

Q3 FY2024

# 3rd Quarter Results for Fiscal Year Ending February 29, 2024

January 12<sup>th</sup>, 2024

TSE Prime **7599**

IDOM Inc.



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# 1. Q3 FY2024 Results Highlights

Gulliver



# Q3 FY2024 Results Highlights



Financials

## Non-consolidated gross profit

Gross profit

**51.6 billion yen**  
+8.5% YoY

- Non-consolidated gross profit hit a record high due to strong gross profit per retail unit.

Financials

## Store opening plans for the next fiscal year

The number of store openings

**15 stores**

- Store opening plans were accelerated toward the goal of 50 new stores in FY2027 under the Medium-Term Business Plan, with 11 new store openings planned for FY2024, the current fiscal year.

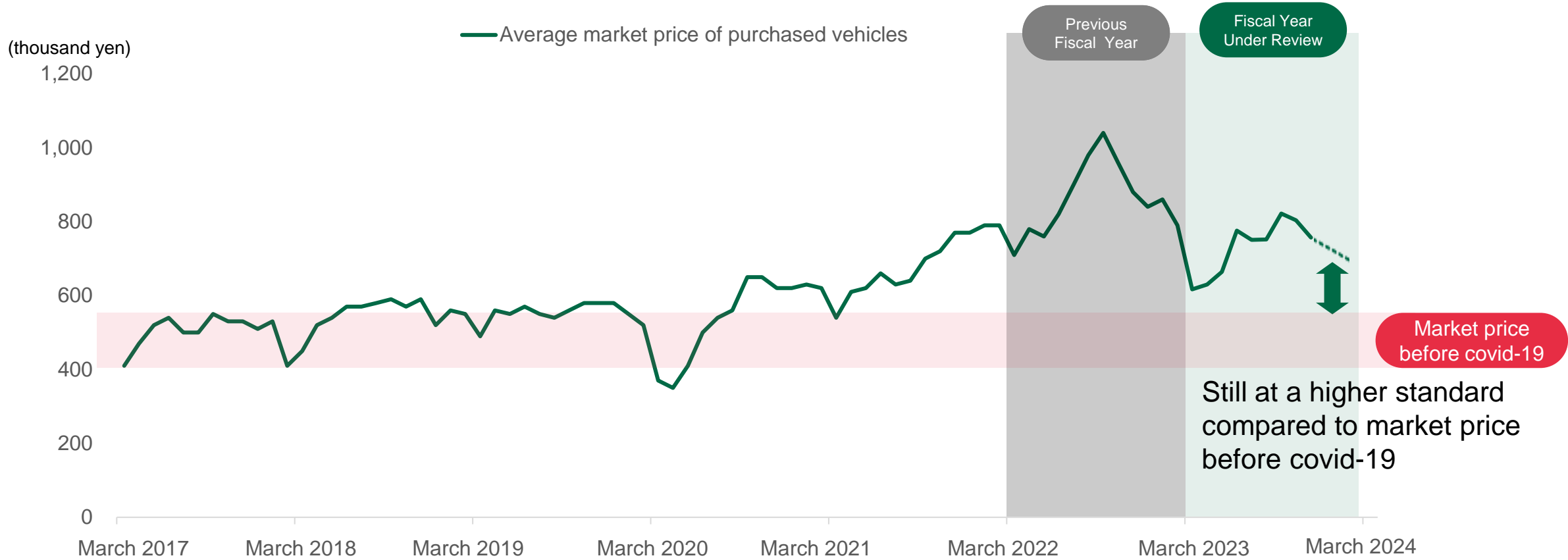
Financials

## Revision of Earnings Forecast

Consolidated operating profit

**17.0 billion yen**  
-10.5% (comparisons with the previous forecast)

- Although the aim was to increase retail volume to deal with increased personnel expenses and other expenses, including future investments, retail volume remained flat in the quarter under review. The earnings forecast was revised downward by 2 billion yen from the initial forecast.



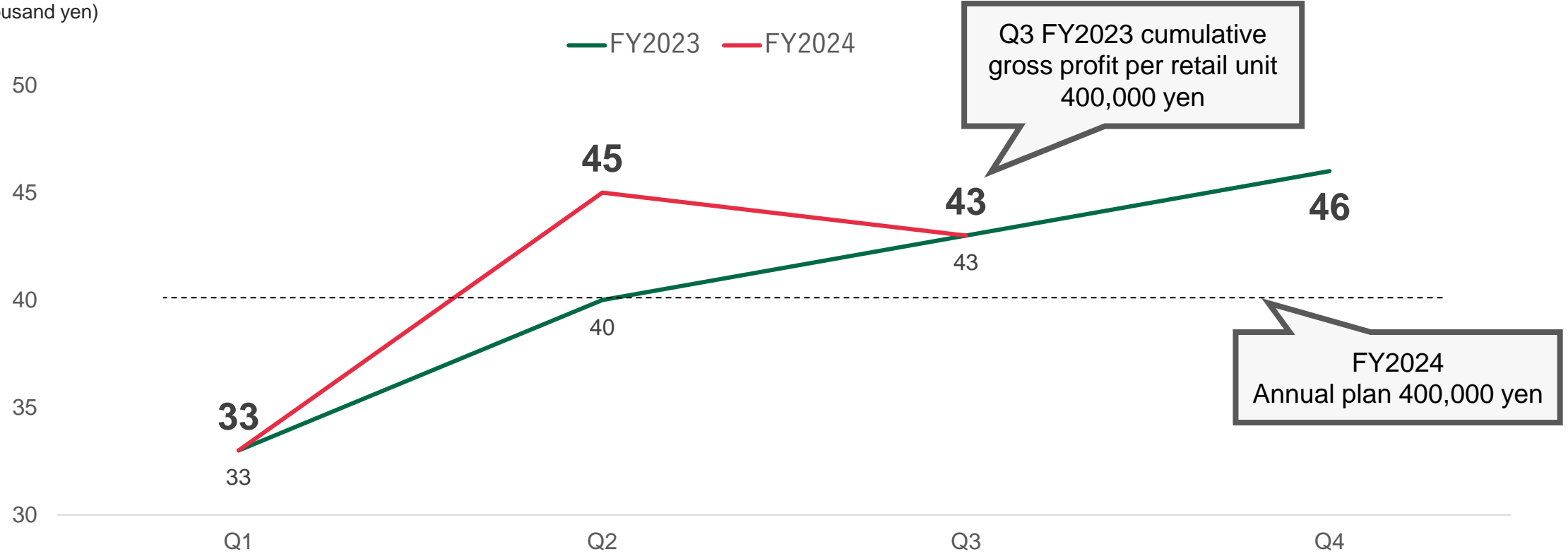
Market prices remain at a higher standard than the market price before covid-19 in the third quarter, following on from the second quarter.

The effect of market prices on performance has been slight.

# Improving Gross Profit per Unit: Quarterly Changes in Gross Profit per Unit



(ten thousand yen)



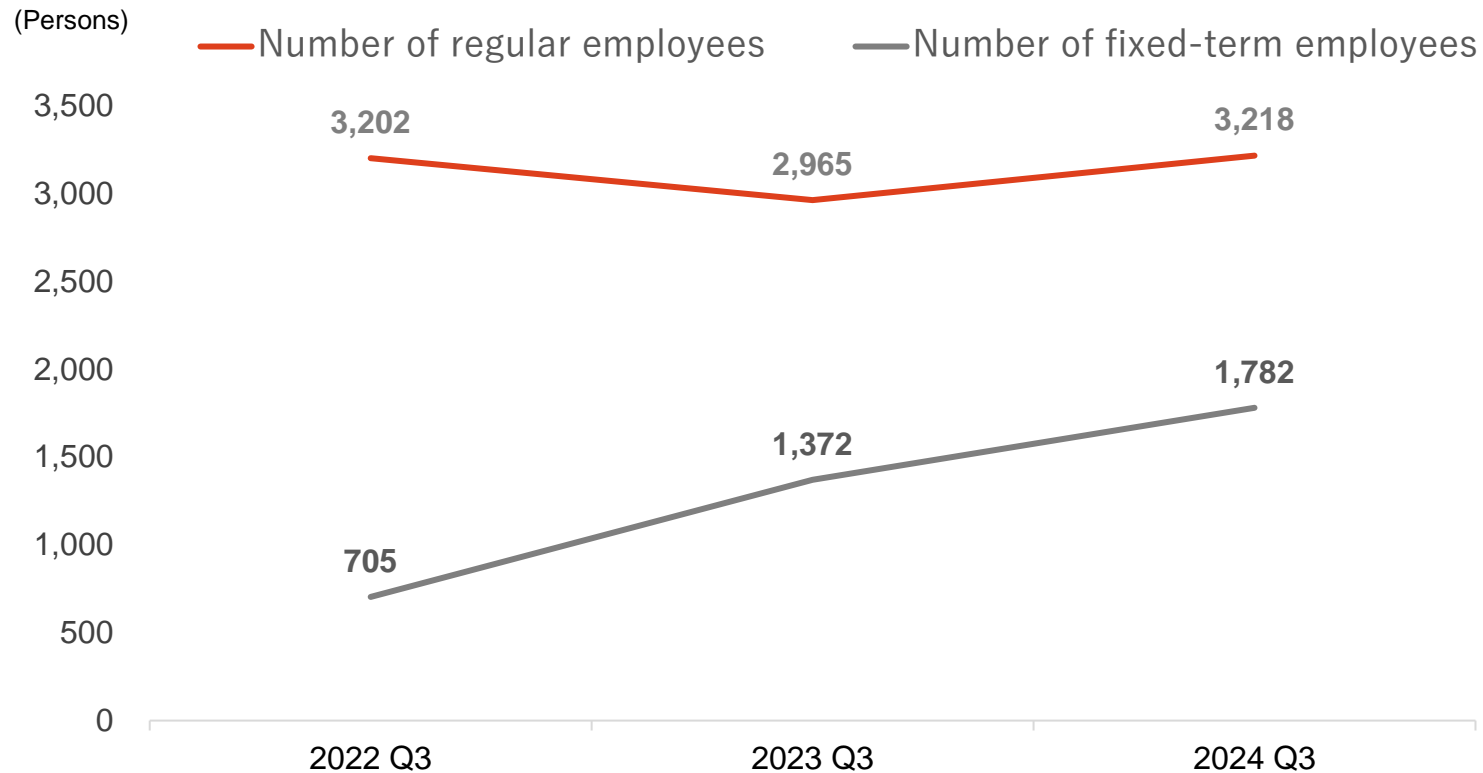
Gross profit per retail unit continues to maintain a favorable performance. Gross profit per retail unit of over 400,000 yen was achieved as planned, approximately following the annual plan (on a cumulative basis).

# Acceleration of Store Opening Plans



Fifteen store openings are planned for FY2025, based on the accumulation of store-opening know-how.

# Increase in Number of Personnel



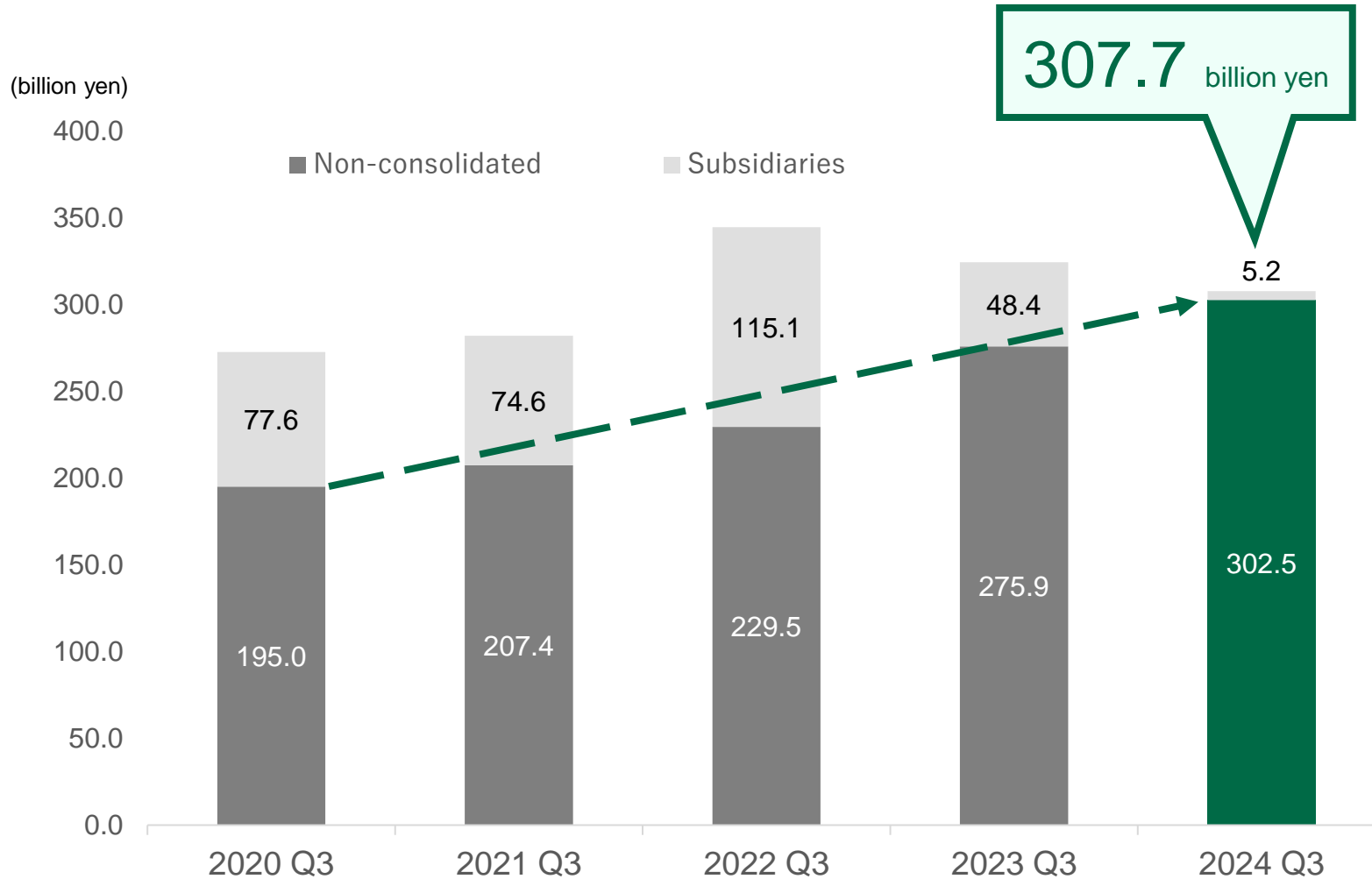
Personnel numbers have increased due to an increase in the number of regular (full-time) employees accompanying the acceleration of shop openings and active recruitment of fixed-term employees.



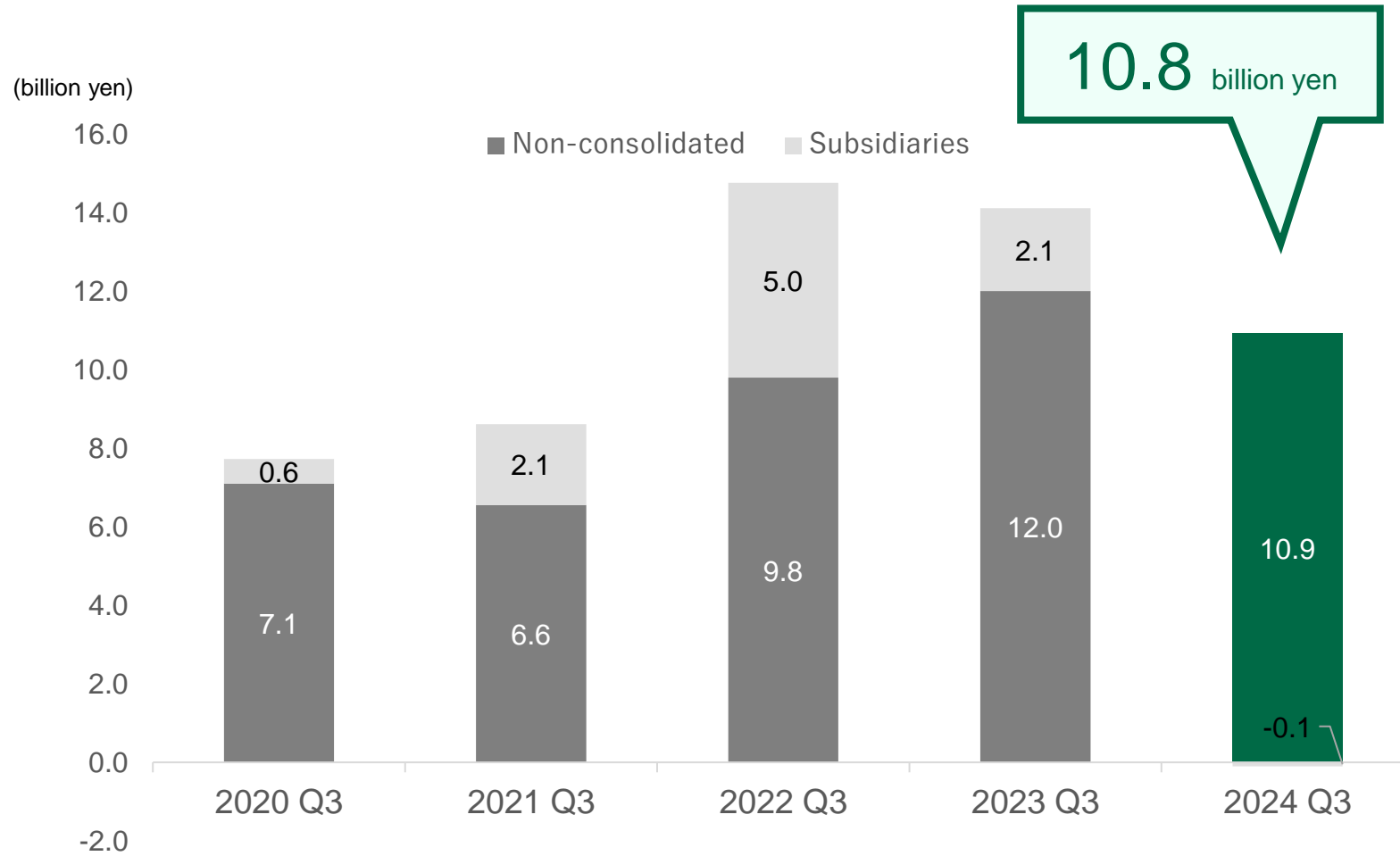
# 2. Q3 FY2024 Results Summary

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- Non-consolidated net sales increased for four consecutive year.
- Consolidated net sales declined due to the sale of Australian business.

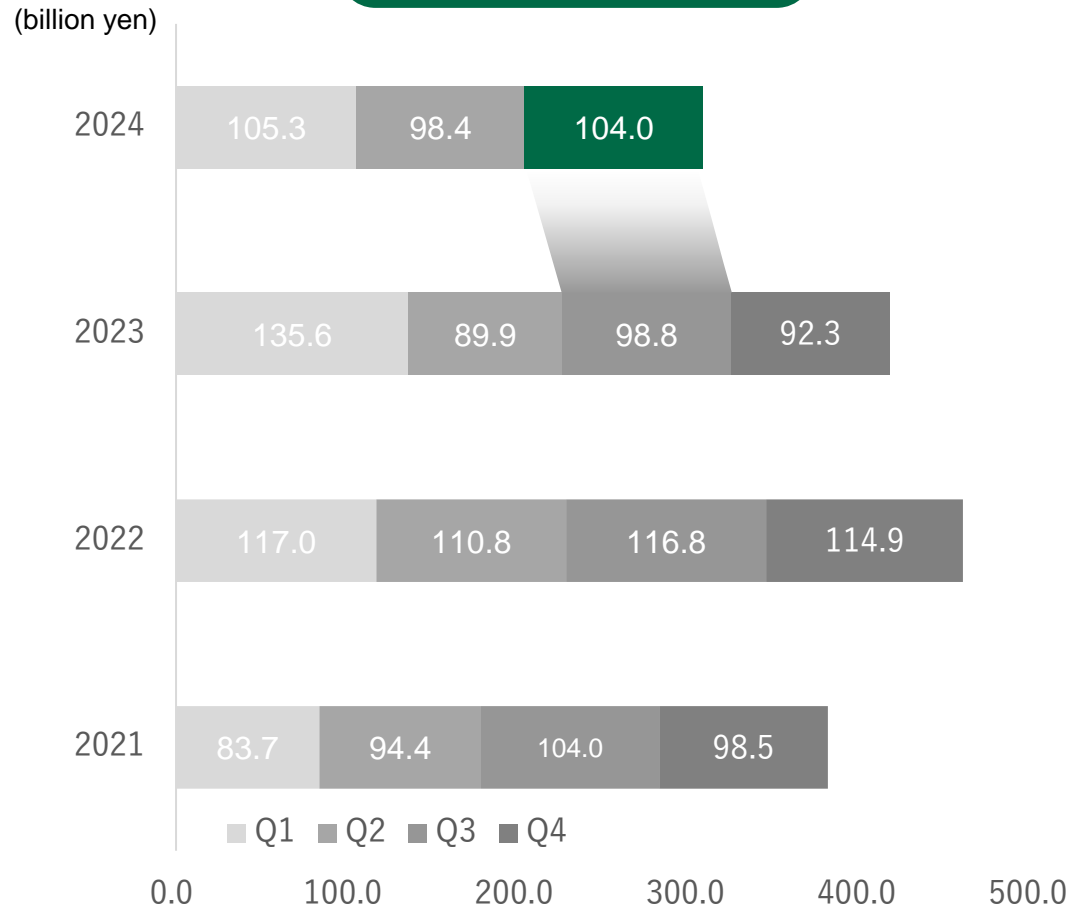


- Non-consolidated operating profit was 10.9 billion yen, down 8.9% year on year.
- Given the sale of the Australian business, there was very little difference between consolidated profit and non-consolidated profit.

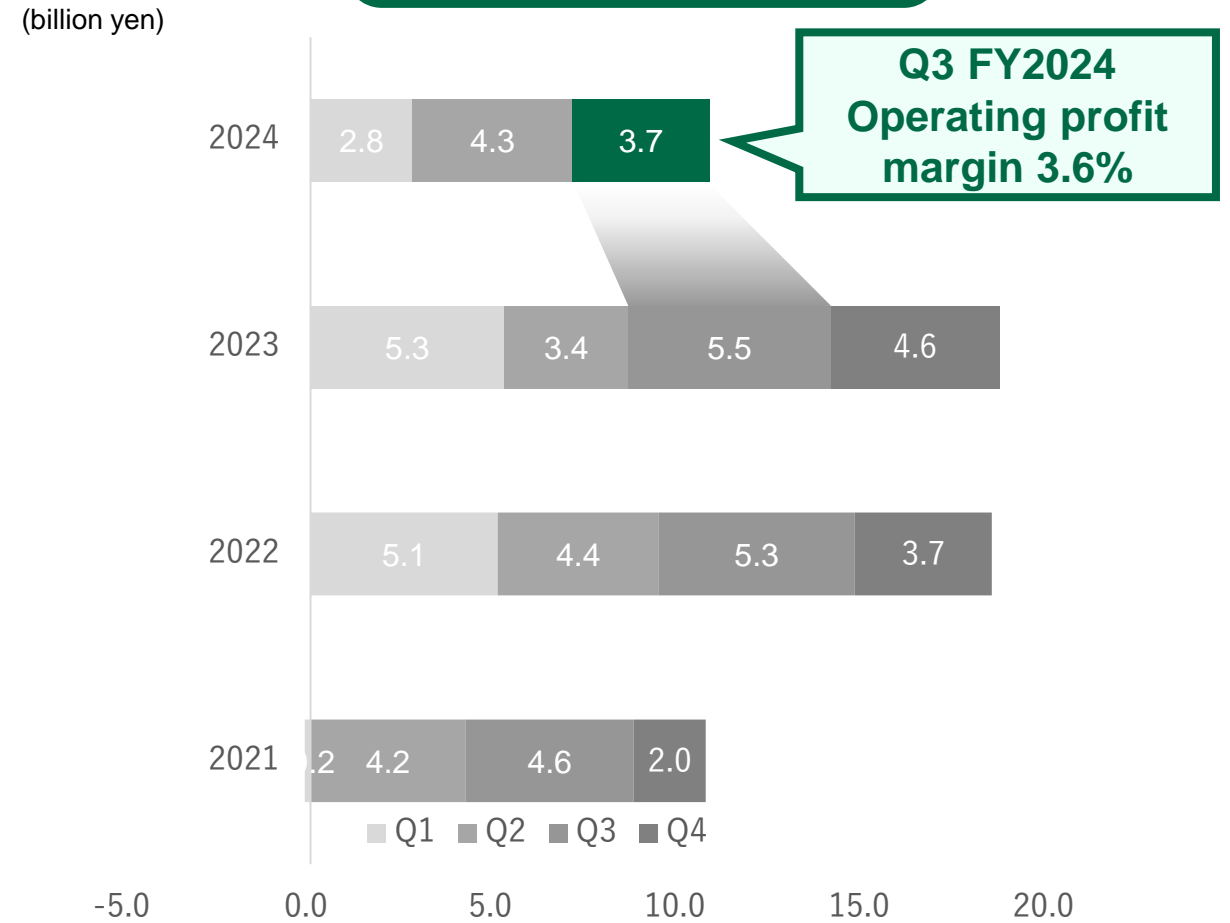
# Quarterly Trend in Results (Results over the recent four periods)



Trend in net sales



Trend in operating profit



(billion yen)	Previous Fiscal Year	Fiscal Year Under Review	YoY changes
	FY2023 Q3	FY2024 Q3	Percent change
Net sales	324.2	307.7	-16.5 -5.1%
Operating profit	14.1	10.8	-3.3
Operating profit margin (%)	4.4%	3.5%	-23.3%
Ordinary profit	13.7	10.6	-3.1
Ordinary profit margin (%)	4.2%	3.4%	-22.6%
Profit attributable to owners of parent	11.2	7.2	-3.9
Profit margin (%)	3.5%	2.4%	-35.5%

- Net sales and profit at all levels decreased year on year due to the sale of Australian business.
- Profit attributable to owners of parent in the previous fiscal year reflects tax effects recognized in connection with the transfer of shares in the Australia business.
- The tax burden for the current period is at the normal level.

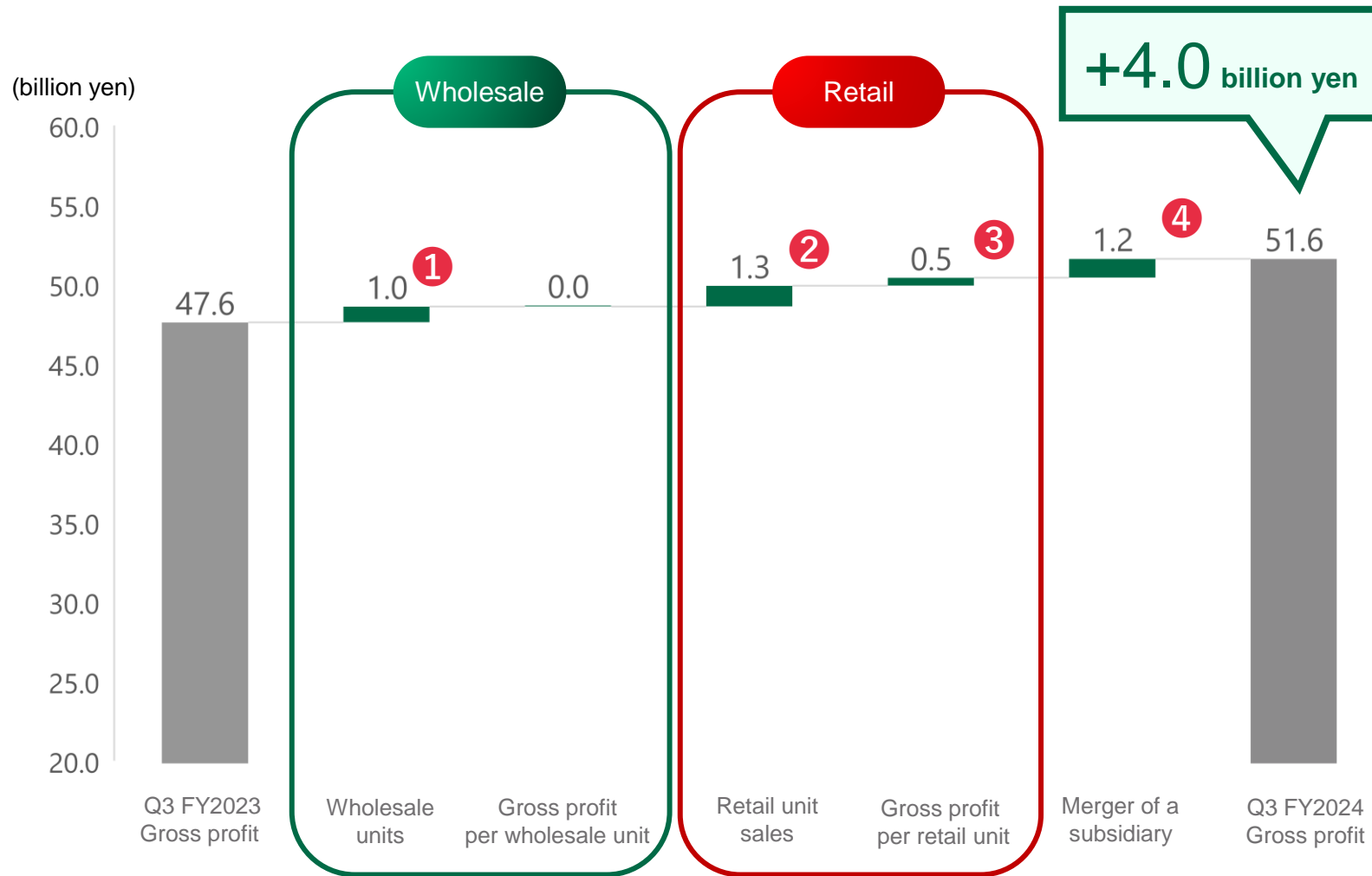
# Q3 FY2024 Results (Year-on-Year)



(billion yen)	Previous Fiscal Year	Fiscal Year Under Review	YoY changes
	FY2023 Q3	FY2024 Q3	Percent change
Net sales	275.9	302.5	+26.6 +9.7%
Operating profit	12.0	10.9	-1.1
Operating profit margin (%)	4.3%	3.6%	-8.9%
Ordinary profit	11.7	10.7	-1.0
Ordinary profit margin (%)	4.2%	3.5%	-8.6%
Profit	12.1	7.3	-4.8
Profit margin (%)	4.4%	2.4%	-39.7%

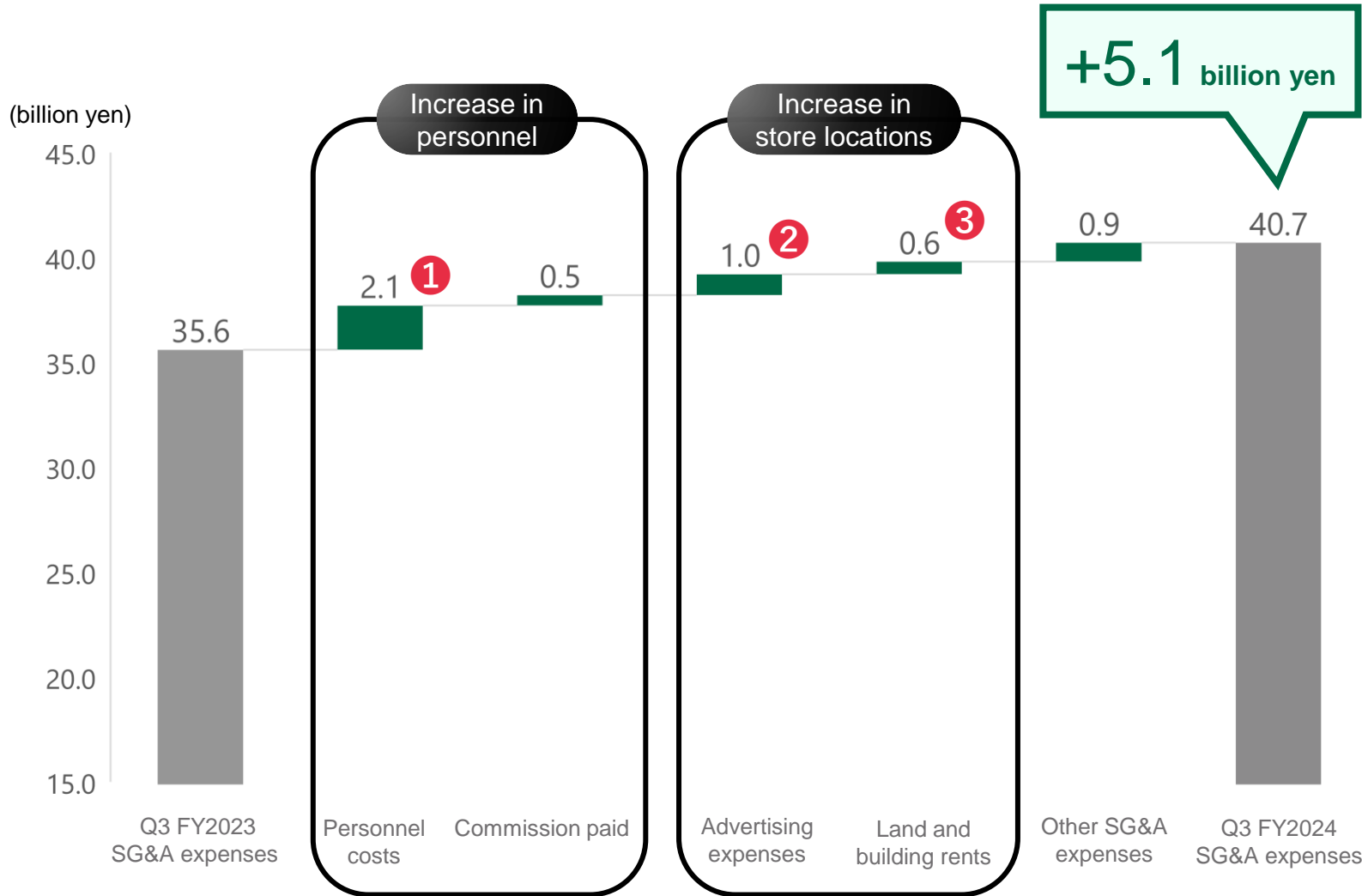
- Net sales increased, but operating profit and ordinary profit decreased.
- Profit fell from a year ago, reflecting the absence of extraordinary income from the transfer of shares of Australian subsidiaries in the previous fiscal year.

# Q3 FY2024 Analysis of Factors in YoY Change in Gross Profit



- 1 Gross profit increased by 1.0 billion yen due to increased wholesale units.
- 2 Gross profit increased by 1.3 billion yen due to increased retail unit sales.
- 3 Gross profit increased by 0.5 billion yen due to recovered gross profit per retail unit.
- 4 Gross profit increased by 1.2 billion yen due to a subsidiary merger.

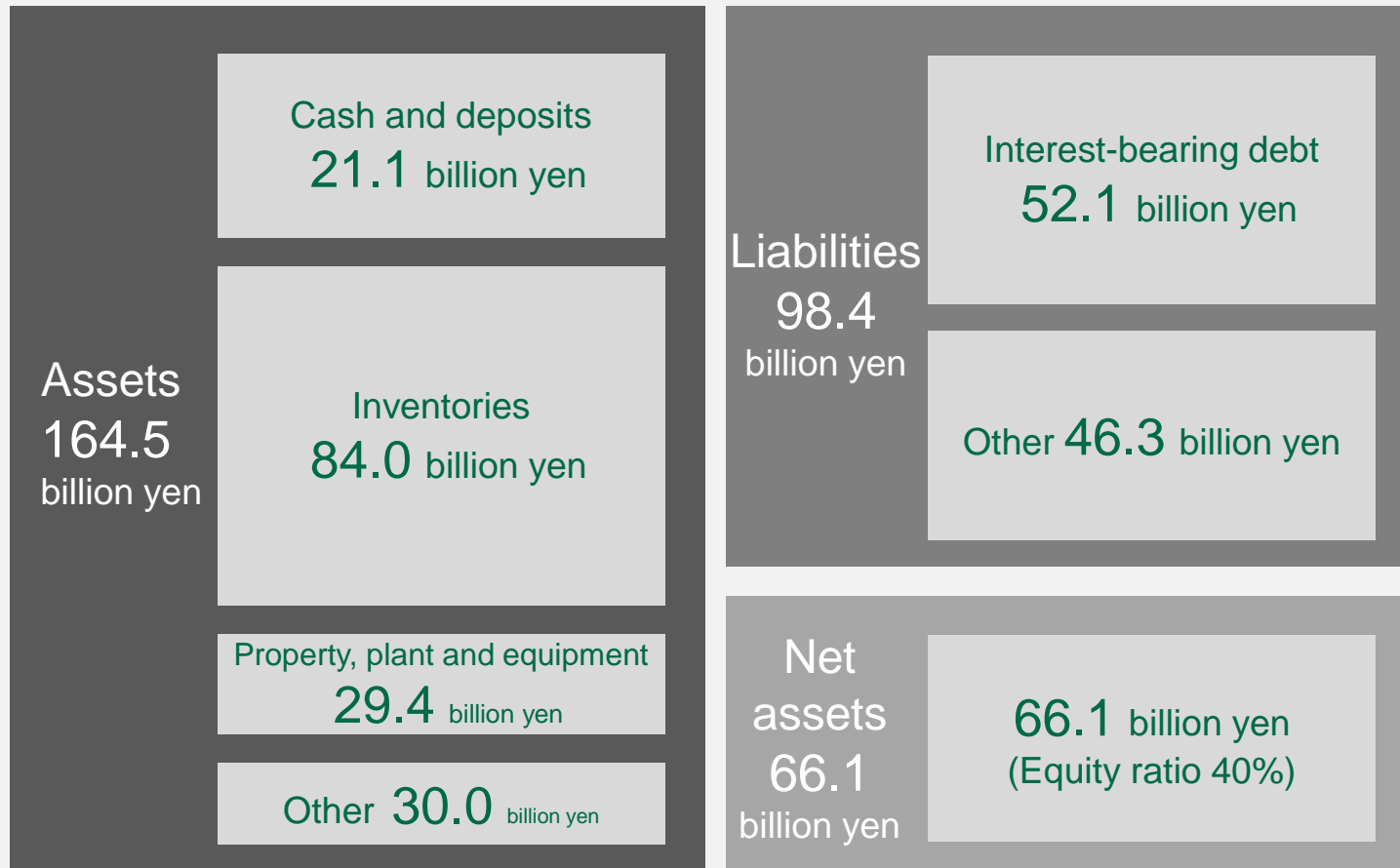
# Q3 FY2024 Analysis of Factors in YoY Change in SG&A Expenses



- 1 Personnel costs increased especially due to hiring regular employees and fixed-term employees.
- 2 Advertising expenses increased to promote sales volume.
- 3 Land and building rents increased due to head office relocation and an increase in the number of stores.



### Consolidated Balance Sheet (As of November 30, 2023)

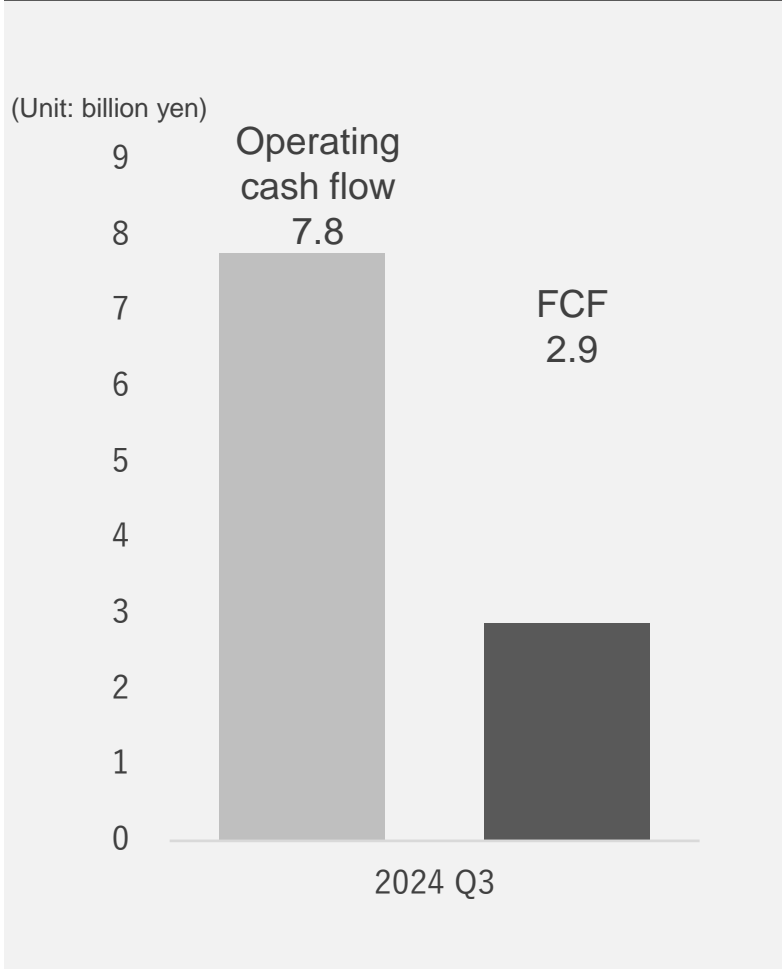


- Total assets were 164.5 billion yen.
- Inventories remained at the same level as at the end of the previous year in preparation for the opening of large stores.
- Consolidated equity ratio increased from 36% at the end of February to 40%.

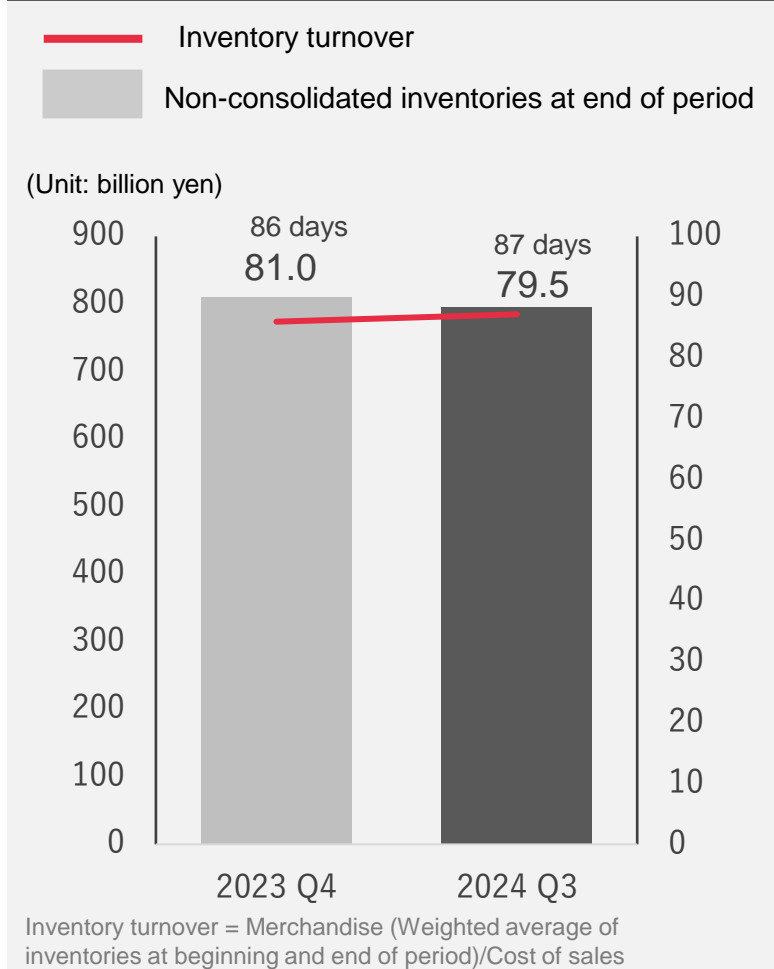
# Cash Flow and Inventory Status



## Q3 consolidated cash flows



## Non-consolidated inventories at end of period and inventory turnover



- Free cash flow stood at 2.9 billion yen.
- Inventories remained at the same level as at the end of the previous year in preparation for new store openings and first sales. Inventory turnover was 87 days.
- Effective inventory turnover, excluding temporary replacement vehicles and sold / contract-signed inventory, was 66 days.

# 3. Revision of Earnings Forecast

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(billion yen)	Previous Forecast	Revised Forecast	Comparisons with the Previous Forecast
	Full Year 2024	Full Year 2024	Percent change
Net sales	400.0	422.0	+22.0 +5.5%
Operating profit	19.0	17.0	-2.0
Operating profit margin (%)	4.8%	4.0%	-10.5%
Ordinary profit	18.5	16.6	-1.9
Ordinary profit margin (%)	4.6%	3.9%	-10.3%
Profit attributable to owners of parent	12.0	11.1	-0.9
Profit margin (%)	3.0%	2.6%	-7.5%

- Gross profit increased by 3.8 billion yen from the initial forecast due to gross profit per unit increases.
- SG&A expenses increased by 6 billion yen from the initial level, mainly due to the impact of increased hiring of regular employees and fixed-term employees and increased advertising costs.
- Losses of consolidated subsidiaries that invested in new businesses decreased by 200 million yen.

# Full-Year Revised Forecast FY2024



(billion yen)	Previous Forecast Full Year 2024	Revised Forecast Full Year 2024	Comparisons with the Previous Forecast Percent change
Net sales	389.0	417.0	+28.0 +7.2%
Operating profit	19.6	17.4	-2.2
Operating profit margin (%)	5.0%	4.2%	-11.2
Ordinary profit	19.1	17.0	-2.1
Ordinary profit margin (%)	4.9%	4.1%	-11.0%
Profit	12.7	11.6	-1.1
Profit margin (%)	3.3%	2.8%	-8.7%

- Gross profit increased by 3.8 billion yen from the initial forecast due to gross profit per unit increases.
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# 4. Initiatives in Q3 FY2024

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Akita Goshono (Opened in September 2023)

Akita, Akita

## Recent launch of new stores

Opening of large stores in the third quarter

- Akita Goshono (September 2023)
- Yahata (September 2023)
- Sapporo Teine (September 2023)
- Takasaki Sugaya (November 2023)

\*Opening of the Iwaki Onahama store, originally scheduled to open in November 2023, was delayed to December.

**4** new stores opened in Q3 FY2024

Full Year  
Progress

**4/11**

Number of  
Large Stores

**46**

(as of November 30, 2023)



Akita Goshono (Opened in September 2023)

Akita, Akita

## Recent launch of new maintenance shops

Opening of maintenance shops in the third quarter

- Akita Goshono (September 2023)
- Takasaki Sugaya (November 2023)

**2** new maintenance shops opened in Q3 FY2024

\*Number of maintenance shops with completed camera installations: 4

\*We plan to install cameras at all maintenance shops.

Number of  
Maintenance  
Shops

**24**

15 of them are designated  
maintenance shops



# NEXT GENERATION MOBILITY CHALLENGE

## The start of new challenges

Since its founding, IDOM has been pursuing initiatives to become a used car dealer that is trusted by customers.

We think that this year is an important year for the used car industry. The important thing is to take steps to earn the trust of customers, such as displaying total payments.

We think that this year is an important year for the used car industry. The important thing is to take steps to earn the trust of customers, such as displaying total payments.

We hope that you will continue to support IDOM's plans for growth.

# 5. Supplementary Information on Results and Financial Matters

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# [Consolidated / Non-consolidated] Income Statement (Q3)



Consolidated	9 months ended Nov 30, 2020		9 months ended Nov 30, 2021		9 months ended Nov 30, 2022		9 months ended Nov 30, 2023			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	282,082	100.0	344,620	100.0	324,248	100.0	307,710	100.0	-16,538	-5.1
Cost of sales	227,986	80.8	280,249	81.3	267,921	82.6	254,310	82.6	-13,611	-5.1
Gross profit	54,096	19.2	64,371	18.7	56,326	17.4	53,399	17.4	-2,927	-5.2
SG&A Expenses	45,480	16.1	49,610	14.4	42,211	13.0	42,570	13.8	359	0.9
Operating profit	8,616	3.1	14,760	4.3	14,115	4.4	10,829	3.5	-3,286	-23.3
Ordinary profit	7,849	2.8	14,046	4.1	13,698	4.2	10,597	3.4	-3,101	-22.6
Profit before income taxes and minority interests	7,372	2.6	12,621	3.7	14,550	4.5	10,542	3.4	-4,008	-27.5
Profit attributable to owners of parent	5,226	1.9	8,738	2.5	11,219	3.5	7,237	2.4	-3,982	-35.5

Non-Consolidated	9 months ended Nov 30, 2020		9 months ended Nov 30, 2021		9 months ended Nov 30, 2022		9 months ended Nov 30, 2023			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	207,449	100.0	229,492	100.0	275,877	100.0	302,535	100.0	26,658	9.7
Cost of sales	165,140	79.6	184,012	80.2	228,318	82.8	250,920	82.9	22,602	9.9
Gross profit	42,308	20.4	45,479	19.8	47,559	17.2	51,615	17.1	4,056	8.5
SG&A Expenses	35,754	17.2	35,680	15.5	35,559	12.9	40,681	13.4	5,122	14.4
Operating profit	6,554	3.2	9,798	4.3	12,000	4.4	10,933	3.6	-1,067	-8.9
Ordinary profit	6,336	3.1	9,556	4.2	11,713	4.2	10,709	3.5	-1,004	-8.6
Profit before income taxes	5,566	2.7	7,640	3.3	14,641	5.3	10,607	3.5	-4,034	-27.6
Profit	4,175	2.0	5,191	2.3	12,102	4.4	7,296	2.4	-4,806	-39.7

# [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	422,000	100.0	5,845	1.3
Cost of sales	307,754	80.9	373,519	81.3	341,964	82.1	346,000	82.0	4,035	1.2
Gross profit	72,810	19.1	86,013	18.7	74,549	17.9	76,000	18.0	1,450	1.9
SG&A Expenses	62,239	16.4	67,528	14.7	55,865	13.4	59,000	14.0	3,134	5.6
Operating profit	10,571	2.8	18,485	4.0	18,684	4.5	17,000	4.0	-1,684	-9.0
Ordinary profit	9,642	2.5	17,561	3.8	18,146	4.4	16,600	3.9	-1,546	-8.5
Profit before income taxes and minority interests	4,524	1.2	15,750	3.4	18,752	4.5	16,100	3.8	-2,652	-14.1
Profit attributable to owners of parent	1,484	0.4	10,794	2.3	14,205	3.4	11,100	2.6	-3,105	-21.9

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	417,000	100.0	50,930	13.9
Cost of sales	219,258	79.5	245,661	80.1	301,226	82.3	343,400	82.4	42,173	14.0
Gross profit	56,451	20.5	61,071	19.9	64,842	17.7	73,600	17.6	8,757	13.5
SG&A Expenses	48,593	17.6	49,164	16.0	48,430	13.2	56,200	13.5	7,769	16.0
Operating profit	7,858	2.9	11,907	3.9	16,412	4.5	17,400	4.2	987	6.0
Ordinary profit	7,642	2.8	11,573	3.8	15,998	4.4	17,000	4.1	1,001	6.3
Profit before income taxes	-458	-	9,450	3.1	23,709	6.5	16,500	4.0	-7,209	-30.4
Profit	-2,081	-	6,553	2.1	20,020	5.5	11,600	2.8	-8,420	-42.1

# [Consolidated] Balance Sheets



(Unit: million yen)

	As of February 28, 2023	As of November 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	37,473	21,106
Notes and accounts receivable – trade	3,927	9,216
Merchandise	84,432	83,978
Other	6,173	5,400
Allowance for doubtful accounts	-528	-741
Total current assets	131,478	118,960
Non-current assets		
Property, plant and equipment		
Buildings and structures	41,306	42,819
Accumulated depreciation	-16,873	-18,098
Buildings and structures, net	24,433	24,720
Vehicles	236	214
Accumulated depreciation	-148	-161
Vehicles, net	88	52
Tools, furniture and fixtures	5,077	5,410
Accumulated depreciation	-3,362	-3,631
Tools, furniture and fixtures, net	1,715	1,779
Land	136	136
Construction in progress	67	2,467
Other	–	259
Total property, plant and equipment	26,441	29,416
Intangible assets		
Software	1,300	1,248
Goodwill	86	80
Other	2	2
Total intangible assets	1,389	1,330
Investments and other assets		
Investment securities	0	0
Shares of subsidiaries and associates	29	29
Long-term loans receivable	76	1,437
Lease and guarantee deposits	5,045	5,408
Construction assistance fund receivables	3,955	3,643
Deferred tax assets	4,435	3,834
Other	449	438
Allowance for doubtful accounts	-6	-9
Total investments and other assets	13,984	14,782
Total non-current assets	41,815	45,530
Total assets	173,293	164,490

	As of February 28, 2023	As of November 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	4,822	4,500
Current portion of long-term loans payables	24,145	20,445
Accounts payable – other	3,812	4,484
Income taxes payable	864	1,837
Contract liability	25,336	23,131
Deposits received	309	356
Provision for bonuses	897	324
Other provision	342	66
Other	3,635	7,760
Total current liabilities	64,165	62,905
Non-current liabilities		
Long-term loans payable	43,000	31,700
Long-term guarantee deposited	599	668
Asset retirement obligations	2,643	2,796
Other	183	345
Total non-current liabilities	46,426	35,510
Total liabilities	110,591	98,415
Net assets		
Shareholders' equity		
Capital stock	4,157	4,157
Capital surplus	5,250	5,250
Retained earnings	56,738	59,887
Treasury shares	-4,344	-4,344
Total shareholders' equity	61,801	64,951
Accumulated other comprehensive income		
Foreign currency translation adjustment	284	429
Total accumulated other comprehensive income	284	429
Share acquisition rights	147	255
Minority owner shares worth	468	438
Total net assets	62,702	66,074
Total liabilities and net assets	173,293	164,490

# [Consolidated] Statements of Cash Flows



(Unit: million yen)

	9 months ended November 30, 2022	9 months ended November 30, 2023
Profit before income taxes	14,550	10,542
Depreciation	1,933	1,814
Amortization of goodwill	108	5
Net increase (decrease) in working capital	-15,142	-8,257
Income taxes paid	-4,686	-1,974
Other, net	2,808	5,626
<b>Cash flows from operating activities</b>	<b>-426</b>	<b>7,756</b>
<b>Cash flows from investing activities</b>	<b>1,454</b>	<b>-4,879</b>
Free cash flow	1,027	2,877
<b>Cash flows from financing activities</b>	<b>-548</b>	<b>-19,072</b>
Net increase (decrease) resulting from exchange rate change and new consolidation	350	-172
Net increase (decrease) in cash and cash equivalents	829	-16,367
Cash and cash equivalents at the beginning of period	45,670	37,473
<b>Cash and cash equivalents at the end of period</b>	<b>46,499</b>	<b>21,106</b>