

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended August 31, 2024
(Based on Japanese GAAP)**

October 15, 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: October 15, 2024
 Scheduled date to commence dividend payments: November 13, 2024
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended August 31, 2024 (from March 1, 2024, to August 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	%
Six months ended August 31, 2024	249,651	22.6	10,083	42.1	9,603	38.8	6,485	34.5
Six months ended August 31, 2023	203,696	(9.7)	7,098	(17.6)	6,918	(16.5)	4,823	(35.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended August 31, 2024	64.59		-	
Six months ended August 31, 2023	48.04		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2024	192,911	75,268	38.5	738.76
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	-	19.38	-	-	-
Year ending February 28, 2025 (Forecast)	-	-	-	21.25	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
Full year	500,000	19.1	20,300	26.0	19,800	25.1	13,600	18.9	135.45

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 31, 2024
 (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 August 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 August 31, 2024	6,480,721 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)

Six months ended August 31, 2024	100,407,304 shares	Six months ended August 31, 2023	100,407,349 shares
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1. Qualitative Information on Quarterly Financial Results

(1) Analysis of operating results

In the first half of the fiscal year under review (March 1 to August 31, 2024), retail unit sales at directly managed stores in Japan were 75,917 (up 2.9% year on year), a record high for first half sales. This mainly owed to the commencement of operation of large stores opened in the previous fiscal year and robust retail unit sales at existing large stores. Gross profit per unit on a retail basis increased approximately 60,000 yen from a year ago, to 440,000 yen, attributable to the curbing of discounts on vehicle prices.

Consolidated selling, general and administrative expenses increased, chiefly reflecting higher advertising expenses and rent expenses on land and buildings 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.

As a result of the above, the consolidated business results for the first six months under review were net sales of 249,651 million yen (up 22.6% year on year), operating profit of 10,083 million yen (up 42.1%), ordinary profit of 9,603 million yen (up 38.8%), and profit attributable to owners of parent of 6,485 million yen (up 34.5%).

Regional segment-specific earnings are as indicated below:

I. Japan

The results of the Japan segment were net sales of 247,720 million yen (up 22.5% year on year) and segment profit (operating profit) of 10,039 million yen (up 42.9% year on year). The Japan segment recorded higher revenue and profits, primarily due to increases in retail and wholesale unit prices and gross profit per retail unit from higher auto auction market prices.

II. Others

The results of the Other (Differences) segment were net sales of 1,931 million yen (up 38.4% year on year) and segment profit (operating profit) of 23 million yen (down 53.0% year on year).

(2) Analysis of financial position

Assets

Total assets as of the end of the first six months ended August 31, 2024 were 192,911 million yen (up 4.8% compared to the end of the previous fiscal year).

Current assets were 140,990 million yen (up 5.0% compared to the end of the previous fiscal year), due primarily to an increase in merchandise (up 11,497 million yen), despite a decrease in cash and deposits (down 9,935 million yen).

Non-current assets stood at 51,921 million yen (up 4.4% from the end of the previous fiscal year), mainly reflecting increases in construction in progress (up 1,736 million yen) and tools, furniture and fixtures (up 471 million yen).

Liabilities

Total liabilities as of the end of the first six months ended August 31, 2024, were 117,643 million yen (up 3.1% compared to the end of the previous fiscal year).

Current liabilities totaled 58,635 million yen (down 7.4% from the end of the previous fiscal year), due primarily to an increase in Short-term loans payable (up 8,674 million yen), despite a decrease in current portion of long-term borrowings (down 16,300 million yen).

Non-current liabilities were 59,007 million yen (up 16.2% compared to the end of the previous fiscal year), mainly reflecting increases in long-term borrowings (up 5,000 million yen) and bonds (up 3,000 million yen).

Net assets

Total net assets as of the end of the first six months ended August 31, 2024, were 75,268 million yen (up 7.6% compared to the end of the previous fiscal year) due chiefly to an increase in retained earnings (up 4,499 million 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 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. For more details, please refer to "Notice Revisions to the Full-Year Business Results and Regarding Dividends from Retained Earnings (Interim Dividends), Revision to Year-End Dividend Forecast" announced today (August 31, 2024).

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 29, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	30,548	20,612
Notes and accounts receivable - trade	12,631	15,525
Merchandise	85,994	97,491
Other operating assets	-	1,891
Other	5,606	6,049
Allowance for doubtful accounts	(498)	(581)
Total current assets	134,281	140,990
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,376	47,845
Accumulated depreciation	(18,611)	(19,029)
Buildings and structures, net	28,764	28,816
Vehicles	2,214	1,870
Accumulated depreciation	(186)	(263)
Vehicles, net	2,027	1,606
Tools, furniture and fixtures	5,735	6,207
Accumulated depreciation	(3,734)	(3,934)
Tools, furniture and fixtures, net	2,000	2,273
Land	136	136
Construction in progress	683	2,419
Other	217	247
Total property, plant and equipment	33,829	35,499
Intangible assets		
Software	1,249	1,216
Goodwill	78	74
Other	2	2
Total intangible assets	1,330	1,293
Investments and other assets		
Investment securities	0	0
Shares of subsidiaries and associates	29	29
Long-term loans receivable	1,574	1,826
Leasehold and guarantee deposits	5,514	5,812
Construction assistance fund receivables	3,537	3,646
Deferred tax assets	3,471	3,371
Other	464	445
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	14,589	15,128
Total non-current assets	49,749	51,921
Total assets	184,031	192,911

(Millions of yen)

	As of February 29, 2024	As of August 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	5,783	7,304
Short-term loans payable	-	8,674
Current portion of long-term borrowings	16,300	-
Accounts payable - other	4,151	3,914
Income taxes payable	2,556	3,473
Contract liabilities	26,809	28,698
Deposits received	247	184
Provision for bonuses	1,046	1,408
Other provisions	48	48
Other	6,384	4,929
Total current liabilities	63,327	58,635
Non-current liabilities		
Bonds	-	3,000
Long-term borrowings	46,700	51,700
Long-term guarantee deposits	679	729
Asset retirement obligations	3,085	3,253
Other	308	325
Total non-current liabilities	50,773	59,007
Total liabilities	114,101	117,643
Net assets		
Shareholders' equity		
Share capital	4,157	4,157
Capital surplus	4,726	5,240
Retained earnings	64,093	68,593
Treasury shares	(4,344)	(4,344)
Total shareholders' equity	68,631	73,646
Accumulated other comprehensive income		
Foreign currency translation adjustment	381	530
Total accumulated other comprehensive income	381	530
Share acquisition rights	10	12
Non-controlling interests	906	1,078
Total net assets	69,930	75,268
Total liabilities and net assets	184,031	192,911

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Net sales	203,696	249,651
Cost of sales	168,792	205,350
Gross profit	34,903	44,300
Selling, general and administrative expenses	27,805	34,217
Operating profit	7,098	10,083
Non-operating income		
Interest income	69	61
Other	26	39
Total non-operating income	96	101
Non-operating expenses		
Interest expenses	170	214
Foreign exchange losses	67	142
Commission expenses	-	169
Other	37	53
Total non-operating expenses	275	580
Ordinary profit	6,918	9,603
Extraordinary income		
Gain on sale of non-current assets	-	0
Subsidy income	83	-
Other	4	3
Total extraordinary income	87	3
Extraordinary losses		
Loss on retirement of non-current assets	18	45
Loss on closing of stores	-	31
Information security expenses	131	-
Other	1	0
Total extraordinary losses	152	77
Profit before income taxes	6,853	9,530
Income taxes - current	1,265	3,063
Income taxes - deferred	830	100
Total income taxes	2,096	3,164
Profit	4,757	6,365
Profit (loss) attributable to non-controlling interests	(66)	(119)
Profit attributable to owners of parent	4,823	6,485

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Profit	4,757	6,365
Other comprehensive income		
Foreign currency translation adjustment	92	148
Total other comprehensive income	92	148
Comprehensive income	4,849	6,514
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,915	6,634
Comprehensive income attributable to non-controlling interests	(66)	(119)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	6,853	9,530
Depreciation	1,269	2,409
Amortization of goodwill	3	3
Increase (decrease) in allowance for doubtful accounts	91	82
Increase (decrease) in provision for bonuses	301	362
Interest and dividend income	(69)	(61)
Interest expenses	170	214
Foreign exchange losses (gains)	12	275
Subsidy income	(83)	-
Share-based payment expenses	107	2
Loss (gain) on sale of non-current assets	-	(0)
Loss on retirement of non-current assets	18	45
Information security expenses	131	-
Decrease (increase) in trade receivables	(4,381)	(3,183)
Decrease (increase) in inventories	8,174	(11,463)
Decrease (increase) in accounts receivable - other	(101)	(392)
Increase (decrease) in other operating assets	-	(1,891)
Increase (decrease) in accrued consumption taxes	2,190	(1,724)
Increase (decrease) in trade payables	(212)	1,514
Increase (decrease) in accounts payable - other	(263)	(112)
Increase (decrease) in refund liability	130	(163)
Increase (decrease) in deposits received	(62)	(63)
Increase (decrease) in accrued expenses	233	366
Other, net	(209)	438
Subtotal	14,305	(3,808)
Interest and dividends received	69	61
Interest paid	(168)	(222)
Income taxes paid	(593)	(1,761)
Subsidies received	83	-
Information security expenses paid	(131)	-
Net cash provided by (used in) operating activities	13,564	(5,731)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,201)	(3,411)
Purchase of intangible assets	(278)	(426)
Payments for asset retirement obligations	(16)	-
Loan advances	(468)	(236)
Proceeds from collection of loans receivable	370	1,218
Payments of leasehold and guarantee deposits	(300)	(876)
Proceeds from refund of leasehold and guarantee deposits	19	579
Payments of construction assistance fund receivables	-	(346)
Proceeds from collection of construction assistance fund receivables	215	205
Other, net	(11)	(144)
Net cash provided by (used in) investing activities	(2,671)	(3,438)

	(Millions of yen)	
	Six months ended August 31, 2023	Six months ended August 31, 2024
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	-	8,674
Proceeds from long-term borrowings	5,000	5,000
Repayments of long-term borrowings	(20,000)	(16,300)
Proceeds from issuance of bonds	-	3,000
Purchase of treasury shares	-	(0)
Dividends paid	(2,638)	(1,984)
Proceeds from share issuance to non-controlling shareholders	-	807
Net cash provided by (used in) financing activities	(17,638)	(803)
Effect of exchange rate change on cash and cash equivalents	(63)	37
Net increase (decrease) in cash and cash equivalents	(6,809)	(9,935)
Cash and cash equivalents at beginning of period	37,473	30,548
Cash and cash equivalents at end of period	30,664	20,612