

Translation

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Summary of Consolidated Financial Results for the Three Months Ended May 31, 2024 (Based on Japanese GAAP)

July 12, 2024

Company name: IDOM Inc.
 Stock exchange listing: Tokyo
 Stock code: 7599 URL: <https://221616.com>
 Representative: President Yusuke Hatori
 Inquiries: Director CFO Ryo Nishihata TEL 050-1749-8962
 Scheduled date to file Quarterly Securities Report: July 16, 2024
 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, 2024 (from March 1, 2024 to May 31, 2024)

(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, 2024	124,558	18.3	4,449	60.5	4,314	60.0	2,901	55.3
Three months ended May 31, 2023	105,258	(22.4)	2,771	(47.3)	2,696	(46.6)	1,868	(65.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 31, 2024	28.90		–	
Three months ended May 31, 2023	18.61		–	

(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, 2024	178,887	70,859	39.1	697.05
As of February 29, 2024	184,031	69,930	37.5	687.34

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 29, 2024	–	14.41	–	19.78	34.19
Year ending February 28, 2025	–	–	–	–	–
Year ending February 28, 2025 (Forecast)	–	20.02	–	20.61	40.63

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

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, 2024	223,200	9.6	10,100	42.3	9,850	42.4	6,700	38.9	66.73
Full year	456,500	8.7	20,300	26.0	19,800	25.1	13,600	18.9	135.45

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2023
 (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: No
- 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, 2024	106,888,000 shares	As of February 29, 2024	106,888,000 shares
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Number of treasury shares at the end of the period

As of May 31, 2024	6,480,691 shares	As of February 29, 2024	6,480,691 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2024	100,407,339 shares	Three months ended May 31, 2023	100,407,339 shares
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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, 2024), retail unit sales at directly managed stores in Japan were 38,842 (down 1.1% year on year). This result is almost on a par with the record high we achieved in the same period of the previous year. Gross profit per retail unit also remained strong.

This mainly reflected solid gross profits per retail unit due to the continuation of appropriate price setting, coupled with solid incidental earnings associated with retail sales primarily at large stores.

Selling, general and administrative expenses increased, chiefly reflecting higher advertising expenses linked to the opening of large stores and higher personnel expenses due to a rise in the number of employees as the result of increased new hiring for the implementation of growth strategies and recruitment costs.

As a result of the above, the consolidated business results for the first quarter under review were net sales of 124,558 million yen (up 18.3% year on year), operating profit of 4,449 million yen (up 60.5%), ordinary profit of 4,314 million yen (up 60.0%) and profit attributable to owners of parent of 2,901 million yen (up 55.3%).

Regional segment-specific earnings are as indicated below:

I. Japan

The results of the Japan segment were net sales of 123,775 million yen (up 18.2% year on year) and segment profit of 4,433 million yen (down 62.3% year on year).

II. Others

The results were net sales of 783 million yen (up 40.7% year on year) and segment profit of -25 million yen (in the previous fiscal year, there was a profit of 0 million yen in the corresponding period).

(2) Analysis of financial position

Assets

Total assets as of the end of the first quarter ended May 31, 2024 were 178,887 million yen (down 2.8% compared to the end of the previous fiscal year).

Current assets were 127,504 million yen (down 5.1% compared to the end of the previous fiscal year), mainly reflecting a decrease in cash and deposits (down 11,409 million yen), among other factors.

Non-current assets were 51,382 million yen (up 3.3% from the end of the previous fiscal year) due primarily to an increase in buildings and structures (up 830 million yen) and an increase in construction in progress (up 429 million yen).

Liabilities

Total liabilities as of the end of the first quarter under review were 108,027 million yen (down 5.3% compared to the end of the previous fiscal year).

Current liabilities totaled 57,073 million yen (down 9.9% from the end of the previous fiscal year) chiefly as a result of a decrease in the current portion of long-term borrowings (down 11,300 million yen) and a fall in the provision for bonuses (down 889 million yen).

Non-current liabilities were 50,954 million yen (up 0.4% compared to the end of the previous fiscal year) due to an increase in Asset retirement obligations because of the opening large stores (up 118 million yen), among other factors.

Net assets

Total net assets as of the end of the first quarter ended May 31, 2024 were 70,859 million yen (up 1.3% compared to the end of the previous fiscal year), due chiefly to a decrease in retained earnings (up 915million yen).

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

Looking at the consolidated earnings forecasts for the fiscal year ending February 28, 2025, there are no changes in the figures that were presented in the "Summary of Consolidated Financial Results for the Fiscal Year Ending February 29, 2024 (Japanese GAAP)" announced on April 12, 2024.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	30,548	19,139
Notes and accounts receivable - trade	12,631	15,665
Merchandise	85,994	87,534
Other	5,606	5,586
Allowance for doubtful accounts	(498)	(421)
Total current assets	134,281	127,504
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,376	48,206
Accumulated depreciation	(18,611)	(18,964)
Buildings and structures, net	28,764	29,242
Vehicles	2,214	2,302
Accumulated depreciation	(186)	(225)
Vehicles, net	2,027	2,077
Tools, furniture and fixtures	5,735	6,144
Accumulated depreciation	(3,734)	(3,844)
Tools, furniture and fixtures, net	2,000	2,300
Land	136	136
Construction in progress	683	1,113
Other	217	232
Total property, plant and equipment	33,829	35,102
Intangible assets		
Software	1,249	1,201
Goodwill	78	76
Other	2	2
Total intangible assets	1,330	1,280
Investments and other assets		
Investment securities	0	0
Shares of subsidiaries and associates	29	29
Long-term loans receivable	1,574	1,770
Leasehold and guarantee deposits	5,514	5,654
Construction assistance fund receivables	3,537	3,606
Deferred tax assets	3,471	3,485
Other	464	454
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	14,589	14,999
Total non-current assets	49,749	51,382
Total assets	184,031	178,887

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	5,783	5,691
Short-term loans payable	-	5,000
Current portion of long-term borrowings	16,300	5,000
Accounts payable - other	4,151	4,010
Income taxes payable	2,556	1,539
Contract liabilities	26,809	27,946
Deposits received	247	365
Provision for bonuses	1,046	156
Other provisions	48	48
Other	6,384	7,315
Total current liabilities	63,327	57,073
Non-current liabilities		
Long-term borrowings	46,700	46,700
Long-term guarantee deposits	679	732
Asset retirement obligations	3,085	3,204
Other	308	316
Total non-current liabilities	50,773	50,954
Total liabilities	114,101	108,027
Net assets		
Shareholders' equity		
Share capital	4,157	4,157
Capital surplus	4,726	4,726
Retained earnings	64,093	65,009
Treasury shares	(4,344)	(4,344)
Total shareholders' equity	68,631	69,547
Accumulated other comprehensive income		
Foreign currency translation adjustment	381	440
Total accumulated other comprehensive income	381	440
Share acquisition rights	10	11
Non-controlling interests	906	860
Total net assets	69,930	70,859
Total liabilities and net assets	184,031	178,887

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, 2023	Three months ended May 31, 2024
Net sales	105,258	124,558
Cost of sales	88,142	103,041
Gross profit	17,116	21,517
Selling, general and administrative expenses	14,344	17,068
Operating profit	2,771	4,449
Non-operating income		
Interest income	37	48
Subsidy income	-	-
Foreign exchange gains	-	-
Other	17	14
Total non-operating income	55	62
Non-operating expenses		
Interest expenses	87	96
Foreign exchange losses	33	74
Other	9	26
Total non-operating expenses	130	197
Ordinary profit	2,696	4,314
Extraordinary income		
Gain on sale of non-current assets	-	0
Subsidy income	58	-
Other	2	-
Total extraordinary income	60	0
Extraordinary losses		
Loss on retirement of non-current assets	16	41
Loss on closing of stores	-	28
Other	1	0
Total extraordinary losses	18	70
Profit before income taxes	2,738	4,243
Income taxes - current	473	1,402
Income taxes - deferred	436	(14)
Total income taxes	909	1,388
Profit	1,828	2,855
Profit (loss) attributable to non-controlling interests	(40)	(46)
Profit attributable to owners of parent	1,868	2,901

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Profit	1,828	2,855
Other comprehensive income		
Foreign currency translation adjustment	(17)	59
Total other comprehensive income	(17)	59
Comprehensive income	1,810	2,914
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,851	2,960
Comprehensive income attributable to non-controlling interests	(40)	(46)