

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Three Months Ended May 31, 2022 (Based on Japanese GAAP)

July 14, 2022

Company name: IDOM Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 7599 URL: <https://221616.com>  
 Representative: President Yusuke Hatori  
 Inquiries: General Manager, Finance & IR Division Masayuki Matsumoto TEL 03-5208-5503  
 Scheduled date to file Quarterly Securities Report: July 15, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended May 31, 2022 (from March 1, 2022 to May 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2022	135,601	15.9	5,256	3.4	5,053	2.9	5,377	95.4
Three months ended May 31, 2021	117,013	39.8	5,084	–	4,911	–	2,752	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 31, 2022	53.55		–	
Three months ended May 31, 2021	27.41		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2022	207,108	58,183	26.8	553.64
As of February 28, 2022	189,766	55,709	28.5	537.97

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 28, 2022	–	2.30	–	2.30	4.60
Year ending February 28, 2023	–	–	–	–	–
Year ending February 28, 2023 (Forecast)	–	16.20	–	16.20	32.40

3. Forecast of consolidated financial results for the year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2022	206,800	(9.2)	8,600	(8.9)	8,150	(9.6)	7,200	35.5	71.71
Full year	366,800	(20.2)	15,500	(16.1)	14,800	(15.7)	11,600	7.5	115.53

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2022	106,888,000 shares	As of February 28, 2022	106,888,000 shares
--------------------	--------------------	-------------------------	--------------------

Number of treasury shares at the end of the period

As of May 31, 2022	6,480,651 shares	As of February 28, 2022	6,480,641 shares
--------------------	------------------	-------------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2022	100,407,352 shares	Three months ended May 31, 2021	100,407,399 shares
---------------------------------	--------------------	---------------------------------	--------------------

## 1. Qualitative Information on Quarterly Financial Results

### (1) Analysis of operating results

In the first quarter of the fiscal year under review (March 1 to May 31, 2022), retail unit sales at directly managed stores in Japan were 37,547 (down 3.2% year on year). 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 on a per store basis.

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. Due to the adoption of the Revenue Recognition Accounting Standard and other standards, a time-lag in revenue recognition occurred for sales recorded in past years and those newly recorded in the current year. As a result, operating profit is expected to decrease approximately 0.9 billion yen on a full-year basis. However, looking at the first quarter under review alone, operating profit rose approximately 99 million yen due to the impact of prior year adjustments. Details are described in "2. Quarterly Consolidated Financial Statements and Important Notes (3) Notes on quarterly consolidated financial statements (Changes in accounting policies)."

Sales of both new cars and used cars remained strong at the Australian subsidiary, aided by the yen continuing to weaken against the Australian dollar compared with the previous year.

Selling, general and administrative expenses decreased, reflecting lower rent expenses due to the head office relocation and a decline in personnel expenses attributable to a decrease in the number of employees because of restrained new graduate hiring.

Extraordinary losses for the first quarter under review included a loss on retirement of non-current assets of 45 million yen. Even so, total extraordinary losses decreased from the first quarter of the previous fiscal year in which head office relocation expenses of 856 million yen and other expenses had been posted.

As the result of the transfer of the shares of the Australian subsidiary, the tax effects attributable to the impairment loss of goodwill posted in the previous year at the time the Australian subsidiary was acquired were posted in the first quarter under review, included in income taxes - deferred.

As a result of the above, the consolidated business results for the first quarter under review were net sales of 135,601 million yen (up 15.9% year on year), operating profit of 5,256 million yen (up 3.4%), ordinary profit of 5,053 million yen (up 2.9%), and profit attributable to owners of parent of 5,377 million yen (up 95.4%), achieving record highs in terms of results for the first three months.

Regional segment-specific earnings are as indicated below:

#### I. Japan

The results of the Japan segment were net sales of 90,580 million yen (up 9.8% year on year) and segment profit (operating profit) of 4,038 million yen (up 2.6% year on year). The Japan segment recorded an increase in both sales and profit, chiefly reflecting a rise in the vehicle unit price and a decrease in selling, general & administrative expenses.

#### II. Australia

The results of the Australia segment were net sales of 44,607 million yen (up 31.1% year on year) and segment profit (operating profit) of 1,284 million yen (up 9.8% year on year). With the yen continuing to weaken against the Australian dollar compared with the previous year, the Australian subsidiary recorded increases in both sales and profit that also reflected strong sales of both new and used cars.

Results for each business segment are described below.

Starting with the first quarter under review, the domestic used car sales business and the new car sales business conducted in Australia including non-consolidated sales of subsidiaries Tokyo My Car and Gulliver Insurance are voluntarily disclosed as the domestic core business segment and the Australian business segment, respectively.

#### I. Domestic Core Business

The results of the Japan segment were net sales of 90,345 million yen (up 14.4% year on year) and segment profit (operating profit) of 4,076 million yen (up 8.6% year on year). Retail unit sales at directly managed domestic stores decreased due to a decline in the number of stores. However, the segment recorded an increase in both sales and profit, reflecting steady retail unit sales at large stores and a decline in selling, general and administrative expenses.

#### II. Australia Business

The results of the Australia segment were net sales of 44,607 million yen (up 31.1% year on year) and segment profit (operating profit) of 1,284 million yen (up 9.8% year on year). With the yen continuing to weaken against the Australian dollar compared with the previous year, the Australian subsidiary recorded increases in both sales and profit that also reflected strong sales of both new and used cars.

Previous first quarter period (From March 1, 2021 to May 31, 2021)

	Domestic core	Australia	Other (Differences)	Amortization of goodwill	Consolidated
Net sales	78,957	34,028	4,028	-	117,013
Segment profit (Operating profit)	3,753	1,169	283	(121)	5,084

First quarter under review (From March 1, 2022 to May 31, 2022)

	Domestic core	Australia	Other (Differences)	Amortization of goodwill	Consolidated
Net sales	90,345	44,607	648	-	135,601
Segment profit (Operating profit)	4,076	1,284	0	(104)	5,256

(2) Analysis of financial position

Assets

Total assets as of the end of the first quarter ended May 31, 2022 were 207,108 million yen (up 9.1% compared to the end of the previous fiscal year).

Current assets were 150,640 million yen (up 6.7% compared to the end of the previous fiscal year), mainly reflecting an increase in cash and deposits (up 5,825 million yen) and an increase in merchandise (up 3,598 million yen).

Non-current assets stood at 56,467 million yen (up 16.1% from the end of the previous fiscal year) due primarily to increases in buildings and structures (up 1,602 million yen) and deferred tax assets (up 4,814 million yen).

Liabilities

Total liabilities as of the end of the first quarter under review were 148,924 million yen (up 11.1% compared to the end of the previous fiscal year).

Current liabilities totaled 95,704 million yen (up 56.7% from the end of the previous fiscal year) chiefly as a result of an increase in the current portion of long-term borrowings (up 20,000 million yen), as well as a decrease in advances received (down 9,548 million yen from the end of the previous fiscal year) and an increase in contract liabilities (up 19,189 million yen from the end of the previous year) attributable mainly to the adoption of the Revenue Recognition Accounting Standard.

Net assets

Total net assets as of the end of the first quarter ended May 31, 2022 were 58,183 million yen (up 4.4% compared to the end of the previous fiscal year), due chiefly to increases in retained earnings (up 866 million yen) and non-controlling interests (up 901 million yen).

(3) Consolidated earnings forecast and other forward-looking statements

Looking at the consolidated earnings forecasts for the fiscal year ending February 28, 2023, there are no changes in the figures that were presented in the Summary of Consolidated Financial Results for the Fiscal Year Ending February 28, 2022 (Japanese GAAP)" announced on April 14, 2022..

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 28, 2022	As of May 31, 2022
Assets		
Current assets		
Cash and deposits	45,670	51,496
Notes and accounts receivable - trade	5,620	4,714
Merchandise	85,363	88,962
Other	4,907	5,921
Allowance for doubtful accounts	(416)	(454)
Total current assets	141,146	150,640
Non-current assets		
Property, plant and equipment		
Buildings and structures	37,102	39,283
Accumulated depreciation	(16,061)	(16,640)
Buildings and structures, net	21,040	22,643
Vehicles	298	292
Accumulated depreciation	(60)	(82)
Vehicles, net	238	210
Tools, furniture and fixtures	4,279	4,751
Accumulated depreciation	(3,114)	(3,163)
Tools, furniture and fixtures, net	1,164	1,588
Land	136	136
Construction in progress	1,083	973
Total property, plant and equipment	23,663	25,551
Intangible assets		
Software	1,465	1,456
Goodwill	5,995	6,528
Other	4,314	4,747
Total intangible assets	11,775	12,733
Investments and other assets		
Investment securities	20	23
Shares of subsidiaries and associates	129	129
Long-term loans receivable	228	68
Leasehold and guarantee deposits	4,405	4,768
Construction assistance fund receivables	4,289	4,272
Deferred tax assets	3,677	8,492
Other	438	436
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	13,181	18,182
Total non-current assets	48,620	56,467
Total assets	189,766	207,108

(Millions of yen)

	As of February 28, 2022	As of May 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	23,618	25,189
Short-term borrowings	1,101	1,195
Current portion of long-term borrowings	10,000	30,000
Accounts payable - other	4,713	4,856
Income taxes payable	3,960	5,834
Advances received	9,548	–
Contract liabilities	–	19,189
Deposits received	215	200
Provision for bonuses	1,965	591
Provision for merchandise warranties	884	–
Other provisions	1,327	408
Other	3,750	8,238
<b>Total current liabilities</b>	<b>61,085</b>	<b>95,704</b>
<b>Non-current liabilities</b>		
Long-term borrowings	67,523	47,423
Long-term guarantee deposits	587	610
Asset retirement obligations	2,236	2,210
Deferred tax liabilities	1,535	1,740
Other provisions	680	786
Other	407	448
<b>Total non-current liabilities</b>	<b>72,972</b>	<b>53,220</b>
<b>Total liabilities</b>	<b>134,057</b>	<b>148,924</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	4,157	4,157
Capital surplus	4,361	5,227
Retained earnings	49,673	49,530
Treasury shares	(4,344)	(4,344)
<b>Total shareholders' equity</b>	<b>53,847</b>	<b>54,570</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	168	1,018
<b>Total accumulated other comprehensive income</b>	<b>168</b>	<b>1,018</b>
<b>Non-controlling interests</b>	<b>1,693</b>	<b>2,594</b>
<b>Total net assets</b>	<b>55,709</b>	<b>58,183</b>
<b>Total liabilities and net assets</b>	<b>189,766</b>	<b>207,108</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Net sales	117,013	135,601
Cost of sales	95,264	113,198
Gross profit	21,748	22,402
Selling, general and administrative expenses	16,663	17,145
Operating profit	5,084	5,256
Non-operating income		
Interest income	17	9
Subsidy income	–	23
Foreign exchange gains	11	26
Other	33	24
Total non-operating income	62	83
Non-operating expenses		
Interest expenses	232	271
Share of loss of entities accounted for using equity method	0	–
Other	2	15
Total non-operating expenses	235	286
Ordinary profit	4,911	5,053
Extraordinary income		
Gain on sale of non-current assets	–	54
Compensation income	25	–
Subsidy income	3	59
Other	1	10
Total extraordinary income	31	124
Extraordinary losses		
Loss on retirement of non-current assets	0	45
Head office relocation expenses	856	–
Other	16	15
Total extraordinary losses	874	60
Profit before income taxes	4,069	5,117
Income taxes - current	1,843	1,990
Income taxes - deferred	(693)	(2,443)
Total income taxes	1,149	(452)
Profit	2,919	5,569
Profit attributable to non-controlling interests	167	192
Profit attributable to owners of parent	2,752	5,377

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Profit	2,919	5,569
Other comprehensive income		
Foreign currency translation adjustment	100	1,036
Share of other comprehensive income of entities accounted for using equity method	(13)	—
Total other comprehensive income	86	1,036
Comprehensive income	3,006	6,606
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,819	6,226
Comprehensive income attributable to non- controlling interests	186	379