

3rd Quarter Results for Fiscal Year Ending February 29, 2020

January 14, 2020

IDOM Inc.

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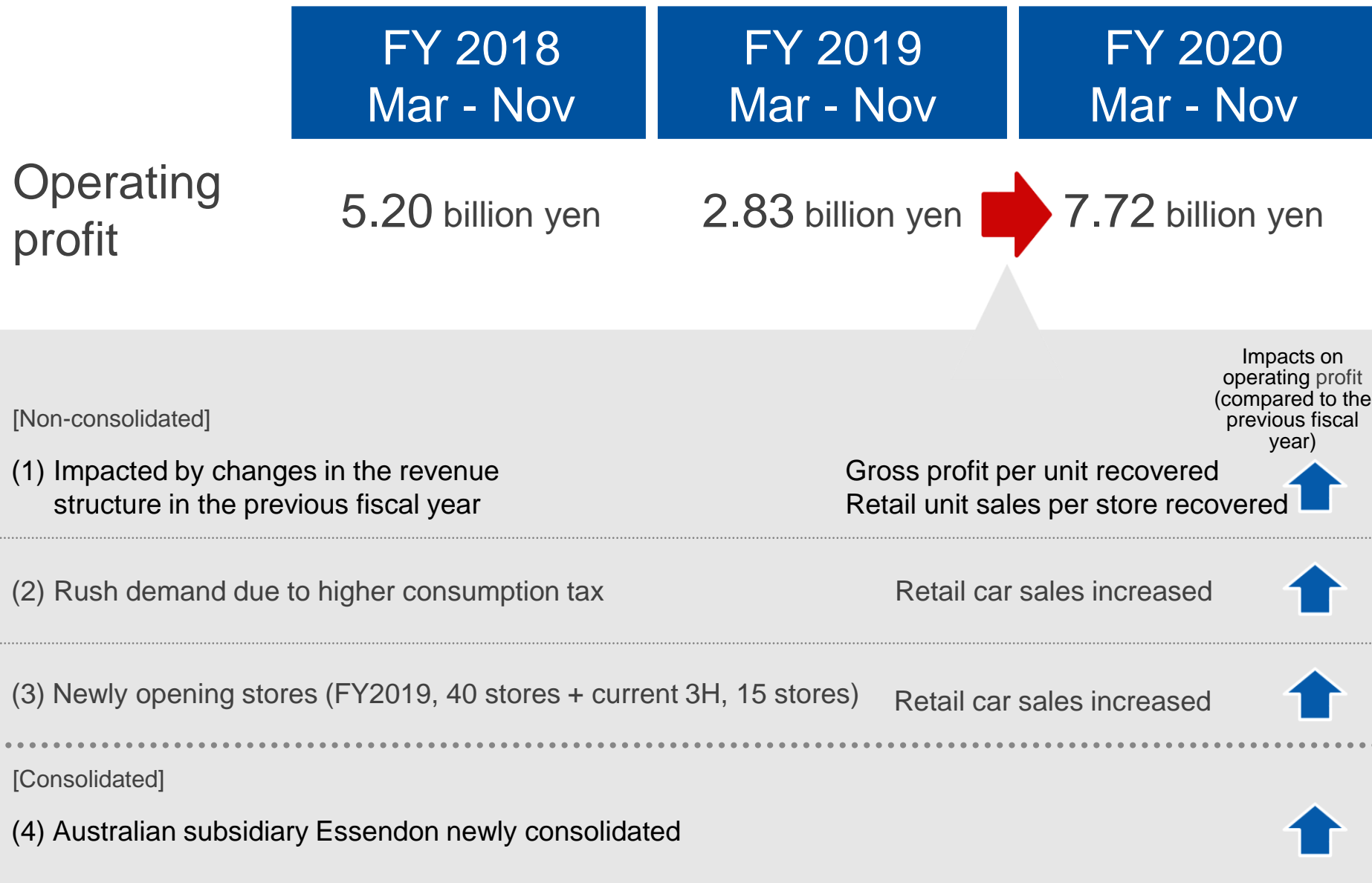
Consolidated earnings forecasts stated herein have been prepared based on the information available to the Company at the time that this report was prepared and contains certain risks and uncertainties.

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

I. Summary of 3rd quarter (9 months ended) results for FY 2020

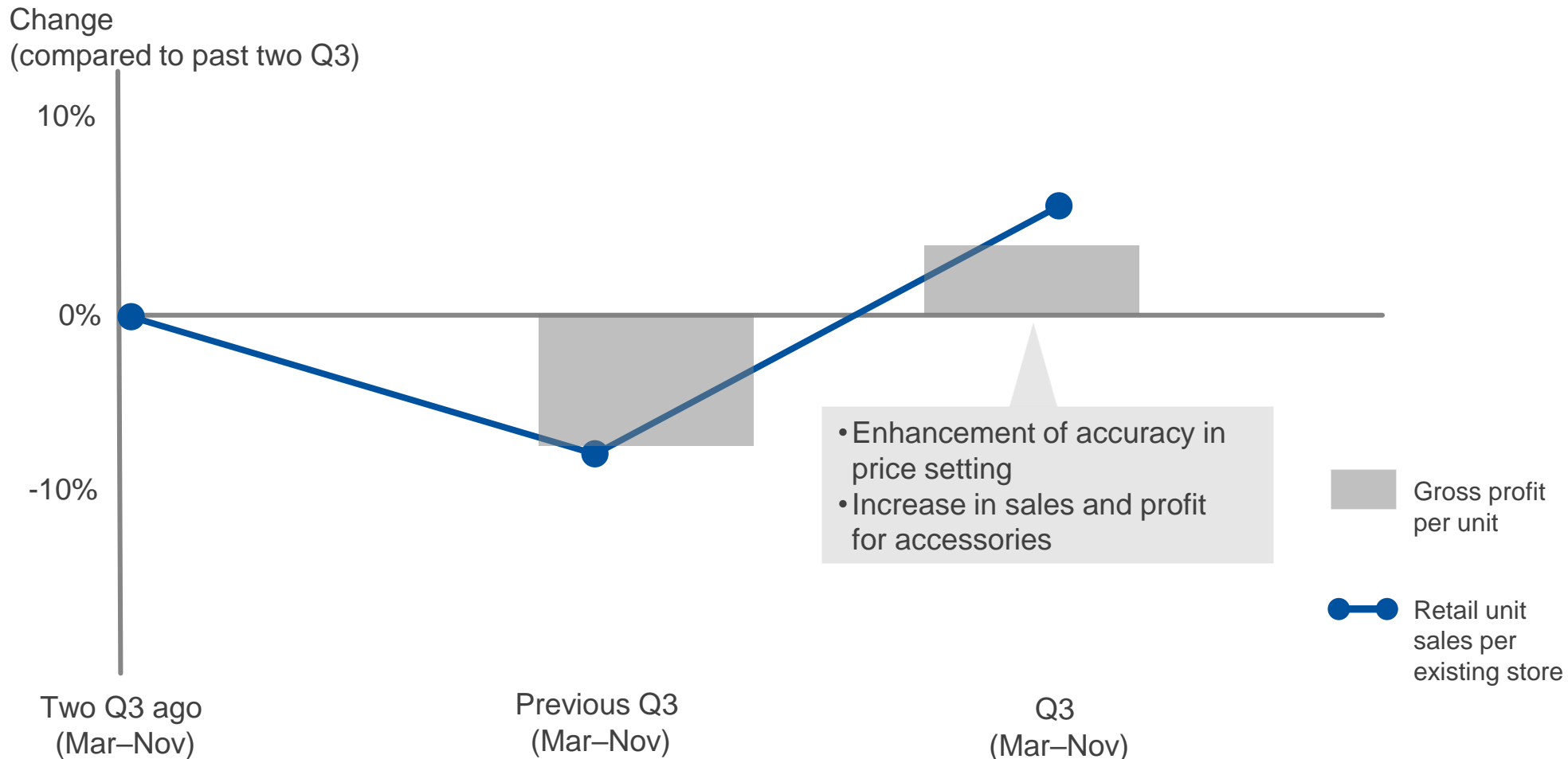
(Cumulative) 3Q Summary

	FY 2018 Mar - Nov	FY 2019 Mar – Nov	FY 2020 Mar - Nov
Non-consolidated			
Gross profit	41.23 billion yen	39.50 billion yen	45.13 billion yen
SG&A expenses	36.01 billion yen	37.26 billion yen	38.03 billion yen
Operating profit	5.21 billion yen	2.24 billion yen	7.10 billion yen
.....			
Consolidated			
Operating profit	5.20 billion yen	2.83 billion yen	7.72 billion yen



(i) Improvement in Accuracy of Price Setting and Increase in Sales and Profit for Accessories

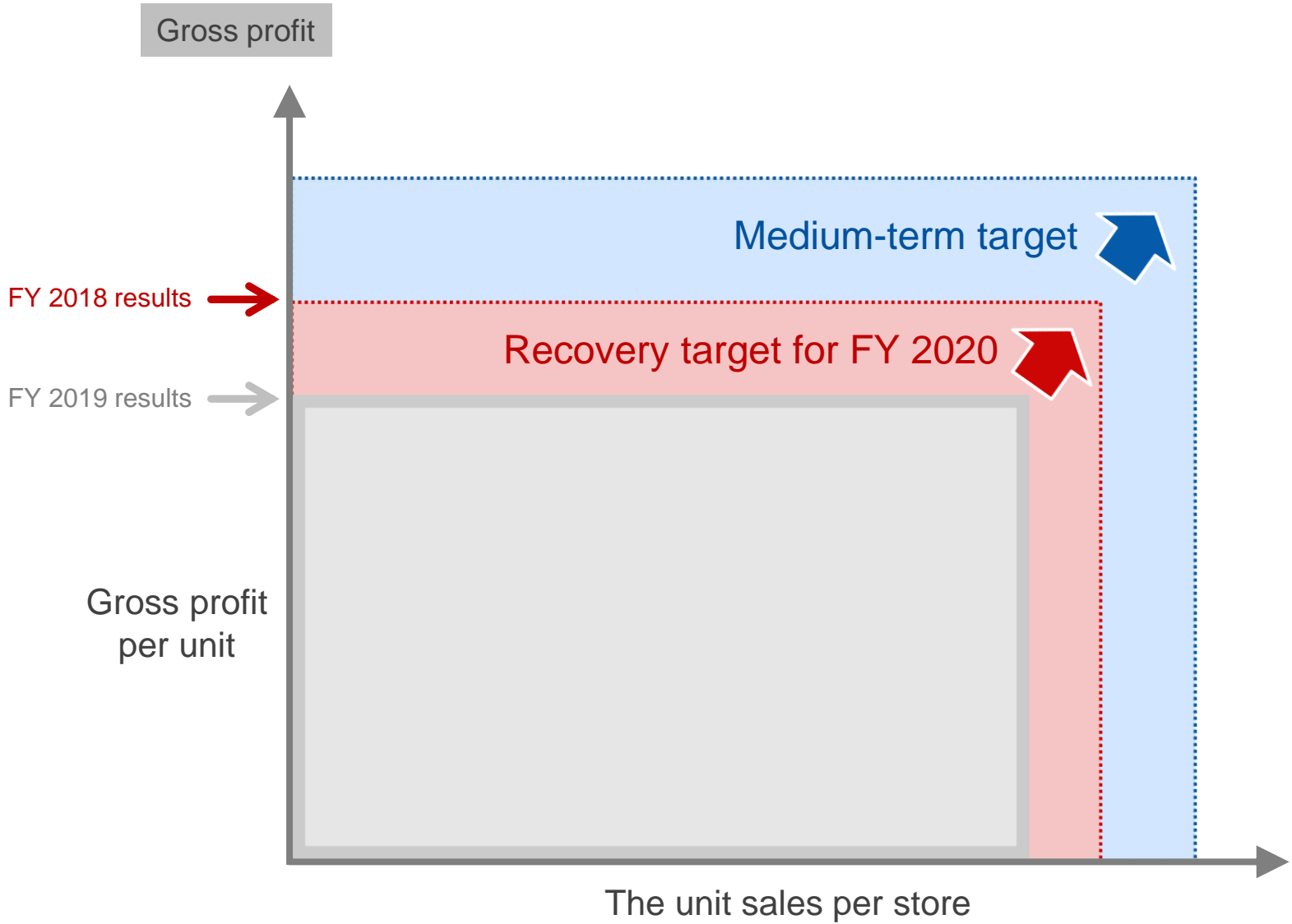
Change in gross profit per unit and retail unit sales per existing store



Retail unit sales and retail gross profit recovered thanks to measures aimed at improving gross profit per unit and unit sales per store, offsetting a decline attributable to the impacts of changes in the price setting of used cars and store sales strategy implemented in the previous fiscal year.

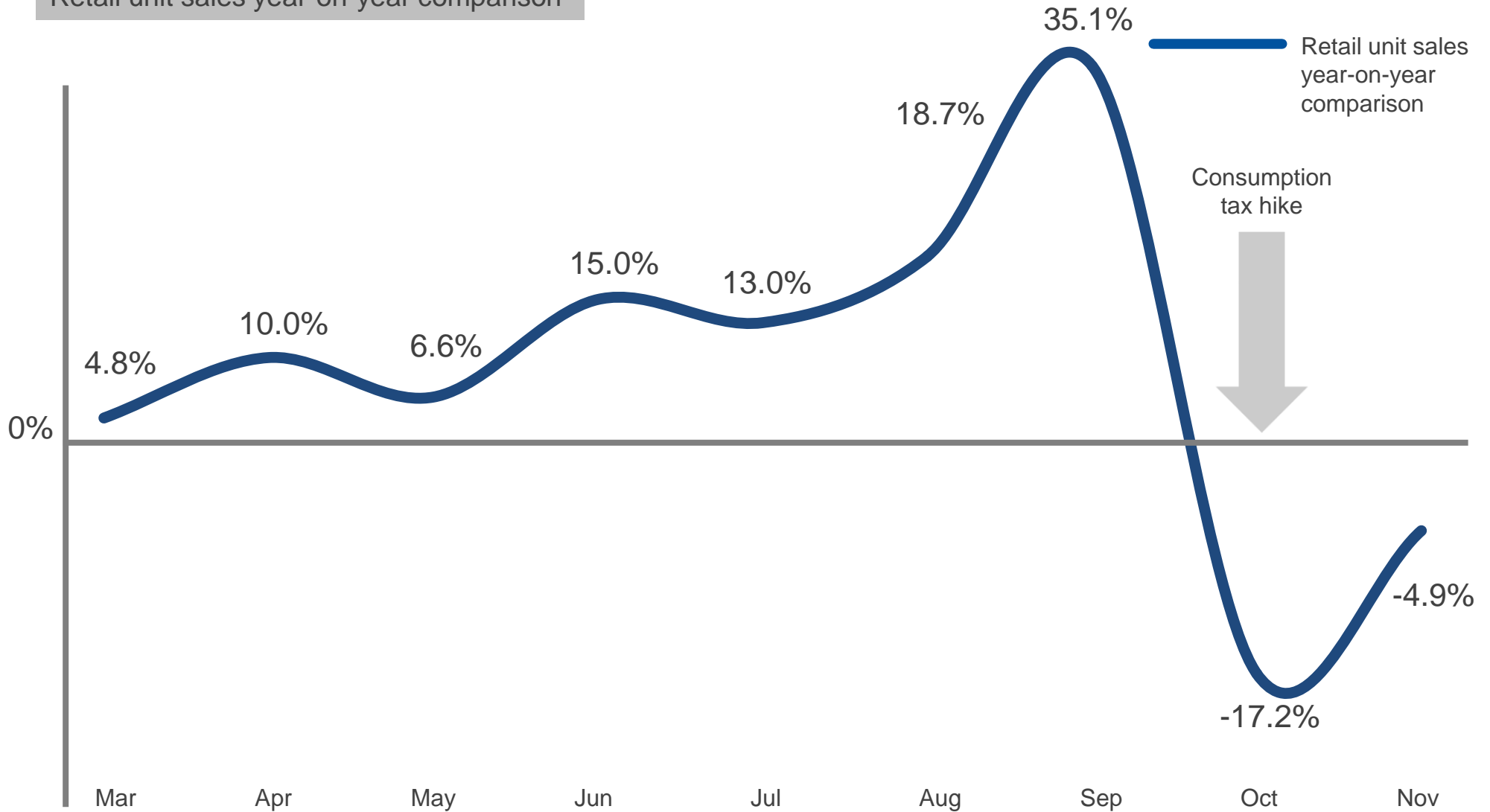
Initiatives: (1) Subdivision of price setting by area and vehicles; (2) Reinforce proposal capability by enhancing tools to help standardize sales process; and (3) Enhance accessory lineup

Gross profit recovery



(ii) Impact of Rush Demand Due to Higher Consumption Tax

Retail unit sales year-on-year comparison



Retail unit sales increased overall due to rush demand attributable higher consumption tax. The impact of reactionary decreases is subsiding. However, the effects should continue to be watched and fully understood.

(3)Store openings (March – November)



Kumamoto
Kumamoto



Hiroshima-Yoshijima
Hiroshima



Kurume-Miyaki
Miyaki, Saga



Wakayama
Wakayama



Imabari
Imabari, Ehime



Shimabara
Shimabara, Nagasaki



Kurashiki-Mizushima
Kurashiki, Okayama



Okayama-Niwase
Okayama



Odawahigashi
Odawara, Kanagawa



Ube
Ube, Yamaguchi



Kitami-Tanno
Hokkaido, Kitami



Minami-Matsumoto
Nagano, Matsumoto



Kashihara-Sakurai
Nara, Sakurai



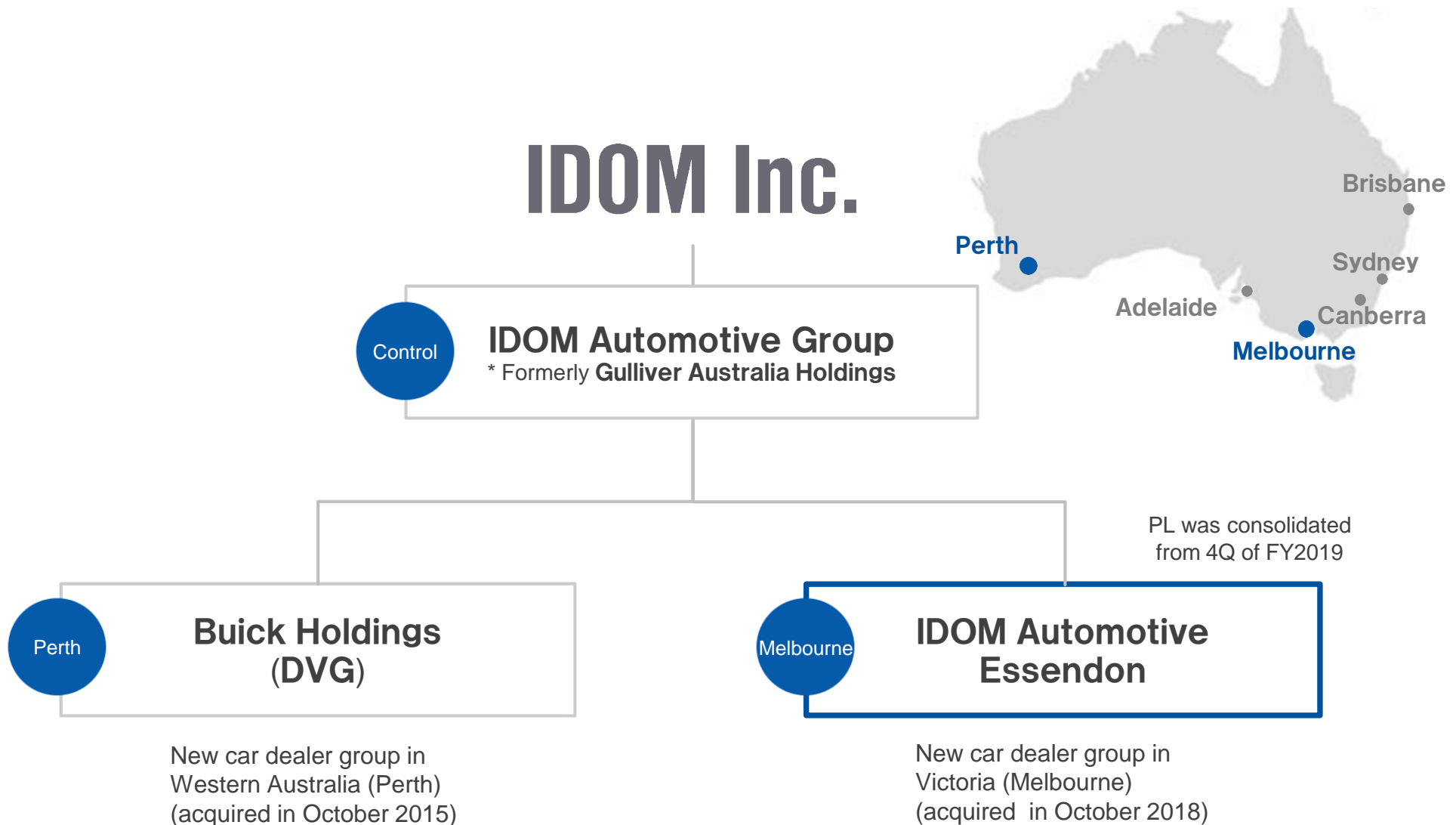
LIBERALA
Presented by Gulliver
LIBERALA Kurume
Hukuoka, Kurume



Gulliver OUTLET
OL Nishinasuno
Nasushiobara, Tochigi



(4) Australian Subsidiary Essendon Newly Consolidated

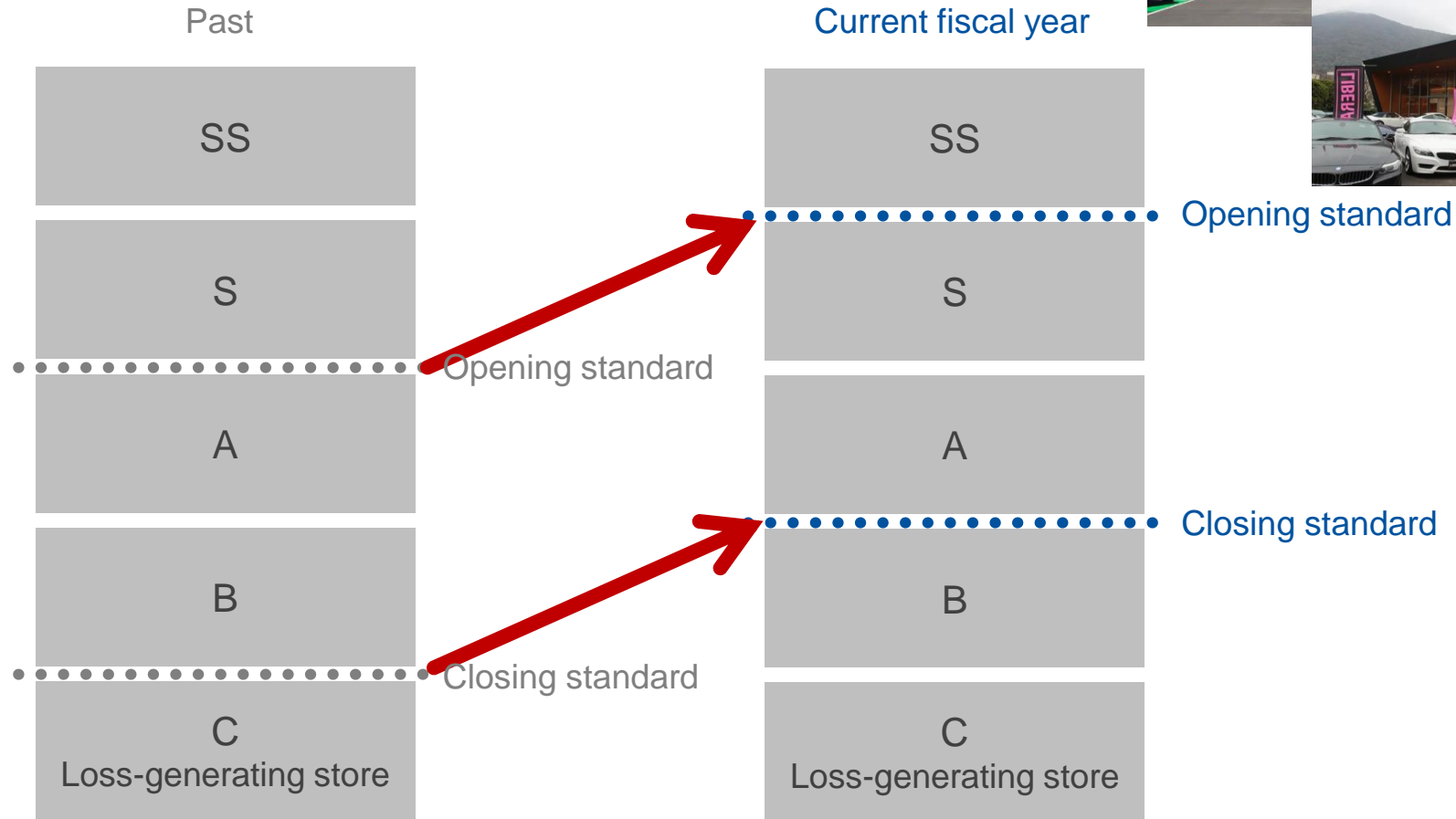


In 4Q of FY2019, PL for the period from October 1, 2018 to February 28, 2019 (five months) was consolidated, which contributed to higher sales.

II. Future Store Development Policy

Review of Opening / Closing Standards

Ranking by profit/capital efficiency

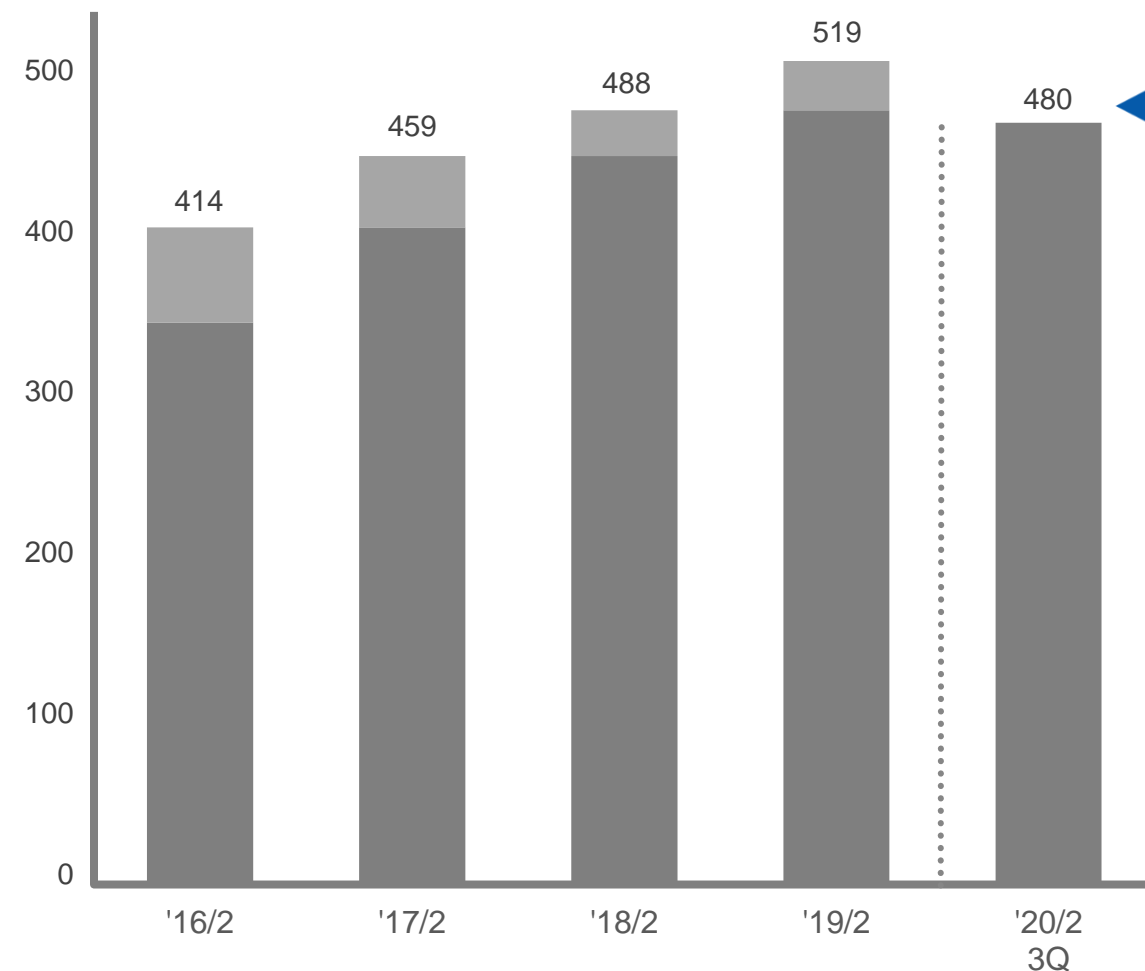


In the current fiscal year, opening and closing standards have become stricter. We will open stores with high profit/capital efficiency and close low profit/capital efficiency stores even if they are in the black, which will enhance the quality of return on investments and working capital (inventory).

Status of Directly Managed Store Openings / Closings

Number of directly managed stores

(Unit: stores)



Results	
[Newly opened]	15
[Closed]	54

◀ Net decrease by 39 stores

A new closing standard was used and store closings proceeded. As a result, the number of stores suffered a net decrease.

III. Supplementary information

[Consolidated / Non-consolidated] 3Q income statement

Consolidated	9 months ended Nov 30, 2016		9 months ended Nov 30, 2017		9 months ended Nov 30, 2018		9 months ended Nov 30, 2019			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	191,033	100.0	204,338	100.0	216,134	100.0	272,574	100.0	56,440	26.1
Cost of sales	145,223	76.0	155,485	76.1	167,691	77.6	216,480	79.4	48,790	29.1
Gross profit	45,810	24.0	48,852	23.9	48,443	22.4	56,093	20.6	7,650	15.8
SG&A expenses	41,787	21.9	43,648	21.4	45,608	21.1	48,364	17.7	2,756	6.0
Operating income	4,022	2.1	5,204	2.5	2,835	1.3	7,728	2.8	4,893	172.6
Ordinary income	3,913	2.0	4,481	2.2	2,200	1.0	6,432	2.4	4,232	192.4
Income before income taxes and minority interests	3,554	1.9	4,242	2.1	1,873	0.9	5,708	2.1	3,835	204.8
Profit attributable to owners of parent	2,190	1.1	2,749	1.3	1,029	0.5	3,597	1.3	2,568	249.6

Non-Consolidated	9 months ended Nov 30, 2016		9 months ended Nov 30, 2017		9 months ended Nov 30, 2018		9 months ended Nov 30, 2019			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	149,555	100.0	160,581	100.0	174,910	100.0	194,985	100.0	20,075	11.5
Cost of sales	111,255	74.4	119,348	74.3	135,406	77.4	149,849	76.9	14,443	10.7
Gross profit	38,300	25.6	41,233	25.7	39,504	22.6	45,135	23.1	5,631	14.3
SG&A expenses	34,291	22.9	36,015	22.4	37,262	21.3	38,033	19.5	771	2.1
Operating income	4,008	2.7	5,218	3.2	2,241	1.3	7,101	3.6	4,860	216.9
Ordinary income	4,101	2.7	4,891	3.0	2,016	1.2	6,461	3.3	4,445	220.5
Income before income taxes	3,754	2.5	4,673	2.9	1,498	0.9	5,707	2.9	4,209	281.0
Net income	2,551	1.7	3,035	1.9	787	0.5	3,792	1.9	3,005	381.8

[Consolidated] Balance sheets

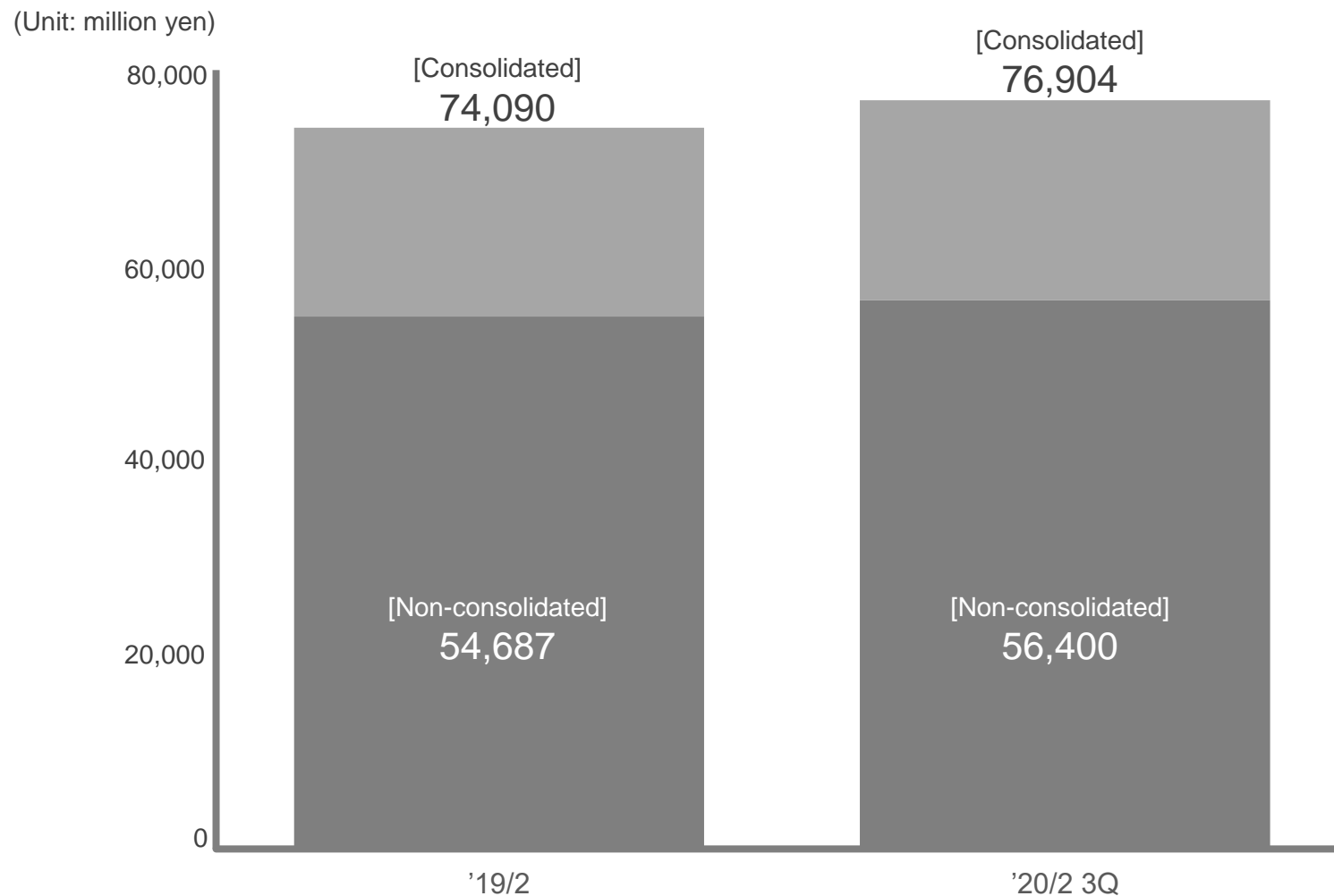
(million yen)

	As of February 28, 2019	As of November 30, 2019
Assets		
Current assets		
Cash and deposits	23,049	32,479
Notes and accounts receivable - trade	6,774	5,791
Merchandise	74,090	76,904
Other	9,043	5,065
Allowance for doubtful accounts	-93	-160
Total current assets	112,865	120,080
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,130	36,840
Accumulated depreciation	-13,141	-13,479
Buildings and structures, net	22,988	23,361
Vehicles	167	171
Accumulated depreciation	-29	-20
Vehicles, net	137	150
Tools, furniture and fixtures	4,333	4,178
Accumulated depreciation	-3,481	-3,423
Tools, furniture and fixtures, net	852	754
Land	218	218
Construction in progress	541	275
Total property, plant and equipment	24,738	24,760
Intangible assets		
Software	2,797	2,812
Goodwill	11,664	11,408
Other	5,348	5,113
Total intangible assets	19,811	19,334
Investments and other assets		
Investment securities	191	182
Shares of subsidiaries and associates	2,261	2,260
Long-term loans receivable	38	13
Lease and guarantee deposits	6,083	6,054
Construction assistance fund receivables	5,753	5,360
Deferred tax assets	1,438	1,940
Other	741	669
Allowance for doubtful accounts	-116	-79
Total investments and other assets	16,392	16,400
Total non-current assets	60,942	60,495
Total assets	173,807	180,575

	As of February 28, 2019	As of November 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	20,026	18,390
Short-term loans payable	9,031	963
Current portion of long-term loans payables	12,000	11,110
Accounts payable - other	3,809	3,665
Income taxes payable	312	2,495
Advances received	11,177	7,918
Deposits received	249	210
Provision for bonuses	820	275
Provision for merchandise warranties	562	651
Other provision	507	520
Other	2,144	6,212
Total current liabilities	60,642	52,414
Non-current liabilities		
Long-term loans payable	68,023	80,204
Long-term guarantee deposited	432	454
Asset retirement obligations	2,279	2,674
Deferred tax liabilities	1,363	1,254
Other provision	561	643
Other	191	191
Total non-current liabilities	72,852	85,423
Total liabilities	133,494	137,837
Net assets		
Shareholders' equity		
Capital stock	4,157	4,157
Capital surplus	4,032	4,032
Retained earnings	35,842	38,825
Treasury shares	-3,947	-3,947
Total shareholders' equity	40,084	43,067
Accumulated other comprehensive income		
Foreign currency translation adjustment	-363	-771
Total accumulated other comprehensive income	-363	-771
Stock acquisition rights	3	3
Minority owner shares worth	588	437
Total net assets	40,312	42,737
Total liabilities and net assets	173,807	180,575

Inventory as of End-Q3, FY 2020

Inventory



Due to initiatives to enhance the quality of returns on working capital (inventory), the inventory level remains unchanged from the end of the previous fiscal year.