

Q1 FY2024

1st Quarter Results for Fiscal Year Ending February 29, 2024

July 14th, 2023

TSE Prime **7599**

IDOM Inc.



1. 1st Quarter Results Summary FY2024	-3
2. Appendix	-17
3. Supplementary Information on Results and Financial Matters	-21

FY2024 Financials

1. 1st Quarter Results Summary FY2024

Gulliver



Financials

Record unit sales

Retail unit sales

39,266
+4.6% YoY

Number of wholesale units

34,318
+18.4% YoY

- Retail unit sales at directly managed stores hit a record high.
- Retail unit sales per large store steadily grew.

Financials

Decreases in consolidated net sales and operating profit

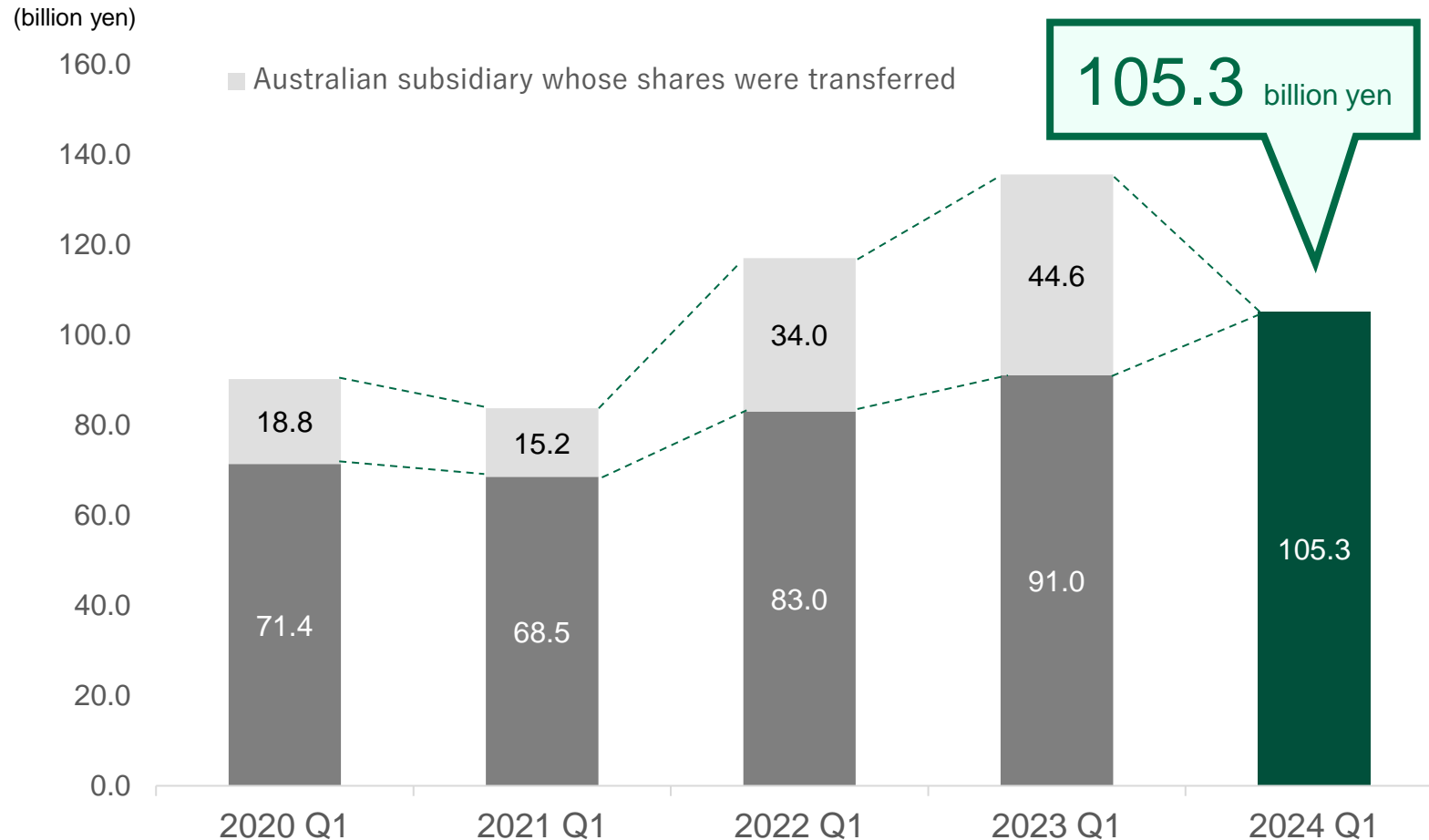
Net sales

105.3 billion yen
-22.4% YoY

Operating profit

2.8 billion yen
-47.3% YoY

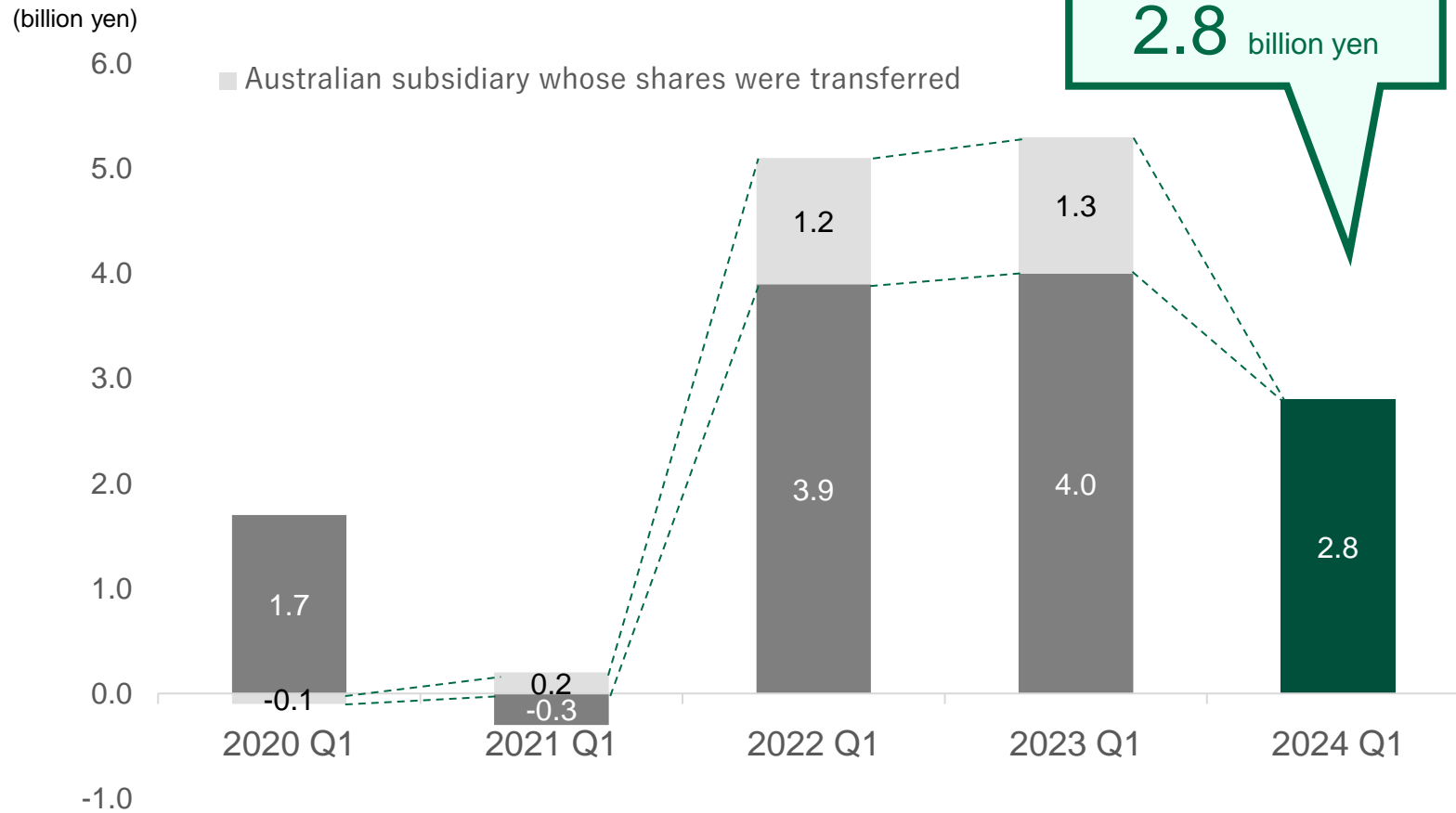
- In the first quarter of the fiscal year ending February 29, 2024, revenues and profits decreased year on year.
- The decrease in profits was partly due to the transfer of equity shares in the Australian subsidiary.
- Retail unit sales increased, but gross profit per retail unit decreased.



- Net sales was 105.3 billion yen due to the sale of Australia business.

* 2024 Q1 indicates the first quarter of the fiscal year ending February 29, 2024.

Q1 Trend in Operating Profit



- Operating profit was 2.8 billion yen due to the sale of Australia business.

* 2024 Q1 indicates the first quarter of the fiscal year ending February 29, 2024.

(billion yen)	Previous Fiscal Year	Fiscal Year Under Review	YoY changes
	FY2023 Q1	FY2024 Q1	Percent change
Net sales	135.6	105.3	-30.3 -22.4%
Operating profit	5.3	2.8	-2.5
Operating profit margin (%)	3.9%	2.6%	-47.3%
Ordinary profit	5.1	2.7	-2.4
Ordinary profit margin (%)	3.7%	2.6%	-46.6%
Profit attributable to owners of parent	5.4	1.9	-3.5
Profit margin (%)	4.0%	1.8%	-65.3%

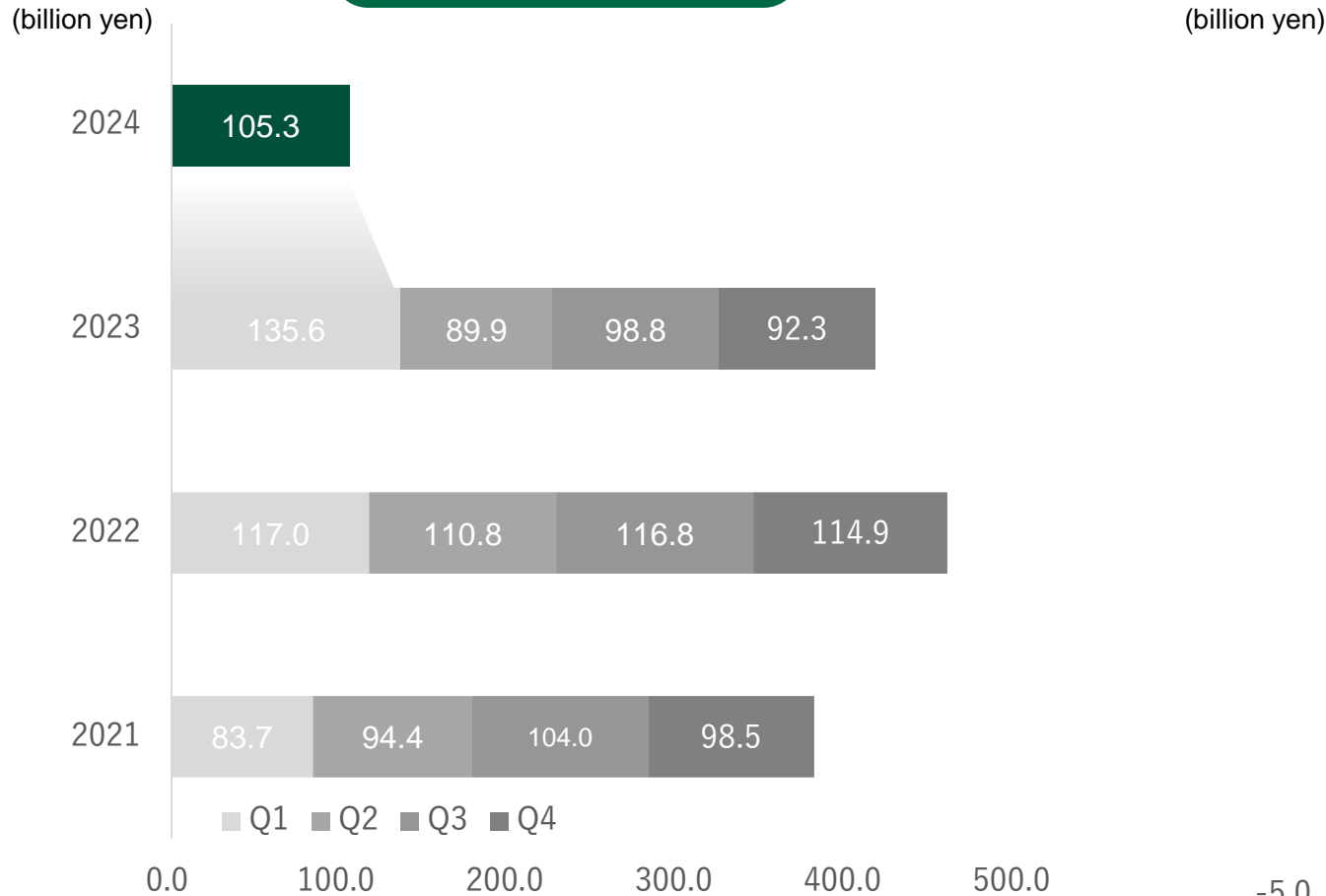
- Net sales decreased due to the sale of Australia business.
- Profit at all levels decreased year on year.
- The high rate of decrease in profit attributable to owners of parent reflects the absence of the tax effects recognized in the previous year from impairment losses for goodwill recorded for the acquisition of the Australian subsidiary. The tax burden for the current period is at the normal level.

* 2024 Q1 indicates the first quarter of the fiscal year ending February 29, 2024.

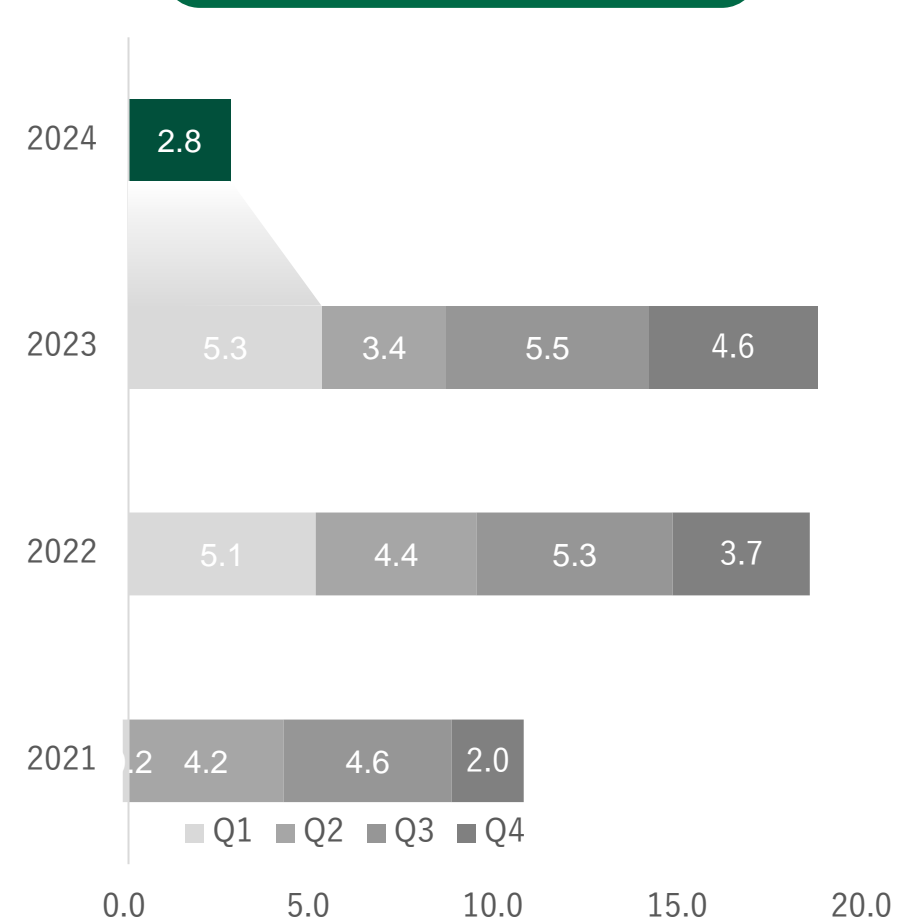
Quarterly Trend in Results (Results over the recent four periods)



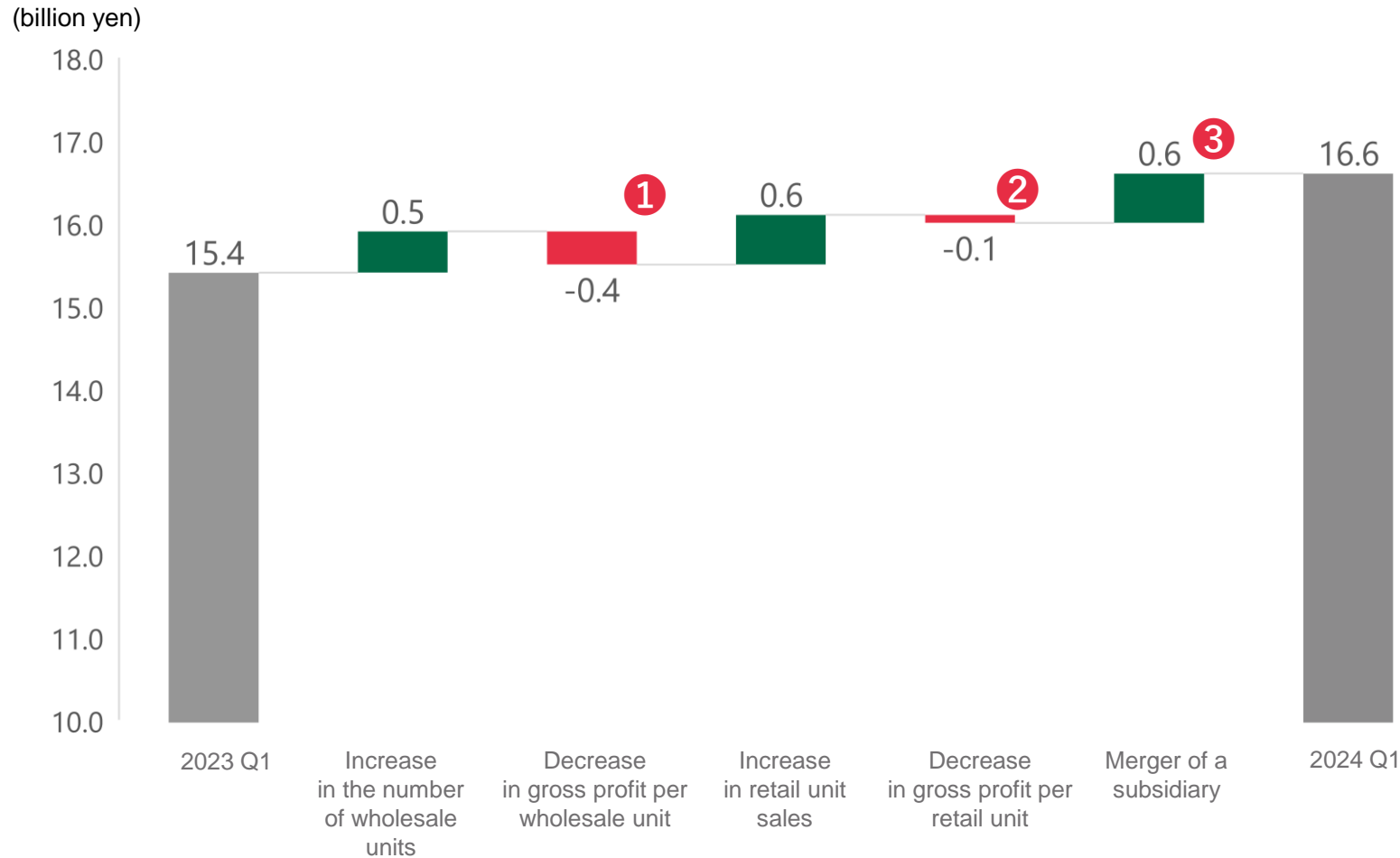
Trend in net sales



Trend in operating profit



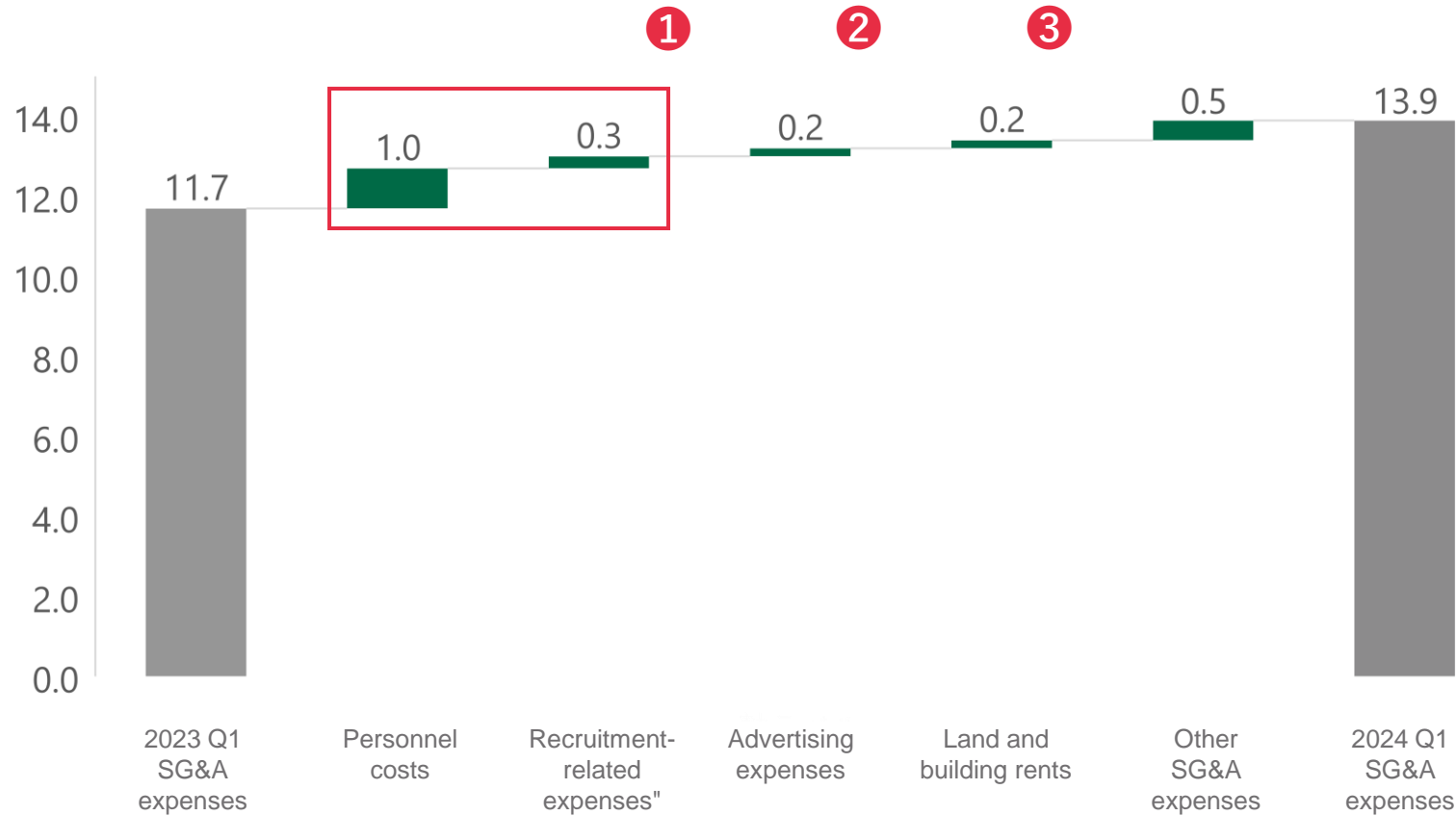
* 2024 Q1 indicates the first quarter of the fiscal year ending February 29, 2024.



- 1** Increase in the number of wholesale units. Decrease in gross profit per wholesale unit. Increase in gross profit by 0.1 billion yen.
- 2** Increase in retail unit sales. Decrease in gross profit per retail unit. Increase in gross profit by 0.5 billion yen.
- 3** Profits increased 0.6 billion yen, reflecting the impact of the merger of Gulliver Insurance Co., Ltd.

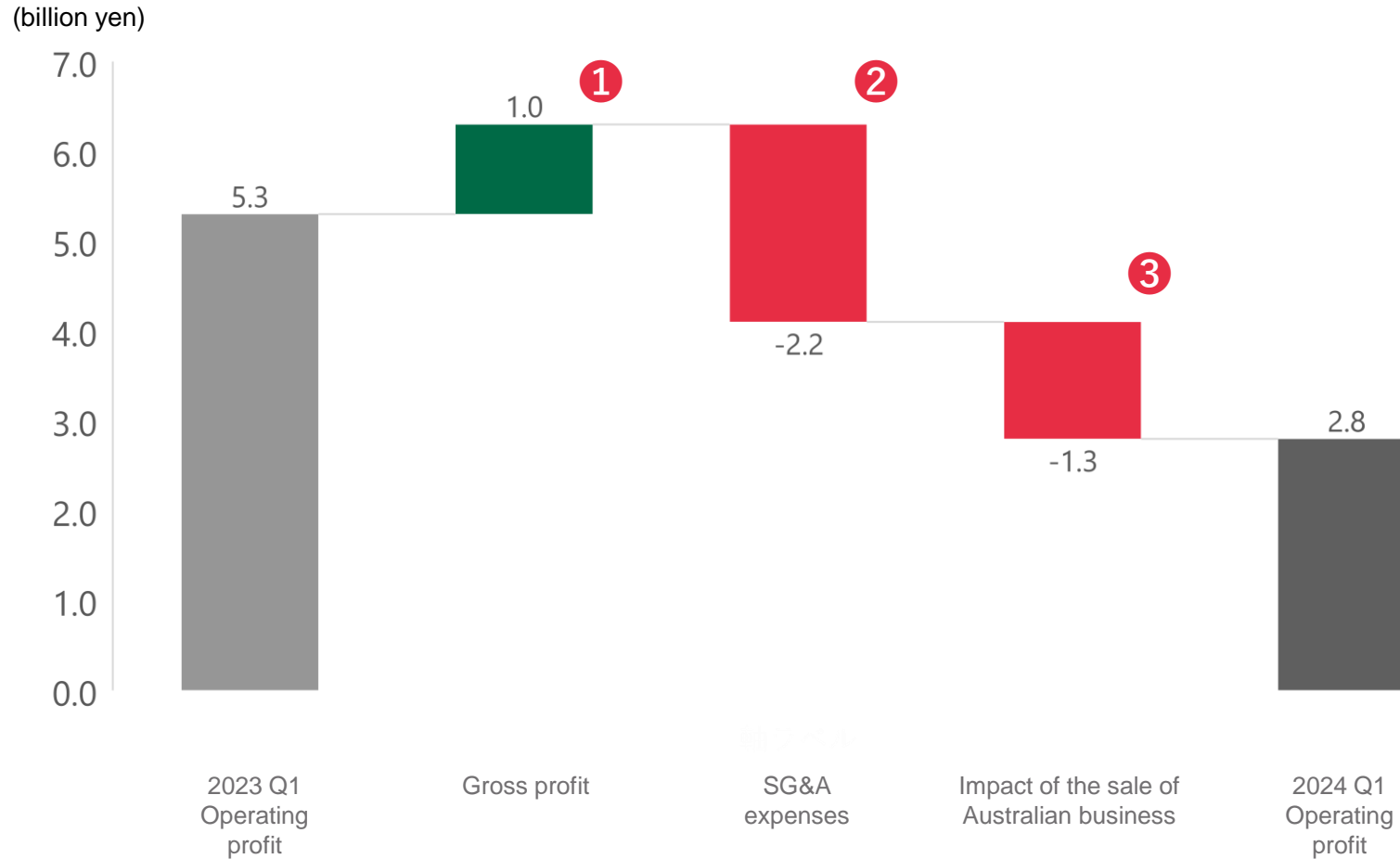
* 2024 Q1 indicates the first quarter of the fiscal year ending February 29, 2024.

(billion yen)



- ① Personnel costs increased due to hiring fixed-term employees for large store openings in the second half of the year and employee incentives.
- ② To promote sales volume.
- ③ Land and building rents increased due to head office relocation and an increase in the number of stores.

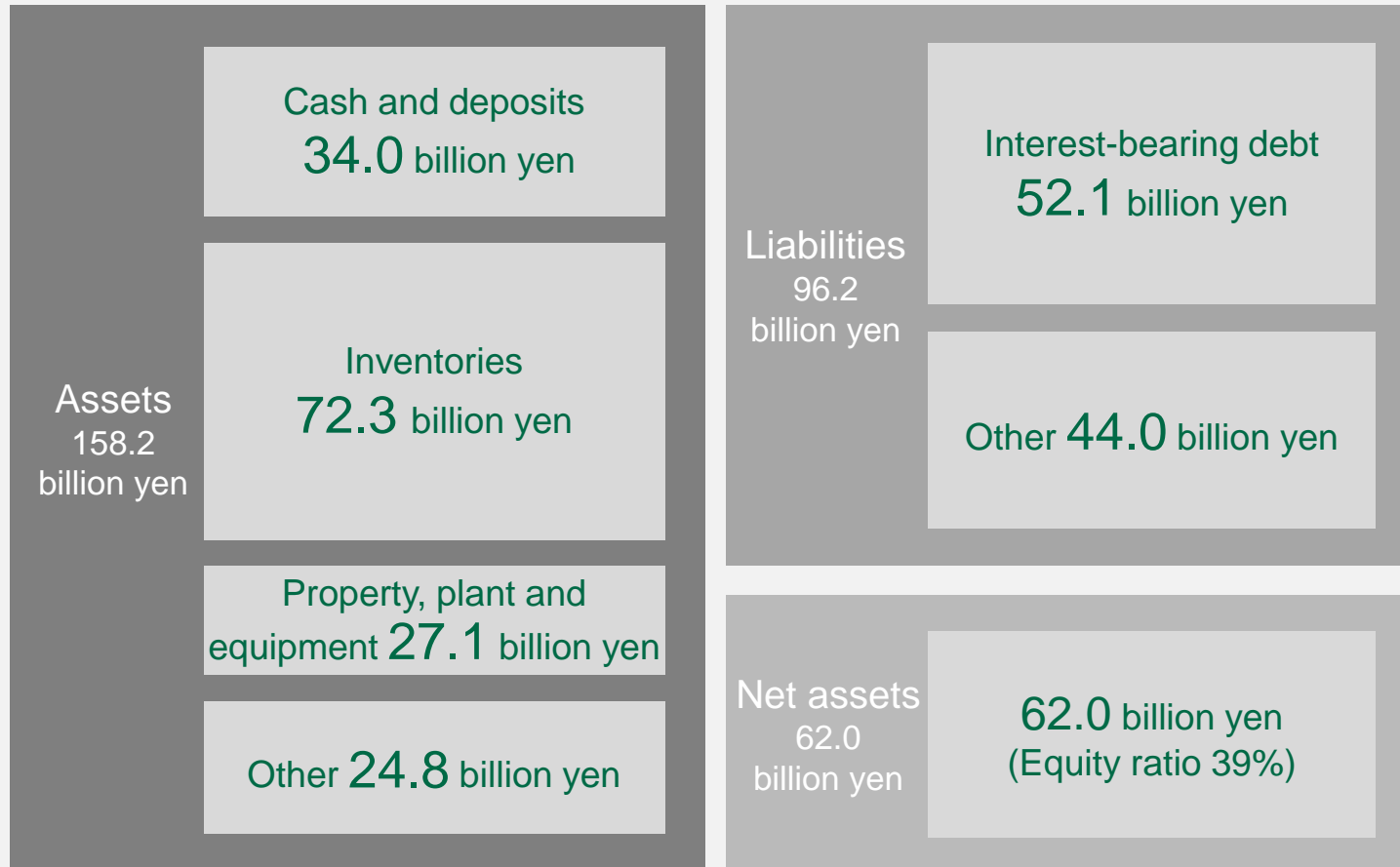
* 2024 Q1 indicates the first quarter of the fiscal year ending February 29, 2024.



- 1 Increase in gross profit by 1 billion yen.
- 2 Increase in SG&A expenses by 2.2 billion yen.
- 3 Decrease in operating profit due to the sale of Australia business.

* 2024 Q1 indicates the first quarter of the fiscal year ending February 29, 2024.

Consolidated Balance Sheet (As of May 31, 2023)

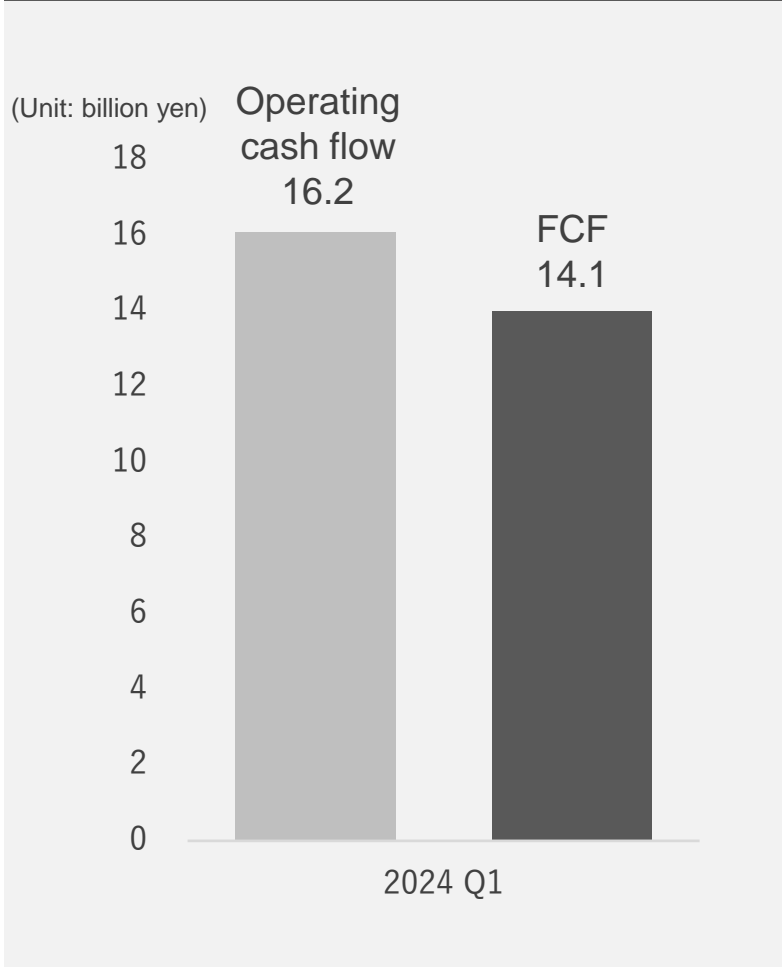


- Total assets were 158.2 billion yen.
- Inventory decreased by 12.1 billion yen.
- Net interest-bearing debt decreased by 11.5 billion yen from the end of February. As a result, the equity ratio increased from 36% at the end of February to 39%.

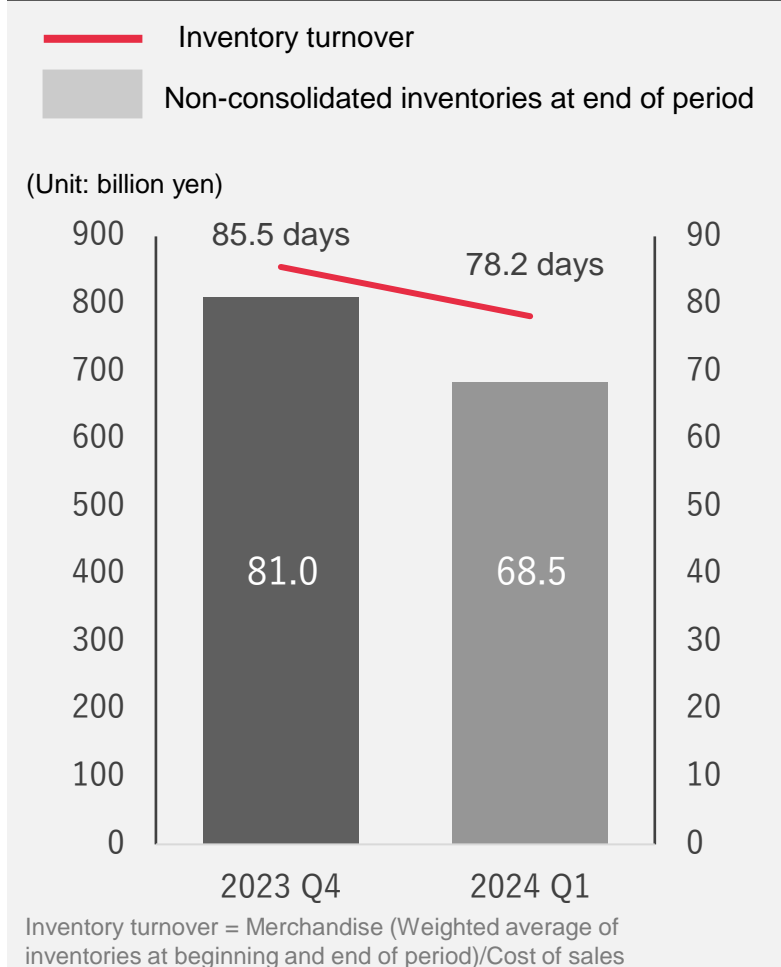
Cash Flow and Inventory Status



Q1 consolidated cash flows



Non-consolidated inventories at end of period and inventory turnover

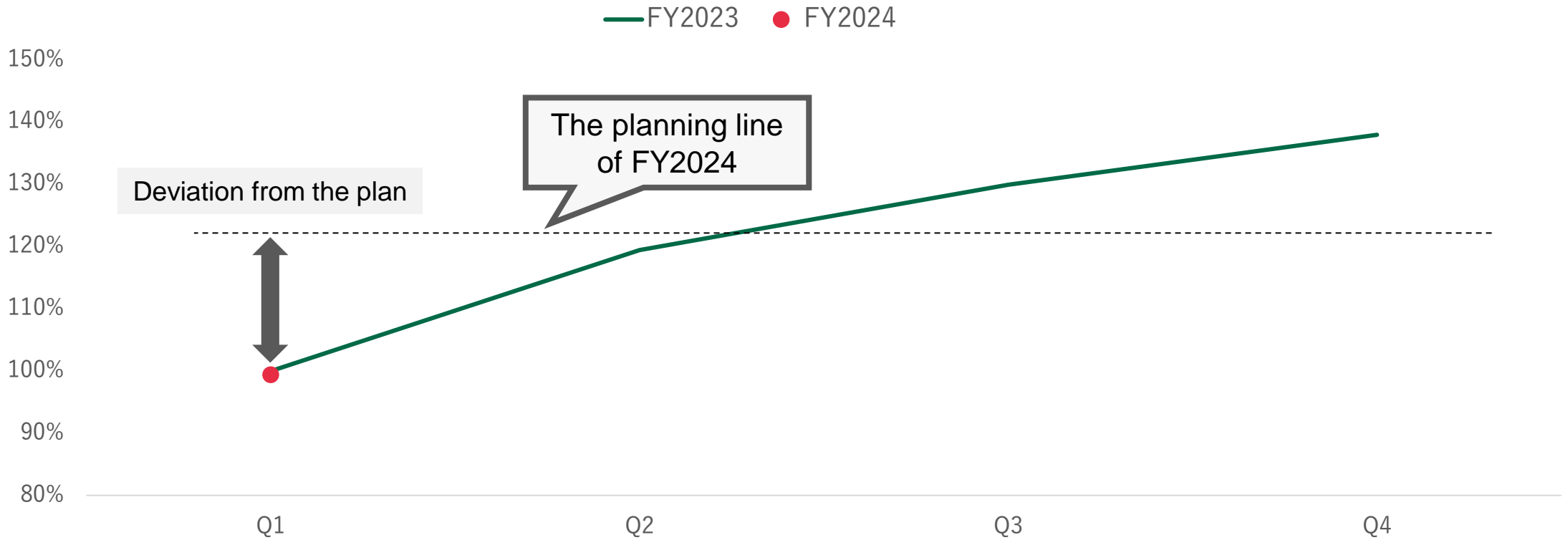


- Positive figures in operating cash flow and free cash flow.
- Both amounts and turnover by days of inventory decreased from the end of the previous fiscal year through inventory control as planned.

* 2024 Q1 indicates the first quarter of the fiscal year ending February 29, 2024.
* Condensed statement of cash flows will be disclosed voluntarily in Q1 and Q3.

		Three months ended May 31, 2023	Outlook for the first half of FY2024	Progress of the first half of FY2024
Units	Total number of car sales	73,584	126,000	58.4%
	Number of retail unit sales	39,266	71,000	55.3%
	Number of wholesale units	34,318	55,000	62.4%

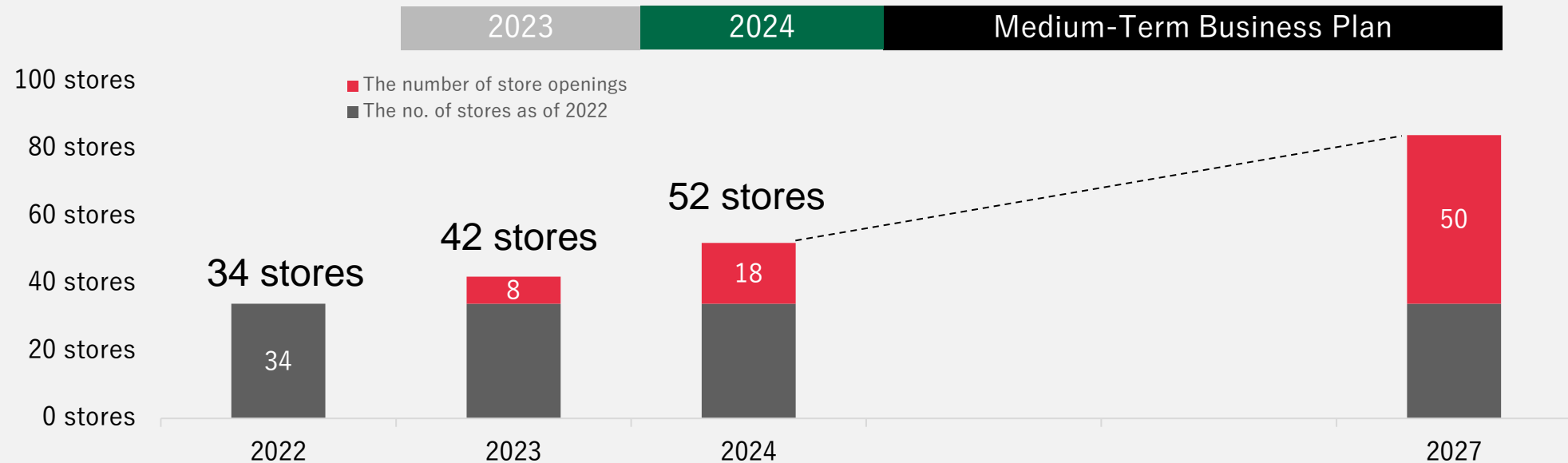
Both retail and wholesale unit sales were robust, exceeding 50% of the plan for the first half of the fiscal year.



As a result of focusing on the strategy of increasing retail unit sales, gross profit per unit on a retail basis declined to the level a year ago.

We will aim at recovering gross profit per unit by obtaining a fair gross profit.

Progress of large store openings (2023~2027)



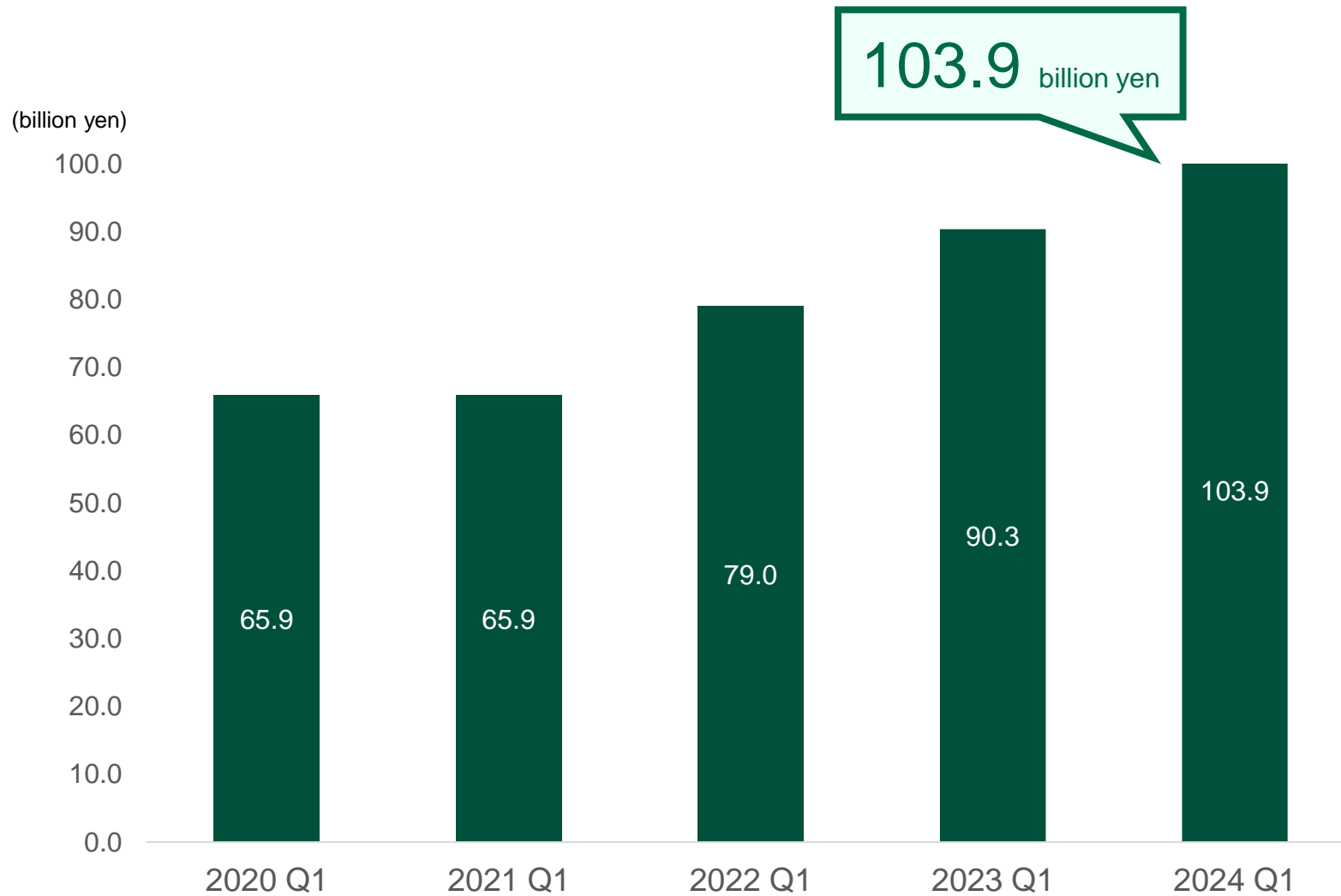
No store openings are planned for the first half of FY2024.
Plans to open ten new stores in the second half.

FY2024 Financials

2. Appendix

Gulliver





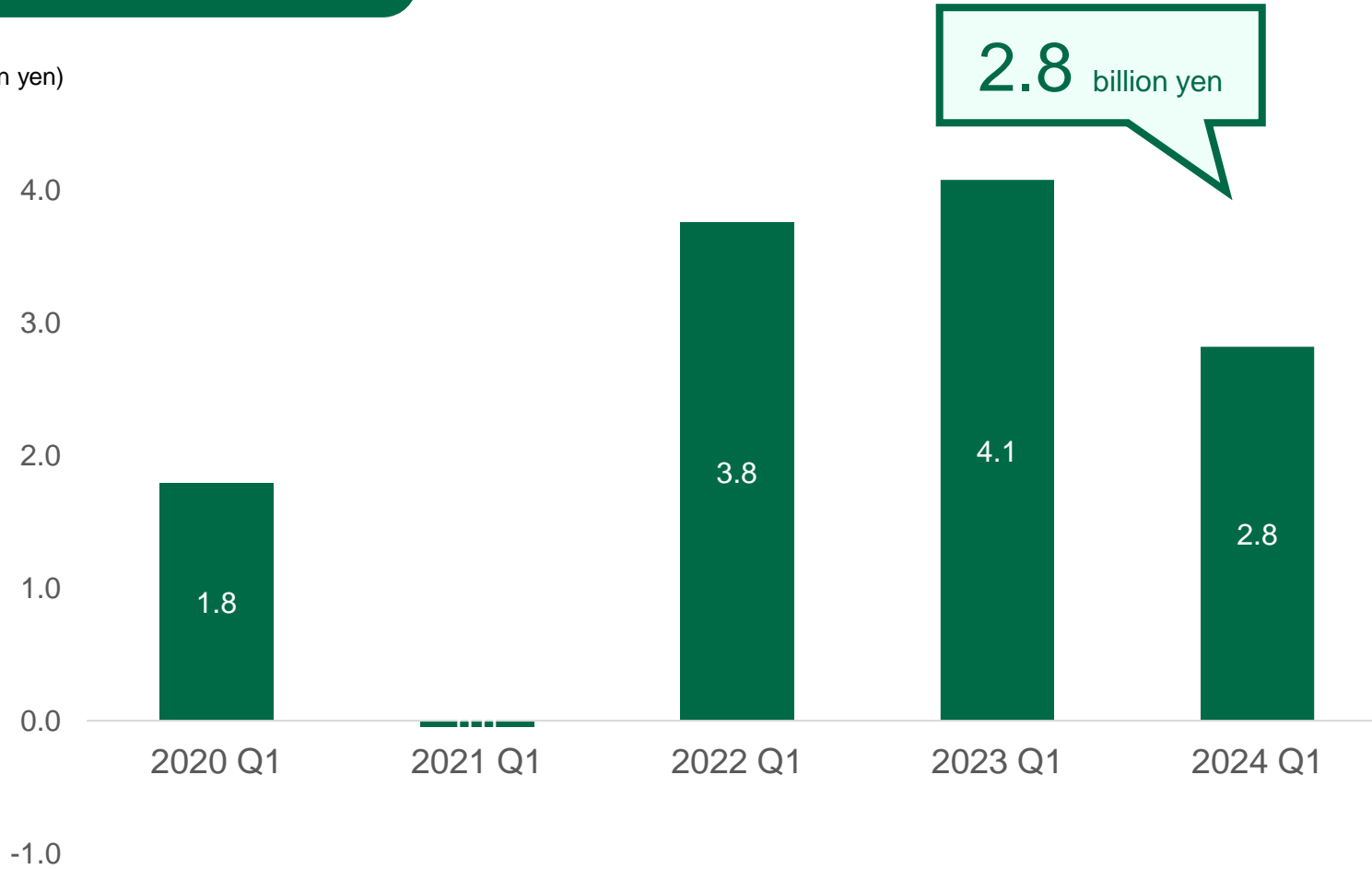
- Domestic core business net sales was 103.9 billion yen.
- Retail unit sales per large domestic directly managed store steadily grew.

* 2024 indicates the fiscal year ending February 29, 2024.

* Domestic Core Business: Non-consolidated results including subsidiaries Gulliver Insurance and Tokyo Mycar.

Trend in operating profit

(billion yen)



- Domestic core business operating profit was 2.8 billion yen.

* 2024 indicates the fiscal year ending February 29, 2024.

* Domestic Core Business: Non-consolidated results including subsidiaries Gulliver Insurance and Tokyo Mycar.

Q1 FY2024 Results (Year-on-Year)



(billion yen)	Previous fiscal year	Fiscal year under review	YoY changes
	FY2023 Q1	FY2024 Q1	
Net sales	90.3	103.9	+13.5 +15.0%
Operating profit	4.1	2.8	-1.3
Operating profit margin (%)	4.5%	2.7%	-30.8%
Ordinary profit	4.0	2.7	-1.3
Ordinary profit margin (%)	4.5%	2.6%	-32.3%
Profit attributable to owners of parent	4.9	1.9	-3.0
Profit margin (%)	5.4%	1.8%	-61.82%

- Net sales increased 15.1% year on year due to the opening of large stores.
- Profit at all levels decreased year on year.
- The high rate of decrease in profit attributable to owners of parent reflects the absence of the tax effects recognized in the previous year from impairment losses for goodwill recorded for the acquisition of the Australian subsidiary. The tax burden for the current period is at the normal level.

* 2024 indicates the fiscal year ending February 29, 2024.

FY2024 Financials

3. Supplementary Information on Results and Financial Matters

Gulliver



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

Consolidated	3 months ended May 31, 2020		3 months ended May 31, 2021		3 months ended May 31, 2022		3 months ended May 31, 2023			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	83,724	100.0	117,013	100.0	135,601	100.0	105,258	100.0	-30,343	-22.4
Cost of sales	69,002	82.4	95,264	81.4	113,198	83.5	88,142	83.7	-25,056	-22.1
Gross profit	14,722	17.6	21,748	18.6	22,402	16.5	17,116	16.3	-5,286	-23.6
SG&A Expenses	14,875	17.8	16,663	14.2	17,145	12.6	14,344	13.6	-2,801	-16.3
Operating profit	-153	-	5,084	4.3	5,256	3.9	2,771	2.6	-2,485	-47.3
Ordinary profit	-552	-	4,911	4.2	5,053	3.7	2,696	2.6	-2,357	-46.6
Profit before income taxes and minority interests	-1,071	-	4,069	3.5	5,117	3.8	2,738	2.6	-2,379	-46.5
Profit attributable to owners of parent	-914	-	2,752	2.4	5,377	4.0	1,868	1.8	-3,509	-65.3

Non-Consolidated	3 months ended May 31, 2020		3 months ended May 31, 2021		3 months ended May 31, 2022		3 months ended May 31, 2023			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	64,991	100.0	78,540	100.0	90,012	100	103,867	100.0	13,855	15.4
Cost of sales	53,462	82.3	62,983	80.2	74,637	82.9	87,222	84.0	12,585	16.9
Gross profit	11,529	17.7	15,557	19.8	15,375	17.1	16,645	16.0	1,270	8.3
SG&A Expenses	11,988	18.4	12,283	15.6	11,678	13.0	13,860	13.3	2,182	18.7
Operating profit	-459	-	3,273	4.2	3,696	4.1	2,785	2.7	-911	-24.6
Ordinary profit	-636	-	3,220	4.1	3,644	4.1	2,703	2.6	-941	-25.8
Profit before income taxes	-1,519	-	2,094	2.7	3,708	4.1	2,735	2.6	-973	-26.2
Profit	-668	-	1,424	1.8	4,629	5.1	1,843	1.8	-2,786	-60.2

[Consolidated] Balance Sheets



(Unit: million yen)

	As of February 28, 2023	As of May 31, 2023
Assets		
Current assets		
Cash and deposits	37,473	33,970
Notes and accounts receivable - trade	3,927	3,961
Merchandise	84,432	72,317
Other	6,173	5,436
Allowance for doubtful accounts	-528	-525
Total current assets	131,478	115,159
Non-current assets		
Property, plant and equipment		
Buildings and structures	41,306	41,330
Accumulated depreciation	-16,873	-17,228
Buildings and structures, net	24,433	24,102
Vehicles	236	236
Accumulated depreciation	-148	-159
Vehicles, net	88	76
Tools, furniture and fixtures	5,077	5,243
Accumulated depreciation	-3,362	-3,452
Tools, furniture and fixtures, net	1,715	1,790
Land	136	136
Construction in progress	67	796
Total property, plant and equipment	-	231
Intangible assets	26,441	27,133
Software	1,300	1,334
Goodwill	86	84
Other	2	2
Total intangible assets	1,389	1,421
Investments and other assets		
Investment securities	0	0
Shares of subsidiaries and associates	29	29
Long-term loans receivable	76	950
Lease and guarantee deposits	5,045	5,190
Construction assistance fund receivables	3,955	3,847
Deferred tax assets	4,435	3,999
Other	449	441
Allowance for doubtful accounts	-6	-6
Total investments and other assets	13,984	14,451
Total non-current assets	41,815	43,006
Total assets	173,293	158,166

	As of February 28, 2023	As of May 31, 2023
Liabilities		
Current liabilities		
Accounts payable – trade	4,822	4,004
Current portion of long-term loans payables	24,145	15,445
Accounts payable – other	3,812	3,083
Income taxes payable	864	567
Contract liability	25,336	23,440
Deposits received	309	459
Provision for bonuses	897	87
Other provision	342	342
Other	3,635	8,398
Total current liabilities	64,165	55,827
Non-current liabilities		
Long-term loans payable	43,000	36,700
Long-term guarantee deposited	599	639
Asset retirement obligations	2,643	2,690
Other	183	328
Total non-current liabilities	46,426	40,358
Total liabilities	110,591	96,186
Net assets		
Shareholders' equity		
Capital stock	4,157	4,157
Capital surplus	5,250	5,250
Retained earnings	56,738	55,966
Treasury shares	-4,344	-4,344
Total shareholders' equity	61,801	61,029
Accumulated other comprehensive income		
Foreign currency translation adjustment	284	266
Total accumulated other comprehensive income	284	266
Share acquisition rights	147	255
Minority owner shares worth	468	428
Total net assets	62,702	61,980
Total liabilities and net assets	173,293	158,166

[Consolidated] Statements of Cash Flows



(Unit: million yen)

	3 months ended May 31, 2023	3 months ended May 31, 2023
Profit before income taxes	5,117	2,738
Depreciation	716	630
Amortization of goodwill	104	1
Net increase (decrease) in working capital	1,103	9,737
Income taxes paid	-97	-678
Other, net	194	3,759
Cash flows from operating activities	7,139	16,190
Cash flows from investing activities	-2,574	-2,099
Free cash flow	4,564	14,091
Cash flows from financing activities	990	11,991
Net increase (decrease) resulting from exchange rate change and new consolidation	269	3
Net increase (decrease) in cash and cash equivalents	5,825	-3,503
Cash and cash equivalents at the beginning of period	45,670	37,473
Cash and cash equivalents at the end of period	51,496	33,970

[Consolidated / Non-consolidated] Income Statement



Consolidated	FY ended Feb 29, 2021		FY ended Feb 28, 2022		FY ended Feb 28, 2023		FY ending Feb 28, 2024			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	380,564	100.0	459,532	100.0	416,514	100.0	400,000	100.0	-16,514	-4.0
Cost of sales	307,754	80.9	373,519	81.3	341,964	82.1	327,500	81.9	-14,464	-4.2
Gross profit	72,810	19.1	86,013	18.7	74,549	17.9	72,500	18.1	-2,049	-2.7
SG&A Expenses	62,239	16.4	67,528	14.7	55,865	13.4	53,500	13.4	-2,365	-4.2
Operating profit	10,571	2.8	18,485	4.0	18,684	4.5	19,000	4.8	316	1.7
Ordinary profit	9,642	2.5	17,561	3.8	18,146	4.4	18,500	4.6	354	1.9
Profit before income taxes and minority interests	4,524	1.2	15,750	3.4	18,752	4.5	17,500	4.4	-1,252	-6.7
Profit attributable to owners of parent	1,484	0.4	10,794	2.3	14,205	3.4	12,000	3.0	-2,205	-5.5

Non-Consolidated	FY ended Feb 29, 2021		FY ended Feb 28, 2022		FY ended Feb 28, 2023		FY ending Feb 28, 2024			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	275,710	100.0	306,733	100.0	366,069	100.0	389,000	100.0	22,931	6.3
Cost of sales	219,258	79.5	245,661	80.1	301,226	82.3	319,200	82.1	17,974	6.0
Gross profit	56,451	20.5	61,071	19.9	64,842	17.7	69,800	17.9	4,958	7.6
SG&A Expenses	48,593	17.6	49,164	16.0	48,430	13.2	50,200	12.9	1,770	3.7
Operating profit	7,858	2.9	11,907	3.9	16,412	4.5	19,600	5.0	3,188	19.4
Ordinary profit	7,642	2.8	11,573	3.8	15,998	4.4	19,100	4.9	3,102	19.4
Profit before income taxes	-458	-	9,450	3.1	23,709	6.5	18,100	4.7	-5,609	-23.7
Profit	-2,081	-	6,553	2.1	20,020	5.5	12,700	3.3	-7,320	-36.6

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



Consolidated	6 months ended August 31, 2020		6 months ended August 31, 2021		6 months ended August 31, 2022		6 months ending August 31, 2023			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	178,109	100.0	227,775	100.0	225,478	100.0	190,000	100.0	-35,479	-15.7
Cost of sales	144,145	80.9	185,308	81.4	187,209	83.0	157,000	82.6	-30,209	-16.1
Gross profit	33,963	19.1	42,466	18.6	38,269	17.0	33,000	17.4	-5,269	-13.8
SG&A Expenses	29,910	16.8	33,025	14.5	29,652	13.2	25,500	13.4	-4,153	-14
Operating profit	4,053	2.3	9,440	4.1	8,616	3.8	7,500	3.9	-1,117	-13
Ordinary profit	3,147	1.8	9,011	4.0	8,280	3.7	7,250	3.8	-1,031	-12.5
Profit before income taxes and minority interests	2,717	1.5	7,951	3.5	9,181	4.1	6,750	3.6	-2,431	-26.5
Profit attributable to owners of parent	1,375	0.8	5,311	2.3	7,516	3.3	4,700	2.5	-2,816	-37.5

Non-Consolidated	6 months ended August 31, 2020		6 months ended August 31, 2021		6 months ended August 31, 2022		6 months ending August 31, 2023			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	134,150	100.0	150,239	100.0	178,303	100.0	185,000	100.0	6,697	3.8
Cost of sales	107,145	79.9	120,147	80.0	147,944	83.0	153,200	82.8	5,256	3.6
Gross profit	27,004	20.1	30,092	20.0	30,359	17.0	31,800	17.2	1,441	4.7
SG&A Expenses	23,736	17.7	23,983	16.0	23,601	13.2	24,300	13.1	698	3.0
Operating profit	3,267	2.4	6,108	4.1	6,757	3.8	7,500	4.1	743	11.0
Ordinary profit	3,101	2.3	5,939	4.0	6,560	3.7	7,250	3.9	689	10.5
Profit before income taxes	2,383	1.8	4,655	3.1	9,537	5.3	6,750	3.6	-2,787	-29.2
Profit	2,005	1.5	3,170	2.1	8,575	4.8	4,750	2.6	-3,826	-44.6