

FY2024

Results for Fiscal Year Ended February 29, 2024

April 15th, 2024

TSE Prime 7599

IDOM Inc.



Disclaimer

Forward-looking statements contained in the materials that IDOM discloses, such as earnings forecasts, are based on the information available to the Company at the time of the disclosure of the materials and certain assumptions that the Company considers reasonable. They are not intended to represent the Company guaranteeing the achievement of any expectations. Please note that a variety of factors may change actual results, etc. Important factors that may influence actual results include the economic conditions surrounding IDOM's business areas, the fluctuation of exchange rates and market prices. The information contained in these materials is not intended for advertising or advisory purposes.

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1. FY2024 Results Summary



Caution Regarding Financial Result Briefing Materials

The results for FY2024 reflect a significant decrease in the differences between the consolidated results and non-consolidated results due to the sale of the Australian business in FY2023.

Since the performance of the standalone entity constitutes the majority of the consolidated figures, there are instances where standalone metrics are utilized for KPIs and other purposes.

Non-Consolidated

Record quarterly operating profit

Operating profit

5.8 billion yen
+31% YoY

- Non-consolidated operating profit hit a record high for the fourth quarter.

Non-Consolidated

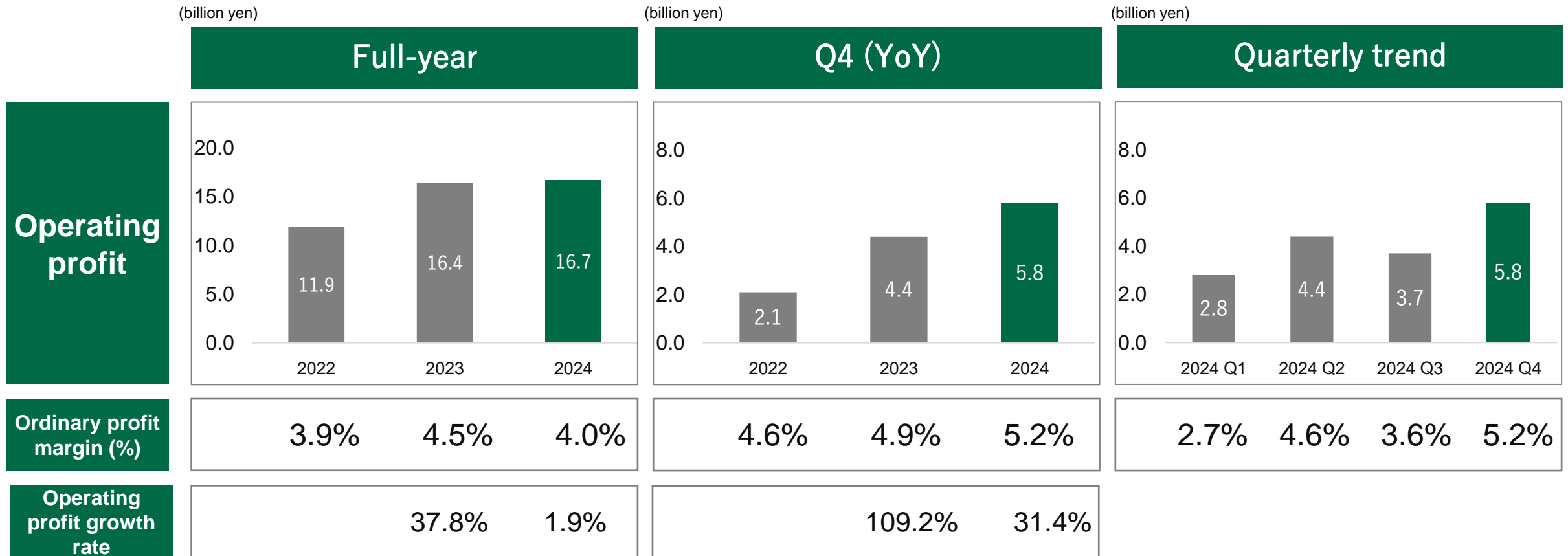
Retail unit sales and gross profit per retail unit for FY2024

Gross profit per retail unit

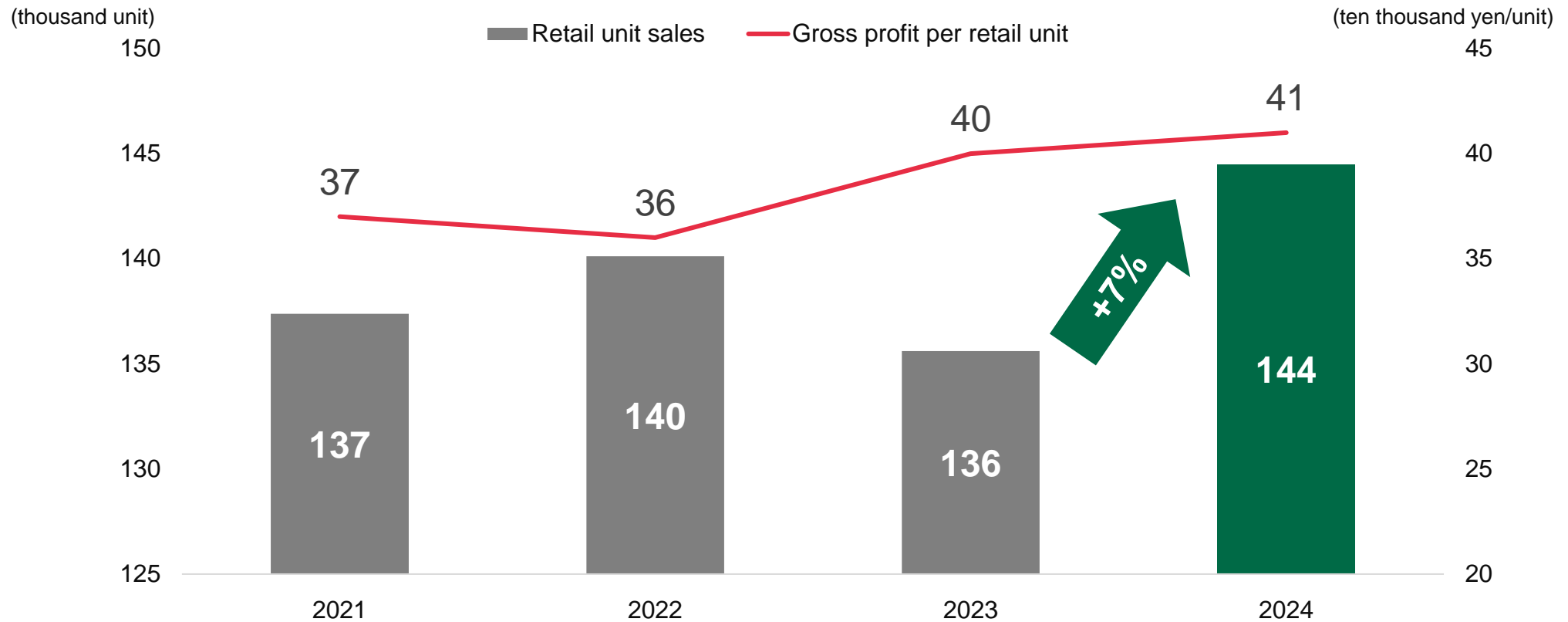
410,000 yen/unit x
144,487 units

- Gross profit per retail unit: 410,000yen (In line with the assumptions for forecasts)
- Retail unit sales: 144,487 units (Record high, +7% YoY)

Trend in FY2024 Operating Profit (Non-Consolidated)



Trend in Retail Unit Sales and Gross Profit per Retail Unit



Retail unit sales increased to a record high while gross profit per retail unit was maintained.

		FY2022	FY2023	2024	Changes
Number of stores	Store opening of large stores (stores)	5	8	11	+3
Number of units	Number of unit sales (ten thousand units)	23.7	24.7	26.9	+2.2
	Number of retail unit sales (ten thousand units)	14.0	13.5	14.4	+0.9
	Number of wholesales unit (ten thousand units)	9.7	11.2	12.4	+1.2
Gross profit per unit	Gross profit per retail unit (ten thousand yen)	36	40	41	+1
	Gross profit per wholesale unit (ten thousand yen)	10	10	10	-

Results for FY2024 exceeded those for FY2023 in all major KPIs.

Consolidated

FY2024 Results

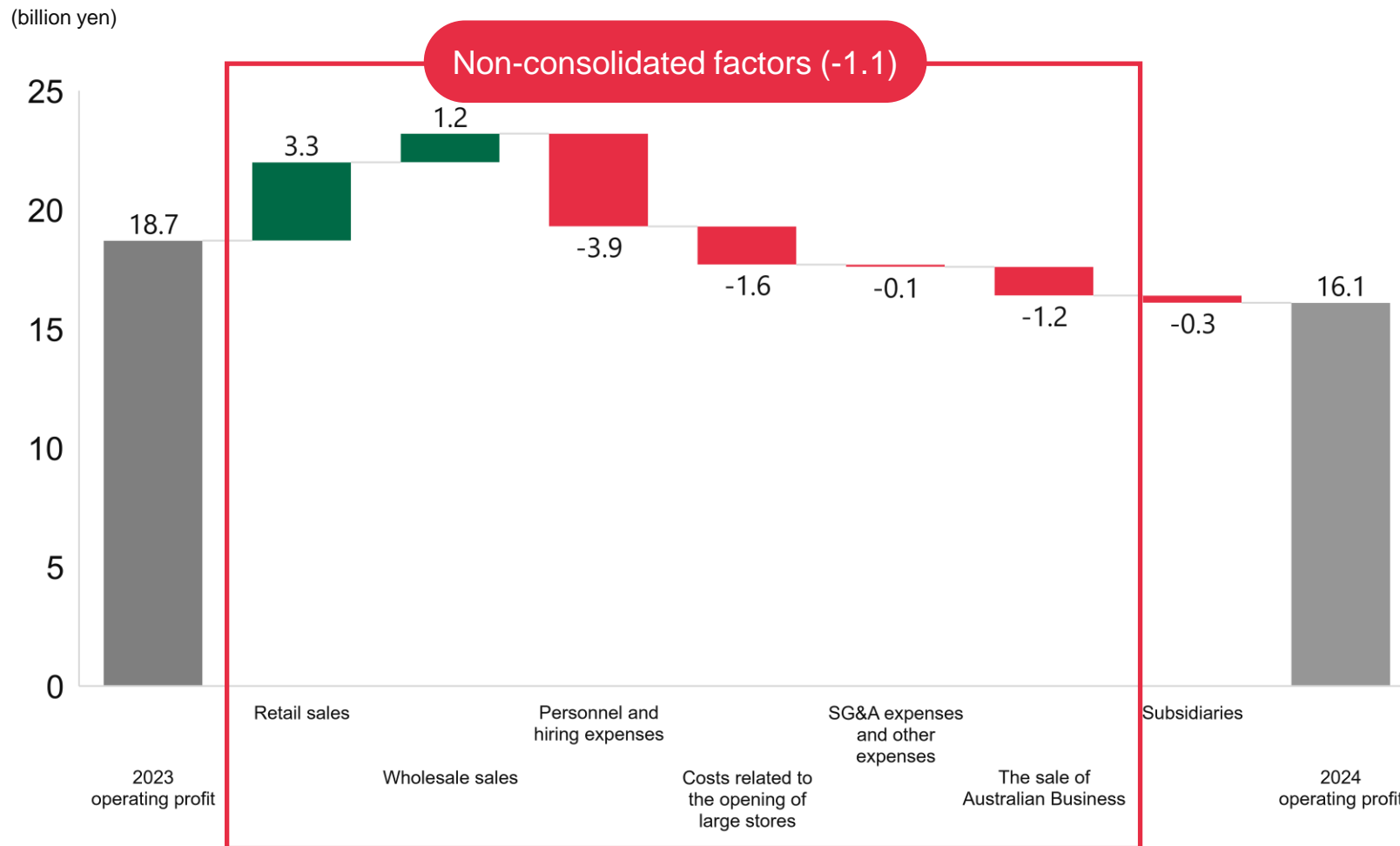


(billion yen)	2023	2024	Ratio to net sales	YoY changes	Percent change
Net sales	416.5	419.9	100.0%	+3.4	+0.8%
Gross profit	74.5	73.3	17.5%	-1.2	-1.6%
Selling, general and administrative expenses	55.9	57.2	13.6%	+1.3	+2.4%
Operating profit	18.7	16.1	3.8%	-2.6	-13.7%
Ordinary profit	18.4	15.8	3.8%	-2.6	-12.8%
Profit attributable to owners of parent	14.2	11.4	2.7%	-2.8	-19.5%

IDOM Inc.

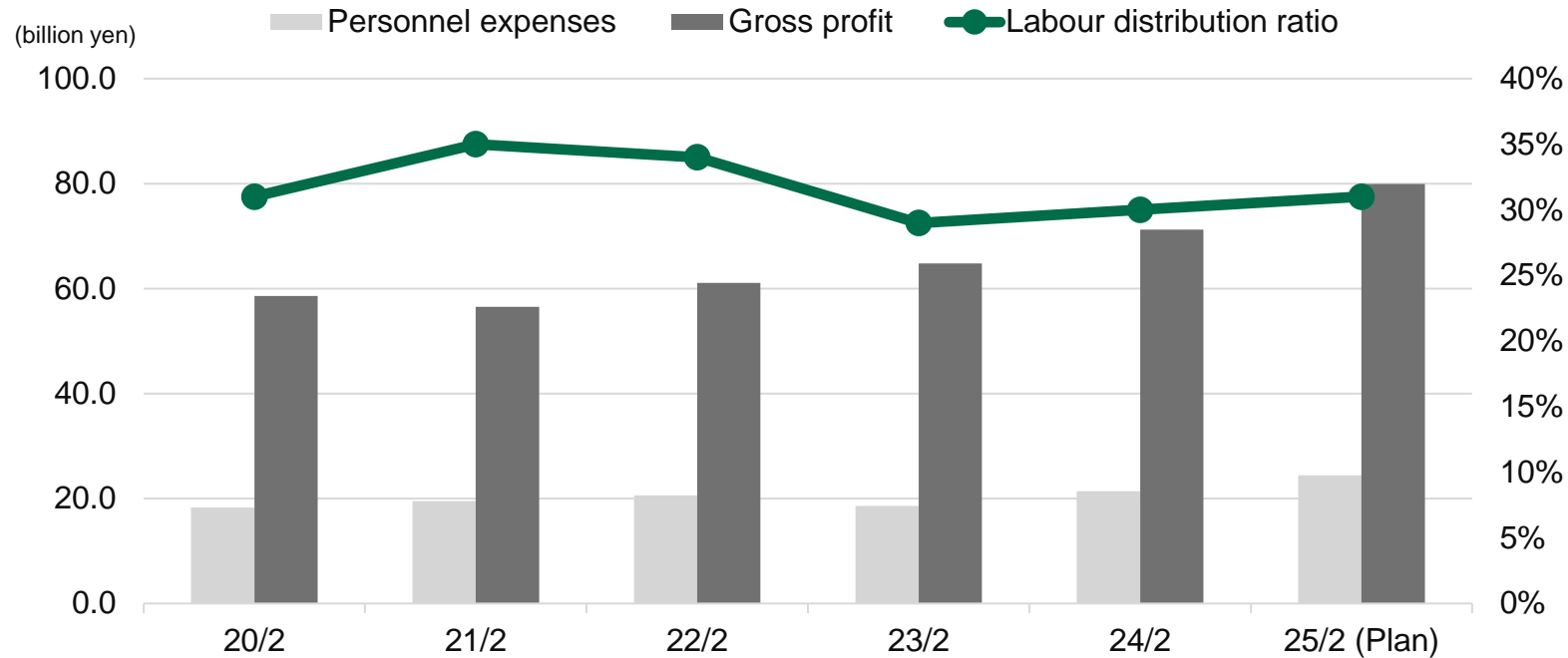
* 2024 indicates the fiscal year ending February 29, 2024.

FY2024 Analysis of Factors in YoY Change in Operating Profit



- Gross profit increased 4.5 billion yen in total, with retail sales increasing 3.3 billion yen and wholesale sales increasing 1.2 billion yen.
- SG&A expenses increased 5.6 billion yen, mainly due to an increase in personnel costs and the cost of hiring to accelerate the opening of large stores.
- Operating profit decreased by 1.5 billion yen due to the sale of business and subsidiary losses.

Management of Personnel Expenses



Personnel expenses increased, reflecting an increase in the number of staff due to the opening of large stores and the increase in wages linked to strong operating results.

Maintaining the labor distribution ratio through strategic allocation of personnel, particularly focusing on large stores. It will continue to offer appropriate returns to employees while simultaneously facilitating corporate growth.

Consolidated

FY2024 Quarterly Results



(billion yen)	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2024 Q4 YoY changes
Net sales	105.3	98.4	104.0	112.1	+8.1
Gross profit	17.1	17.8	18.5	19.9	+1.4
Selling, general and administrative expenses	14.3	13.5	14.8	14.6	-0.2
Operating profit	2.8	4.3	3.7	5.3	+1.6
Ordinary profit	2.7	4.2	3.7	5.2	+1.5
Profit attributable to owners of parent	1.9	3.0	2.4	4.2	+1.8

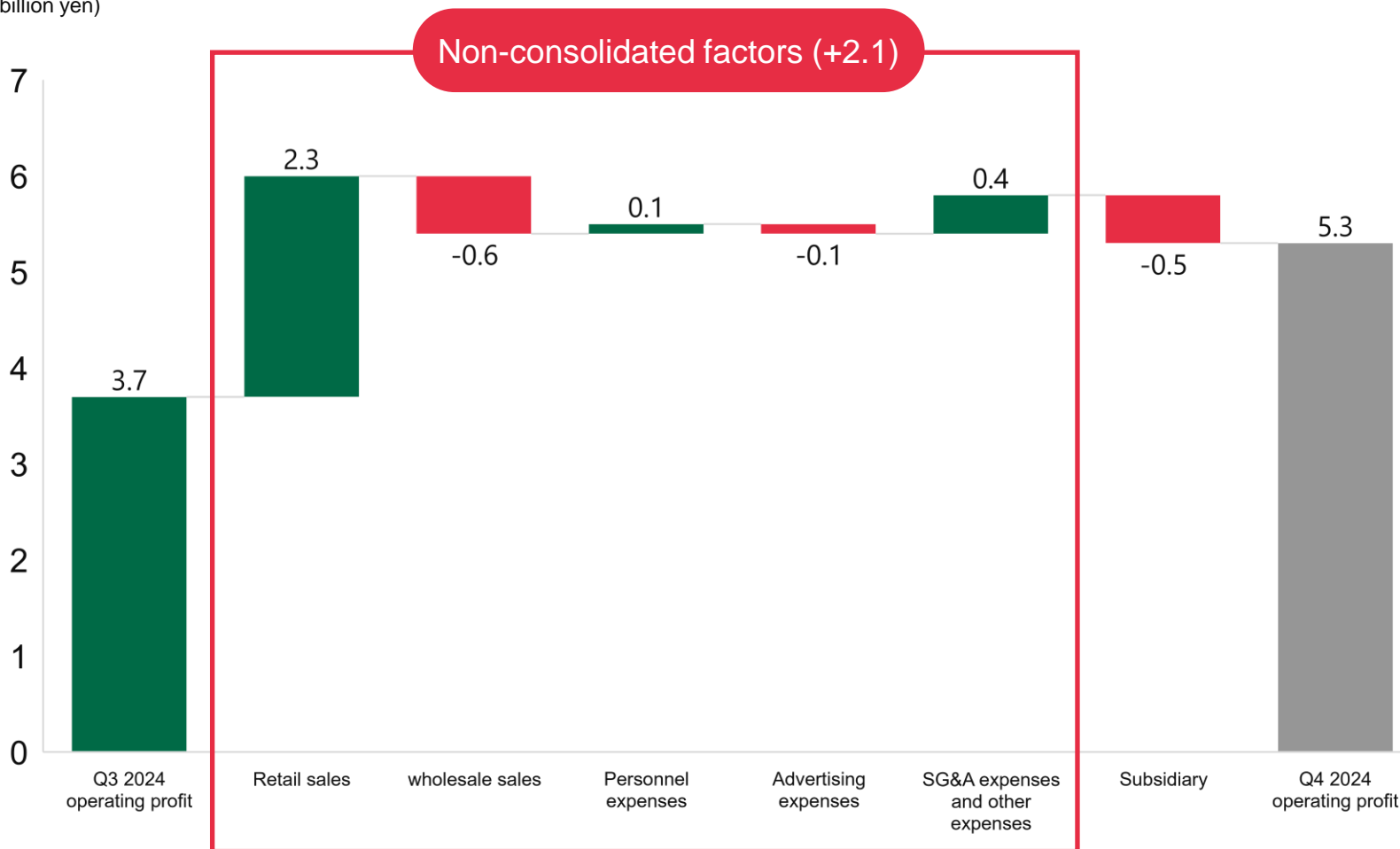
IDOM Inc.

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

FY2024 Q4 Operating profit change factors compared to the previous quarter

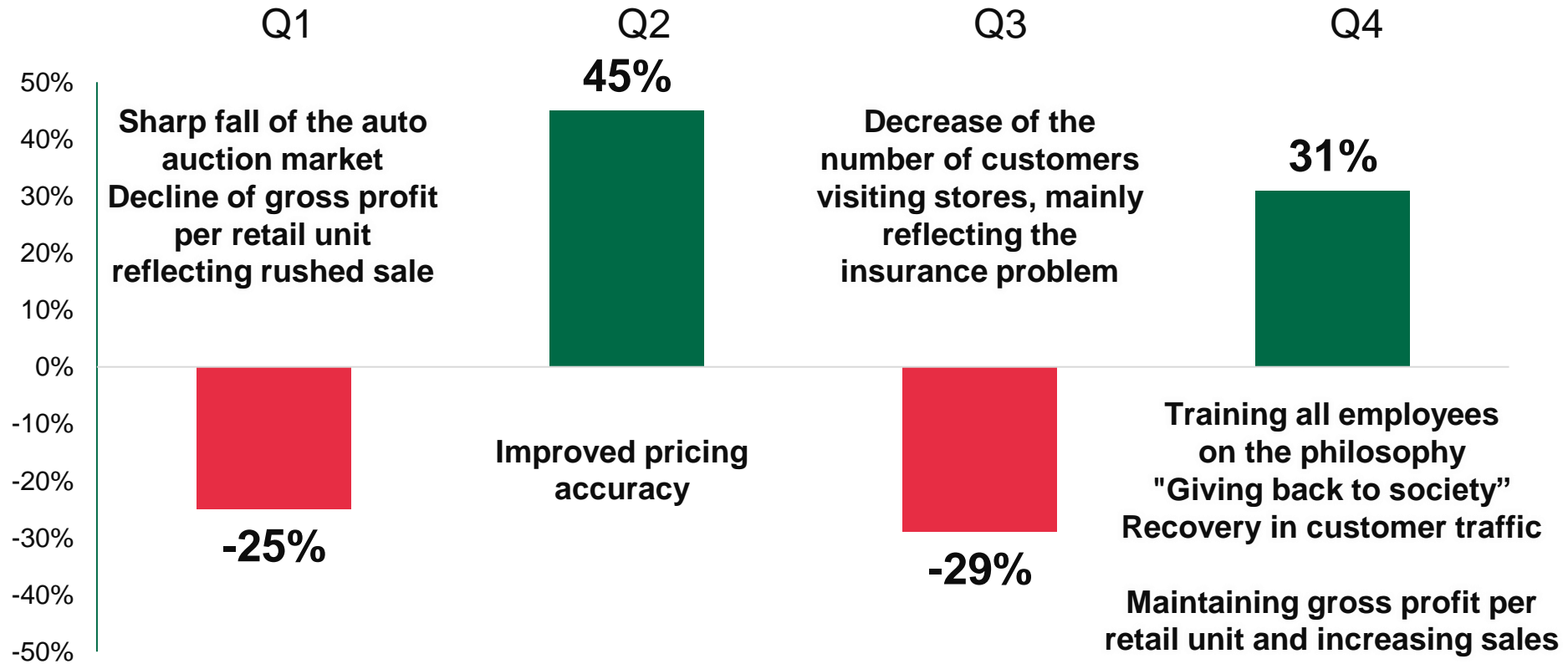


(billion yen)



- Operating profit increased by 2.3 billion yen due to an increase in retail unit sales compared to the previous quarter and decreased by 0.6 billion yen due to a decrease in wholesale unit sales.
- Regarding SG&A expenses, ground rent increased due to store openings, but other SG&A expenses were successfully suppressed.
- Subsidiary results decreased 0.5 billion yen.

YoY change in operating profit



Consolidated Balance Sheet
(As of February 28, 2023)

Assets 177.3 billion yen	Liabilities 110.6 billion yen
Cash and deposits 37.5 billion yen	Interest-bearing debt 67.1 billion yen
Inventories 84.4 billion yen	Other 43.4 billion yen
Property, plant and equipment 26.4 billion yen	Net assets 62.7 billion yen
Other 24.9 billion yen	62.7 billion yen (Equity ratio 36%)

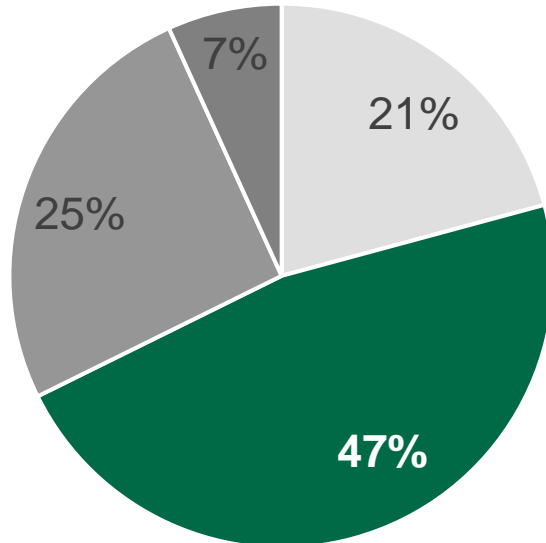
Consolidated Balance Sheet
(As of February 29, 2024)

Assets 184.0 billion yen	Liabilities 114.1 billion yen
Cash and deposits 30.5 billion yen	Interest-bearing debt 63.0 billion yen
Inventories 86.0 billion yen	Other 51.1 billion yen
Property, plant and equipment 33.8 billion yen	Net assets 66.9 billion yen
Other 33.7 billion yen	69.9 billion yen (Equity ratio 38%)

- Total assets were 184.0 billion yen.
- Inventories remained at the same level as at the end of the previous year in preparation for the opening of large stores.
- Interest-bearing debt decreased 4.1 billion yen.
- Consolidated equity ratio increased from 36% at the previous year to 38%.

Inventories and the risk of market price fluctuations

Percentage of the Company's vehicle inventories by model year



Risk of market price fluctuation by model year



Risk characteristics of vehicle inventories

Vehicles for wholesale sales

- Relatively susceptible to market prices because vehicles are sold to the auction market.
- It takes basically two weeks to register sales on the auction market after purchases.
- The current status was maintained because no enhancements were made to stores for purchasing.

- The risk of keeping inventory for a long time is high due to the constant effect of market prices.
- The rise of the ratio of wholesale sales tends to result in reduced inventory turnover days.

Vehicles for retail sales

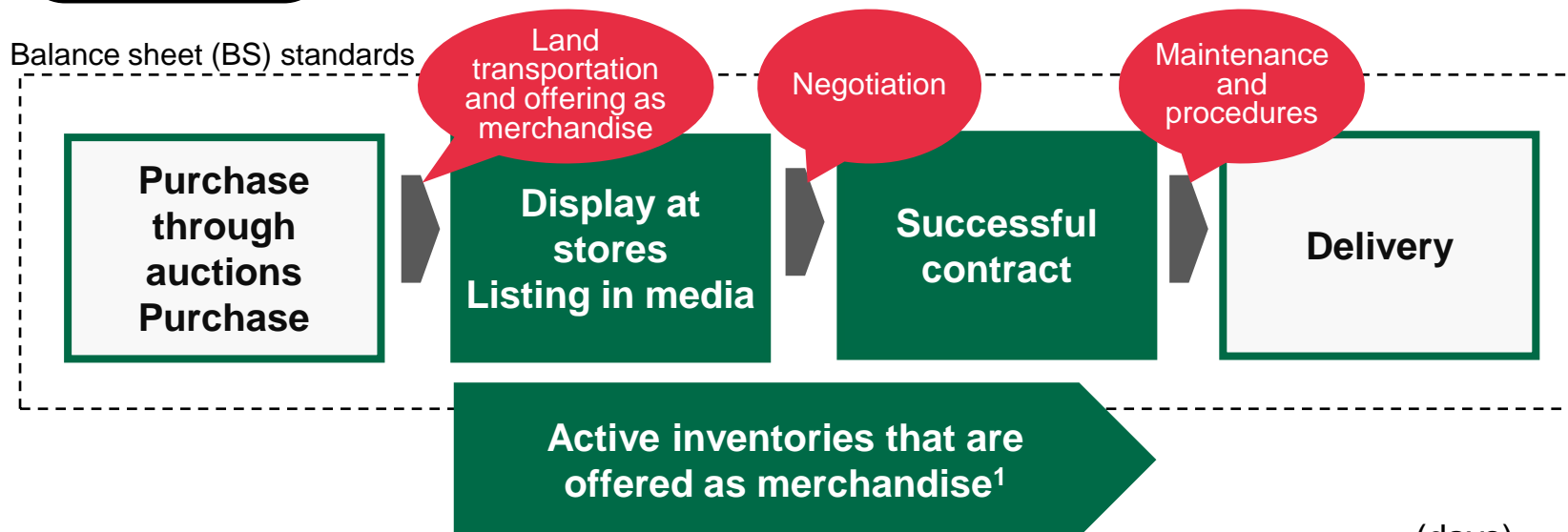
- Relatively resilient to market price fluctuations because vehicles are sold to users.
- The disposal of inventory is considered only for long-term inventory, specifically, vehicles kept in stock for over 120 days.
- The percentage of vehicles for retail sales increased in line with the expansion of large stores.

- The risk of keeping inventory for a long time is not high because gross profit per unit is secured due to incidental gross profit.
- The rise of the ratio of retail sales tends to result in increased inventory turnover days.

The inventories of large stores mainly consist of 4- to 7-year-old vehicles that are relatively resilient to changes in market prices. The Company will implement proper inventory control based on the understanding that inventory turnover days cannot be easily reduced if the number of vehicles for retail sales increases.

Changes in Inventory Turnover

Balance sheet (BS) standards



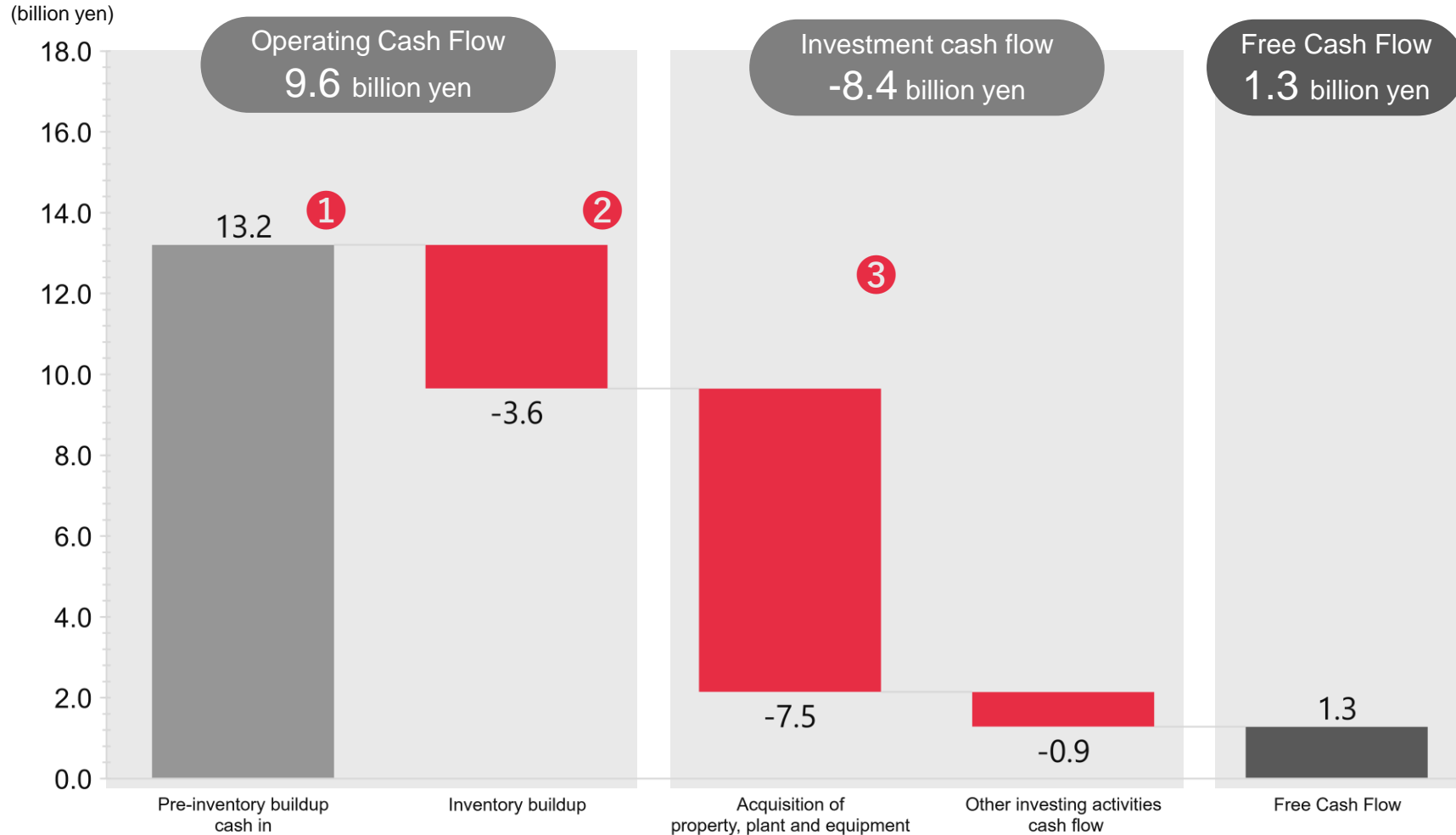
(days)

Inventory turnover	2022	2023	2024
Active inventories	39.3	41.1	42.1
BS standards (including temporary replacement vehicles)	83.0	85.5	86.8

- Inventory turnover is on the rise due to an increase in the number of retail unit sales.
- The active inventory period has been hovering around 40 days.
- The Company has been controlling inventories efficiently to maximize retail sales while simultaneously working to balance the enhancement of displayed vehicles and market price-related risks.

Analysis of Increase/Decrease in Cash Flow

Analysis of factors in YoY change in cash flow



- 1 Strong business generated cash of 13.2 billion yen before inventory investment.
- 2 Inventory buildup due to higher vehicle unit prices and the opening of large stores. (-3.6 billion yen)
- 3 Capital expenditures associated with the opening of 11 large stores FY2024, etc. (-7.5 billion yen)

As a result, Free cash flow stood at 1.3 billion yen.

2. Financial Forecasts for FY2025



		FY2023	FY2024	FY2025	Changes
Number of stores	Store opening of large stores (stores)	8	11	15	+4
Number of units	Number of unit sales (ten thousand units)	24.7	26.9	28.5	+1.6
	Number of retail unit sales (ten thousand units)	13.5	14.4	15~16	-
	Number of wholesales unit (ten thousand units)	11.2	12.4	13.0	+0.6
Gross profit per unit	Gross profit per retail unit (ten thousand yen)	40	40	43~40	-
	Gross profit per wholesale unit (ten thousand yen)	10	10	10	-

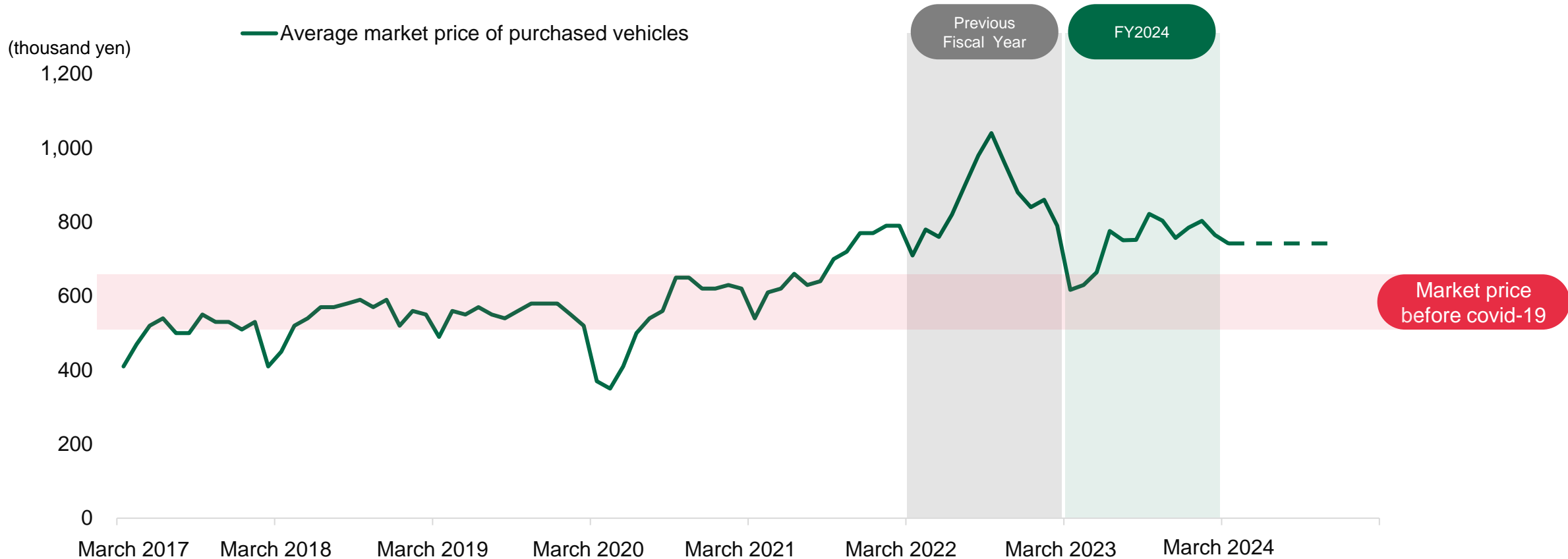
(billion yen)	2024 Actual result	2025 Forecast	Ratio to net sales	YoY changes	Percent change
Net sales	419.9	456.5	100.0%	+36.6	+8.7%
Gross profit	73.3	83.3	18.2%	+10.0	+13.6%
Selling, general and administrative expenses	57.2	63.0	13.8%	+5.8	+10.1%
Operating profit	16.1	20.3	4.4%	+4.2	+26.1%
Ordinary profit	15.8	19.8	4.3%	+4.0	+25.3%
Profit attributable to owners of parent	11.4	13.6	3.0%	+2.2	+19.3%

3. Market Perception and Future Initiatives (Revision of Medium-Term Business Plan Targets)



3. 1 Market Environment



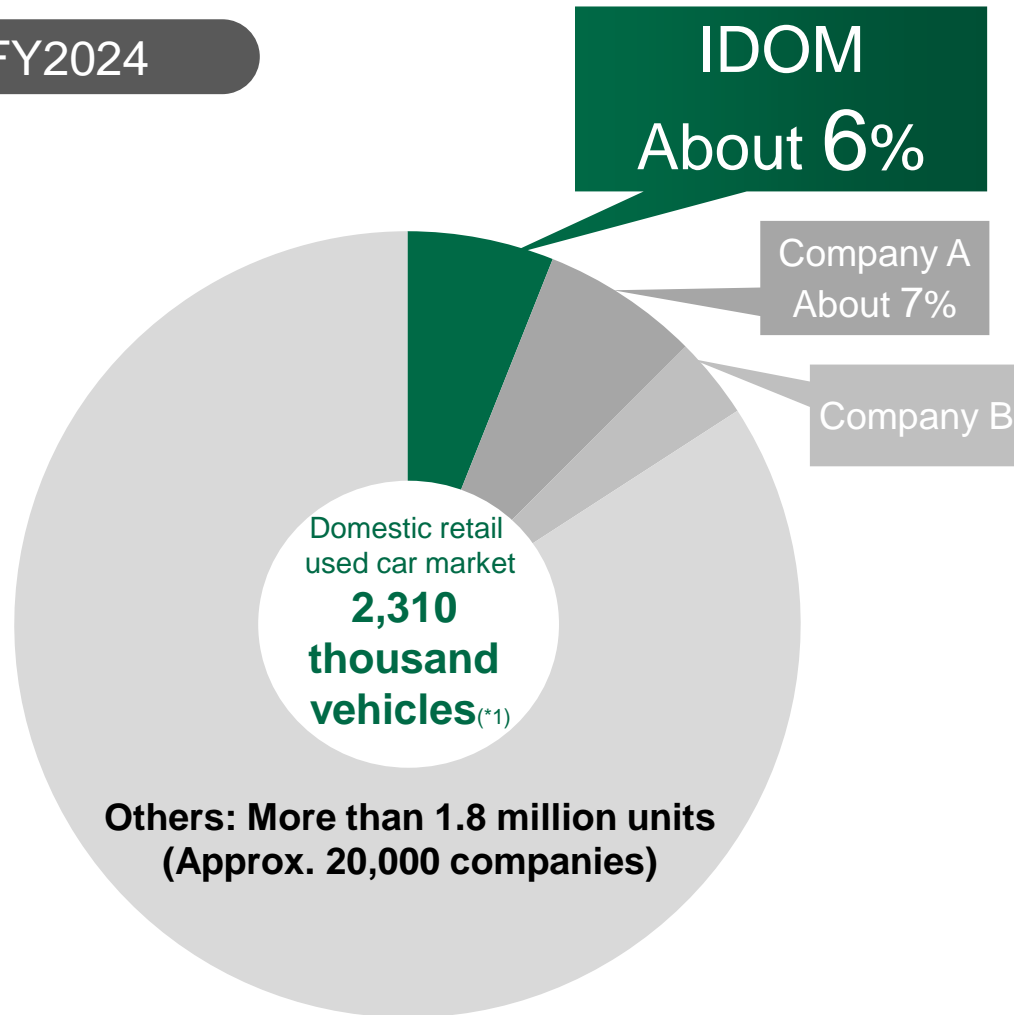


In FY2024, market prices remained high, partly reflecting the impact of the weak yen.

In FY2025, prices are expected to remain high, with a small number of negative factors.

However, awareness of the risk of the market price falling, which is expected if prices rise to the FY2023 level, will be enhanced.

FY2024



Used Car Market in Japan

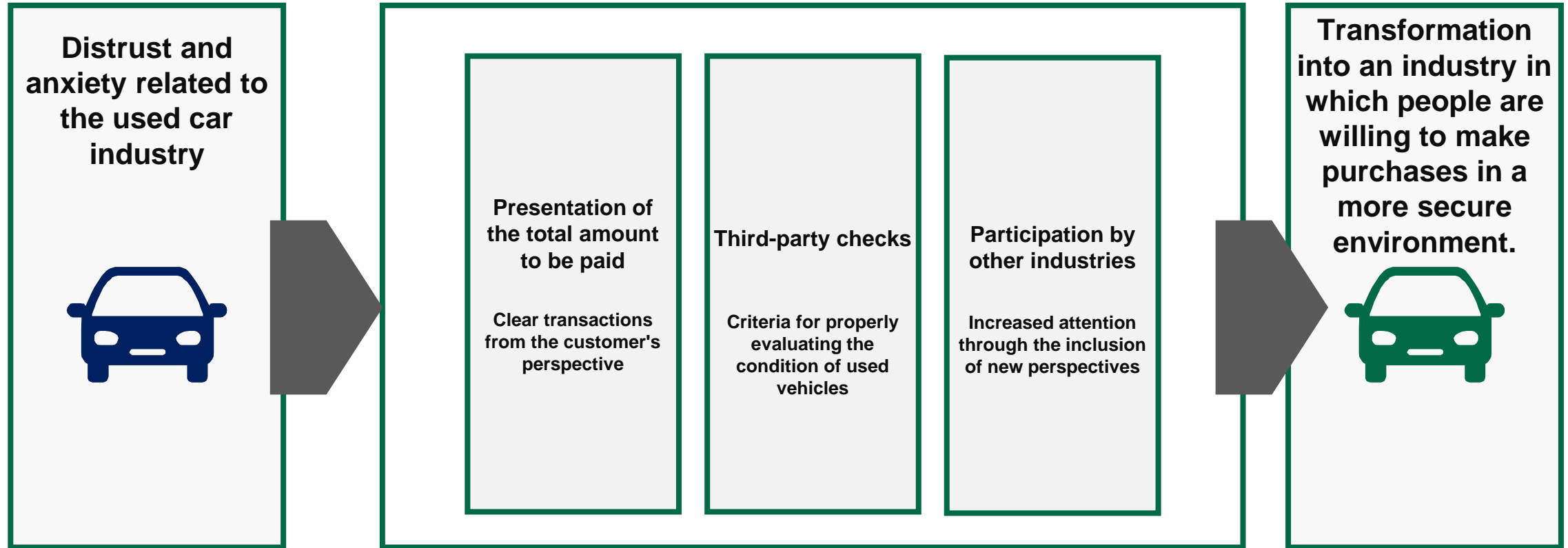
Japan's used car market is a non-oligopolistic market, with the three major companies combined being less than 20% of the market.

The company will open large stores to take market share away from other companies with sales of more than 1.8 million units.

*1: Market share for FY2024 was calculated based on the proportions of domestic retail unit sales of IDOM and those of Company A to the size of the used car retail market in 2022, which was 2.31 million units (data from Yano Research Institute).

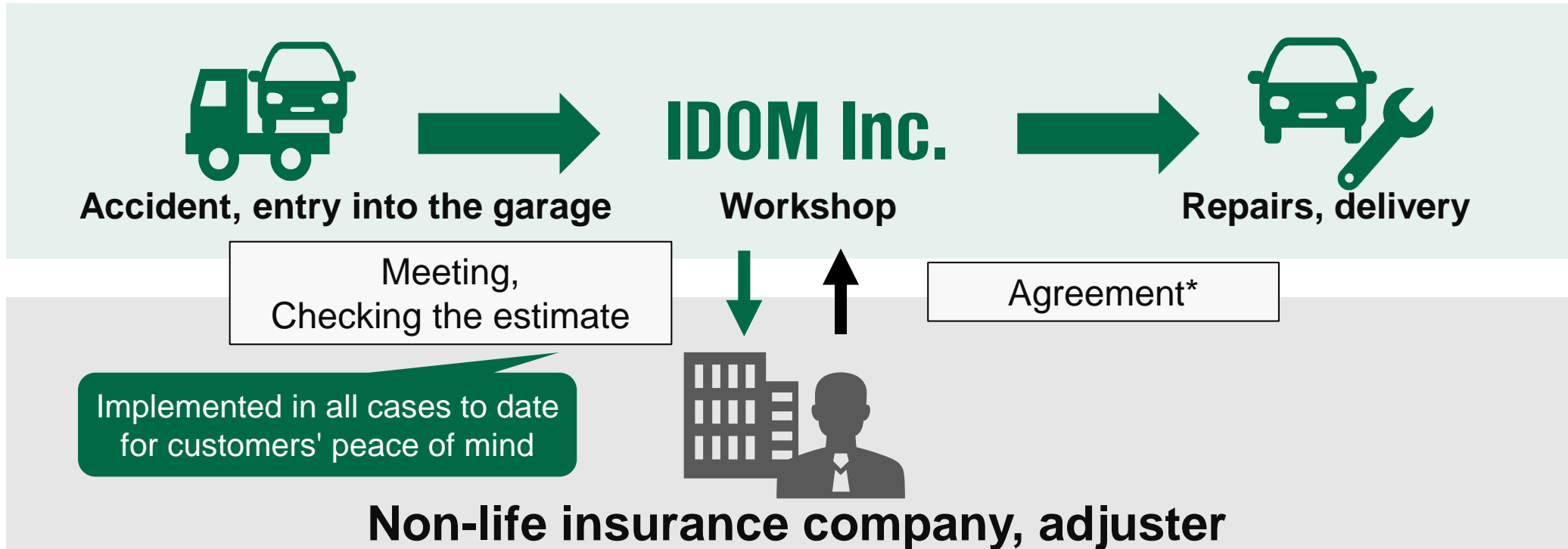
3. 2 Initiatives for peace of mind.





The used car industry suffered a decline in credibility in FY2024 due to the issue of fraudulent insurance claims, etc. As a leading company in the used car industry, the Company will actively work to address issues that the industry shares with customers.

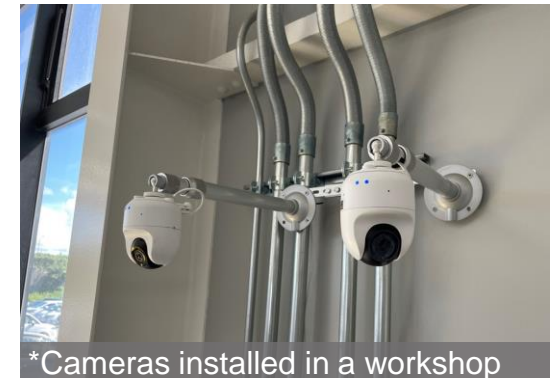
Initiatives to Enhance Governance at Workshops: Handling of Accidents



For all cases referred, agreements are reached with the insurance company's adjusters on repair estimates to establish reasonable repair costs.



*Video recordings of work



*Cameras installed in a workshop

Cameras have been installed in each workshop.

This enables customers to watch the work in real time, ensuring transparency.

This has made it possible for customers to have peace of mind and to have proof that appropriate work is being done by employees.

3.3 Business Initiatives



Brand power

Recognition rate of the "Gulliver"
brand: **94.9%***

Ability to attract customers
using the well-known Gulliver
brand



Sales capabilities

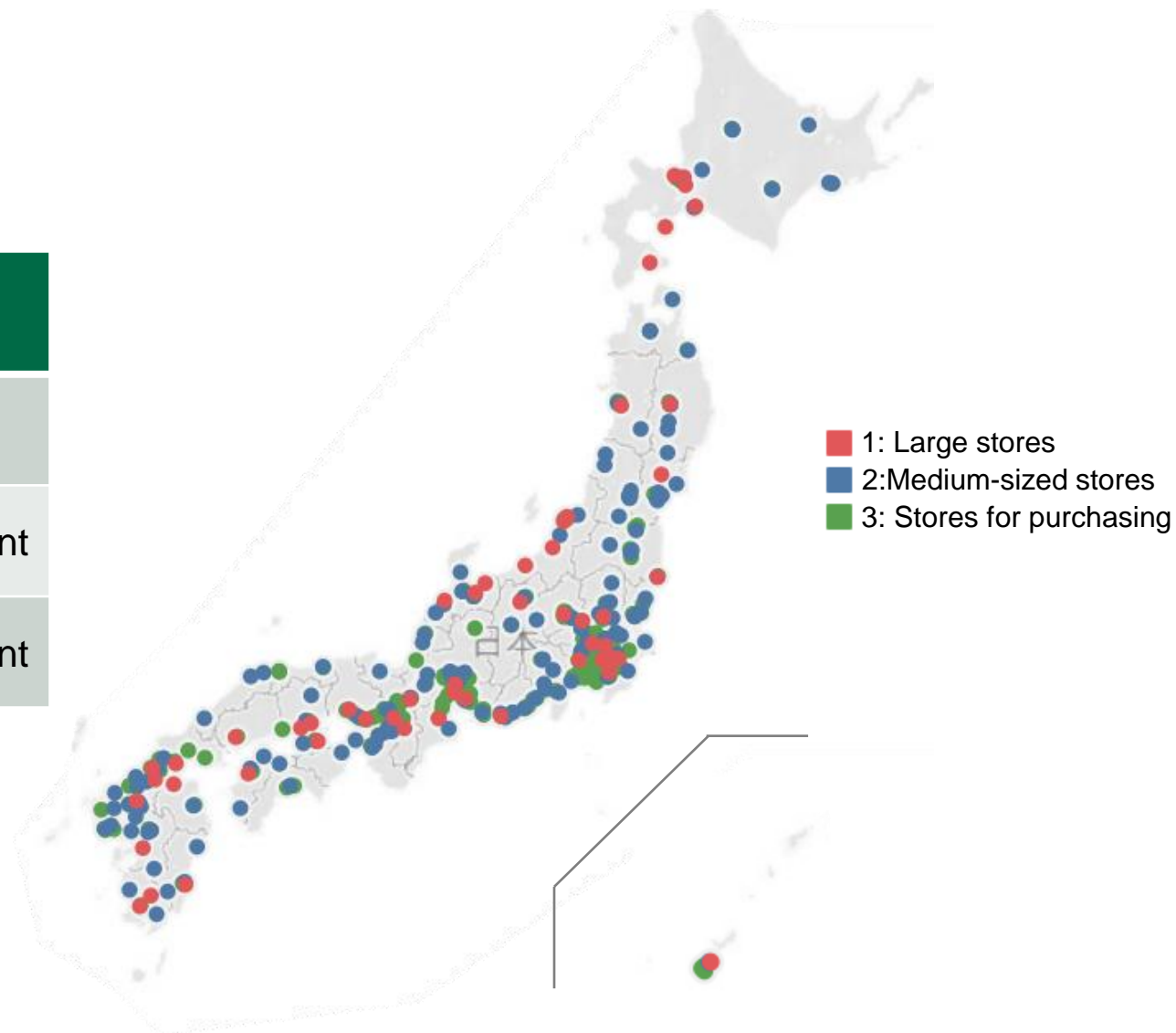
Ability to propose products that
satisfy customers

Sources of the sustainable growth of IDOM's business based on opening
stores with a focus on large stores

Operating 406 nationwide

Store format	Number of stores*	Future Policies
Large stores	53	Aggressive expansion
Medium-sized stores	148	Making efficient
Stores for purchasing	205	Making efficient

* As of February 29, 2024



Store format

Stores for purchasing



Medium-sized stores



Large stores



Medium-sized store type

Store specializing in foreign cars

Store specializing in custom cars

Large store type

Store with maintenance shop

Store with maintenance shop and sheet-metal workshop

Number of stores*

205

148

53

Features

Purchase-only store

Specialty stores tailored to customer needs

Far greater number of products than other stores in each area

The Gulliver purchasing brand, which has been close to customers for 30 years, has become a customer attraction force, and the retail business will grow and expand into medium —and large stores.

Ongoing Employee Satisfaction Initiatives



Z-CAMP

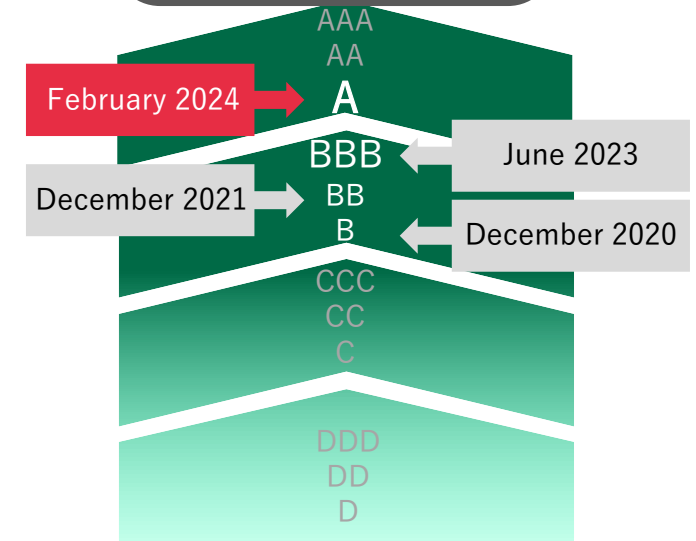
Conducted workshops for all employees on the theme of goal setting

Best Motivation Company 2023



Received the award for the second consecutive year

Motivation Cloud Rating



Rating improved from BBB to A

We place importance on creating a workplace where employees can grow and conduct quantitative observation using engagement scores. By confirming employee expectations and satisfaction levels, we can improve individual management and personnel systems and provide learning opportunities to develop abilities and enhance skills.

Application of a proper incentive system

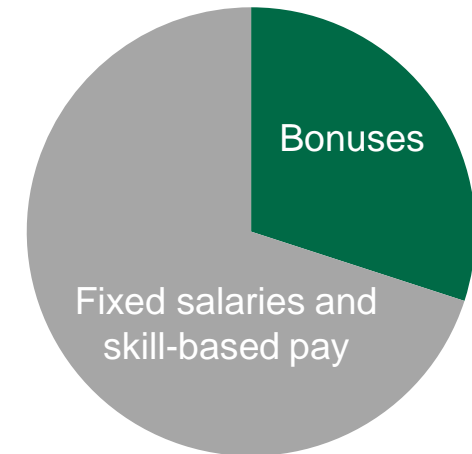
Offering incentives in proportion to customer satisfaction

Fair performance-based evaluation without establishing quotas

Clarification of sales targets using detailed tables

Designing of a proper incentive system

Bonuses and incentives are set at approximately 30% of the average annual income, thereby avoiding the creation of an excessive incentive system.

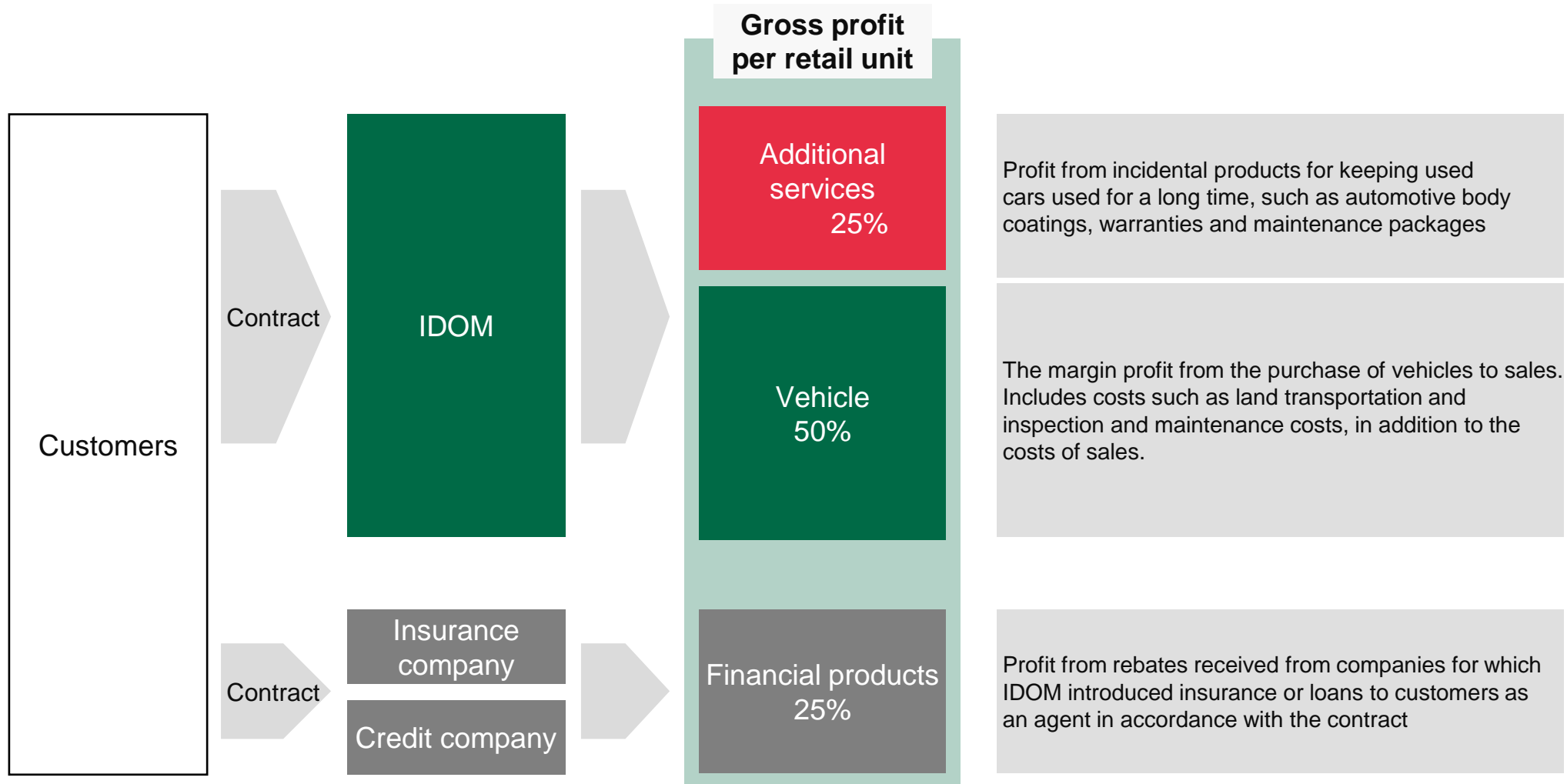


The incentive system is designed to foster the growth of employees without quotas, with customer satisfaction as the premise. We aim to create an environment where employees can focus on serving customers, thus ensuring sustainable livelihoods.

3.4 Upward Revision of the Medium-Term Business Plan Targets

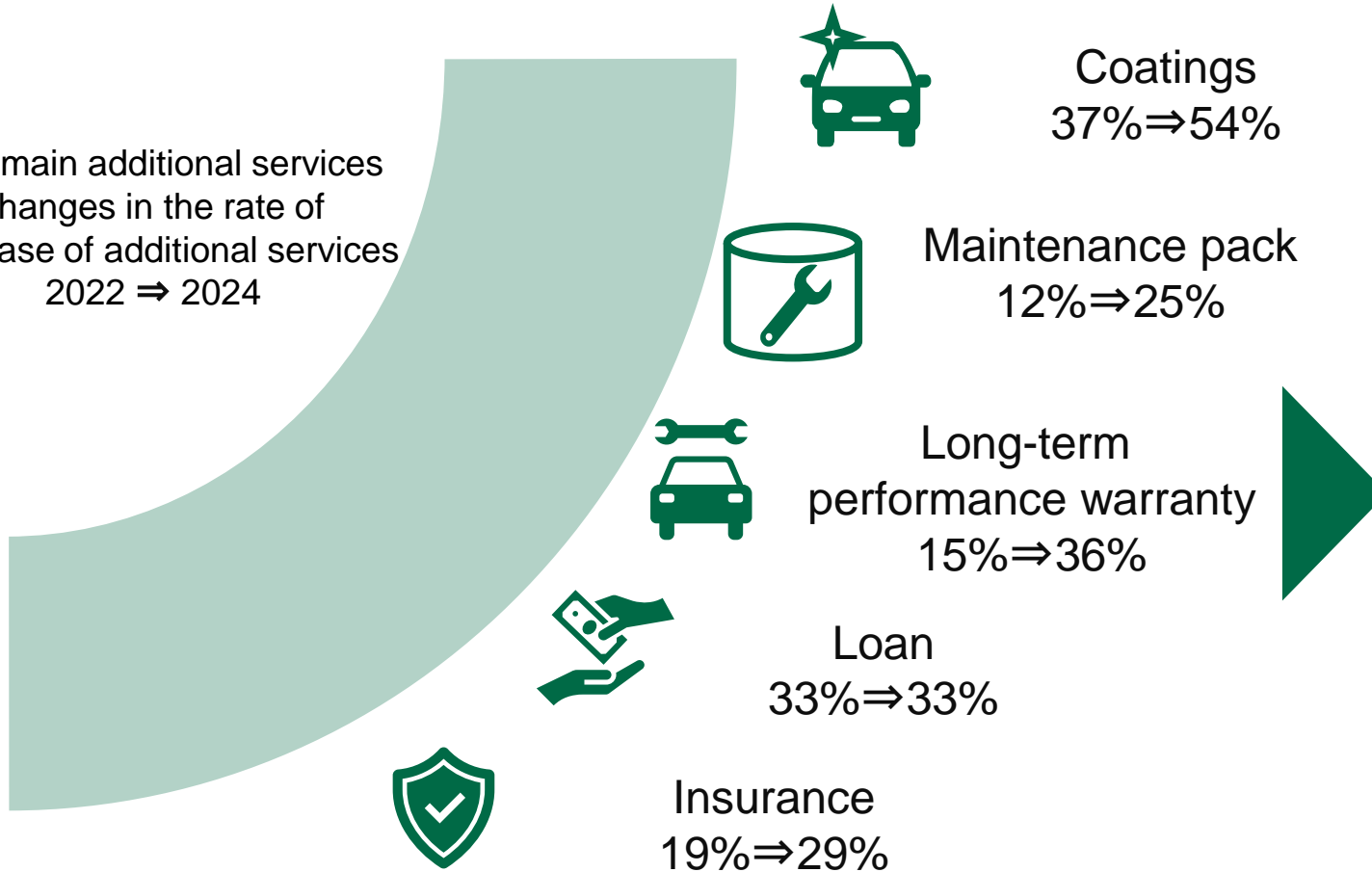


Composition of Gross Profit per Retail Unit



Development of Additional Services

Five main additional services
Changes in the rate of
purchase of additional services
2022 ⇒ 2024

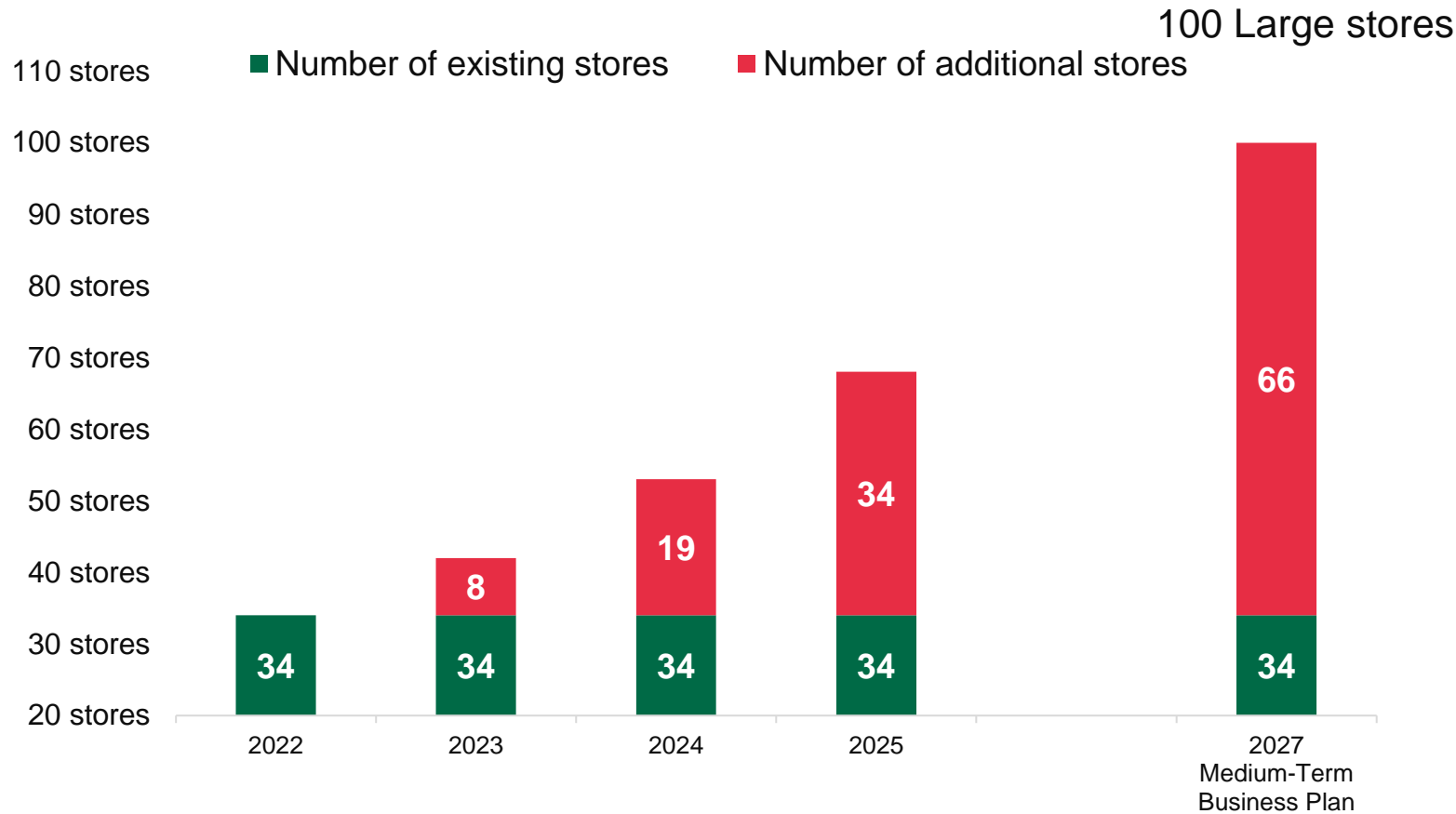


Improvement of gross
profit per unit

Increase customer
contacts through
continuous use

The company will increase opportunities for customers to use the service through after-sales service, In addition to improving gross profit per unit.

Acceleration of Store Openings (Increasing the Number of Large Stores to a Total of 100)



	Initial Plan	Revised Plan
opening of large stores	50 stores	66 stores
Capital expenditures	20.0 billion yen	28.0 billion yen

Assumptions and policies for capital expenditures

Format	Capital expenditures	Future Policies
Large stores	300 million yen	Aggressive expansion
Maintenance shops	200 million yen	Aggressive expansion

2027
Ongoing development of
additional services

**Maintaining gross profit
per retail unit**



2027
100 large stores

**Increasing retail unit
sales**

Achieving targets that exceed the initial plan by maintaining the level of gross profit per retail unit for the second half of FY2024 and increasing retail unit sales through the acceleration of new store openings.

Changes to Financial Targets in the Medium-Term Business Plan



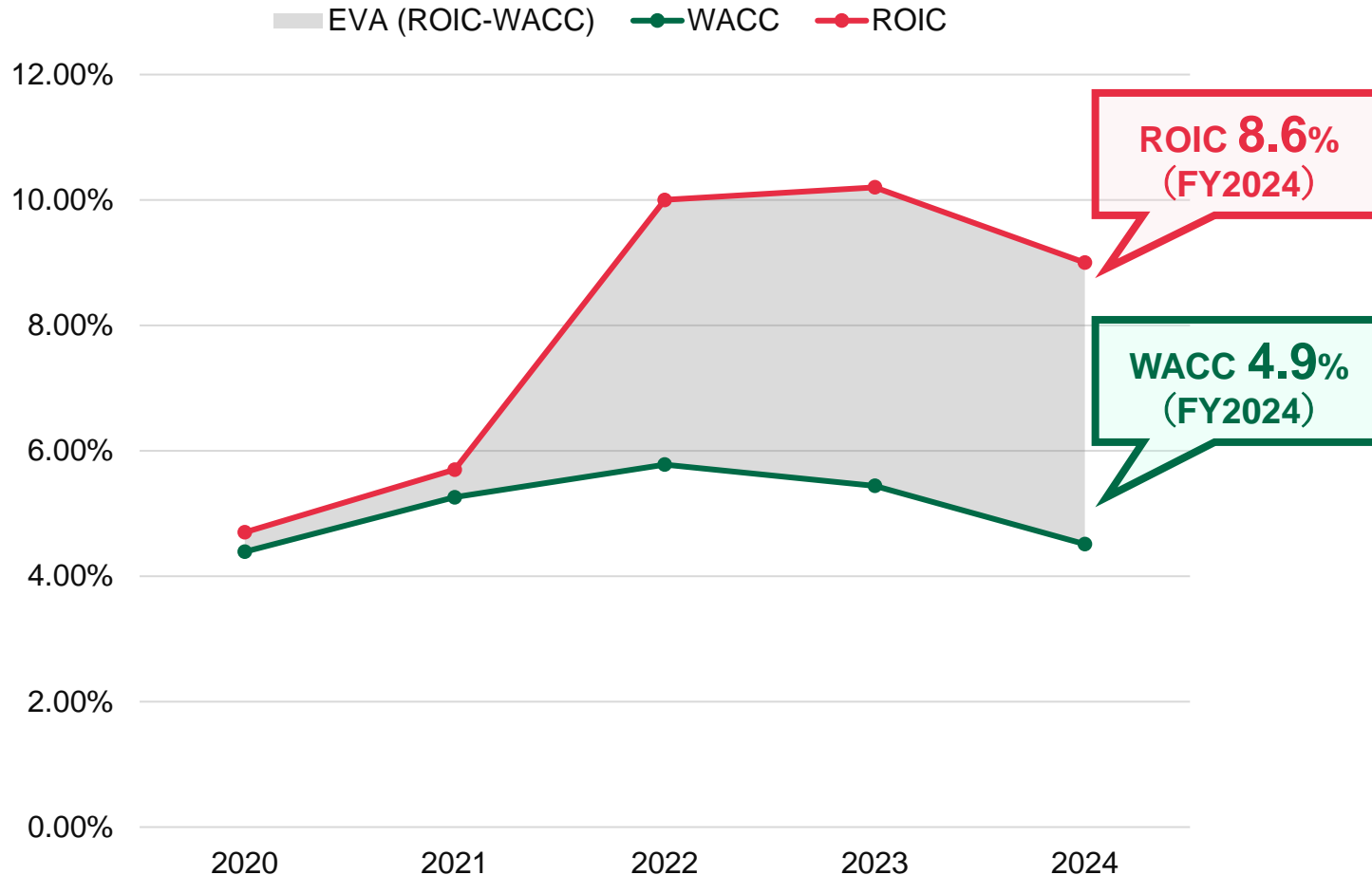
		Initial Plan	New Targets	Progress	Progress as of 2024
				2022 2023 2024 2025 2026 2027	
P/L	Operating profit	21.0 billion yen	30.0 billion yen		○
	The no. of retail units in directly managed stores	170 thousand vehicles	170~190 thousand vehicles		○
Business	Gross profit per retail unit	—	440,000~410,000 yen		○
	ROIC	10 % or higher	10 % or higher		○
Cash flows	Free cash flow	About 30 billion yen in 5 years	Positive for three consecutive fiscal years		○

New plan calls for operating income of 30 billion yen by improving gross profit margin level of retail units and accelerating store openings.

4. Capital Policy and Dividends



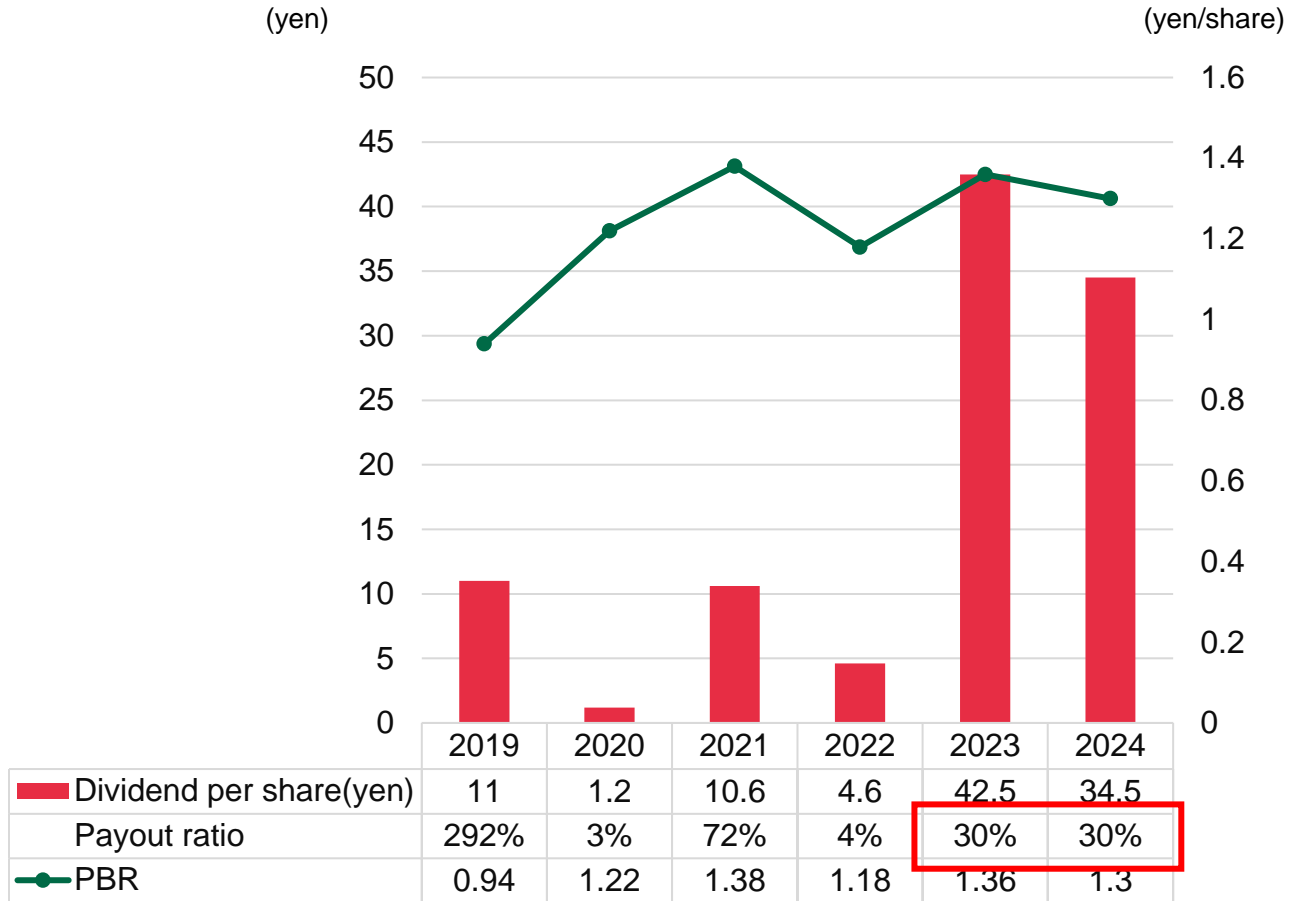
Recognition of the Cost of Capital



- We understand that the cost of capital has decreased to approximately 4% at present time due to a decline in β .
- Target ROIC: Maintaining a ROIC above 10%
- The company has already sold off the new car dealer business which had low capital efficiency.

*WACC: Calculated based on the weighted average of the cost of shareholder's equity (risk-free rate + β x market risk premium) + (current β x current risk premium)) and the cost of interest-bearing debt
 * 2024 indicates the fiscal year ending February 29, 2024.

Policies on Dividends, Share Buybacks, etc.



Share buyback implemented (April 2020)

- Continuing the current dividend policy of allocating 30% of consolidated net profit in the current fiscal year to dividends for the current fiscal year
- It is planned to consider a share buyback when the PBR is close to 1.0.
- The company will prioritize growth investment first and increase profit to enhance its corporate value.

Dividend policy

Performance-based dividend

How to determine the amount of dividend

The dividends are calculated based on consolidated net profit attributable to owners of parent of current fiscal year x **30%** (Changed from FY2023 dividends)

Dividend per share

	End of first half	End of fiscal year	Total
FY2024 (Forecast announced on Oct. 12)	14.41 yen	19.78 yen (18.75 yen)	34.19 yen (33.16 yen)
FY2025 (Forecast)	20.02 yen	20.61 yen	40.63 yen

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 will raise awareness as a leader in the used car industry and strive to achieve growth together with stakeholders as a company trusted by them.

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



5. APPENDIX



5. 1 Information Supplementary
to the Presentation Slides

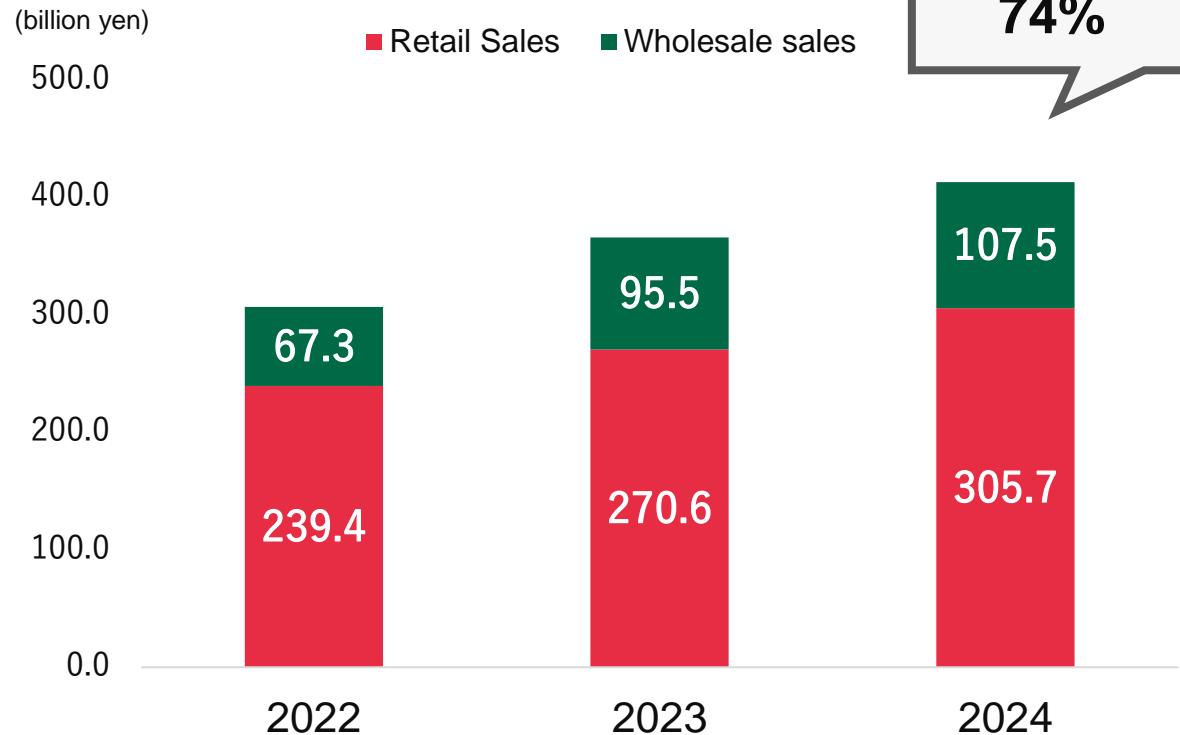


Non-consolidated

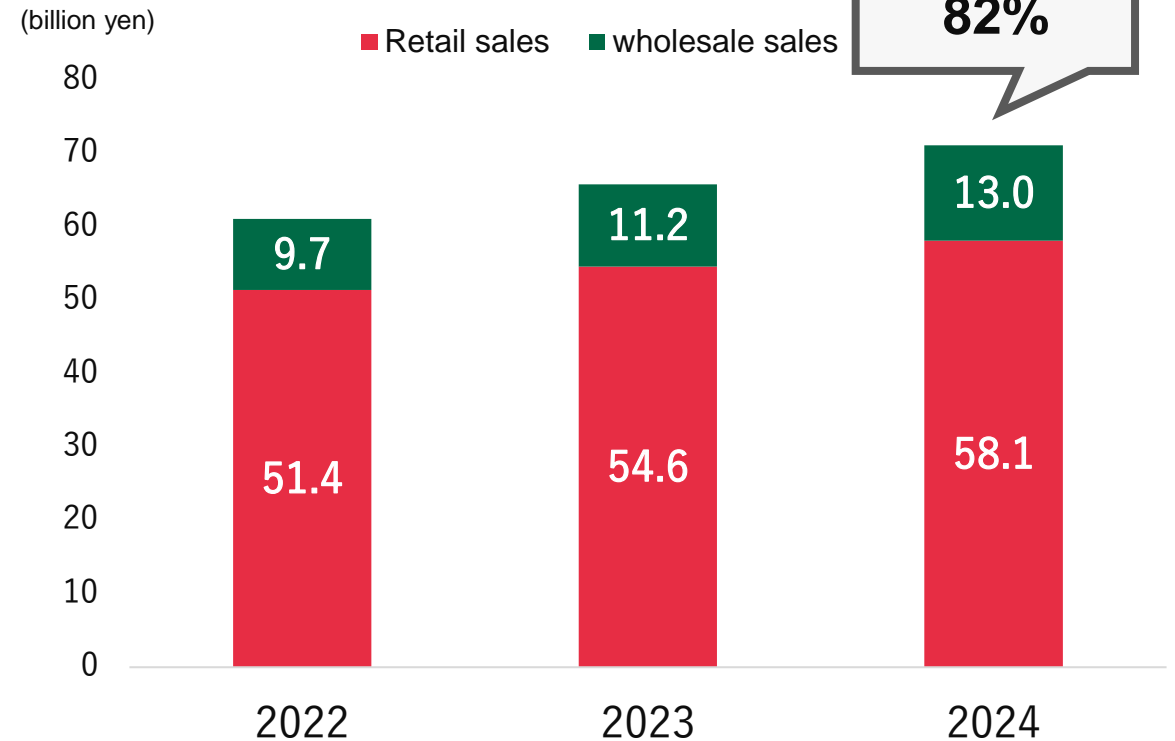
Net Sales and Gross Profit by Segment



Net sales

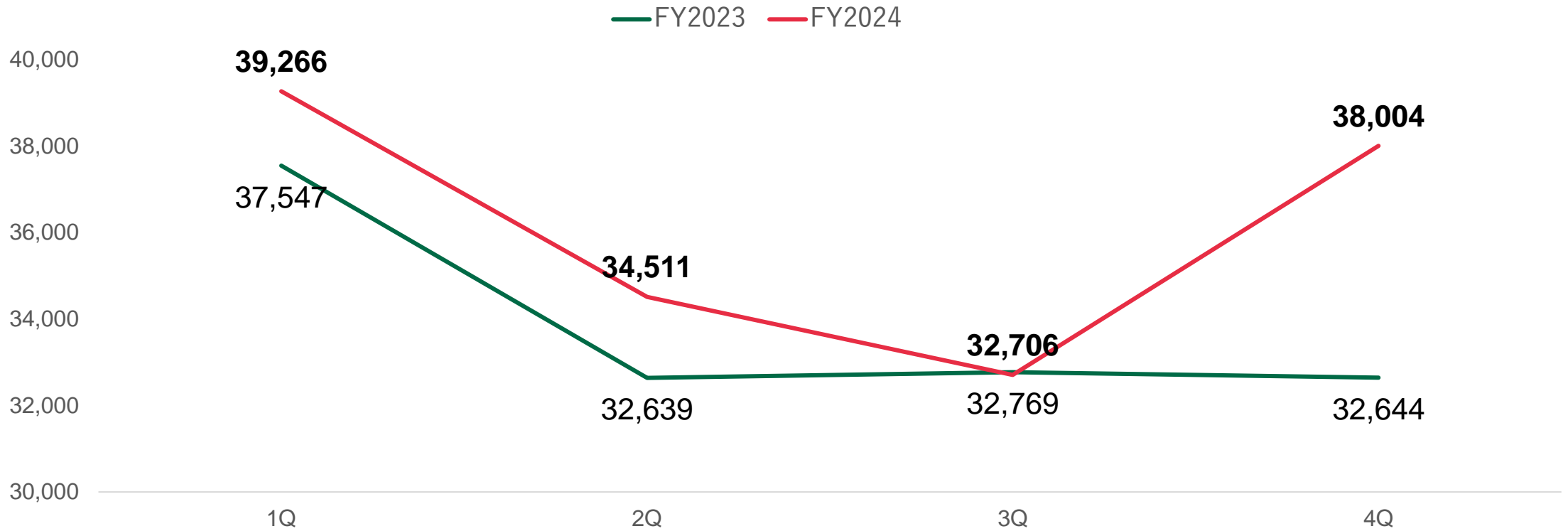


Gross profit



On a non-consolidated basis, which accounts for most of the consolidation, segments are defined as retail and wholesale.

Quarterly Trend in Retail Unit Sales

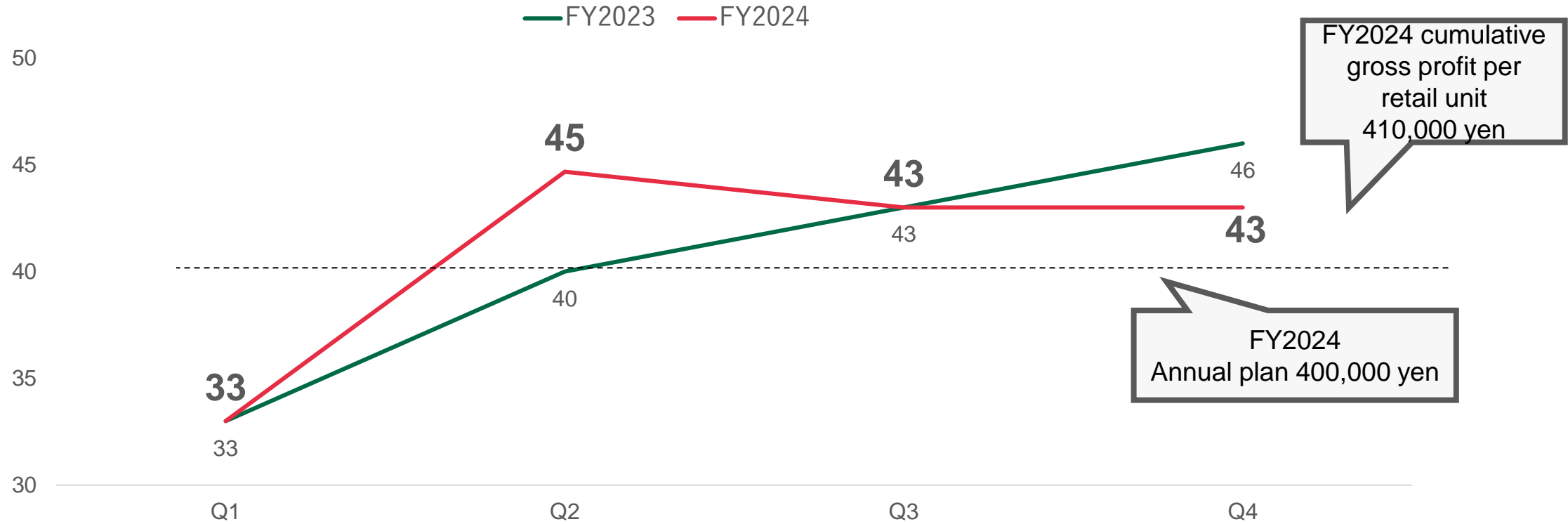


Retail unit sales increased significantly in Q4 to a cumulative total of 144,487 units, a record high.

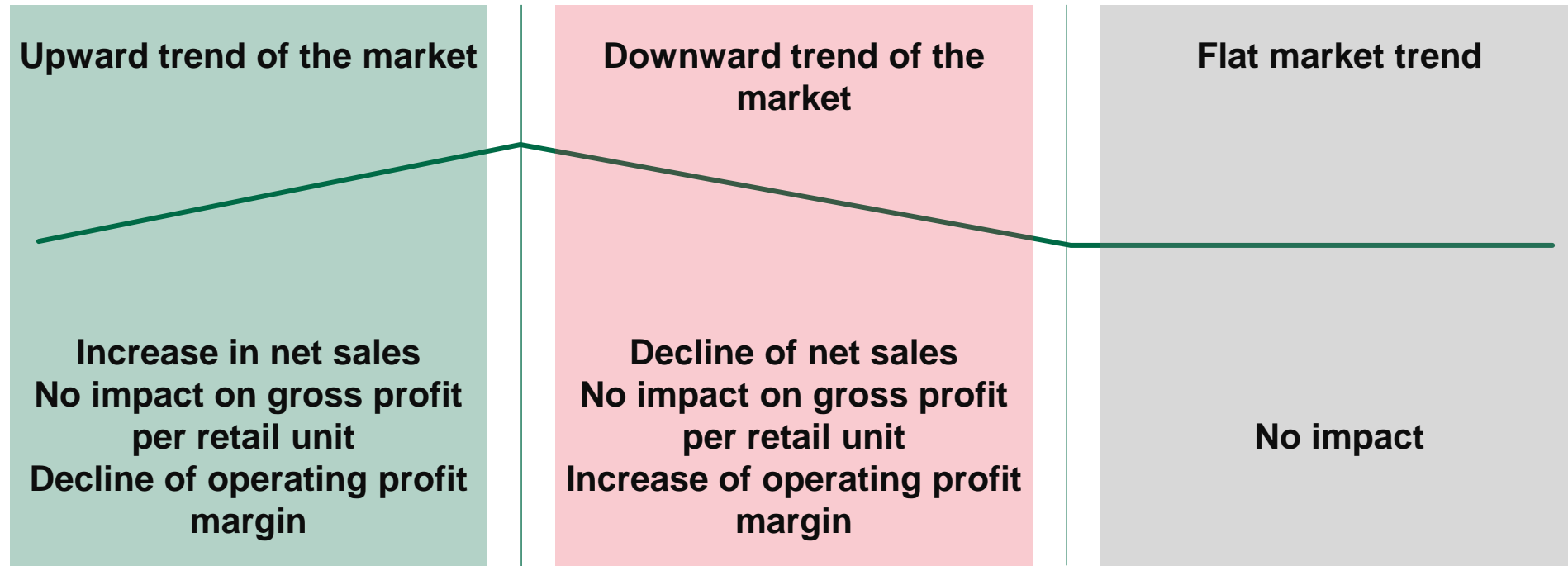
Quarterly Trend in Gross Profit per Retail Unit



(ten thousand yen)



The targeted gross profit per retail unit was maintained in Q4, supported by an increase in retail unit sales.

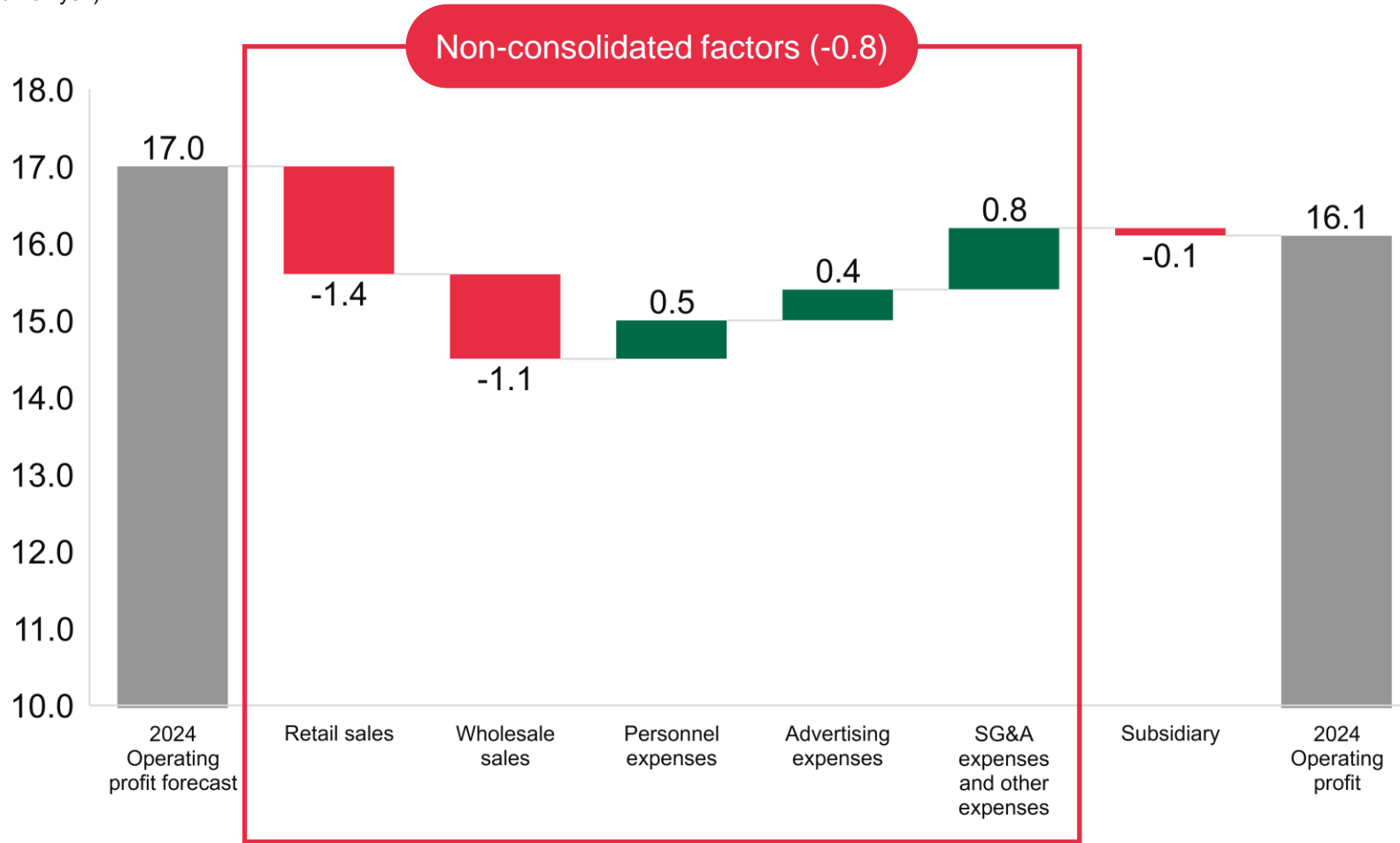


The basic policy is to maintain the gross profit level set for vehicles even if the market fluctuates. However, the market influences the amount of sales of vehicles. Accordingly, operating profit margin, whose denominator is net sales, is difficult to control and therefore is not treated as an important KPI.

Revised Consolidated Operating Profit Forecast and Analysis of Factors in YoY Change in Results



(billion yen)



Factors contributing to changes in the revised forecast announced in January 2024

- Retail unit sales and wholesales unit sales targets were not achieved.
- Regarding SG&A expenses, measures including controlling advertising expenses and controlling the hiring of fixed-term employees were successful.
- As a result of reducing losses in the R&D business, the subsidiary was not included in the scope of consolidation.



Niigata (Opened in February 2024)

Niigata, Niigata

Recent launch of new stores

Opening of large stores in the fourth quarter

- Onahama (December 2023)
- Kagoshima (December 2023)
- Kobe-Tarumim (December 2023)
- Okayama (January 2024)
- Niigata (January 2024)
- Yoshikawaminami (February 2024)
- Toyama (January 2024)

Full Year
Progress

11/11

Number of
Large Stores

53

(as of February 29, 2024)



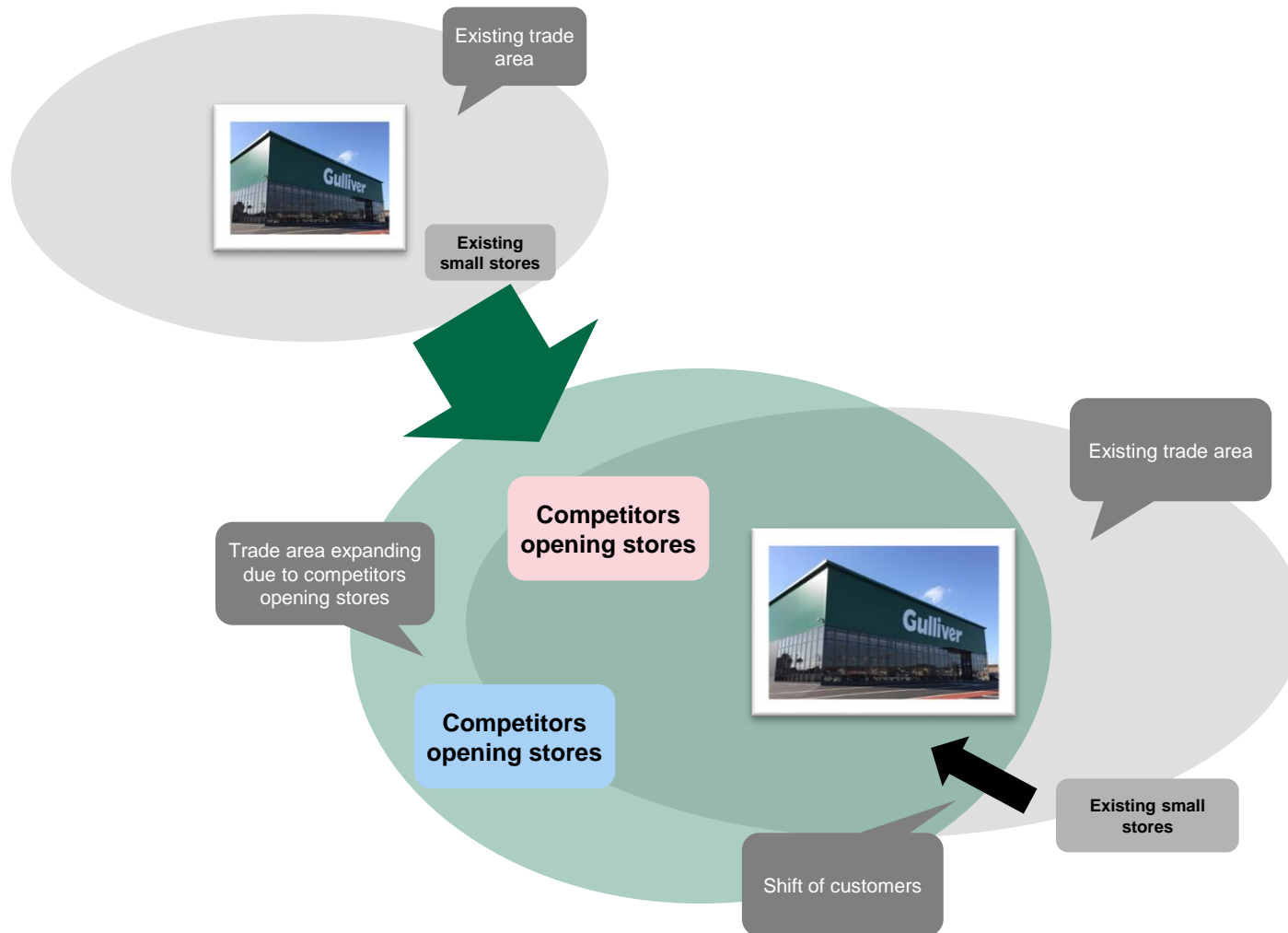
Stores operating in the trading areas of newly opened large stores will operate as follows.

Stores for purchasing

- Will continue to operate as satellite stores
It is expected that synergy will be generated by purchasing inventory and guiding customers

Medium stores

- Sales as usual
Continuation of operation as satellite stores
- Sales decrease
Transform into specialty stores handling cars for export, SUVs, etc.



The impact of competitors opening large stores on the return on investment of our large stores is subtle.

Each large store attracts customers, which has resulted in an oligopoly in the surrounding area and the expansion of the trade area.

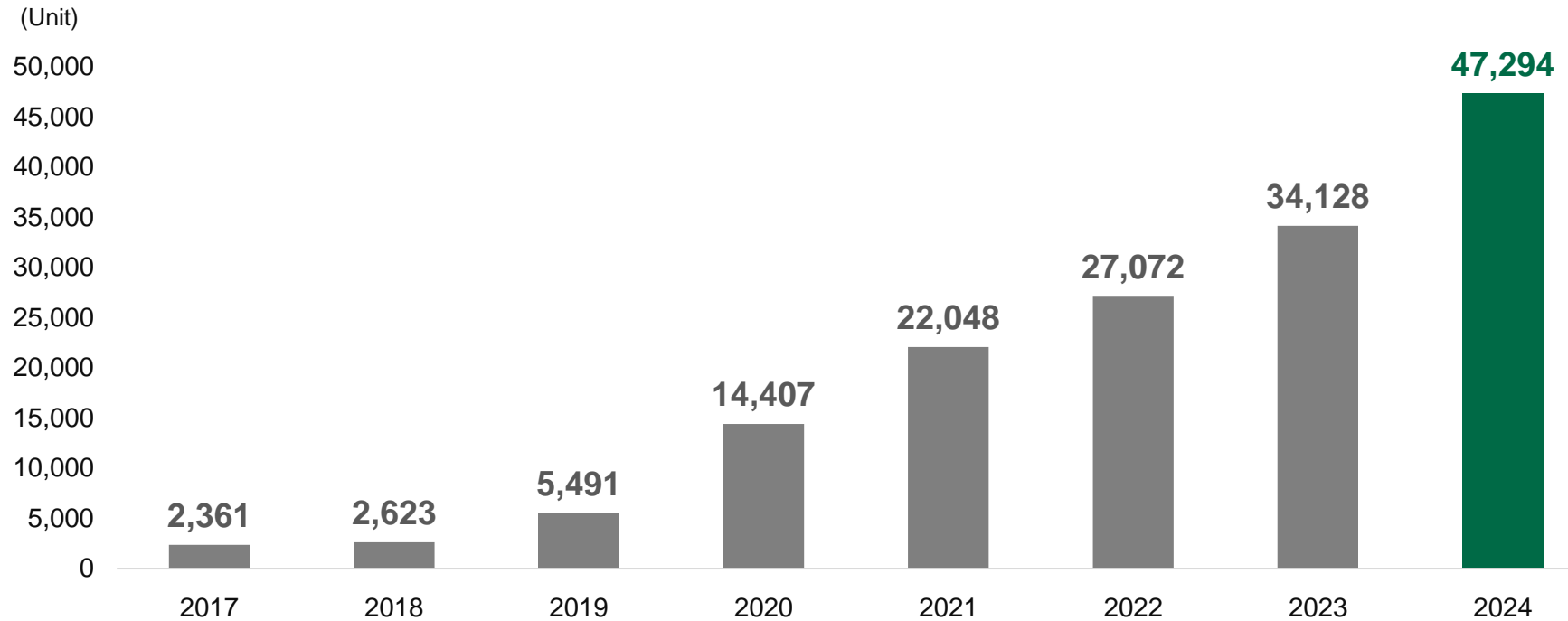
The impact of large stores competing for market share is small, and large stores have begun to take more customers away from small stores in each trade area.



Makuhari Store

		Average large stores	Makuhari store
Store formats	Years since opening	2.7 years	11 Years
	Store floor area	Approx. 110,000 sqft	Approx. 200,000 sqft
Sales status	Retail unit sales / year	1,000 units	2,000 units
	The no. of business negotiations / year	3,200	5,500
	The no. of automobile inspections/ year	500 units	1,700 units
P/L	Operating profit / year	Approx 0.13 billion yen	About three times Over 0.4 billion yen

Changes in the Number of Cars Retailed at Large Stores



	2017	2018	2019	2020	2021	2022	2023	2024
Percentage of vehicles retailed at large stores	2.5%	2.1%	4.4%	10.8%	16.0%	19.3%	25.2%	32.7%
Rate of increase/decrease in the number of vehicles retailed at large stores	-10.8%	11.1%	109.3%	162.4%	53.0%	22.8%	26.1%	38.6%
Rate of increase/decrease in the total number of vehicles retailed	34.8%	31.3%	-0.5%	6.8%	3.3%	2.0%	-3.2%	6.6%

The number of vehicles retailed at large stores increased in line with the opening of stores.
The number of vehicles retailed at large stores is currently more than 30% of the total number of vehicles retailed.

Maintenance Shops and Sheet-metal Workshops Opened in Q4 FY2024



Niigata (Opened in February 2024)

Niigata, Niigata

Recent launch of
new maintenance shops and
sheet-metal workshops

Opening of large stores in the fourth quarter

- Kobe-Tarumi maintenance shop (December 2023)
- Okayama maintenance shop (January 2024)
- Niigata maintenance shop (January 2024)
- Niigata sheet-metal workshop (January 2024)
- Yoshikawaminami maintenance shop (February 2024)
- Yoshikawaminami sheet-metal workshop (February 2024)
- Toyama maintenance shop (February 2024)

Number of
Maintenance
Shops

29

15 of them are designated
maintenance shops

Number of
Sheet-metal
Workshops

10

(as of February 29, 2024)

Maintenance shops



Scope of work

Mainly cover internal areas of vehicles such as engines, brakes and electric systems, in addition to bodywork.

Purposes of use

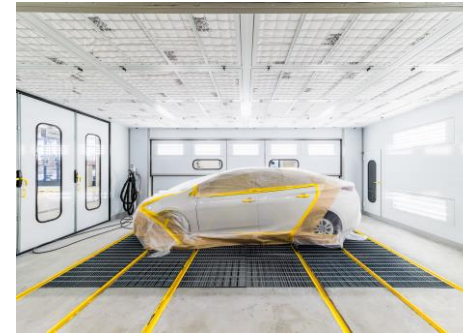
- Regular statutory inspections and vehicle inspections
- When a vehicle has broken down

Required qualifications

Auto mechanics must be nationally qualified. (Firsts class, second class, third class and special mechanic)

Note: Acquiring second-class qualification expands the scope of maintenance.

Sheet-metal workshops



Specialized in the repair of external areas such as bodies and frames.

- When the body of a vehicle has been damaged due to an accident, etc.
- When paint has peeled off a vehicle or the body of a vehicle has rusted
- To customize the body of a vehicle and for other purposes
- Referral from an insurance company

Although qualifications are not essential, technical skills and experience are required.



Earnings conditions of IDOM Innovations Pty. Ltd

(billion yen)	FY2024
Net sales	1.1
Operating profit	-0.7
Profit	-0.5

(exchange rate: 94.36yen/AUD)

- Based on its business experience in Australia, the Company promoted the matching business as an IDOM R&D business to establish connections between the buyer and seller of a car. (Acquired 1,063 customers as of the end of FY2024).
- As of the beginning of the fiscal year under review, it had considered the possibility of including the business in the scope of consolidation because losses were forecast to increase in line with the development of the business.
- The loss was reduced by revenue control, subsidies from the state government related to job security, and franchise development in New Zealand, and was therefore excluded from consolidation in terms of materiality.

“Medium-Term Business Plan 2023–2027” released in April 2022

Status of New Businesses (Domestic and Overseas) **Gulliver**

Operating CtoC business (Gulliver FleMa), platform business (INN), fleet management business (FMG), and other businesses, with a focus on subscription business (NOREL)

Japan		Overseas	
Subscription business IDOM CaaS Technology	Operated with a focus on NOREL, a service of leasing used cars for fixed monthly fees	Platform business (Australia) IDOM INNOVATIONS	A business of pursuing platforms for solving car dealers' issues by helping improve the transparency of used car trades with new technologies and innovations
CtoC business IDOM Inc.	Operating Gulliver FleMa, a service to broker trading of used cars between individuals via an app	Fleet management business (Africa) FMG	Building a new used car distribution system by lending used cars from Japan to Uber drivers in Tanzania

Now (implemented within a specific investment limit)

Japan	Overseas
IDOM CaaS Technology	IDOM INNOVATIONS
Car leasing and rental business	Platform Business

Since the announcement of the Medium-Term Business Plan, the Company has been focusing its investment on two new businesses and the facilitation of R&D.

Trend in consolidated operating profit

Founding—Purchasing and Wholesale Period

Experiencing rapid growth as a specialty store for used car purchases with a unique and unprecedented business model, we became the sole hyper-growth company in Japan at that time.

In the 1980s, when trade-ins were still the mainstream in the used car industry, IDOM rolled out the unique business model of the used car purchase specialty store. We continued to grow through pioneering initiatives, such as the introduction of an image-based sales system in 1998, which is now the mainstream approach, and in 2004 we became one of only a handful of hyper-growth companies in the world, and the only one in Japan at that time. (A hyper-growth company is one that achieves sales of one billion dollars—around 100 billion yen—within 10 years of its establishment).



The first store with only three employees at the time of foundation (Koriyama, Fukushima)

Listed on the First Section of the TSE in 2003

Opened 500 stores in 1999

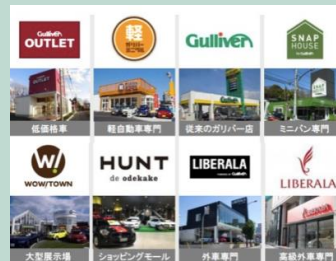
Fastest IPO in history at the time in 1998

Founded in 1994

Transition to a Retail Model

As purchase-only stores increased, we shifted to a more profitable retail business model, implementing different retail initiatives including multi-channel operation.

From the 2000s onward, dealers backed by major manufacturers began to participate actively in the used car industry, leading to intensified competition among used vehicle purchasers. IDOM shifted to a more profitable retail business model. Our shift to a retail model can be divided into three phases: the early transition phase, in which we began to engage in retail sales together with wholesale at car purchasing stores, the intermediate transition phase, where we began opening dealerships rather than purchasing stores, and the final transition phase where we engaged in a range of trial retailing initiatives, such as opening dealerships with a multi-channel approach.



We operated a wide range of sales channels in the trial phase.

The Company's name changed to IDOM, Inc. from Gulliver International in 2016

New Retail Model

Release of "Medium-Term Business Plan 2023–2027" in April, 2022



Kisarazu Kaneda store opened in January, 2023

Sale of the Australian business in June, 2022

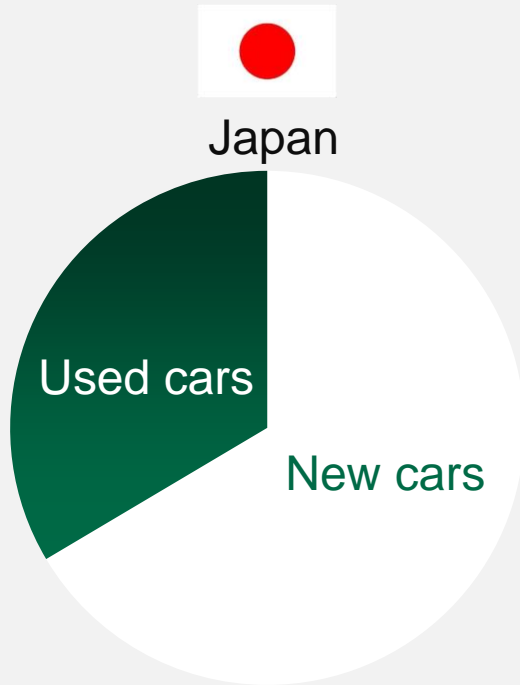
Reviewing our business portfolio based on experience gained during the transition period, and aiming to make further leaps forward by selecting and concentrating on businesses with high capital efficiency and growth potential, based on our medium-term business plan.

We have reviewed our business portfolio and formulated a growth strategy based on experience gained and issues identified through various trials during our transition to a retail model, which will serve as a foothold for future growth—such as confirming the high degree of capital efficiency of large-scale exhibition halls through our multi-channel approach. IDOM has announced its medium-term business plan as a specific plan for achieving further growth. Going forward, we will continue to open large-scale stores and maintenance shops, which are the pillars of our growth strategy, by selecting and concentrating on businesses with higher capital efficiency and growth potential. As our most recent result, in the fiscal year ended February 2023, we overcame factors leading to a decrease in profit—around 5 billion yen due to the sale of our Australian business—to achieve an increase in profits for the fourth consecutive year.

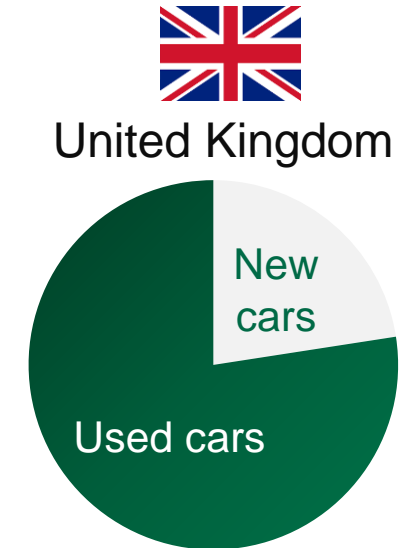
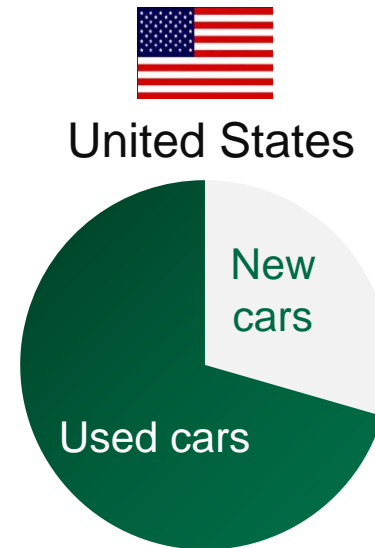


Japan's Used Car Market with Much Lower Ratio than Those in the United States and United Kingdom

Ratio of used cars in Japan (*1)



Ratio of used cars in the United States and United Kingdom (*2) (*3)



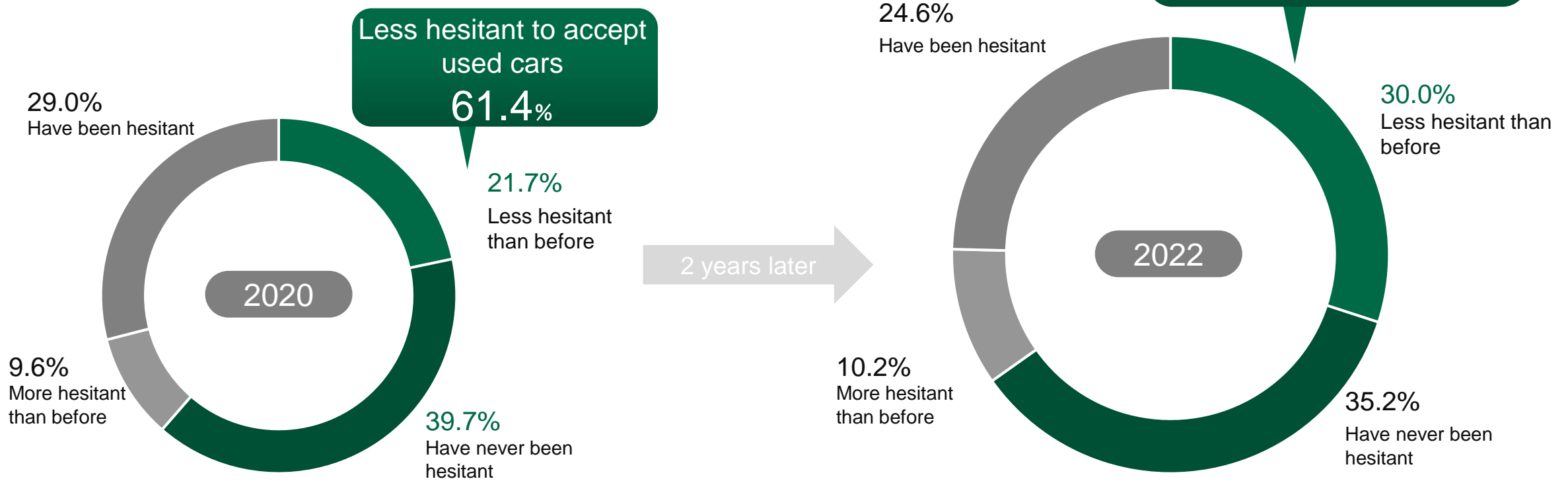
*1: New cars: 2019 data from Japan Automobile Dealers Association
Used cars: 2020 overview of used car distribution by Yano Research Institute

*2: New cars: 2019 MarkLines Automotive Industry Portal
Used cars: edmunds 2019 Used Vehicle Report

*3: 2019 vehicle data from the Society of Motor Manufacturers and Traders (SMMT)

Change in Young People's View of Used Cars

Are you hesitant to accept used cars compared to before (several years ago - up to ten years ago)?



Result of an online questionnaire conducted in December 2020 (1,000 respondents)

Result of an online questionnaire conducted in March 2022 (1,000 respondents)

ROIC

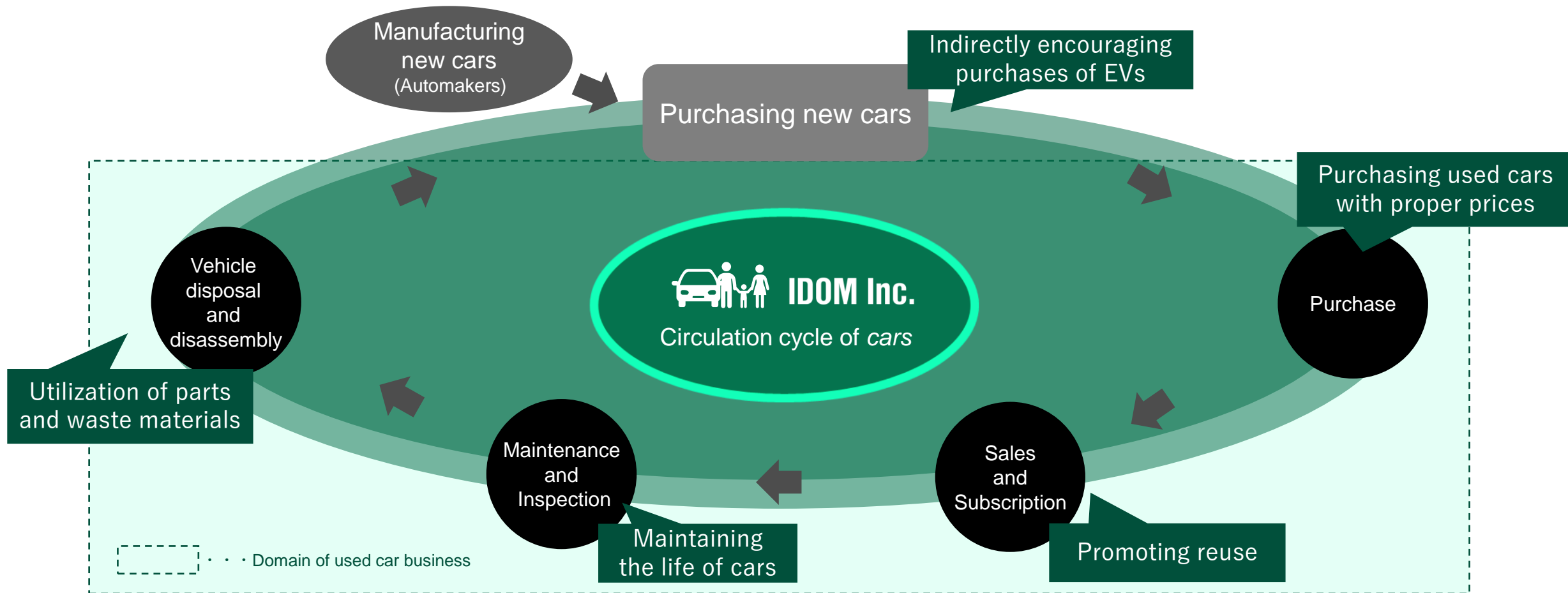
Operating profit after tax / ((beginning inventory + beginning fixed assets + ending inventory + ending fixed assets) / 2)

WACC

The cost of shareholder's equity
(risk-free rate + (β x market risk premium) + (current β x current risk premium)) and the cost
of interest-bearing debt

5. 2 Contribution to the Circular Economy



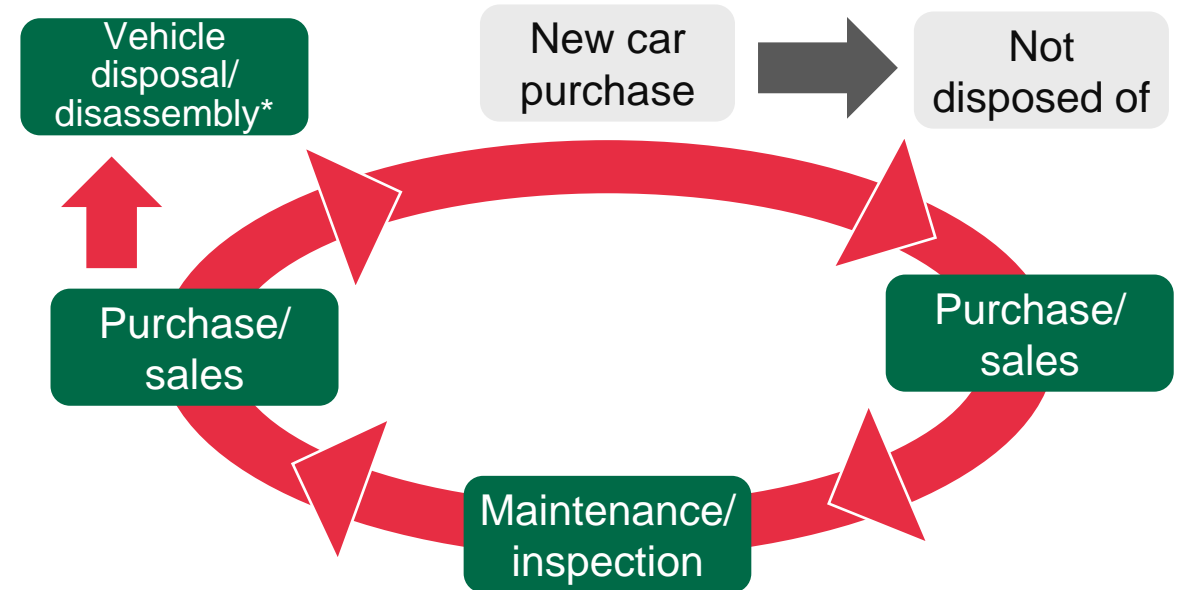


Significance of the existence of IDOM

Instead of cars being products that follow the path from production to disposal, the company fully utilizes vehicles as resources and promotes a cycle of ownership.

IDOM plays a role in the maintenance of the auto industry's circular economy, and without IDOM, the cycle of the used car market would be disrupted, which would prevent the increase of the percentage of environmentally friendly vehicles in the market, such as EVs and hybrid vehicles.

IDOM's emissions reduction effect



Expected to reduce greenhouse gas emissions by **approx. 370,000 tons** in total in the period from 2021 to 2050

* To be considered in the future

5. 3 Supplementary Information on Results and Financial Matters



[Consolidated / Non-consolidated] Income Statement



Consolidated	FY ended Feb 28, 2022		FY ended Feb 28, 2023		FY ended Feb 29, 2024		FY ending Feb 28, 2025			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	459,532	100.0	416,514	100.0	419,852	100.0	456,500	100.0	36,648	8.7
Cost of sales	373,519	81.3	341,964	82.1	346,519	82.5	373,200	81.8	26,681	7.7
Gross profit	86,013	18.7	74,549	17.9	73,333	17.5	83,300	18.2	9,967	13.6
SG&A Expenses	67,528	14.7	55,865	13.4	57,216	13.6	63,000	13.8	5,784	10.1
Operating profit	18,485	4.0	18,684	4.5	16,117	3.8	20,300	4.4	4,183	26.0
Ordinary profit	17,561	3.8	18,146	4.4	15,826	3.8	19,800	4.3	3,973	25.1
Profit before income taxes and minority interests	15,750	3.4	18,752	4.5	15,664	3.7	19,300	4.2	3,636	23.2
Profit attributable to owners of parent	10,794	2.3	14,205	3.4	11,442	2.7	13,600	3.0	2,157	18.9

Non-Consolidated	FY ended Feb 28, 2022		FY ended Feb 28, 2023		FY ended Feb 29, 2024		FY ending Feb 28, 2025			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	306,733	100.0	366,069	100.0	413,206	100.0	441,100	100.0	27,894	6.8
Cost of sales	245,661	80.1	301,226	82.3	342,143	82.8	361,200	81.9	19,057	5.6
Gross profit	61,071	19.9	64,842	17.7	71,062	17.2	79,900	18.1	8,837	12.4
SG&A Expenses	49,164	16.0	48,430	13.2	54,333	13.1	59,600	13.5	5,267	9.7
Operating profit	11,907	3.9	16,412	4.5	16,729	4.0	20,300	4.6	3,570	21.3
Ordinary profit	11,573	3.8	15,998	4.4	16,404	4.0	19,800	4.5	3,396	20.7
Profit before income taxes	9,450	3.1	23,709	6.5	16,239	3.9	19,300	4.4	3,060	18.8
Profit	6,553	2.1	20,020	5.5	11,864	2.9	13,600	3.1	1,735	14.6

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



Consolidated	6 months ended August 31, 2021		6 months ended August 31, 2022		6 months ended August 31, 2023		6 months ending August 31, 2024			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	227,775	100.0	225,478	100.0	203,696	100.0	223,200	100.0	19,503	9.6
Cost of sales	185,308	81.4	187,209	83.0	168,792	82.9	182,400	81.7	13,607	8.1
Gross profit	42,466	18.6	38,269	17.0	34,903	17.1	40,800	18.3	5,896	16.9
SG&A Expenses	33,025	14.5	29,652	13.2	27,805	13.7	30,700	13.8	2,894	10.4
Operating profit	9,440	4.1	8,616	3.8	7,098	3.5	10,100	4.5	3,002	42.3
Ordinary profit	9,011	4.0	8,280	3.7	6,918	3.4	9,850	4.4	2,932	42.4
Profit before income taxes and minority interests	7,951	3.5	9,181	4.1	6,853	3.4	9,600	4.3	2,746	40.1
Profit attributable to owners of parent	5,311	2.3	7,516	3.3	4,823	2.4	6,700	3.0	1,877	38.9

Non-Consolidated	6 months ended August 31, 2021		6 months ended August 31, 2022		6 months ended August 31, 2023		6 months ending August 31, 2024			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Outlook (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	150,239	100.0	178,303	100.0	200,597	100.0	216,900	100.0	16,303	8.1
Cost of sales	120,147	80.0	147,944	83.0	166,737	83.1	177,400	81.8	10,662	6.4
Gross profit	30,092	20.0	30,359	17.0	33,859	16.9	39,500	18.2	5,640	16.7
SG&A Expenses	23,983	16.0	23,601	13.2	26,637	13.3	29,200	13.5	2,563	9.6
Operating profit	6,108	4.1	6,757	3.8	7,222	3.6	10,300	4.7	3,078	42.6
Ordinary profit	5,939	4.0	6,560	3.7	7,015	3.5	10,050	4.6	3,035	43.3
Profit before income taxes	4,655	3.1	9,537	5.3	6,951	3.5	9,800	4.5	2,848	41.0
Profit	3,170	2.1	8,575	4.8	4,871	2.4	6,900	3.2	2,029	41.7

[Consolidated] Balance Sheets



(Unit: million yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	37,473	30,548
Notes and accounts receivable - trade	3,927	12,631
Merchandise	84,432	85,994
Other	6,173	5,606
Allowance for doubtful accounts	-528	-498
Total current assets	131,478	134,281
Non-current assets		
Property, plant and equipment		
Buildings and structures	41,306	-18,611
Accumulated depreciation	-16,873	28,764
Buildings and structures, net	24,433	2,214
Vehicles	236	-186
Accumulated depreciation	-148	2,027
Vehicles, net	88	5,735
Tools, furniture and fixtures	5,077	-3,734
Accumulated depreciation	-3,362	2,000
Tools, furniture and fixtures, net	1,715	136
Land	136	683
Construction in progress	67	217
Total property, plant and equipment	26,441	33,829
Intangible assets		
Software	1,300	1,249
Goodwill	86	78
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	1,574
Lease and guarantee deposits	5,045	5,514
Construction assistance fund receivables	3,955	3,537
Deferred tax assets	4,435	3,471
Other	449	464
Allowance for doubtful accounts	-6	-2
Total investments and other assets	13,984	14,589
Total non-current assets	41,815	49,749
Total assets	173,293	184,031

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	4,822	5,783
Short-term borrowings		
Current portion of long-term borrowings	24,145	16,300
Accounts payable - other	3,812	4,151
Income taxes payable	820	2,556
Advances received		
Contract liabilities	25,336	26,809
Deposits received	309	247
Provision for bonuses	897	1,046
Provision for merchandise warranties		
Other provision	342	48
Other	3,635	6,384
Total current liabilities	64,121	63,327
Non-current liabilities		
Long-term borrowings	43,000	46,700
Long-term guarantee deposits	599	679
Asset retirement obligations	2,643	3,085
Deferred tax liabilities		
Other provision		
Other	183	308
Total non-current liabilities	46,426	50,773
Total liabilities	110,547	114,101
Net assets		
Shareholders' equity		
Share capital	4,157	4,157
Capital surplus	5,250	4,726
Retained earnings	56,782	64,093
Treasury shares	-4,344	-4,344
Total shareholders' equity	61,845	68,631
Accumulated other comprehensive income		
Foreign currency translation adjustment	284	381
Total accumulated other comprehensive income	284	381
Share acquisition rights	147	10
Non-controlling interests	468	906
Total net assets	62,746	69,930
Total liabilities and net assets	173,293	184,031

[Consolidated] Statements of Cash Flows

Gulliver

Revised

(Unit: million yen)

	FY ended Feb 28, 2023	FY ended Feb 29, 2024
Profit before income taxes	18,752	15,664
Depreciation	2,581	2,890
Amortization of goodwill	110	7
Net increase (decrease) in working capital	-17,842	<u>-10,445</u>
Income taxes paid	-4,661	-2,002
Other, net	3,333	3,535
Cash flows from operating activities	2,275	<u>9,648</u>
Cash flows from investing activities	-166	<u>-8,367</u>
Free cash flow	2,109	1,280
Cash flows from financing activities	-10,634	-8,230
Net increase (decrease) resulting from exchange rate change and new consolidation	328	24
Net increase (decrease) in cash and cash equivalents	-8,196	-6,925
Cash and cash equivalents at the beginning of period	45,670	37,473
Cash and cash equivalents at the end of period	37,473	30,548

KPIs (From Quarterly data)



KPIs	FY2023				FY2024				FY2025
	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Full-year Forecast
Total no. of car purchases (unit)	43,855	81,134	125,145	165,529	42,980	78,819	120,023	162,630	-
YoY	-0.2%	3.7%	4.9%	2.2%	-2.0%	-2.9%	-4.1%	-1.8%	-
Total no. of car sales (unit)	66,541	125,475	188,894	247,392	73,584	135,909	201,936	268,844	285,000
YoY	1.9%	4.2%	5.1%	4.2%	10.6%	8.3%	6.9%	8.7%	6.1%
Retail (unit)	37,547	70,186	102,955	135,599	39,266	73,777	106,483	144,487	155,000
YoY	-3.2%	-3.5%	-4.3%	-3.2%	4.6%	5.1%	3.4%	6.6%	7.3%
Wholesale (unit)	28,994	55,289	85,939	111,793	34,318	62,132	95,453	124,357	130,000
YoY	9.5%	15.7%	19.3%	14.8%	18.4%	12.4%	11.1%	11.2%	4.6%
Capital expenditures (JPYmn)	2,393	3,311	3,976	6,917	330	710	2,124	6,918	-
No. of employees (parent)	3,135	3,021	2,965	2,968	3,243	3,204	3,218	3,356	-