<ul style="list-style-type: none"> <li>• Remain flat compared with the previous fiscal year</li> </ul>
4	Australian subsidiary		<ul style="list-style-type: none"> <li>• Increase in the number of new cars sold, reflecting favorable business conditions in the Western Australian new car market.</li> <li>• Strong sales of used car reflecting ongoing measures to boost sales</li> </ul>
5	Exchange rate		<ul style="list-style-type: none"> <li>• The Australia segment profit rose approximately 0.3 billion yen based on the previous fiscal year's exchange rates, reflecting a weakening of the yen in the foreign exchange market</li> </ul>

Retail unit sales at directly managed stores was 72,694 (up 3.0% year on year), reaching a record high for the first half of a fiscal year. Profit increased at Australian subsidiaries thanks to a rise in new car sales owing to market growth and the further depreciation of the yen in the foreign exchange market, in addition to continued strength in used car sales.

# Difference Factors of Consolidated Operating Income for First Half FY2022 (Year-on-Year)





# First Half FY2022 Results Summary (Year-on-Year)

## Posting a record profit

(unit: billion yen)

Non-Consolidated	FY2021 Mar - Aug	FY2022 Mar - Aug		
	Results	Results	Change	Y/Y
Operating income	3.3	6.1	+2.8	+87%
Ordinary income	3.1	5.9	+2.8	+92%
Net income	2.0	3.2	+1.2	+58%

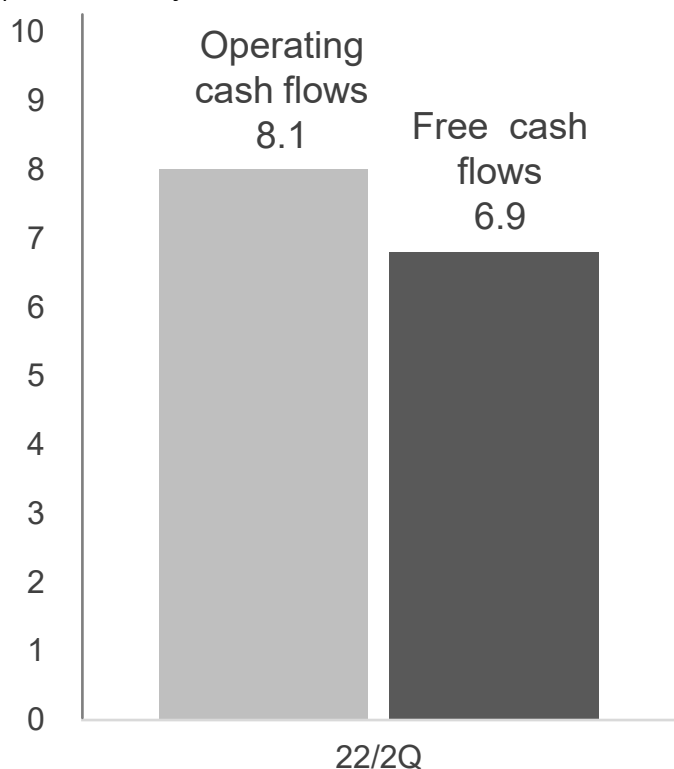
Retail unit sales reached a record high as a result of the operation of large stores that had opened in the previous fiscal year and growth in the number of visitors to existing stores, including large outlets, reflecting an increase in advertising efficiency. As a result, profit reached a record high for the first half of a fiscal year.

# Cash Flow and Inventory Status

Growth in operating income and inventory control resulted in increased FCF.

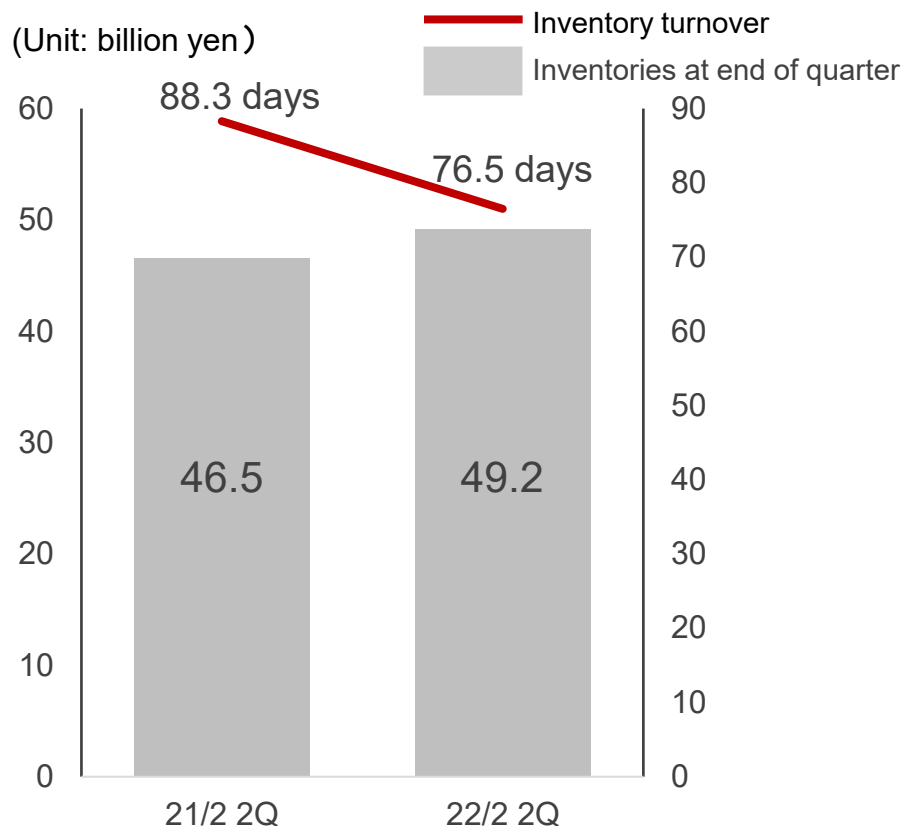
1H consolidated cash flow\*

(Unit: billion yen)



Inventories at end of quarter and Inventory turnover

(Unit: billion yen)



Inventory turnover = merchandise (weighted average at beginning and end of period) / cost of sales

Operating income increased. Continuous inventory control corresponding to sales demand resulted in a decrease in inventory turnover, despite an increase in inventory value. Consequently, free cash flow increased.

- 1 Year-on-Year Comparison
- 2 Comparison with Forecasts**
- 3 Full-Year Results Forecasts

# First Half FY2022 Results Summary (Compared with Forecasts)

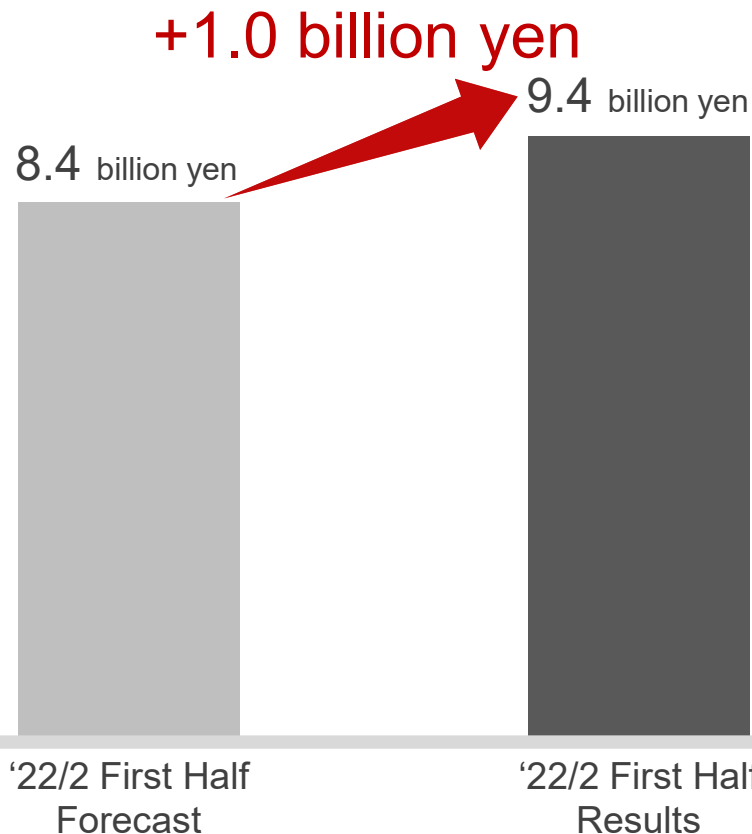
(unit: billion yen)

Consolidated	FY2022 Mar - Aug	FY2022 Mar - Aug		
	Forecasts	Results	Change	Y/Y
Operating income	8.4	9.4	+1.0	+12%
Ordinary income	7.8	9.0	+1.2	+15%
Profit attributable to owners of parent	3.9	5.3	+1.4	+36%

Results at the Australian subsidiaries exceeded expectations and contributed to operating income and ordinary income surpassing forecasts. Profit attributable to owners of parent exceeded the forecast thanks to profit growth, which was higher than assumed at some Australian subsidiaries having losses carried forward, and a conservative estimate of the tax burden ratio.

# Forecast and Results of Consolidated Operating Income for First Half FY2022

## Consolidated operating income







Difference factors between forecast and results

### Australian subsidiary

- Increase in new car sales
- Yen depreciation progresses

# Difference Factors of Consolidated Operating Income for First Half FY2022 (Compared with Forecast)

## Australian subsidiary

		Result for Q1 (vs. Forecast)	Factors different from the initial forecast
1	Sales of new cars		Increased more than expected on the back of the strong new car market in Western Australia attributable to a rise in iron ore prices
2	Sales of used cars		The result was as expected. (The robust performance was maintained due to stronger sales of used cars.)
3	SG&A expenses		The result was as expected (Australian dollar basis)
4	Exchange rate		Operating income exceeded the forecast by about 0.3 billion yen as the yen was weaker against the Australian dollar that originally expected.

The new car market in Western Australia is stronger than initially assumed due to an increase in the iron ore price. Consequently, growth in new car unit sales exceeded the Company's projection. A further depreciation of the yen in the foreign exchange market also contributed to profit growth at the Australian subsidiaries.

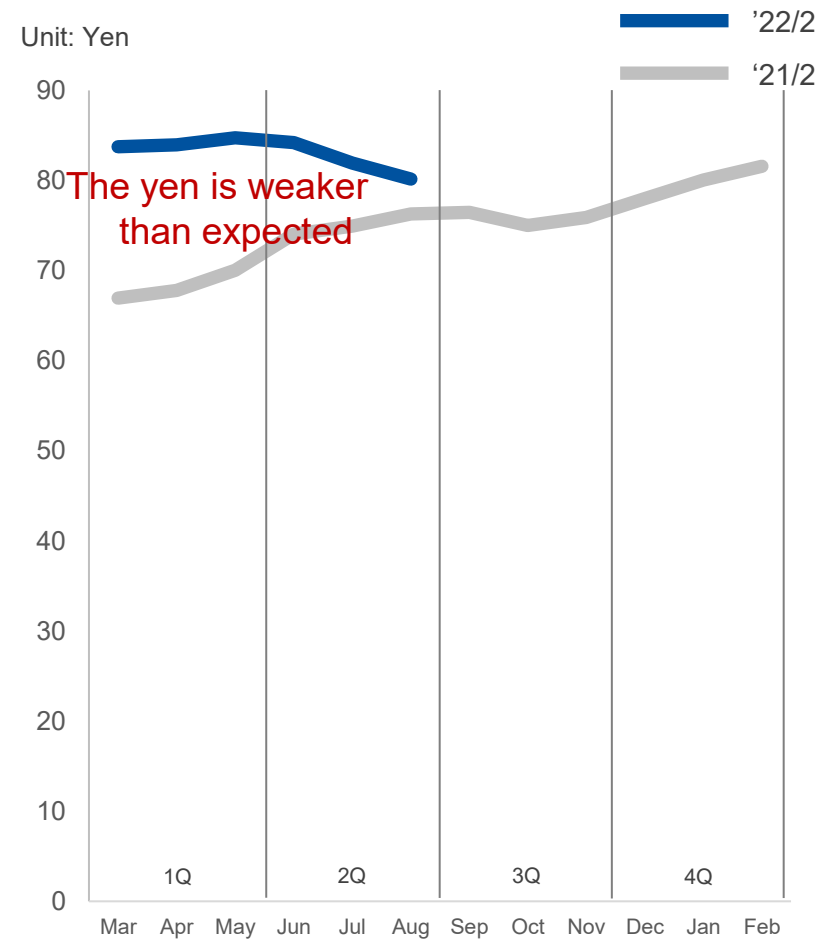
# Iron Ore Prices and Yen Depreciation

Changes in iron ore prices



Prepared by the Company based on the Trade Statistics of Japan of the Ministry of Finance

Monthly changes in the yen against the Australian dollar (Mid-month TTM)



Prepared by the Company based on Today's Exchange Rates of MUFG Bank

The new car market in Western Australia, which the Company had expected would remain flat from the previous second half, was more brisk than expected. The exchange rate of the yen, which the Company had expected to be around the average for the period, was weaker than expected against the Australian dollar.

- 1 Year-on-Year Comparison
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- 3 Full-Year Results Forecasts**

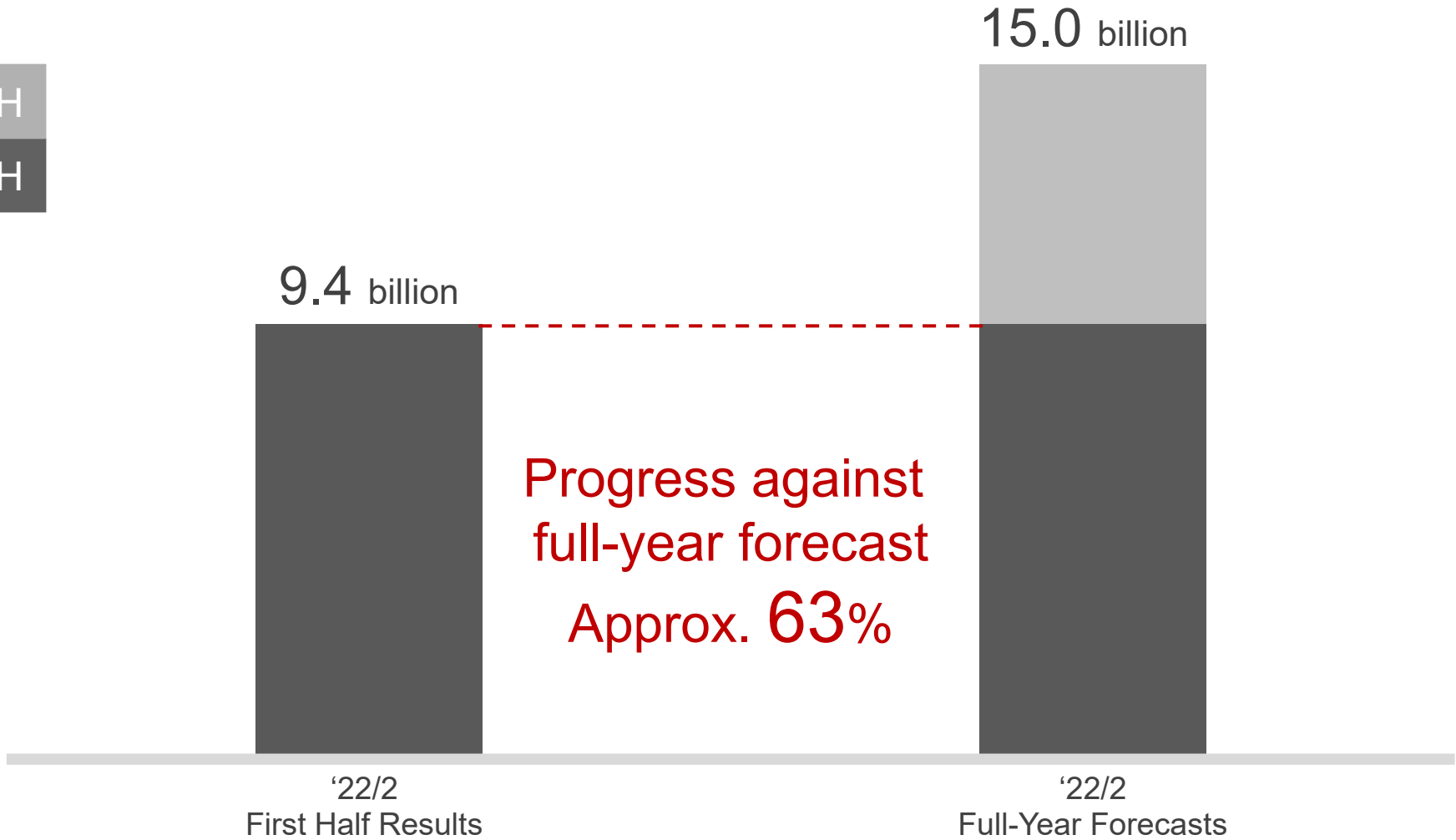


# Progress of Consolidated Operating Income for First Half FY2022 (Compared with Forecast)

Consolidated operating profit

2H

1H



In the first half of the fiscal year, progress against the forecast for full-year consolidated operating income was approximately 63%. Progress in operating income is steady despite the postponement of the new opening of five large stores to the next fiscal year.

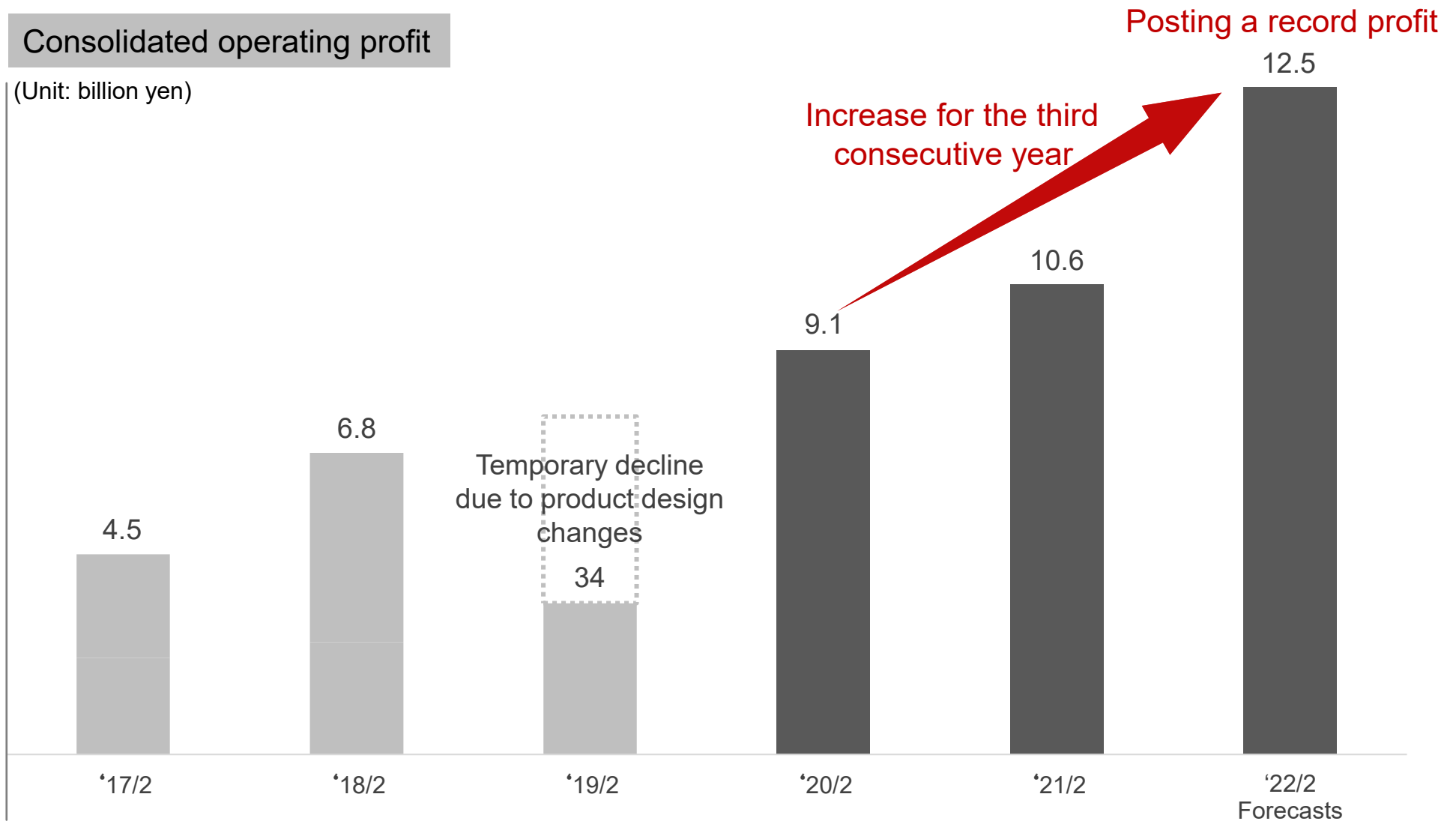
## Forecasts for Full-Year Consolidated Results (Year-on-Year)

(unit: billion yen)

Consolidated	FY2021	FY2022 Forecats		
	Results	Forecasts	Change	Y/Y
Operating income	10.6	15.0	+4.4	+42%
Ordinary income	9.6	13.9	+4.3	+44%
Profit attributable to owners of parent	1.5	8.0	+6.5	+439%

Forecasts for operating income and ordinary income remain unchanged. Forecast for profit attributable to owners of parent was revised from 7.1 billion yen to 8.0 billion yen based on the revised tax burden ratio, which had been estimated conservatively.

# Trend of Full-Year Results



Consolidated operating profit is expected to rise to a new record of 11.1 billion yen for the third straight year of increase.

## II. Progress in Growth Strategies

# Transitioning from a period of transition to a period of growth in the retail model (Summary of Financial Results Meeting on April 15, 2021)

## Transition period

## Growth period

1

Three challenges and Improvement Measure

3

Solve three issues and take advantage of accumulated strengths to a growth period

Challenges  
15/2~19/2

Improvement Measure  
20/2~21/2

Growth Strategies  
22/2~

(i)  
Store area

Internal competition  
in certain areas



Stricter standards for  
opening and closing stores

(ii)  
Attracting customers  
via the Internet

Increased cost of  
attracting customers



Optimizing pricing

(iii)  
Inventory control

Inadequate  
inventory management



Control by  
management indicator

Development  
of large  
stores  
focusing on  
capital  
efficiency



Development  
of car  
maintenance  
shops with  
latest  
equipment

Three management indicators  
important in implementing  
growth strategies

2

IDOM's Accumulated Strengths  
Attract customers using the brand power of Gulliver.  
Annual number of customers visiting stores other than those visiting stores via advertising media  
Approx. 420,000 (result in 2020)

# Transitioning from a period of transition to a period of growth in the retail model (Summary of Financial Results Meeting on April 15, 2021)

## Transition period

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Three challenges and Improvement Measure

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15/2~19/2

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Inadequate  
inventory management



Control by  
management indicator

2

IDOM's Accumulated Strengths  
Attract customers using the brand power of Gulliver.  
Annual number of customers visiting stores other than those visiting stores via advertising media  
Approx. 420,000 (result in 2020)

## Growth period

3

Solve three issues and take  
advantage of accumulated  
strengths to a growth period

Growth Strategies  
22/2~

Development  
of large  
stores  
focusing on  
capital  
efficiency



Development  
of car  
maintenance  
shops with  
latest  
equipment

Three management indicators  
important in implementing  
growth strategies

## Development of large stores focusing on capital efficiency

Operate the business in the attractive used car market using the customer appeal of the Gulliver brand.



## Development of car maintenance shops with latest equipment

Aim to raise cost efficiency by acquiring repeat customers and shifting to in-house operation and operate with latest equipment in the extremely large car maintenance market.

## Three management indicators important in implementing growth strategies

1. Increasing operating income
2. Increasing medium- to long-term free cash flow
3. Maximizing ROIC

Development of large stores focusing on capital efficiency

Operate the business in the attractive used car market using the customer appeal of the Gulliver brand.



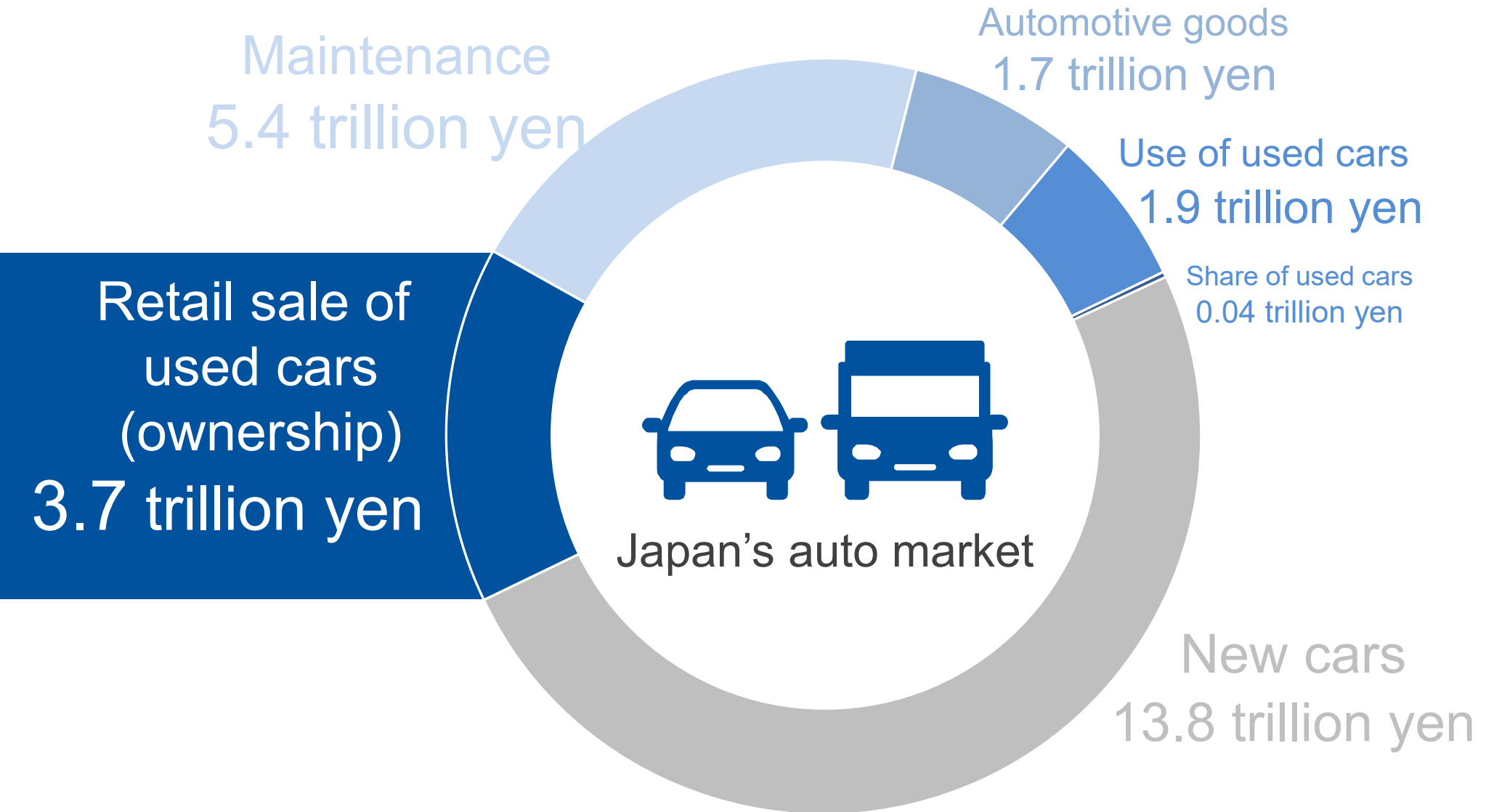
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New cars: Japan Automobile Dealers Association

Vehicles other than new cars: 2018 Overview of the Automobile Aftermarket of Yano Research Institute 25

Retail sale of  
used cars  
(ownership)  
3.7 trillion yen

## There is room for market expansion

The percentage of the total market that is the used car market is low compared with Europe and the US. Japanese resistance to used cars has declined. Attitudes towards cars have changed during the COVID-19 pandemic.

## There is room for IDOM to expand its market share

The circulation number of used cars is estimated to be approximately 2.62 million units. IDOM has a share of about 5% in retail sales (number of units).

## Demand is stable

Demand for used cars has been stable even during the COVID-19 pandemic.

# Features and Outline of Large Store

## Features

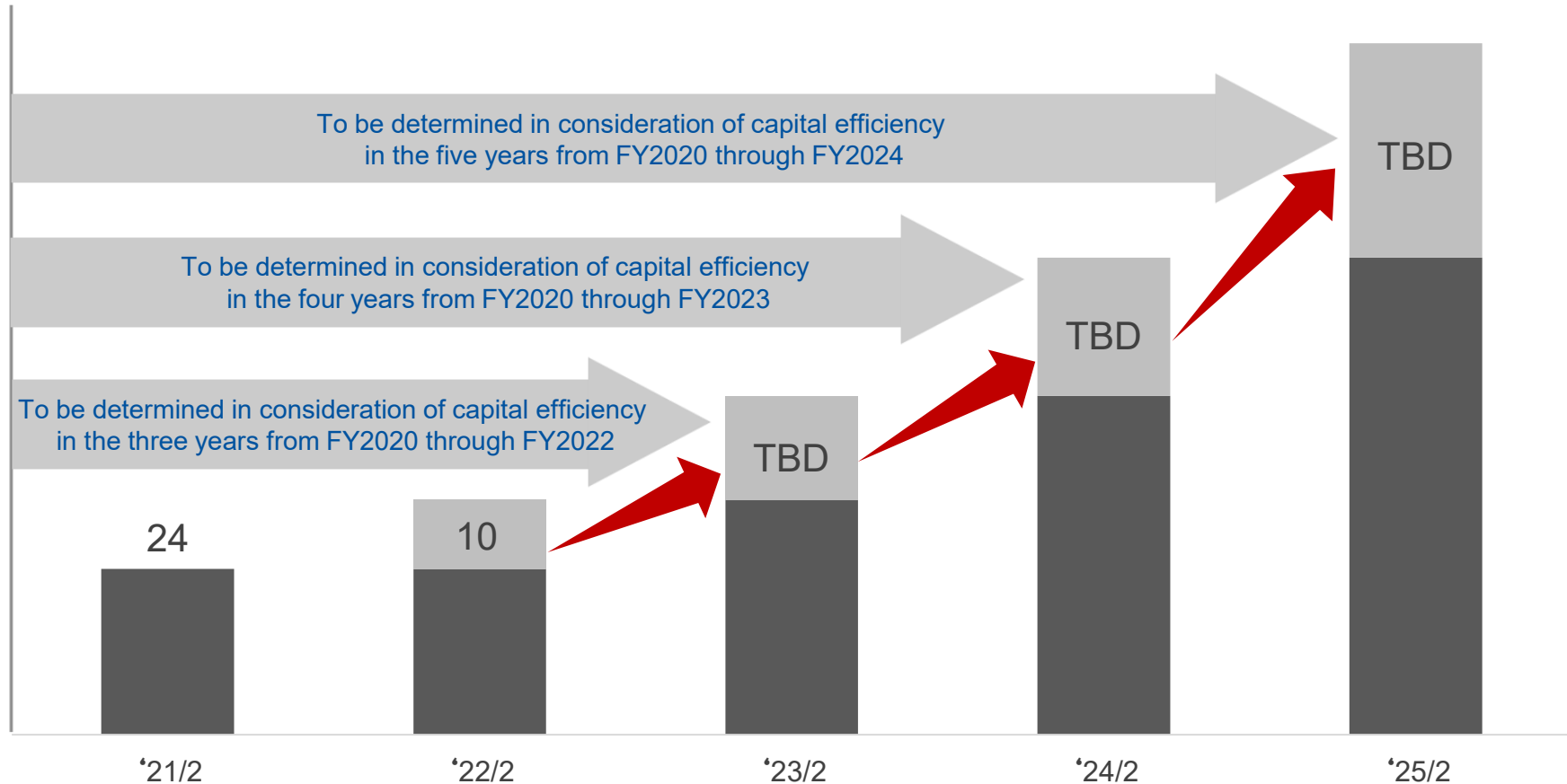
(i)	Sophisticated store design
(ii)	Greatest number of cars displayed in the area
(iii)	Price and assortment optimized for each area
(iv)	A negotiation place to enjoy choosing a car



## Outline

Site area	8,000 m <sup>2</sup> or more
Number of vehicles displayed	About 300
Capital expenditure	About 200 million yen
Payback period	About 3 years (cash flow after tax, recovery of capital investment)

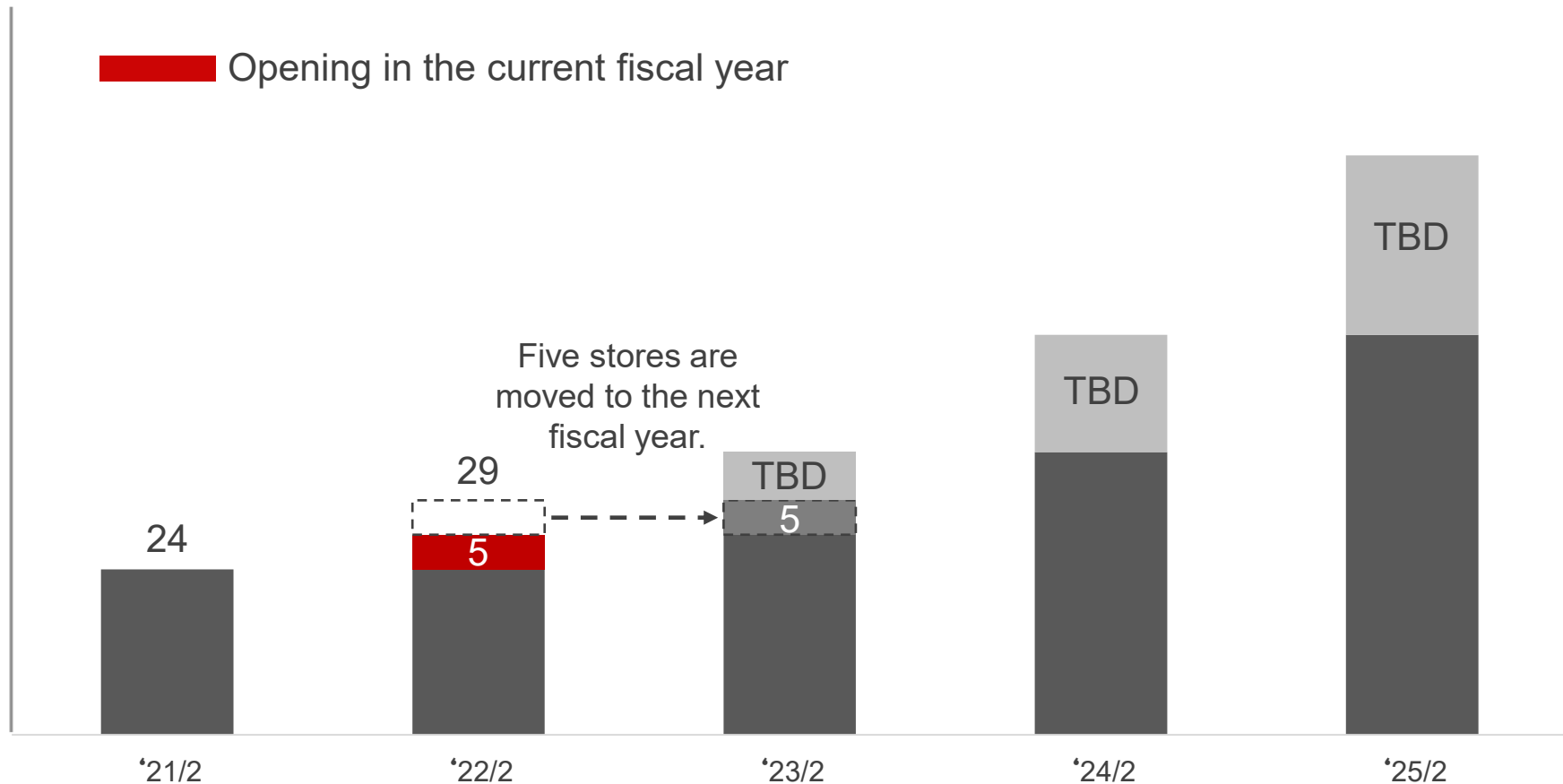
## Accelerate the pace of large store openings in stages, while assessing capital efficiency



We have not determined the number of stores. We will determine the pace of store openings, taking into consideration the capital efficiency of existing stores.

## Plan for Opening of Large Stores

Five of 10 stores planned for opening in the current fiscal year will be moved to the next fiscal year.



Five of 10 stores planned for opening in the current fiscal year are scheduled to open. The other five stores will be moved to the next fiscal year.

# Newly opened large stores



Oyama (September 2021 Opened)  
Oyama, Tochigi



Moriokaminami (October 2021 Opened)  
Morioka, Iwate



LIBERALA Chiba (September 2021 Opened)  
Chiba, Chiba



# Store Opening Policy and Outlook for Retail Unit Sales

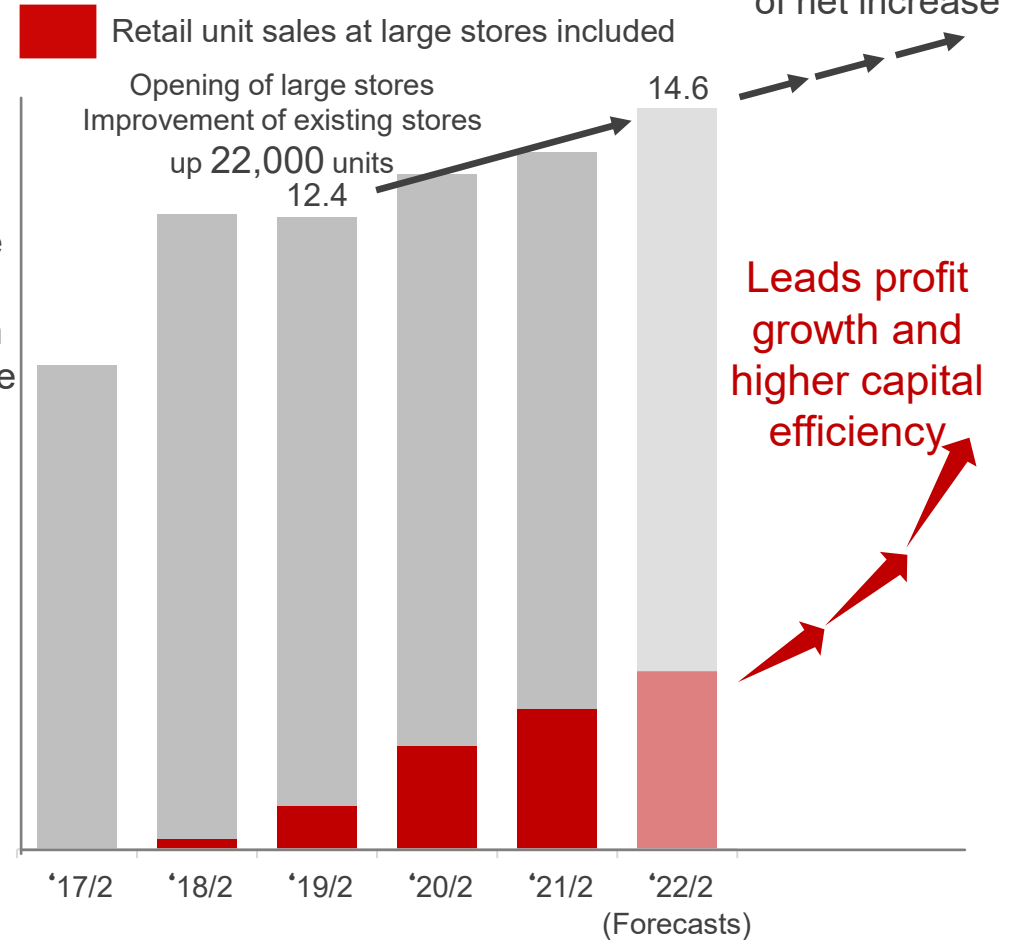
## Number of directly managed stores

(unit: store)



## Retail unit sales at directly managed stores

(in 10,000 units)



Despite a net decrease in the number of stores due to the tightening of store closure criteria in 2019, retail unit sales increased. Increase in retail unit sales based on gradual acceleration of large store opening will lead profit growth and an increase in capital efficiency. Will maintain the trend of a net increase in retail unit sales.



Development of large stores focusing on capital efficiency

Operate the business in the attractive used car market using the customer appeal of the Gulliver brand.



Development of car maintenance shops with latest equipment

Aim to raise cost efficiency by acquiring repeat customers and shifting to in-house operation and operate with latest equipment in the extremely large car maintenance market.

## Three management indicators important in implementing growth strategies

1. Increasing operating income
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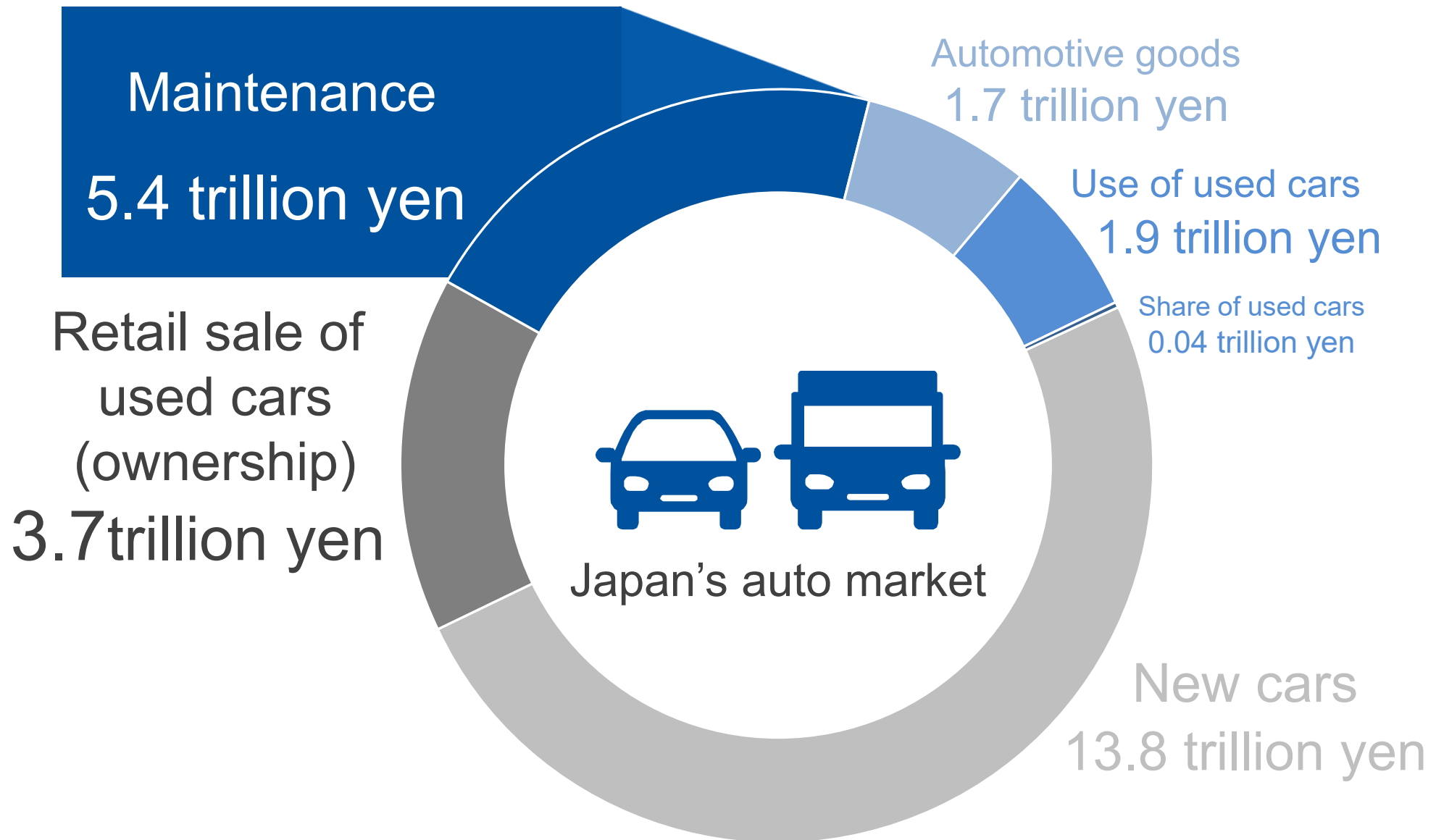
Q

Why will IDOM begin investing in maintenance shops now?

A

There are four reasons.

# 1. Size of Japan's Used Car Retail Market

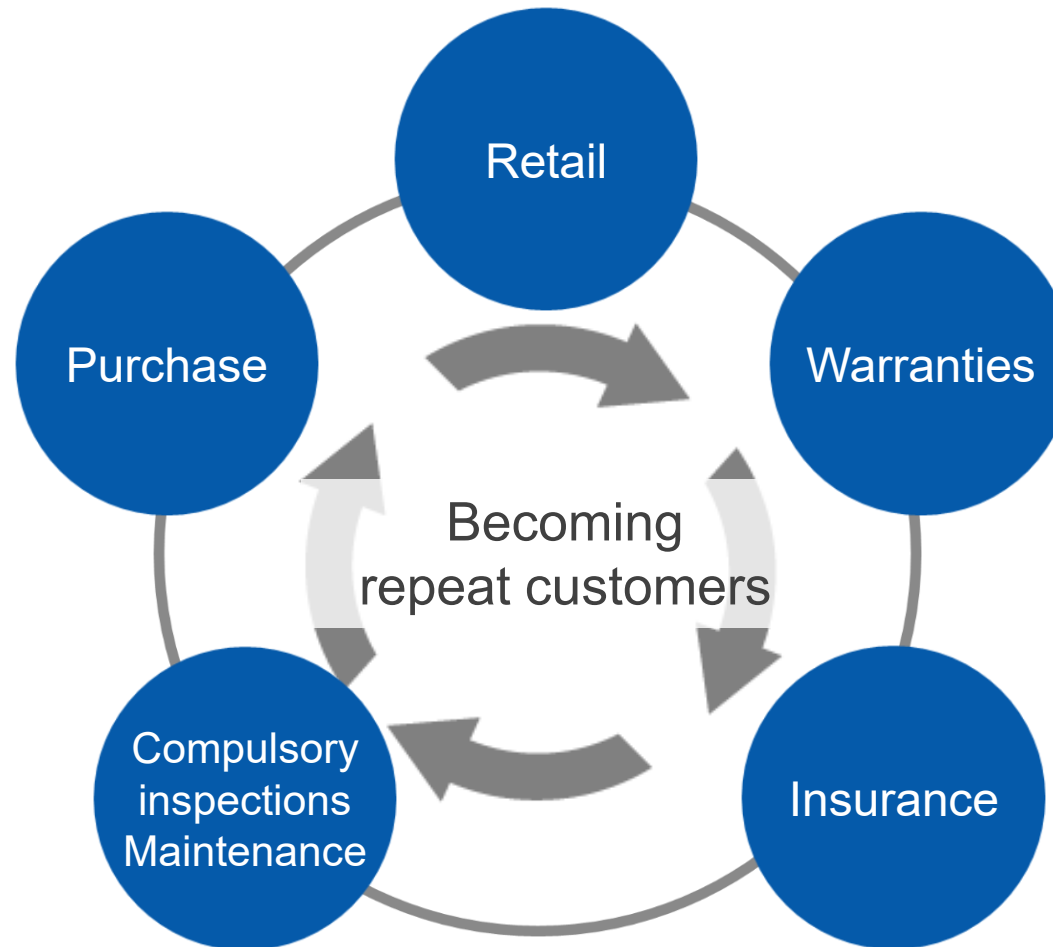


New cars: Japan Automobile Dealers Association

Vehicles other than new cars: 2018 Overview of the Automobile Aftermarket of Yano Research Institute

## 2. Maximizing Lifetime Value

Expand the cycle of transactions to increase repeat customers and retain them as lifetime customers



The enhancement of efficiency through in-house operations will accelerate as retail unit sales expand.

Retail unit sales  
at directly managed stores  
About 1 million units  
(Cumulative total)



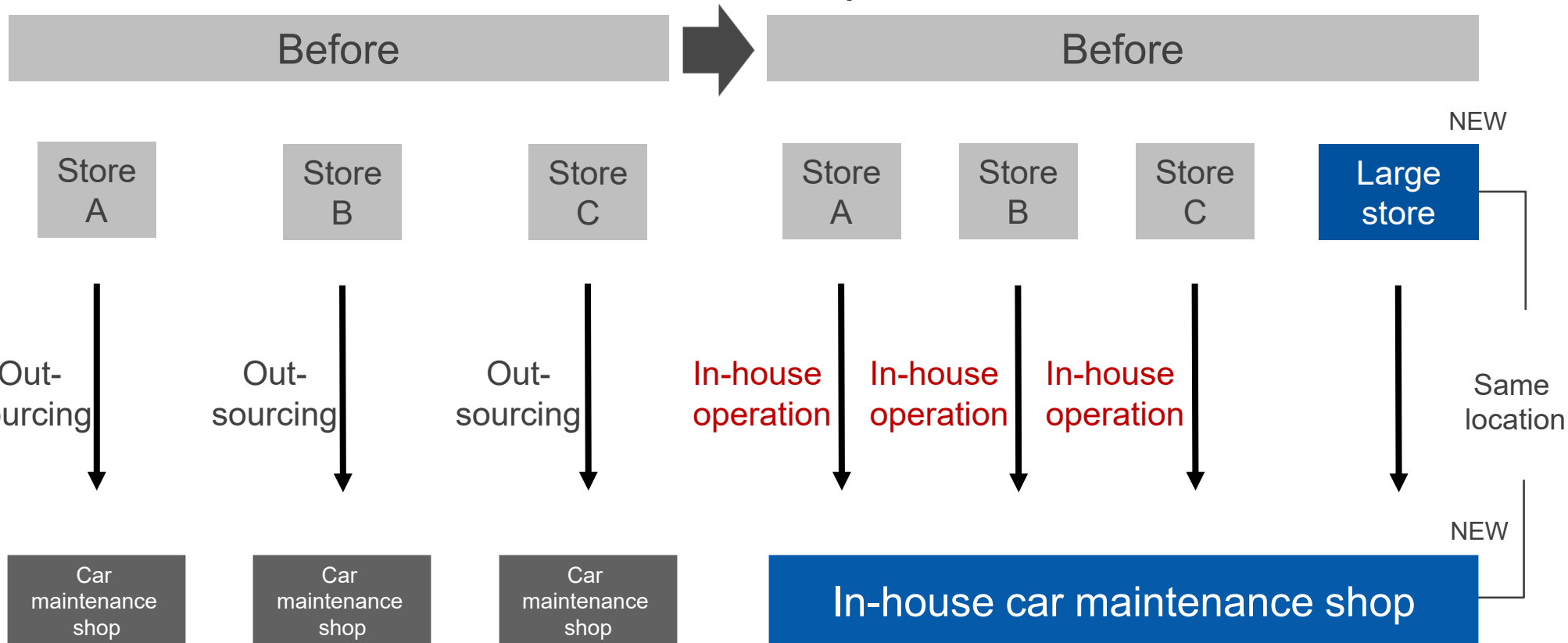
Outsourcing costs  
(maintenance before car  
delivery + compulsory  
inspections)

Opportunities for differentiation will be created through the introduction of the latest equipment\*

\* The revised Road Vehicles Act came into force in April 2020. The enforcement of this act creates a need for maintenance shops able to perform the maintenance of electronic control devices and other maintenance, including the adjustment of sensors attached to advanced safety devices, as well as overhaul by removing engines and brakes, which had been performed. Maintenance shops where new investment is possible will be differentiated.

# In-house Production to Own Maintenance Facility

Switching from outsourced to in-house pre-delivery maintenance and vehicle inspections



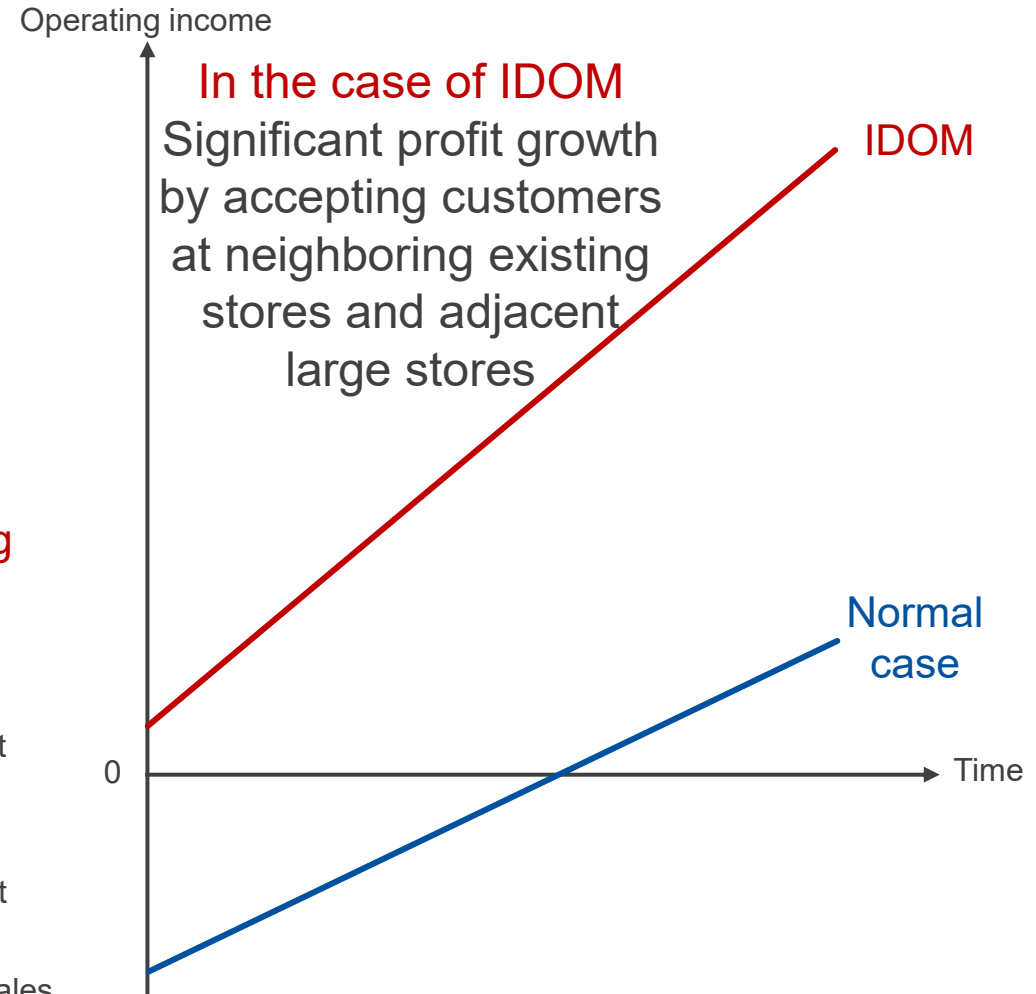
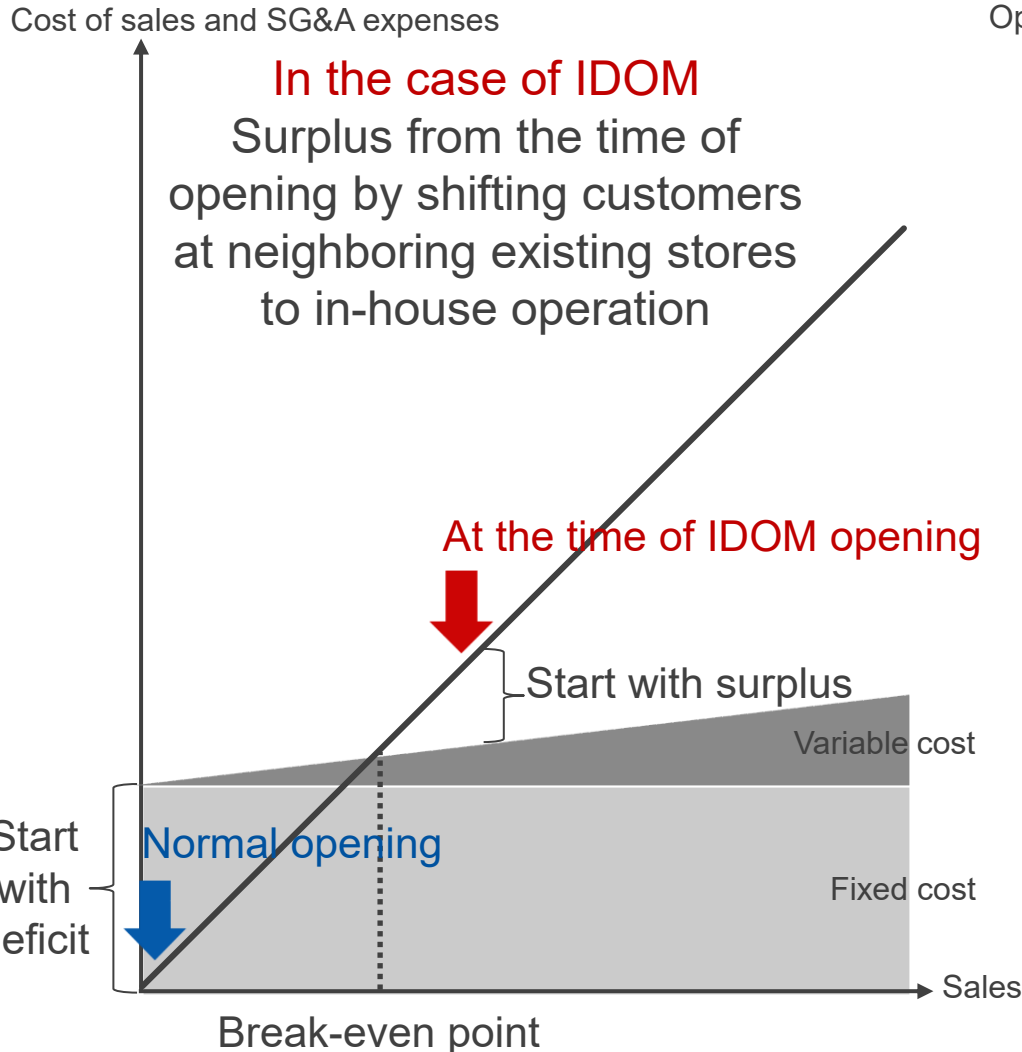
Outsource to partner car maintenance shops (maintenance network)

In-house production at our maintenance facility

# Profit/Loss Structure of Car Maintenance Shops and Image of Profit Trend

## Profit/loss structure of car maintenance shops

## Trends in profit at car maintenance shops



Operating Kanto Shohinka (commercialization) Center since 2011, the designated shop\* for pre-delivery maintenance for Kanto suburban stores.

- Have expertise in operating car maintenance shops
- Have a place for mechanic development



Kanto Shohinka (commercialization) Center, Noda, Chiba Pref.

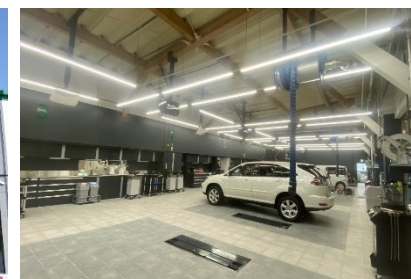
\* Shops designated by the director of the District Transport Bureau after meeting all of the required conditions such as having facilities for statutory safety inspections and automobile inspectors qualified to perform inspections, in addition to maintenance facilities above certain standards. These are generally called private-sector statutory safety inspection shops, which are able to perform everything from inspections and maintenance to statutory safety inspections.



# Features and Outline of Maintenance Shops

## Features

(i)	Equipped with the latest equipment
(ii)	Added to Gulliver stores
(iii)	Sophisticated shop design
(iv)	Sufficient waiting space for vehicle inspections
(v)	Some areas have sheet metal plant



## Outline

Work item	Compulsory inspections, maintenance before car delivery
Capital expenditure	About 200 million yen (approx. 400 million yen if a sheet metal plant is attached)
Payback period	About three years (cash flow after tax, recovery of capital investment)
Store opening plan	The opening of ten shops is planned, including shops added to existing facilities.

Opening of 10 shops is steadily in line with the plan.

1	Ube car maintenance shop	Opened in Aug. 2021
2	Oyama car maintenance shop	Opened in Sep. 2021
3	Nakatsu car maintenance shop	Opened in Sep. 2021
4	Sapporo Kiyota car maintenance shop	Opened in Sep. 2021
5	Morioka Minami car maintenance shop	Opened in Oct. 2021
6	Wakayama Bypass car maintenance shop	Opened in Oct. 2021
7	Himeji car maintenance shop	Scheduled to open in Nov. 2021
8	Miyazaki Minami car maintenance shop	Scheduled to open in Jan. 2022
9	Preparing for opening	TBD
10	Preparing for opening	TBD

**Eight shops are scheduled to open in the current fiscal year.**

# Newly Opened Maintenance Shop



Ube car maintenance shop  
(August 2021 Opened)  
Ube, Yamaguchi



Oyama car maintenance shop  
(September 2021 Opened)  
Oyama, Tochigi



Sapporo Kiyota car maintenance shop  
(September 2021 Opened)  
Sapporo, Hokkaido



Nakatsu car maintenance shop  
(September 2021 Opened)  
Nakatsu, Oita



# Newly Opened Maintenance Shop



Morioka Minami car maintenance shop  
(October 2021 Opened)  
Morioka, Iwate



Wakayama Bypass car maintenance shop  
(October 2021 Opened)  
Wakayama, Wakayama





# Car Maintenance Shops with the Latest Equipment



## Development of large stores focusing on capital efficiency

Operate the business in the attractive used car market using the customer appeal of the Gulliver brand.



## Development of car maintenance shops with the latest equipment

Aim to raise cost efficiency by acquiring repeat customers and shifting to in-house operation and operate with latest equipment in the extremely large car maintenance market.

## Three management indicators important in implementing growth strategies

1. Increasing operating income
2. Increasing medium- to long-term free cash flow
3. Maximizing ROIC

# Management Indicators Emphasized by IDOM

1	Operating Income	Steadily increase operating income
2	Free Cash Flow	Grow in the medium to long term while clearly recognizing the investment phase and recovery phase.
3	ROIC	Aim at 10% for the time being while paying attention to capital cost.

# Medium- to Long-term Target for Business Portfolio

## Current status

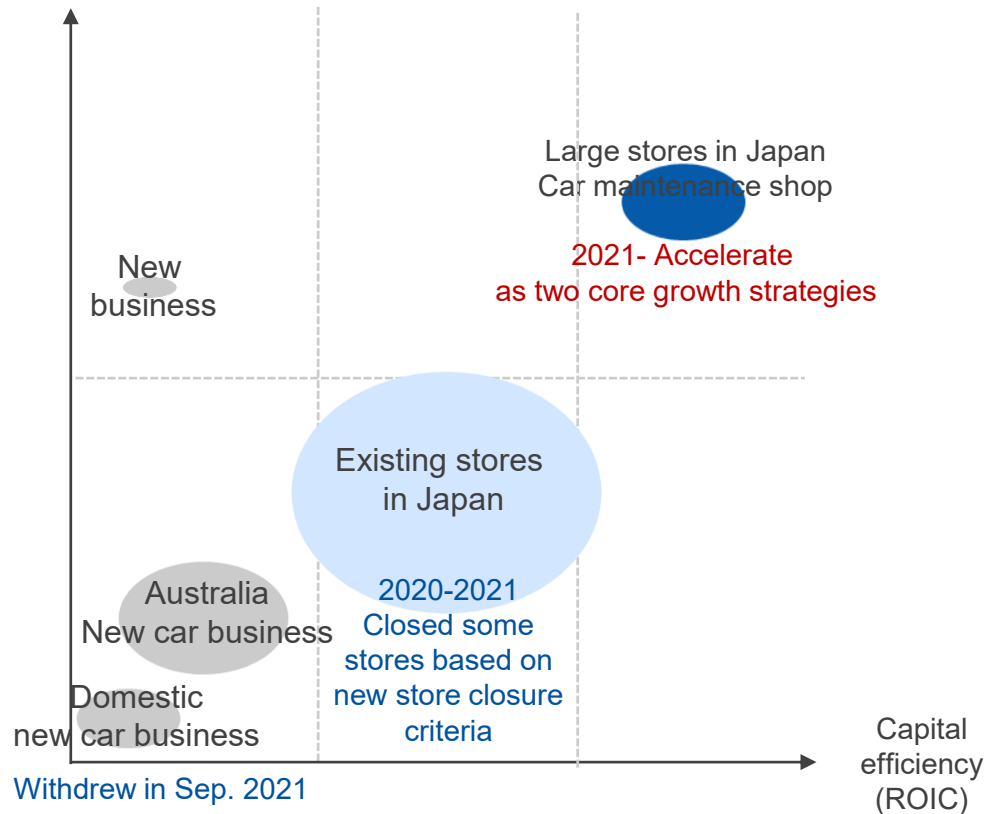
Select and concentrate on business with high growth potential and capital efficiency and redistribute management resources.



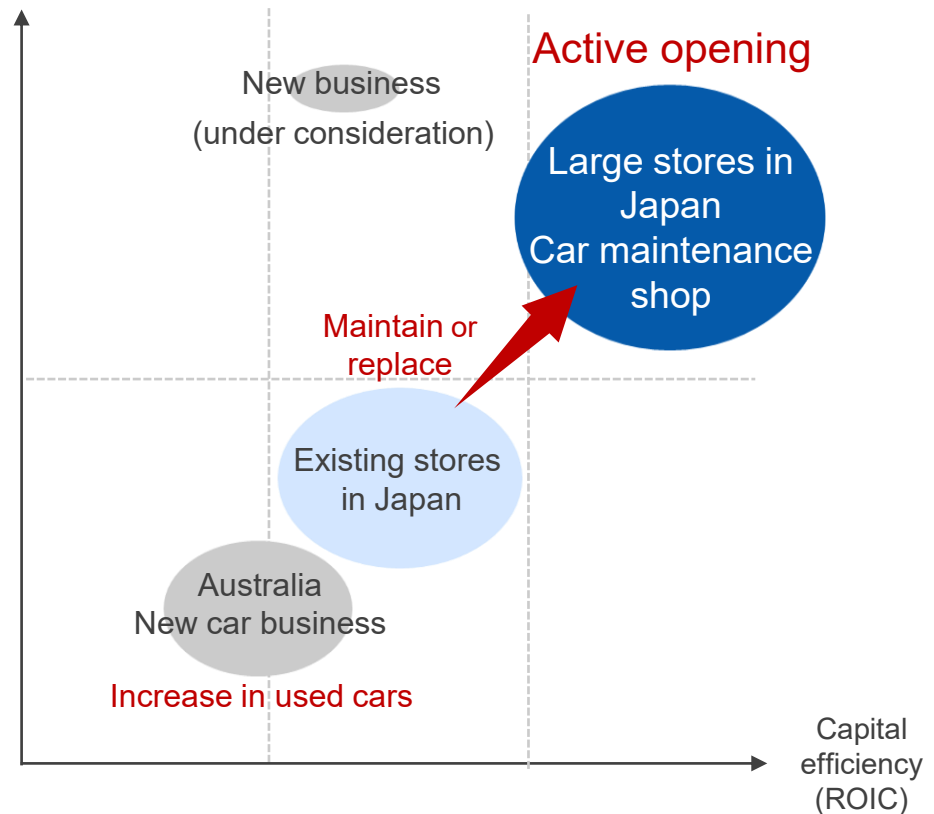
## Medium- to long-term goals

Prioritize investment in businesses with high growth potential and capital efficiency.

Business growth potential



Business growth potential



○ Size of circle: image of sales volume



# III. Supplementary Information on Results and Financial Matters

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

Consolidated	6 months ended August 31, 2018		6 months ended August 31, 2019		6 months ended August 31, 2020		6 months ending August 31, 2021			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	143,937	100.0	179,276	100.0	178,109	100.0	227,775	100.0	49,666	27.9
Cost of sales	113,771	79.8	142,478	79.5	144,145	80.9	185,308	81.4	41,163	28.6
Gross profit	30,165	21.0	36,797	20.5	33,963	19.1	42,466	18.6	8,503	25.0
SG&A Expenses	29,719	20.6	32,173	17.9	29,910	16.8	33,025	14.5	3,115	10.4
Operating income	445	0.3	4,624	2.6	4,053	2.3	9,440	4.1	5,387	132.9
Ordinary income	-106	-	3,634	2.0	3,147	1.8	9,011	4.0	5,864	186.3
Income before income taxes and minority interests	-281	-	3,292	1.8	2,717	1.5	7,951	3.5	5,234	192.6
Profit attributable to owners of parent	-598	-	2,124	1.2	1,375	0.8	5,311	2.3	3,936	286.3

Non-Consolidated	6 months ended August 31, 2018		6 months ended August 31, 2019		6 months ended August 31, 2020		6 months ending August 31, 2021			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	110,589	100.0	129,806	100.0	134,150	100.0	150,239	100.0	16,089	12.0
Cost of sales	85,959	77.7	100,099	77.1	107,145	79.9	120,147	80.0	13,002	12.1
Gross profit	24,630	22.3	29,706	22.9	27,004	20.1	30,092	20.0	3,088	11.4
SG&A Expenses	24,337	22.0	25,424	19.6	23,736	17.7	23,983	16.0	247	1.0
Operating income	293	0.3	4,282	3.3	3,267	2.4	6,108	4.1	2,841	87.0
Ordinary income	95	0.1	3,721	2.9	3,101	2.3	5,939	4.0	2,838	91.5
Income before income taxes	-162	-	3,397	2.6	2,383	1.8	4,655	3.1	2,272	95.3
Net Income	-391	-	2,253	1.7	2,005	1.5	3,170	2.1	1,165	58.1

# [Consolidated / Non-consolidated] Income Statement

Consolidated	FY ended Feb 28, 2019		FY ended Feb 29, 2020		FY ended Feb 28, 2021		FY ending Feb 28, 2022			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	309,410	100.0	361,684	100.0	380,564	100.0	405,400	100.0	24,836	6.5
Cost of sales	244,707	79.1	287,724	79.6	307,754	80.9	324,700	80.1	16,946	5.5
Gross profit	64,702	20.9	73,959	20.4	72,810	19.1	80,700	19.9	7,890	10.8
SG&A Expenses	61,301	19.8	64,868	17.9	62,239	16.4	65,700	16.2	3,461	5.6
Operating income	3,400	1.1	9,091	2.5	10,571	2.8	15,000	3.7	4,429	41.9
Ordinary income	2,072	0.7	6,867	1.9	9,642	2.5	13,900	3.4	4,258	44.2
Income before income taxes and minority interests	1,478	0.5	3,917	1.1	4,524	1.2	12,400	3.1	7,876	174.1
Profit attributable to owners of parent	381	0.1	3,545	1.0	1,484	0.4	8,000	2.0	6,515	438.8

Non-Consolidated	FY ended Feb 28, 2019		FY ended Feb 29, 2020		FY ended Feb 28, 2021		FY ending Feb 28, 2022			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	234,618	100.0	258,008	100.0	275,710	100.0	296,000	100.0	20,290	7.4
Cost of sales	181,847	77.5	199,406	77.3	219,258	79.5	234,900	79.4	15,642	7.1
Gross profit	52,770	22.5	58,602	22.7	56,451	20.5	61,100	20.6	4,649	8.2
SG&A Expenses	50,018	21.3	50,867	19.7	48,593	17.6	50,000	16.9	1,407	2.9
Operating income	2,751	1.2	7,735	3.0	7,858	2.9	11,100	3.8	3,242	41.3
Ordinary income	2,673	1.1	6,964	2.7	7,642	2.8	10,600	3.6	2,958	38.7
Income before income taxes	1,707	0.7	3,457	1.3	-458	-	9,100	3.1	9,558	-
Net income	933	0.4	3,500	1.4	-2,081	-	5,700	1.9	7,781	-

# [Consolidated] Balance Sheets

(Unit: million yen)

	As of February 28, 2021	As of August 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	43,179	47,502
Notes and accounts receivable - trade	6,875	3,927
Merchandise	72,913	71,494
Other	3,966	4,160
Allowance for doubtful accounts	-328	-340
Total current assets	126,605	126,745
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,918	36,053
Accumulated depreciation	-16,411	-16,227
Buildings and structures, net	20,507	19,826
Vehicles	153	114
Accumulated depreciation	-32	-35
Vehicles, net	121	78
Tools, furniture and fixtures	4,335	4,053
Accumulated depreciation	-3,606	-3,295
Tools, furniture and fixtures, net	729	757
Land	218	136
Construction in progress	121	1,438
Total property, plant and equipment	21,697	22,237
Intangible assets		
Software	1,717	1,508
Goodwill	7,698	7,228
Other	4,996	4,297
Total intangible assets	14,412	13,034
Investments and other assets		
Investment securities	139	130
Shares of subsidiaries and associates	131	129
Long-term loans receivable	30	59
Lease and guarantee deposits	5,835	5,838
Construction assistance fund receivables	4,614	4,567
Deferred tax assets	3,253	3,702
Other	544	507
Allowance for doubtful accounts	-43	-43
Total investments and other assets	14,506	14,892
Total non-current assets	50,616	50,164
<b>Total assets</b>	<b>177,222</b>	<b>176,910</b>

	As of February 28, 2021	As of August 31, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	20,940	18,604
Short-term loans payable	1,117	1,078
Accounts payable - other	342	-
Current portion of long-term loans payables	4,586	5,262
Income taxes payable	2,052	3,078
Advances received	9,010	8,551
Deposits received	205	260
Provision for bonuses	1,167	1,130
Provision for merchandise warranties	737	829
Other provision	715	878
Other	6,658	4,514
Total current liabilities	47,534	44,188
Non-current liabilities		
Long-term loans payable	79,169	77,477
Long-term guarantee deposited	506	564
Asset retirement obligations	2,546	2,261
Deferred tax liabilities	1,616	1,522
Other provision	584	669
Other	249	321
Total non-current liabilities	84,672	82,815
<b>Total liabilities</b>	<b>132,206</b>	<b>127,004</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,157	4,157
Capital surplus	4,384	4,361
Retained earnings	39,665	44,420
Treasury shares	-4,344	-4,344
Total shareholders' equity	43,862	48,594
Accumulated other comprehensive income		
Foreign currency translation adjustment	-134	-17
Total accumulated other comprehensive income	-134	-17
Minority owner shares worth	1,018	1,328
<b>Total net assets</b>	<b>45,015</b>	<b>49,905</b>
<b>Total liabilities and net assets</b>	<b>177,222</b>	<b>176,910</b>

# [Consolidated] Statements of Cash Flows

(Unit: million yen)

	6 months ended August 31, 2020	6 months ended August 31, 2021
Profit before income taxes	2717	7,951
Depreciation	1446	1,406
Amortization of goodwill 668 684	330	239
Net increase (decrease) in working capital	9,819	1,275
Income taxes paid	-1,586	-1,815
Other, net	2,722	-976
Cash flows from operating activities	15,448	8,081
Cash flows from investing activities	-533	-1,204
Free cash flow	14,915	6,877
Cash flows from financing activities	208	-2,462
Net increase (decrease) resulting from exchange rate change and new consolidation	116	-91
Net increase (decrease) in cash and cash equivalents	15,240	4,306
Cash and cash equivalents at the beginning of period	37,925	43,179
Cash and cash equivalents at the end of period	52,536	47,502

# IV. Reference Materials

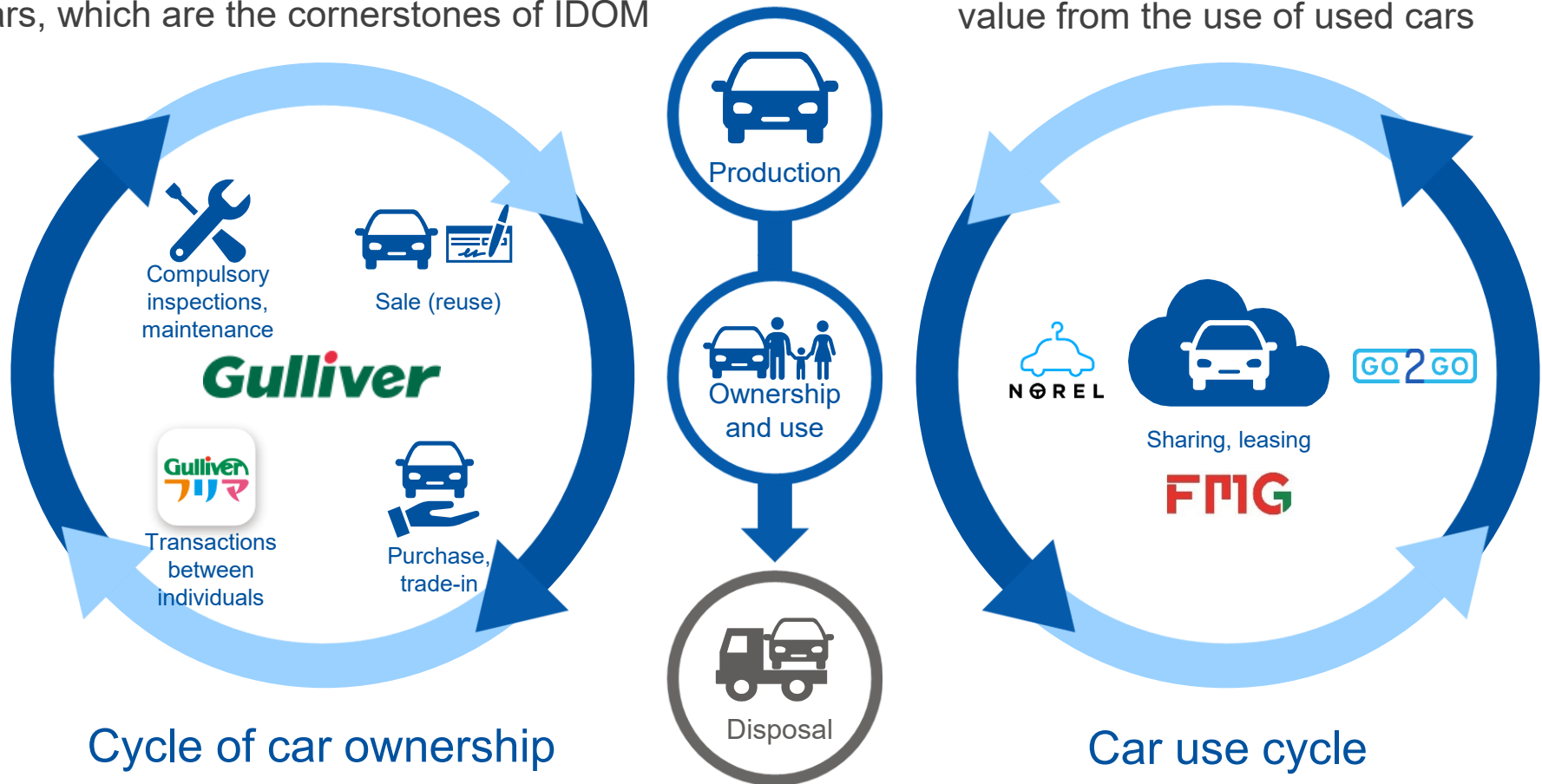
# Used Car Cycles Promoted by IDOM

IDOM promotes a cycle of ownership where vehicles are fully utilized as resources instead of simply being produced and disposed of.

IDOM promotes a use cycle for used cars by developing a new business model including sharing and subscription.

“Clean” prices, the purchase and sale of used cars, which are the cornerstones of IDOM

New business model for creating value from the use of used cars



# Value of the Existence of IDOM

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