

3rd Quarter Results for Fiscal Year Ending February 28, 2017

January 12, 2017

IDOM Inc.
(7599)

- I . 3rd quarter (9 months ended) results for FY 2017
- II . Status of display sales stores
- III . Supplementary information on operating results and financial data

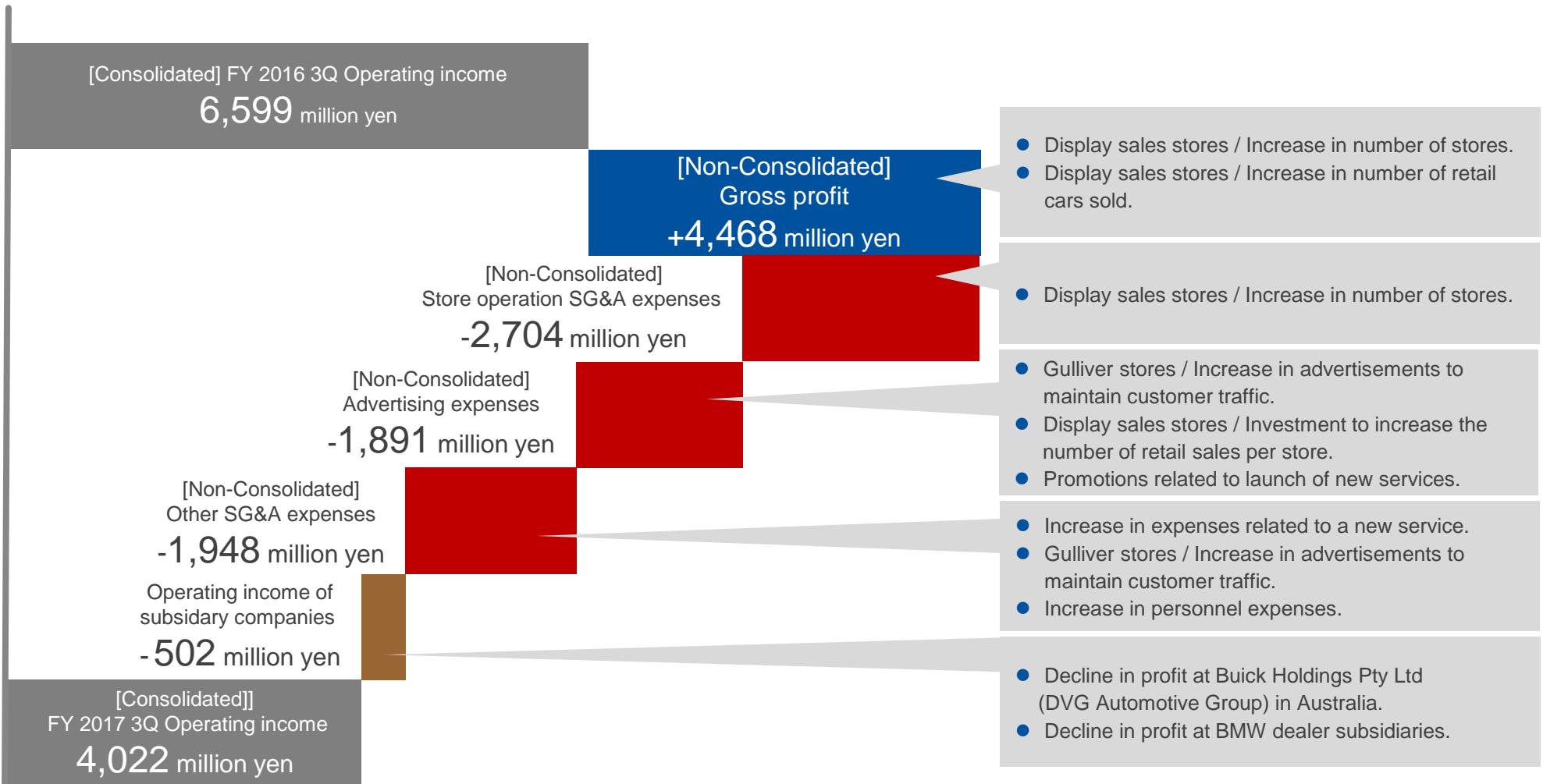
I .3rd quarter (9 months ended)
results for FY 2017

[Non-Consolidated] 3Q Summary

| | FY 2016 Mar- Nov | | FY 2017 Mar - Nov |
|--|---------------------|---|----------------------|
| Number of cars purchased* | 132,767 cars | ➔ | 135,783 cars |
| Number of cars sold* | | | |
| Wholesale | 92,025 cars | ➔ | 78,860 cars |
| Retail | 52,426 cars | ➔ | 70,255 cars |
| SG&A expenses (Non-consolidated) | 27,748 million yen | ➔ | 34,291 million yen |
| Operating income (Non-consolidated) | 6,083 million yen | ➔ | 4,008 million yen |

* Number of cars handled at directly managed stores.

[Consolidated] Analysis of change in consolidated operating income for 3Q



II .Status of display sales stores

Display sales stores opened in FY 2017



OL R12-Iwamizawa
Iwamizawa, Hokkaido



OL Sagakanjodori
Saga, Saga



OL Sendaiminato
Sendai, Miyagi



OL Fujinomiya
Fujinomiya, Shizuoka



OL R13-Yokote
Yokote, Akita



OL Fujieda
Fujieda, Shizuoka



OL Nagasakitogitsu
Nishisonogi, Nagasaki



OL Kusatsu
Kusatsu, Shiga



OL Tsuchiuraarakawaoki
Tsuchiura, Ibaraki



OL Komatsu
Komatsu, Ishikawa



OL Mobara
Mobara, Chiba



OL Hitachinaka
Hitachinaka, Ibaraki



OL R4-Hanamaki
Hanamaki, Iwate



OL R7-Sakata
Sakata, Yamagata



OL R10-Nobeoka
Nobeoka, Miyazaki



Display sales stores opened in FY 2017

OL Iwaki-Onahama
Iwaki, Fukushima



OL Fuji-Aobadori
Fuji, Shizuoka



OL R-3 Shingu
Kasuya, Fukuoka



OL Tsuruoka
Tsuruoka, Yamagata



OL R-41 Takayama
Takayama, Gifu



OL R-21 Kakamigahara
Kakamigahara, Gifu



OL R-1 Numazu
Numazu, Shizuoka



Kofu-BP
Kofu, Yamanashi



Miyazakikita-BP
Miyazaki, Miyazaki



R-36 Tomakomai
Tomakomai, Hokkaido



Yokote
Yokote, Akita



Asahikawa-Nagayama
Asahikawa, Hokkaido



Nagasaki-Togitsu
Nishisonogi, Nagasaki



R-38 Kushiro
Kushiro, Hokkaido



R-1 Toyohashi
Toyohashi, Aichi



Display sales stores opened in FY 2017

LIBERALA
POWERED BY GULLIVER

Gifu
Gifu, Gifu



Kumamoto
Kumamoto, Kumamoto



Obihiro
Obihiro, Hokkaido



Toyama
Toyama, Toyama



HUNT
de odateke

HUNT Morera Gifu
Motsu, Gifu



HUNT AEON MALL Imabari-Shintoshi
Imabari, Ehime

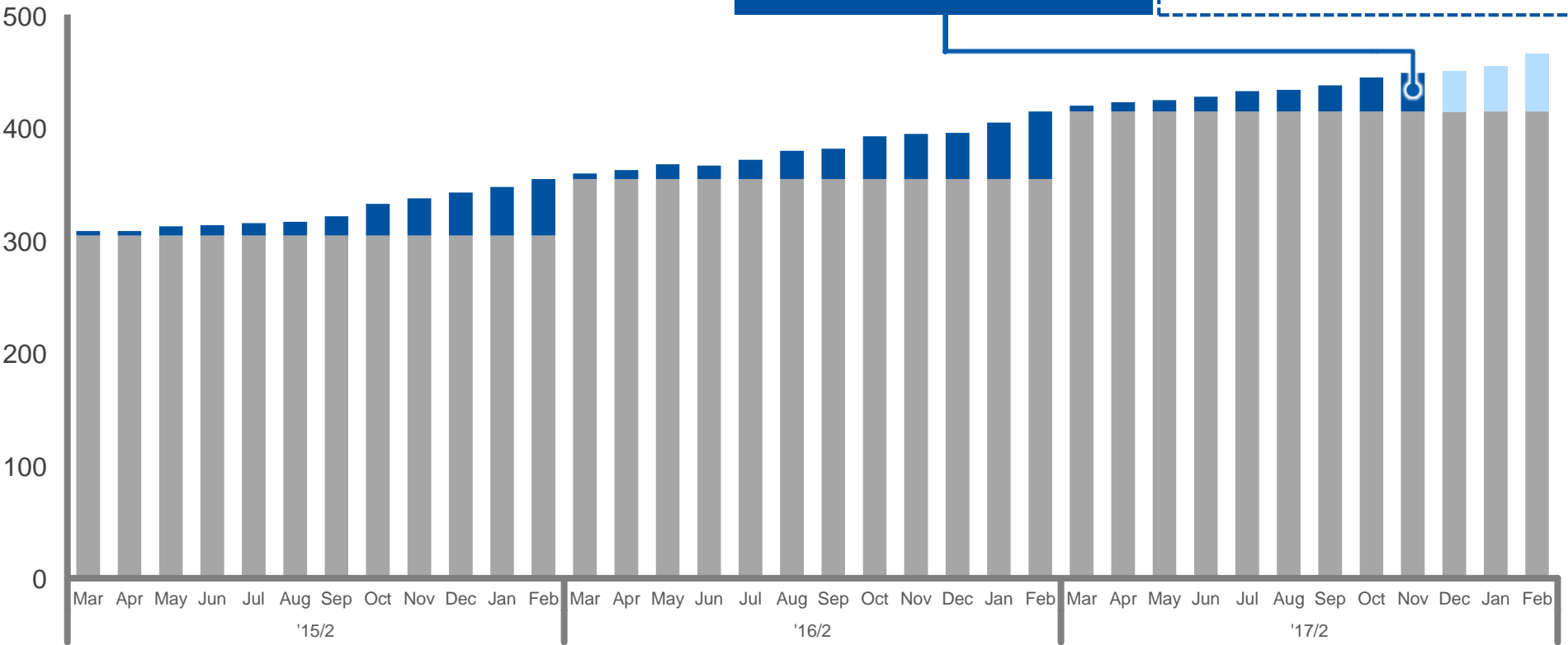


Store opening progress

Number of directly managed stores

(unit: store)

■ No. of existing stores ■ Net increase ■ Expected net increase



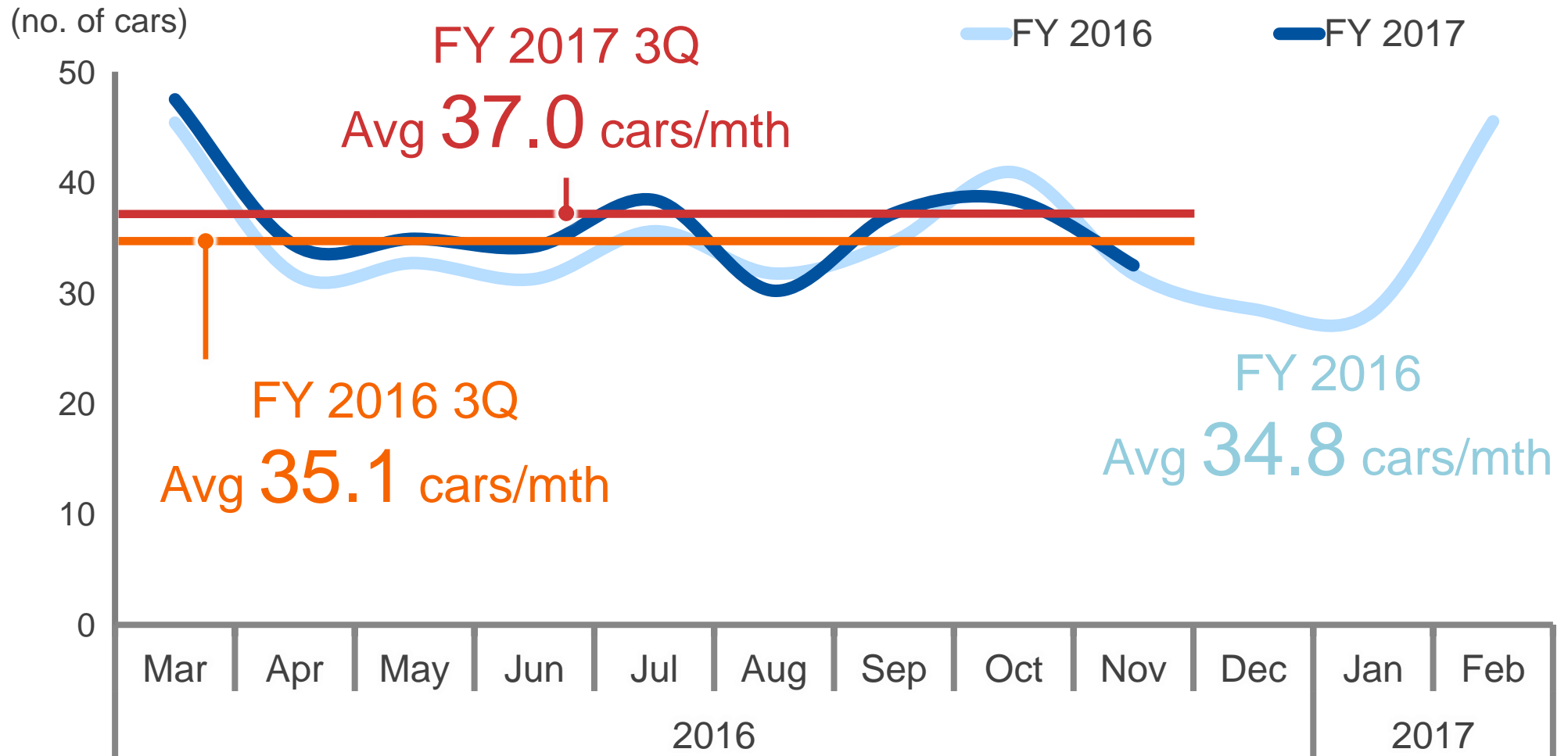
March to November
+34 stores*

Contracts finalized
but not yet opened
(As of November 30)

47 stores

*Net increase of 34 stores = 38 store openings – net decrease of 2 shopping mall stores – sale of 1 store at VOLVO Matsuyama – net decrease of 1 Gulliver Hybrid store.

Retail car sales at existing display sales stores

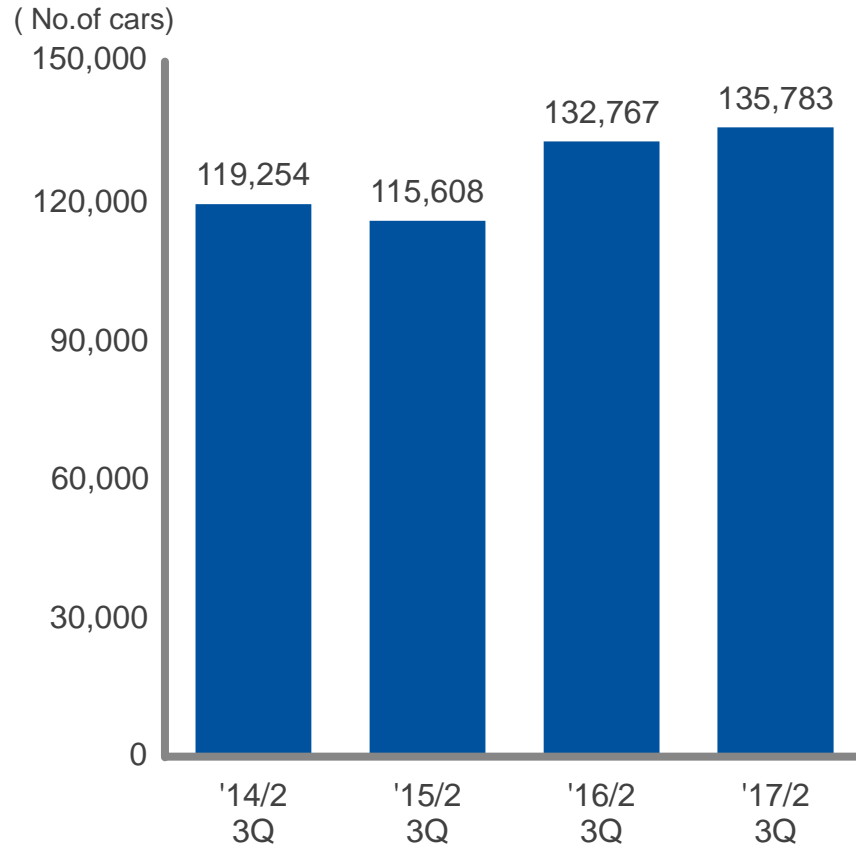


*Monthly average number of retail car sales among stores that opened by August 31, 2016 and are fully operational in FY 2017 (excluding Shake! Hamamatsu, VOLVO Matsuyama, and five shopping mall stores)

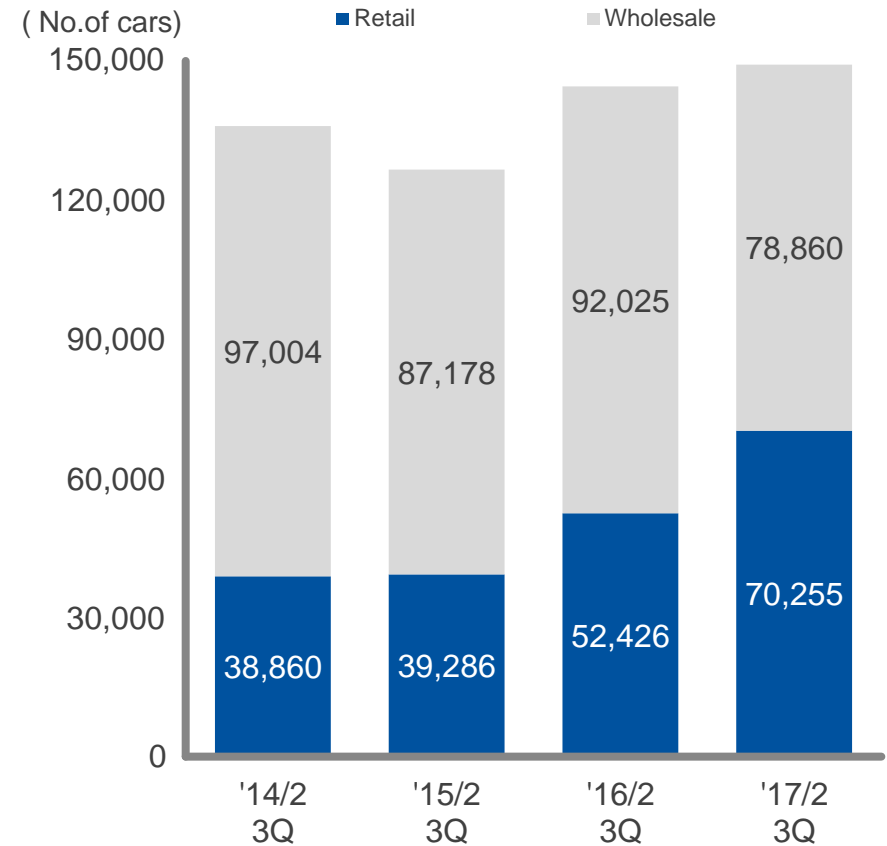
III. Supplementary information on operating results and financial data

[Non-consolidated] Unit information at directly managed stores

Number of cars purchased



Number of cars sold (wholesale and retail)



[Consolidated / Non-consolidated] Income statement

| Consolidated | 9 months ended Nov 30, 2013 | | 9 months ended Nov 30, 2014 | | 9 months ended Nov 30, 2015 | | 9 months ended Nov 30, 2016 | | | |
|--|--------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------------|-------------------------|------------|
| | Result (million yen) | Ratio (%) | Result (million yen) | Ratio (%) | Result (million yen) | Ratio (%) | Result (million yen) | Ratio (%) | Change (million yen) | Y/Y (%) |
| Sales | 128,637 | 100.0 | 117,623 | 100.0 | 152,082 | 100.0 | 191,033 | 100.0 | 38,951 | 25.6 |
| Cost of sales | 101,379 | 78.8 | 88,374 | 75.1 | 114,756 | 75.5 | 145,223 | 76.0 | 30,467 | 26.5 |
| Gross profit | 27,257 | 21.2 | 29,248 | 24.9 | 37,325 | 24.5 | 45,810 | 24.0 | 8,485 | 22.7 |
| SG&A Expenses | 21,345 | 16.6 | 24,621 | 20.9 | 30,725 | 20.2 | 41,787 | 21.9 | 11,062 | 36.0 |
| Operating income | 5,912 | 4.6 | 4,626 | 3.9 | 6,599 | 4.3 | 4,022 | 2.1 | -2,577 | -39.1 |
| Ordinary income | 6,012 | 4.7 | 4,665 | 4.0 | 6,856 | 4.5 | 3,913 | 2.0 | -2,943 | -42.9 |
| Income before income taxes and minority interests | 5,984 | 4.7 | 4,522 | 3.8 | 6,804 | 4.5 | 3,554 | 1.9 | -3,250 | -47.8 |
| Profit attributable to owners of parent | 3,707 | 2.9 | 2,765 | 2.4 | 4,221 | 2.8 | 2,190 | 1.1 | -2,031 | -48.1 |

| Non-Consolidated | 9 months ended Nov 30, 2013 | | 9 months ended Nov 30, 2014 | | 9 months ended Nov 30, 2015 | | 9 months ended Nov 30, 2016 | | | |
|----------------------------|--------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------------|-------------------------|------------|
| | Result (million yen) | Ratio (%) | Result (million yen) | Ratio (%) | Result (million yen) | Ratio (%) | Result (million yen) | Ratio (%) | Change (million yen) | Y/Y (%) |
| Sales | 127,579 | 100.0 | 115,624 | 100.0 | 135,437 | 100.0 | 149,555 | 100.0 | 14,118 | 10.4 |
| Cost of sales | 100,715 | 78.9 | 87,067 | 75.3 | 101,606 | 75.0 | 111,255 | 74.4 | 9,649 | 9.5 |
| Gross profit | 26,864 | 21.1 | 28,557 | 24.7 | 33,831 | 25.0 | 38,300 | 25.6 | 4,469 | 13.2 |
| SG&A Expenses | 21,112 | 16.5 | 24,181 | 20.9 | 27,748 | 20.5 | 34,291 | 22.9 | 6,543 | 23.6 |
| Operating income | 5,751 | 4.5 | 4,376 | 3.8 | 6,083 | 4.5 | 4,008 | 2.7 | -2,075 | -34.1 |
| Ordinary income | 5,796 | 4.5 | 4,390 | 3.8 | 6,099 | 4.5 | 4,101 | 2.7 | -1,998 | -32.8 |
| Income before income taxes | 5,780 | 4.5 | 4,259 | 3.7 | 6,053 | 4.5 | 3,754 | 2.5 | -2,299 | -38.0 |
| Net income | 3,577 | 2.8 | 2,594 | 2.2 | 3,791 | 2.8 | 2,551 | 1.7 | -1,240 | -32.7 |

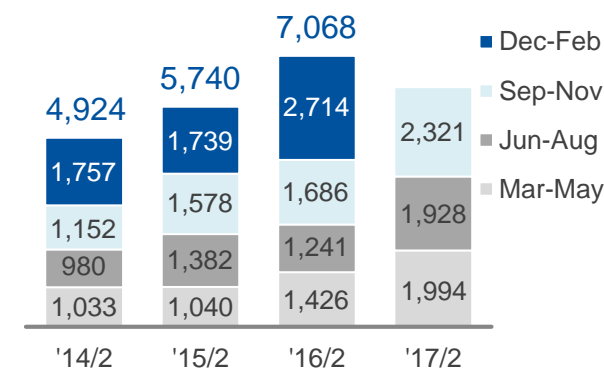
[Non-Consolidated] SG&A Expense

| | 9 months ended Nov 30, 2013 | | 9 months ended Nov 30, 2014 | | 9 months ended Nov 30, 2015 | | 9 months ended Nov 30, 2016 | | | |
|--|--------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------------|-------------------------|-------------|
| | Result (million yen) | Ratio (%) | Result (million yen) | Ratio (%) | Result (million yen) | Ratio (%) | Result (million yen) | Ratio (%) | Change (million yen) | Y/Y (%) |
| Personnel costs | 8,526 | 6.7 | 9,158 | 7.9 | 10,471 | 7.7 | 12,449 | 8.3 | 1,978 | 18.9 |
| Outsourcing costs (Temp staff fees, etc) | 796 | 0.6 | 994 | 0.9 | 1,156 | 0.9 | 1,374 | 0.9 | 218 | 18.9 |
| Commission paid | 390 | 0.3 | 529 | 0.5 | 778 | 0.6 | 1,362 | 0.9 | 584 | 75.1 |
| Depreciation expenses | 935 | 0.7 | 1,140 | 1.0 | 1,506 | 1.1 | 1,829 | 1.2 | 323 | 21.4 |
| Advertising and PR expenses | 3,167 | 2.5 | 4,001 | 3.5 | 4,353 | 3.2 | 6,245 | 4.2 | 1,892 | 43.5 |
| Real estate and property rental | 3,676 | 2.9 | 3,962 | 3.4 | 4,733 | 3.5 | 5,568 | 3.7 | 835 | 17.6 |
| Others | 3,620 | 2.8 | 4,394 | 3.8 | 4,748 | 3.5 | 5,462 | 3.7 | 714 | 15.0 |
| Total | 21,112 | 16.5 | 24,181 | 20.9 | 27,748 | 20.5 | 34,291 | 22.9 | 6,543 | 23.6 |

Basic data

| | | 9 months ended Nov 30, 2013 | 9 months ended Nov 30, 2014 | 9 months ended Nov 30, 2015 | 9 months ended Nov 30, 2016 |
|----------------------------------|----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Employees (Head office) | (person) | 483 | 508 | 634 | 767 |
| Employees (Direct stores) | (person) | 1,540 | 1,673 | 2,036 | 2,478 |
| Total employees | (person) | 2,023 | 2,181 | 2,670 | 3,245 |
| Capital investment (stores) | (million yen) | 849 | 3,215 | 3,056 | 2,989 |
| Capital investment (system, etc) | (million yen) | 262 | 431 | 1,158 | 1,313 |
| Total capital investment | (million yen) | 1,111 | 3,647 | 4,215 | 4,303 |

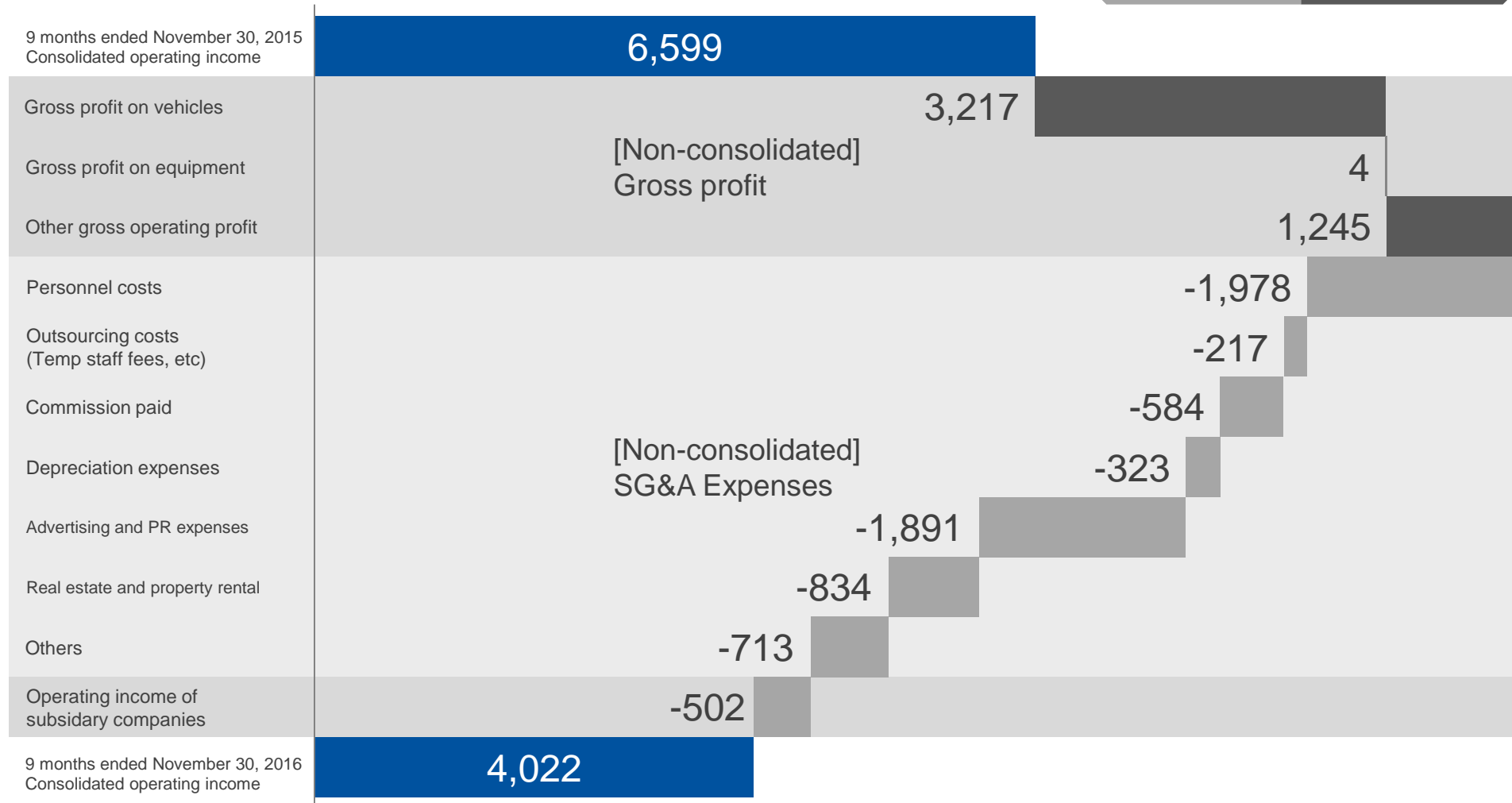
Advertising expenses (million yen)



[Consolidated] Analysis of change in consolidated operating income

(million yen) *Amounts truncated to ten thousand

Negative factors (-) Positive factors (+)



Buick Holdings(DVG) / BMW Dealer subsidiaries

Buick Holdings(DVG)

(million yen)

| | FY 2016 3Q*1 | FY 2017 3Q | Change |
|---|-----------------|---------------|--------|
| Operating income | 151 | -47 | -198 |
| Amortization of goodwill | 75 | 291 | 216 |
| Operating income after deduction of amortization of goodwill | 76 | -338 | -414 |

BMW Dealer subsidiaries*2

(million yen)

| | FY 2016 3Q | FY 2017 3Q | Change |
|---|---------------|---------------|--------|
| Operating income | 186 | 16 | -170 |
| Amortization of goodwill | 69 | 69 | 0 |
| Operating income after deduction of amortization of goodwill | 117 | -53 | -170 |

*1: In 3Q FY 2016, only the two month results (October and November 2015) were included in the consolidated results.

*2: Motoren Global (Asahikawa) and Motoren Glanz (Chiba)

[Consolidated] Balance sheets

| | As of February 29, 2016 | As of November 30, 2016 |
|--|----------------------------|----------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 9,149 | 17,411 |
| Notes and accounts receivable - trade | 5,192 | 4,452 |
| Merchandise | 31,848 | 35,395 |
| Deferred tax assets | 778 | 1,010 |
| Other | 2,159 | 2,565 |
| Allowance for doubtful accounts | -54 | -60 |
| Total current assets | 49,074 | 60,776 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 26,000 | 28,948 |
| Accumulated depreciation | -8,564 | -9,652 |
| Buildings and structures, net | 17,435 | 19,295 |
| Vehicles | 435 | 325 |
| Accumulated depreciation | -180 | -106 |
| Vehicles, net | 255 | 219 |
| Tools, furniture and fixtures | 3,882 | 4,013 |
| Accumulated depreciation | -2,874 | -2,966 |
| Tools, furniture and fixtures, net | 1,007 | 1,047 |
| Land | 218 | 218 |
| Construction in progress | 826 | 379 |
| Total property, plant and equipment | 19,743 | 21,160 |
| Intangible assets | | |
| Software | 1,941 | 3,066 |
| Goodwill | 9,597 | 9,516 |
| Other | 3,974 | 3,973 |
| Total intangible assets | 15,513 | 16,556 |
| Investments and other assets | | |
| Investment securities | 13 | 37 |
| Shares of subsidiaries and associates | 45 | 15 |
| Long-term loans receivable | 395 | 224 |
| Lease and guarantee deposits | 4,565 | 4,983 |
| Construction assistance fund receivables | 4,304 | 4,984 |
| Deferred tax assets | 274 | 338 |
| Other | 489 | 503 |
| Allowance for doubtful accounts | -209 | -266 |
| Total investments and other assets | 9,879 | 10,820 |
| Total non-current assets | 45,136 | 48,538 |
| Total assets | 94,211 | 109,314 |

| | As of February 29, 2016 | As of November 30, 2016 |
|---|----------------------------|----------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 14,102 | 13,107 |
| Short-term loans payable | 2,045 | 1 |
| Current portion of long-term loans payable | 79 | - |
| Accounts payable - other | 3,064 | 2,496 |
| Income taxes payable | 1,778 | 677 |
| Advances received | 3,026 | 2,853 |
| Deposits received | 475 | 308 |
| Provision for bonuses | 459 | 113 |
| Provision for merchandise warranties | 1,076 | 1,135 |
| Other provision (Current) | 113 | 161 |
| Other | 2,378 | 4,177 |
| Total current liabilities | 28,600 | 25,033 |
| Non-current liabilities | | |
| Long-term loans payable | 22,851 | 40,788 |
| Long-term guarantee deposited | 651 | 557 |
| Provision for directors' retirement benefits | 540 | 185 |
| Asset retirement obligations | 1,653 | 1,769 |
| Deferred tax liabilities (Fixed) | 1,086 | 1,110 |
| Other provision (Fixed) | 388 | 422 |
| Other | 194 | 116 |
| Total non-current liabilities | 27,365 | 44,949 |
| Total liabilities | 55,965 | 69,983 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 4,157 | 4,157 |
| Capital surplus | 4,032 | 4,032 |
| Retained earnings | 32,869 | 33,763 |
| Treasury shares | -3,947 | -3,947 |
| Total shareholders' equity | 37,111 | 38,005 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | 1 | 296 |
| Total accumulated other comprehensive income | 1 | 296 |
| Stock acquisition rights | - | 5 |
| Minority owner shares worth | 1,131 | 1,022 |
| Total net assets | 38,245 | 39,331 |
| Total liabilities and net assets | 94,211 | 109,314 |