

Q2 FY2025

First Half Results for Fiscal Year Ending February 28, 2025

October 16th, 2024

TSE Prime 7599

IDOM Inc.



Disclaimer

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1. First Half Results Summary FY2025



First Half FY2025 Results Highlights



Consolidated

Record operating profit

Operating profit

10.1 billion yen

+42% YoY

- Operating profit increased 3.0 billion yen year on year, in line with plan following Q1.
- A record high of 10.1 billion yen was achieved in the first half on a consolidated basis.

Retail sales

Gross profit per retail unit

Gross profit per retail unit

440,000 yen/unit x

- Gross profit per retail unit exceeded the initial forecast (400,000 yen to 430,000 yen) by 10,000 yen (2%).

Retail sales

Record unit Sales

Retail Unit Sales

75,917 units

+3% YoY

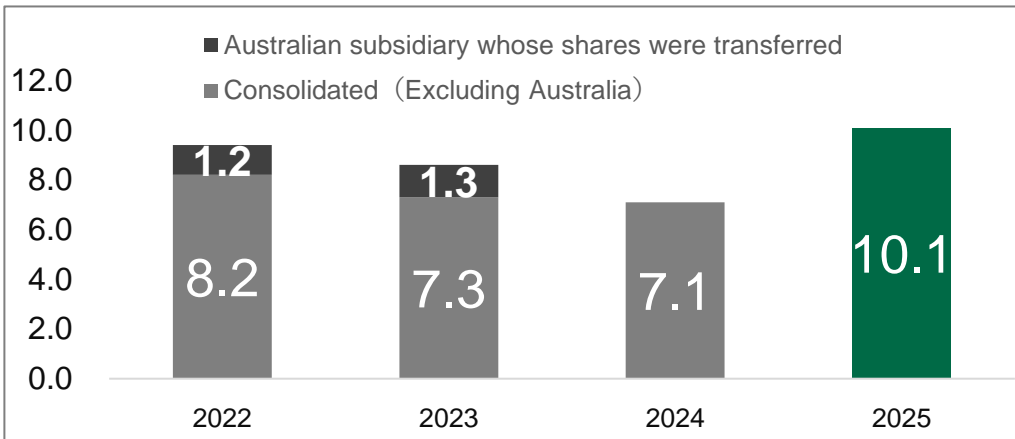
- Record high while maintaining gross profit per unit.

Trend in FY2025 Operating Profit



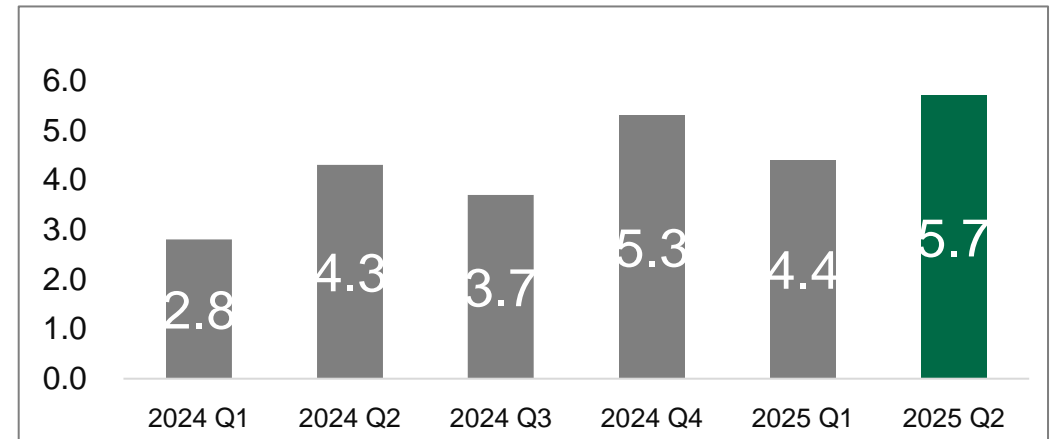
(billion yen)

First Half (YoY)



(billion yen)

Quarterly trend



Operating profit

Ordinary profit margin (%)

Operating profit growth rate

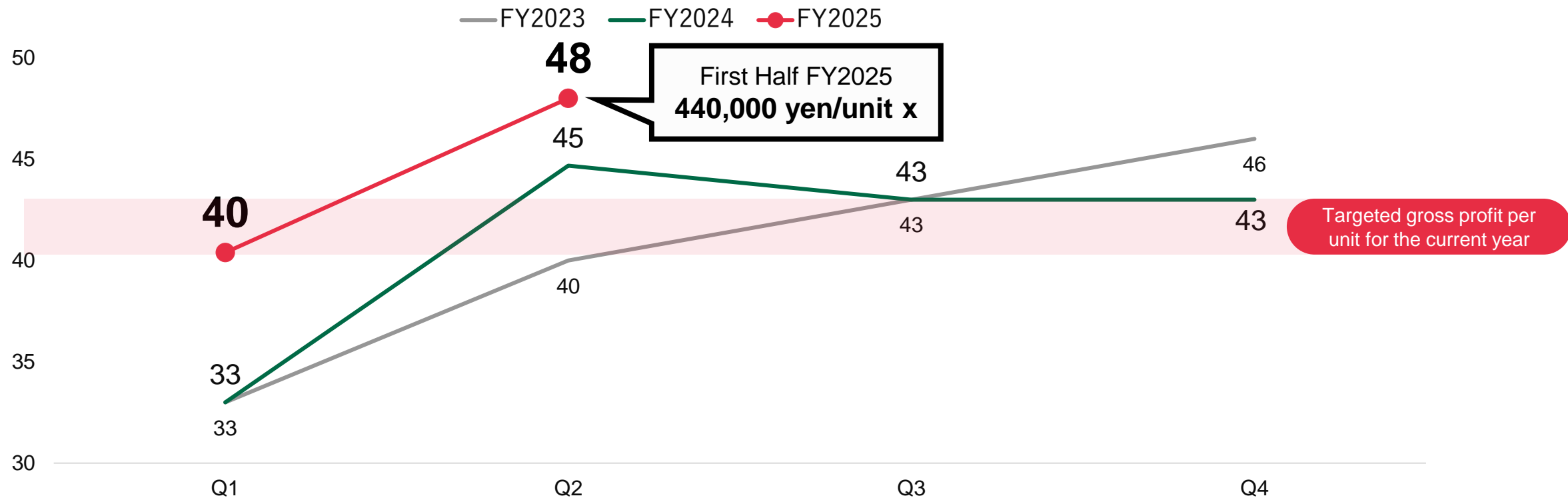
	2022	2023	2024	2025
Ordinary profit margin (%)	4.1%	3.8%	3.5%	4.0%
Operating profit growth rate		-8.7%	-17.6%	42.1%

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Ordinary profit margin (%)	2.6%	4.4%	3.6%	4.7%	3.6%	4.5%

Trend in Gross Profit per Retail Unit



(ten thousand yen)



Gross profit per retail unit in the first half was 440,000 yen, nearly meeting the target for this fiscal year.



Developing merchandising

We analyze distribution inventory for each trade area and supply optimal inventory.



Fair pricing

The head office sets price ranges based on market analysis.



Service leveling

We will ensure that we display total prices and reduce discounts.

We enhance our product team, focus on market analysis and demand forecasting, and ensure the provision of standardized services.

		2023 First Half	2024 First Half	2025 First Half	Changes
Number of stores	Store opening of large stores (stores)	4	0	1	+1
Number of units	Number of retail unit sales (thousand units)	70	74	76	+2
	Number of wholesales unit (thousand units)	55	62	77	+15
Gross profit per unit	Gross profit per retail unit (ten thousand yen)	35	38	44	+6
	Gross profit per wholesale unit (ten thousand yen)	10	10	12	+3

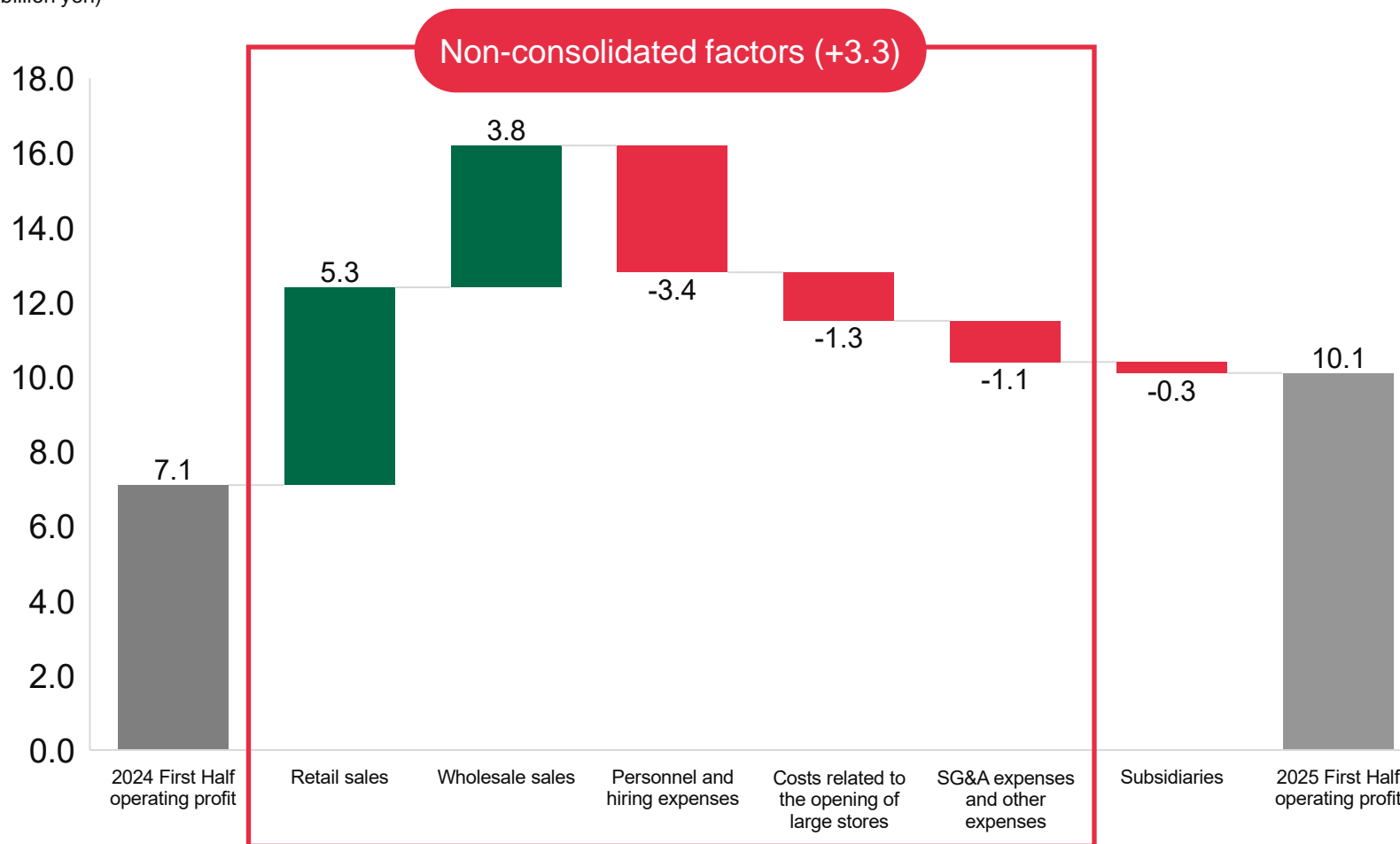
All KPIs are progressing well.

(billion yen)	2024	2025	Ratio to net sales	YoY changes	Percent change
Net sales	203.7	249.7	100.0%	+46.0	+22.6%
Gross profit	34.9	44.3	17.7%	+9.4	+26.9%
Selling, general and administrative expenses	27.8	34.2	13.7%	+6.4	+23.0%
Operating profit	7.1	10.1	4.0%	+3.0	+42.3%
Ordinary profit	6.9	9.6	3.8%	+2.7	+39.1%
Profit attributable to owners of parent	4.8	6.5	2.6%	+1.7	+35.4%

FY2025 First Half Analysis of Factors in YoY Change in Operating Profit

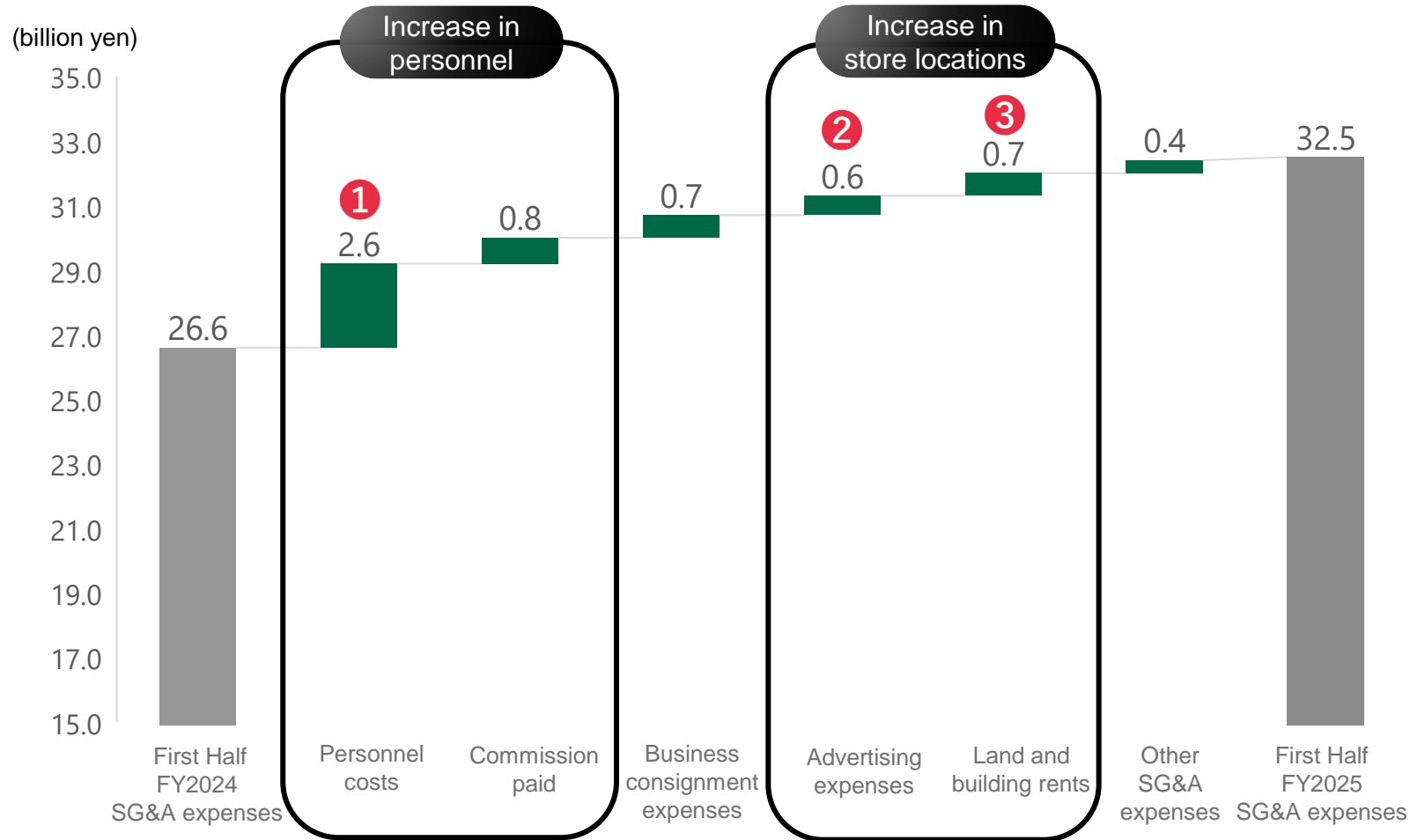


(billion yen)



- Retail sales increased 5.3 billion yen due to higher gross profit per unit, while wholesale sales were up 3.8 billion yen, reflecting the impact of an increase in units.
- Personnel expenses and hiring expenses increased due to high volume hiring in preparation for the opening of large stores.
- With large stores scheduled to open in the second half of 2024, rent expenses on land and buildings and advertising expenses increased.
- The results of subsidiaries showed a decrease of 0.3 billion yen.

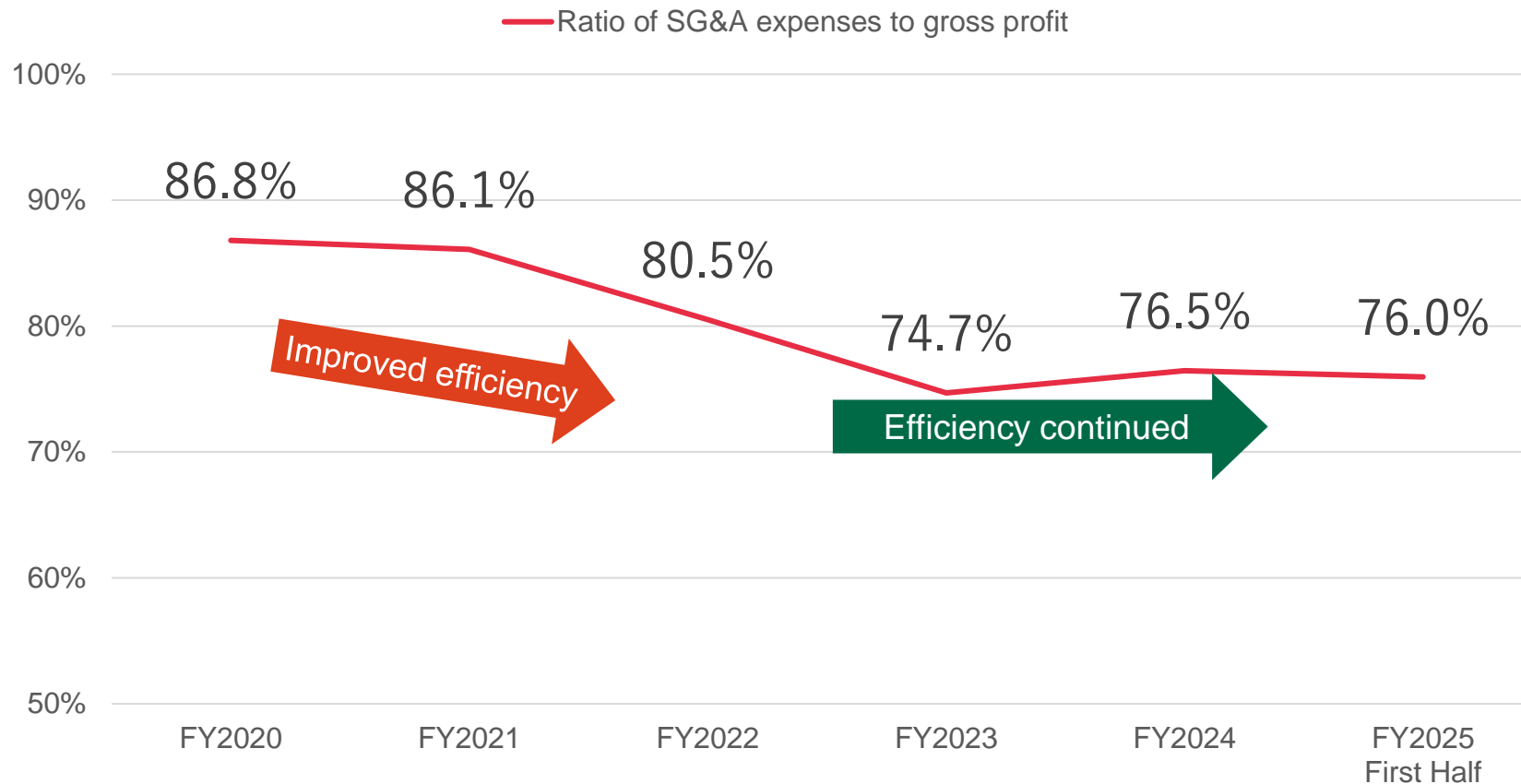
First Half FY2025 Analysis of Factors in YoY Change SG&A Expenses



SG&A expenses increased, reflecting up-front investment in **14 store openings planned in the second half.**

- ① Personnel costs increased due to a 500-person increase and a 15,000 yen rise in costs per person.
- 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.

Trend in ratio of SG&A expenses to gross profit



The ratio of SG&A expenses to gross profit remained flat, reflecting improved SG&A expense efficiency.

Consolidated Balance Sheet
(As of February 28, 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
Accounts receivable 12.6 billion yen	
Inventories 86.0 billion yen	Other 51.1 billion yen
Property, plant and equipment 33.8 billion yen	Net assets 69.9 billion yen
Other 21.1 billion yen	69.9 billion yen (Equity ratio 38%)

Consolidated Balance Sheet
(As of August 31, 2024)

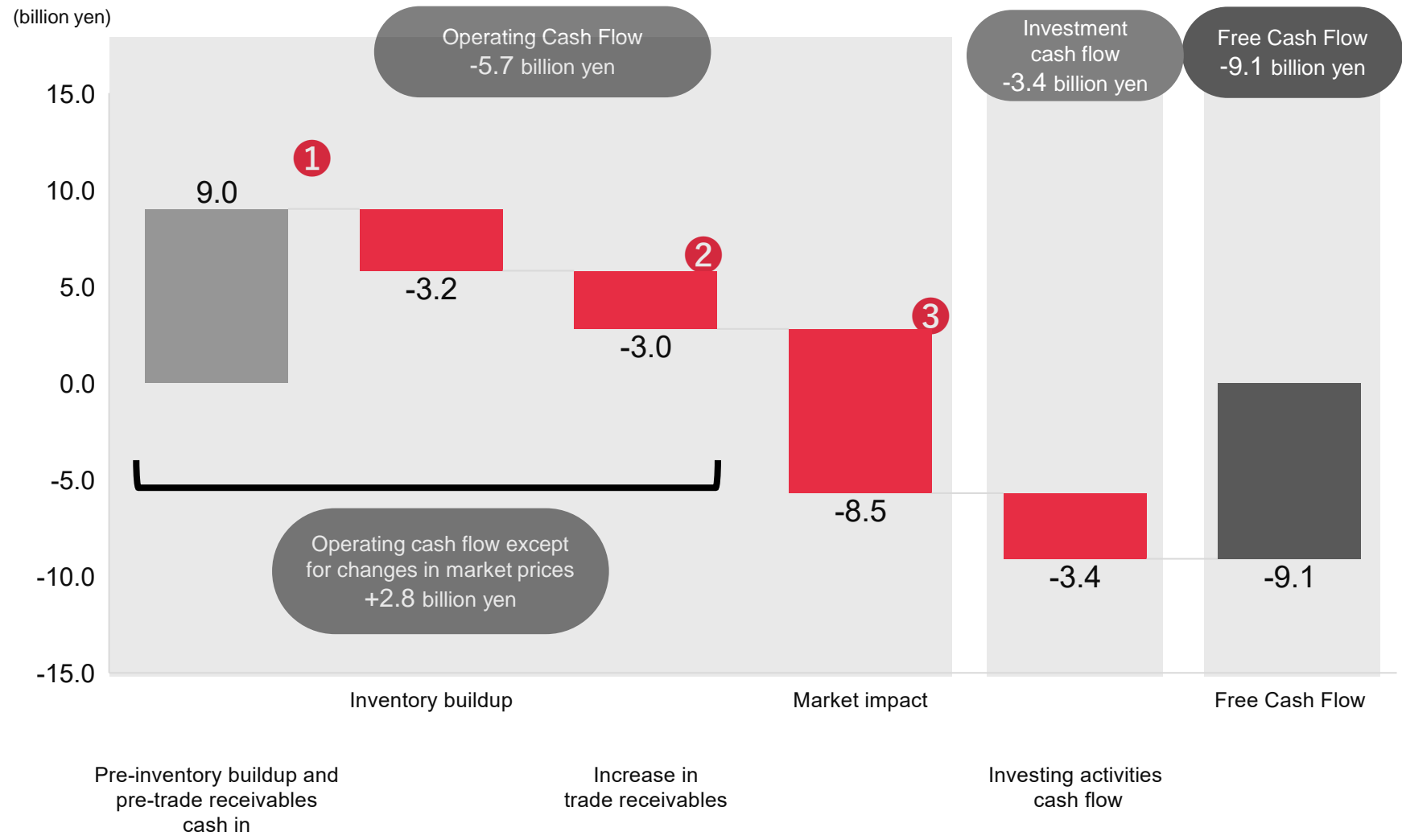
Assets 192.9 billion yen	Liabilities 117.6 billion yen
Cash and deposits 20.6 billion yen	Interest-bearing debt 63.4 billion yen
Accounts receivable 15.5 billion yen	
Inventories 97.5 billion yen	Other 54.2 billion yen
Property, plant and equipment 35.5 billion yen	Net assets 75.3 billion yen
Other 23.8 billion yen	75.3 billion yen (Equity ratio 39%)

- Total assets were 192.9 billion yen. (+8.9 billion yen)
- Accounts receivable increased by 2.9 billion yen but remained flat from Q1 due to converted into cash.
- Inventories increased by 8.3 billion yen due to a higher unit price resulting from a rise in the market and by 3.2 billion yen due to an increase in the number of stock.
- Consolidated equity ratio rose to 39% from 38% as of the end of the previous fiscal year.

Analysis of Increase/Decrease in Cash Flow



Analysis of factors in YoY change in cash flow



- 1 The pre-inventory buildup and pre-trade receivables cash in was at the planned level of 9.0 billion yen.
- 2 Trade receivables increased due to sales by installments. (-3.0 billion yen)
- 3 Changes in market prices caused inventory prices to rise, resulting in a decrease of 8.5 billion yen in cash provided by operating activities. Cash flow from operating activities would have been 2.8 billion yen except for changes in market prices.

As a result, free cash flow stood at -9.1 billion yen.

(billion yen)	2025 Forecast	2025	Ratio to net sales	YoY changes	Percent change
Net sales	223.2	249.7	100.0%	+26.5	+11.9%
Gross profit	40.8	44.3	17.7%	+3.5	+8.6%
Selling, general and administrative expenses	30.7	34.2	13.7%	+3.5	+11.4%
Operating profit	10.1	10.1	4.0%	0	0.0%
Ordinary profit	9.9	9.6	3.8%	-3.0	-3.0%
Profit attributable to owners of parent	6.7	6.5	2.6%	-2.0	-3.0%

2. Market Environment Perception and Initiatives for Businesses





We aim to continue to grow together with our five key stakeholder groups to achieve a prosperous future through the embodiment of IDOM-ism.

IDOM is Japan's first group of brands dedicated to making the used car experience transparent, based on market prices and needs. We are now striving to become "Neighborhood Car Stand".

In the 1990s, people in Japan had to sell their cars to various independent shops, each with different valuation standards. As Japan's first largest national chain specializing in car buying, IDOM introduced fair car buying based on nationwide market prices and needs, and established the practice of considering car sellers as "customers" in Japan.

To support a broader range of customers, we expanded into retail and maintenance to resolve the issues of information asymmetry and adverse selection, which are challenges for the entire used car market. We were the first in Japan to introduce comprehensive online vehicle information disclosure and a 10-year warranty. However, we understand the custom of long-term used car ownership still has a way to go, both in Japan and globally. Even 30 years after our founding, our challenge continues.

Going forward, we will continue communicating that cars are not just tools but irreplaceable experiences that enhance life's happiness. To ensure our customers can enjoy their cars for many years to come, IDOM strives to become a close partner to car owners in any country or region, driving user-centric innovation.



This fiscal year marks our 30th anniversary. We have established a mission to contribute to our stakeholders.



Opening of large stores



Human capital



Forecasts





Opening of large stores



Human capital



Forecasts



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



Opening plan for
Medium-Term Business Plan



Opening plan FY2025
15 stores

Opening plan for FY2025

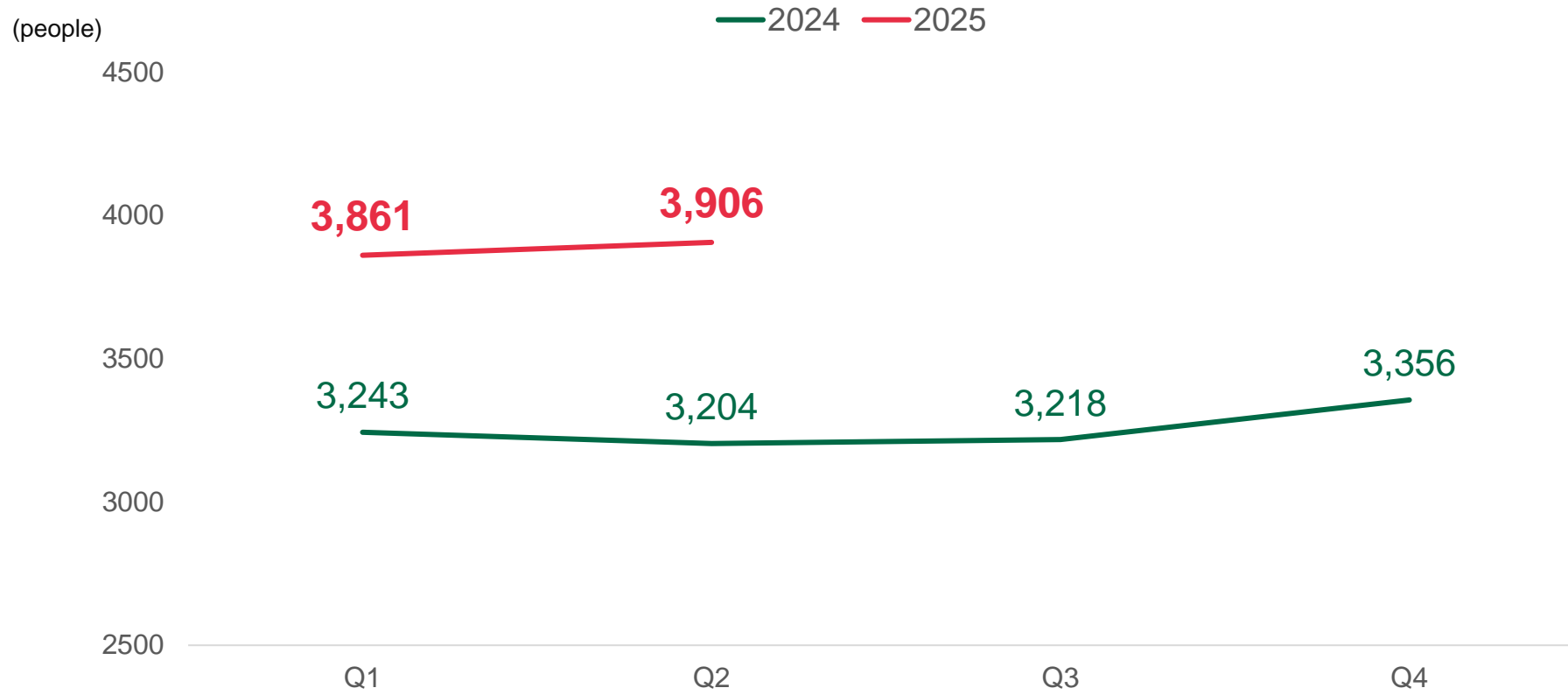


After revising upward the Medium-Term Management Plan in April 2024, we are speeding up our store openings to reach 100 large stores. All new store openings planned for this fiscal year are progressing as planned. There is a possibility of additional store openings using existing buildings.

Personnel for Opening Large Stores

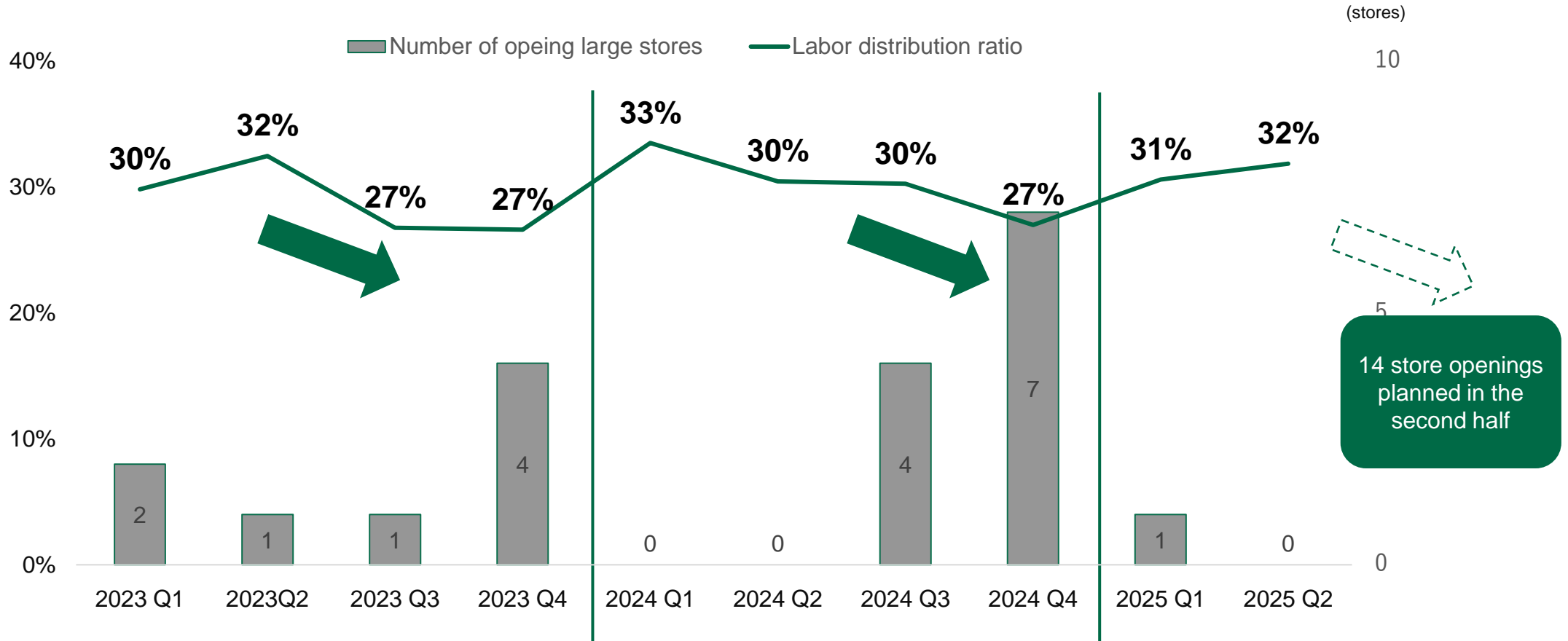


Trend in number of non-consolidated employees



We are hiring 30 people per store in preparation for opening large stores faster than planned. In the first half of this fiscal year, we have secured 450 new employees necessary for new store openings this fiscal year. We are making steady progress in hiring around 400 new graduates in preparation for new store openings next fiscal year.

Labor distribution ratio



Labor distribution ratio= Personnel expenses / Gross Profit

We define personnel expenses related to gross profit as variable costs in our business strategy. We have successfully curbed an increase in the labor distribution ratio while training personnel for new stores.



Opening of large stores



Human capital



Forecasts



Examples of systems

Area employee

Work location can be selected based on contribution

Remote work

Able to work a few days a week outside of the office

Challenge application

Indicate intentions for change

Project

Working Style in Cross Functional Team

STOREPRO

System for outsourcing the management of stores

Fulfilling training programs

Knowledge support for early success

We will introduce diverse working styles and focus on maximizing human capital.

Initiatives to Be Recognized as a Company Implementing Outstanding Health & Productivity Management Practices



**Optimization of
working hours
and holidays**



**Initiatives for
work-life
balance**



**Promoting
mental and
physical health**

We are launching systems to be recognized as a company implementing outstanding health & productivity management practices. We aim to improve employee productivity.

Changes in sales style



We are expanding online sales to improve productivity.
We are creating an environment that is not bound by time or place.



Opening of large stores



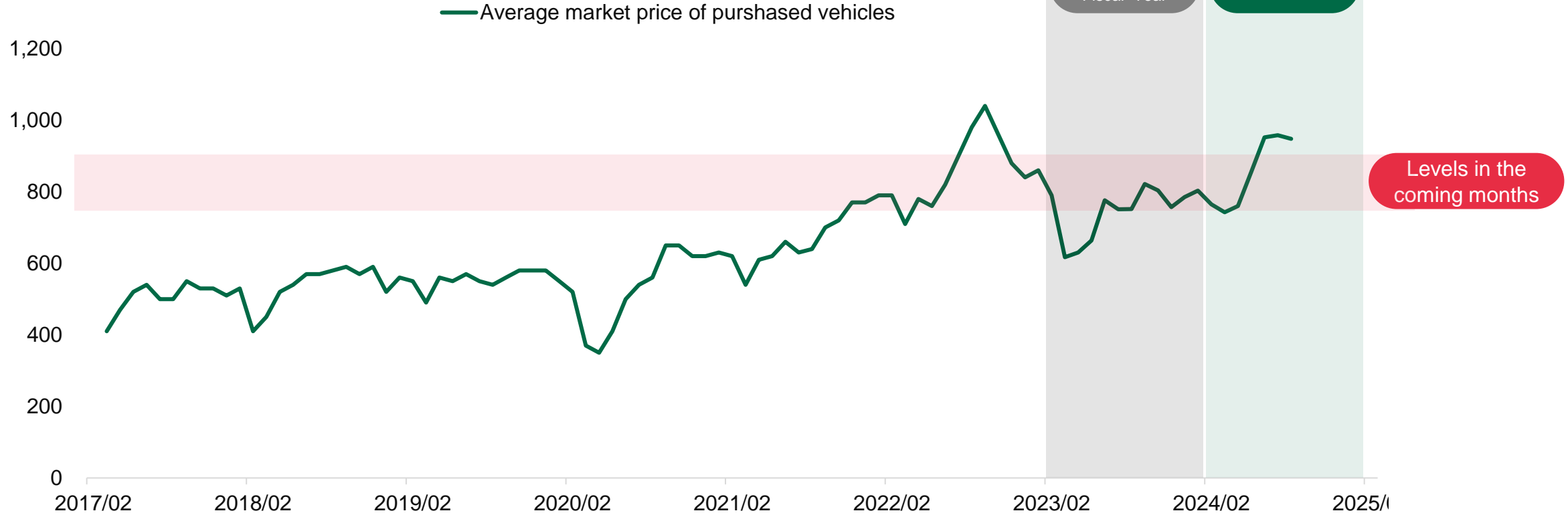
Human capital



Forecasts



(thousand yen)



Market prices remained high and stable from June to August.
We expect that they will be at the level predicted at the beginning of the fiscal year.

(billion yen)	2025 Forecast	2025 Revised Forecast	Ratio to net sales	YoY changes	Percent change
Net sales	456.5	500.0	100.0%	+43.5	+9.5%
Gross profit	83.3	90.2	18.0%	+6.9	+8.3%
Selling, general and administrative expenses	63.0	69.9	14.0%	+6.9	+11.1%
Operating profit	20.3	20.3	4.0%	0	0.0%
Ordinary profit	19.8	19.8	3.8%	0	0.0%
Profit attributable to owners of parent	13.6	13.6	2.6%	0	0.0%

Consolidated

Progress in First Half toward Results Forecast for FY2025 *Gulliver*

		Forecast First Half	Result	Progress	Forecast Second Half	Revised Forecast FY2025
Number of stores	Store opening of large stores (stores)	1	1	As expected	14	15
	Number of units					
Number of units	Number of retail unit sales (ten thousand units)	77	76	As expected	74 – 84	150 – 160
	Number of wholesales unit (ten thousand units)	63	77	Greater than expected	80	157 (+27)
Gross profit per unit	Gross profit per retail unit (ten thousand yen)	43 – 40	44	Greater than expected	44 – 41	44 – 41 (+1)
	Gross profit per wholesale unit (ten thousand yen)	10	12	Greater than expected	11	12 (+1)
PL	Gross profit(billion yen)	40.8	44.3	Greater than expected	45.9	90.2 (+6.9)
	Selling, general and administrative expenses (billion yen)	30.7	34.2	Greater than expected	35.7	69.9 (+6.9)
	Operating profit (billion yen)	10.1	10.1	As expected	10.2	20.3

Plans for This Fiscal Year and Financial Targets in Medium-Term Business Plan



		2025 Forecast	2027 Forecast	Progress	Progress as of FY2025
		<small>2022 2023 2024 2025 2026 2027</small>			
P/L	Operating profit	20.3 billion yen	30.0 billion yen		○
	The no. of retail units in directly managed stores	150~160 thousand vehicles	170~190 thousand vehicles		○
Business	Gross profit per retail unit	440,000~410,000 yen	440,000~410,000 yen		◎
	ROIC	10 % or higher	10 % or higher		○
Cash flows	Free cash flow	-	Positive for three consecutive fiscal years		○

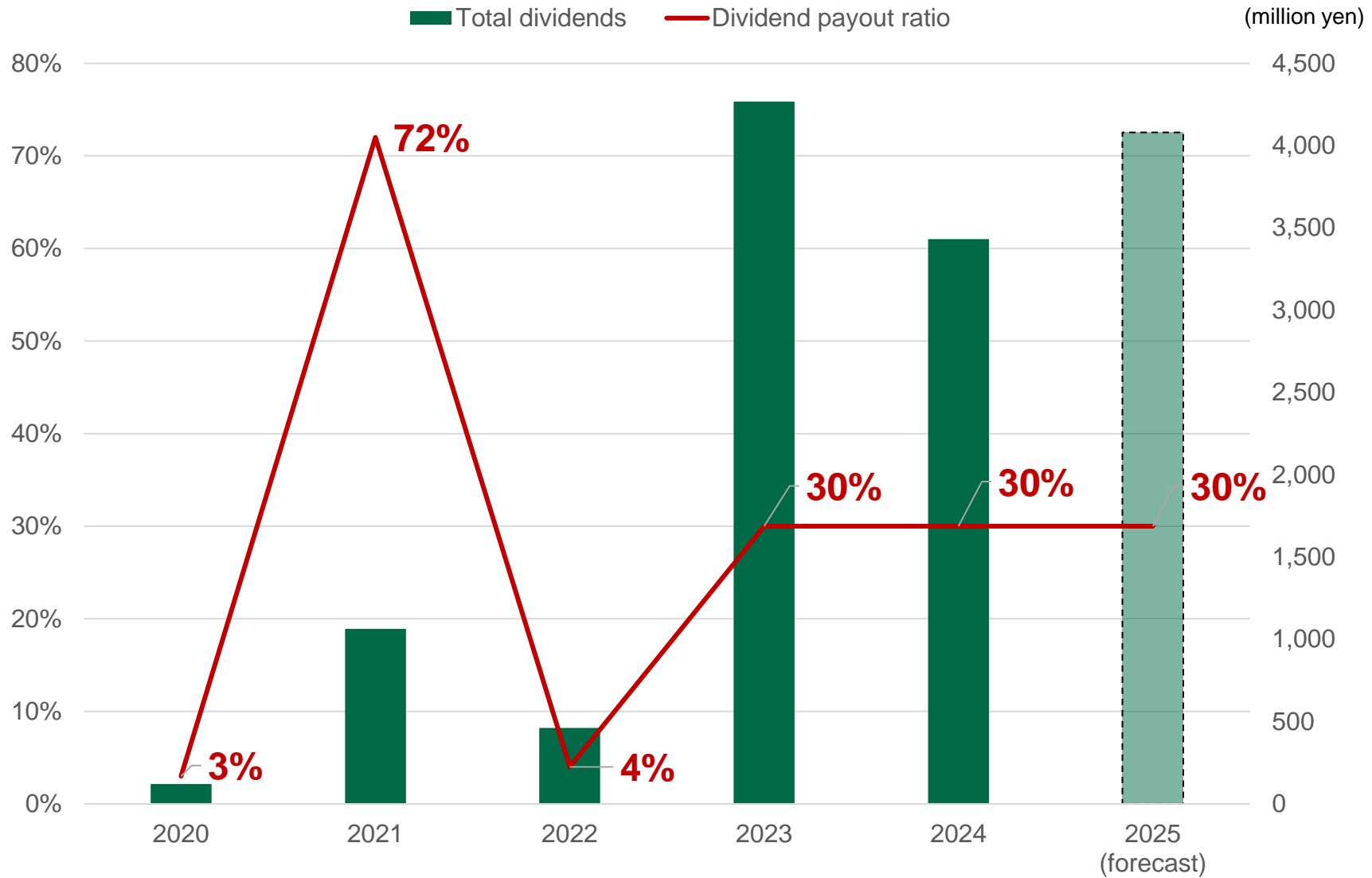
Gross profit per retail unit will reach the target in the Medium-Term Business Plan early. We believe that this has increased the likelihood of achieving our targets.

Dividend per Share Overview

	Dividend per share		
Recording date	End of first half	End of fiscal year	Total
Previous forecasts	20.02 yen	20.61 yen	40.63 yen
Revised forecasts	—	21.25 yen	40.63 yen
Dividends paid for the current fiscal year	19.38 yen	—	—
Previous fiscal year (Ended February 2024)	14.41 yen	19.78 yen	34.19 yen

The Company's policy on dividends is to pay performance-based dividends under which the Company will decide on dividends based on consolidated results. Based on this policy, the Company will pay an interim dividend of 19.38 yen per share. The year-end dividend forecast was revised upward to 21.25 yen.

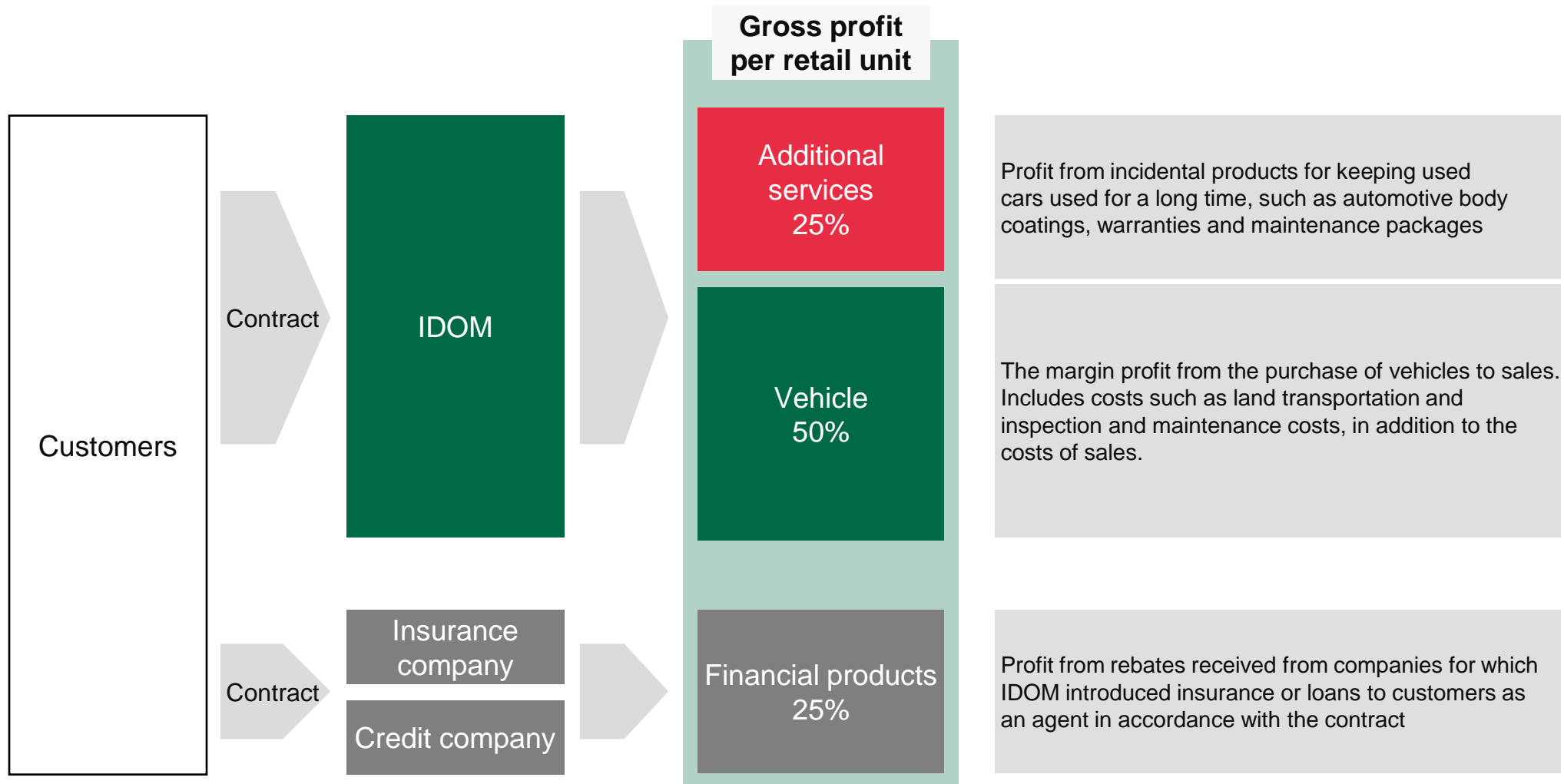
Trend in Dividends



3. APPENDIX

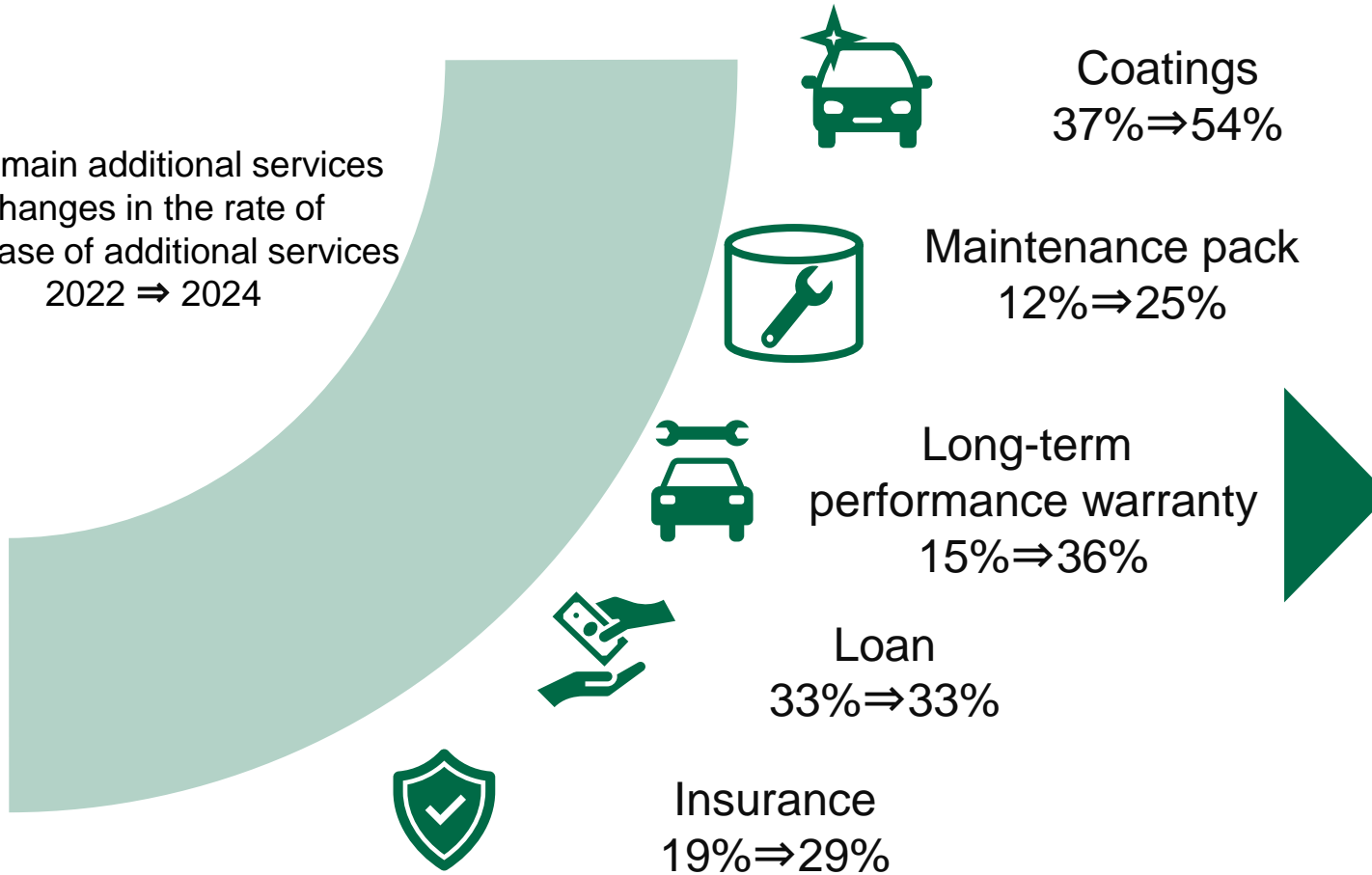


Composition of Gross Profit per Retail Unit



Development of Additional Services

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



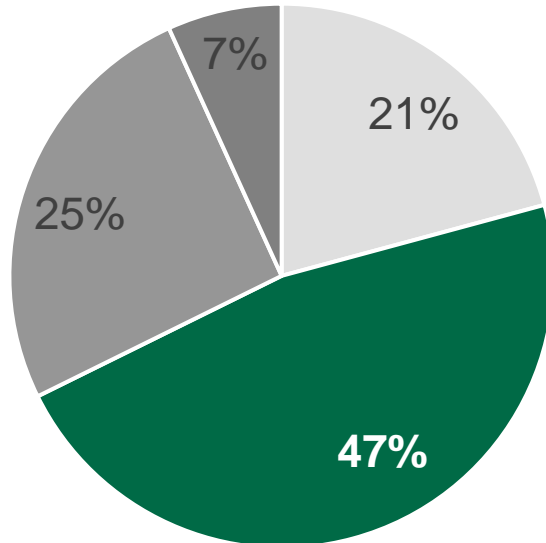
**Improvement of gross
profit per unit**

**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.

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.

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.

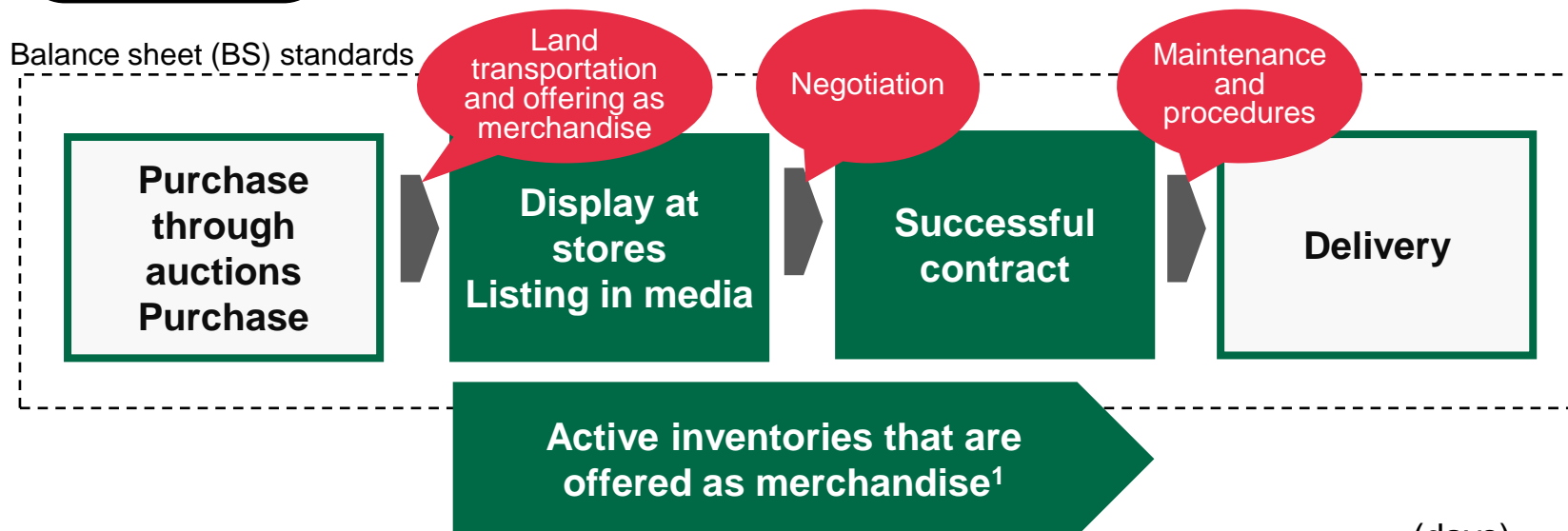
- The risk of keeping inventory for a long time is high due to the constant effect of market prices.
- The rise of the ratio of wholesale sales tends to result in reduced inventory turnover days.

- 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



Inventory turnover	2022	2023	2024	2025 First Half
Active inventories	39.3	41.1	42.1	31.9
BS standards (including temporary replacement vehicles)	83.0	85.5	86.8	78.8

(days)

- 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.

Application of a proper incentive system

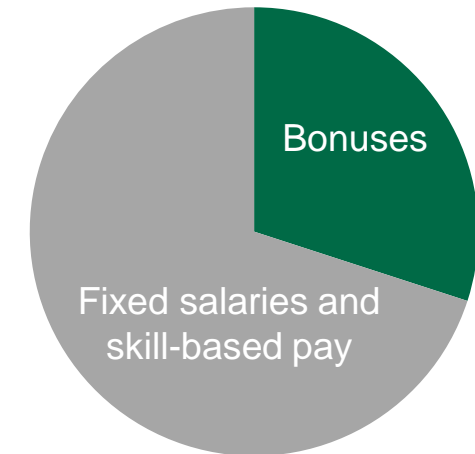
Offering incentives in proportion to customer satisfaction

Fair performance-based evaluation without establishing quotas

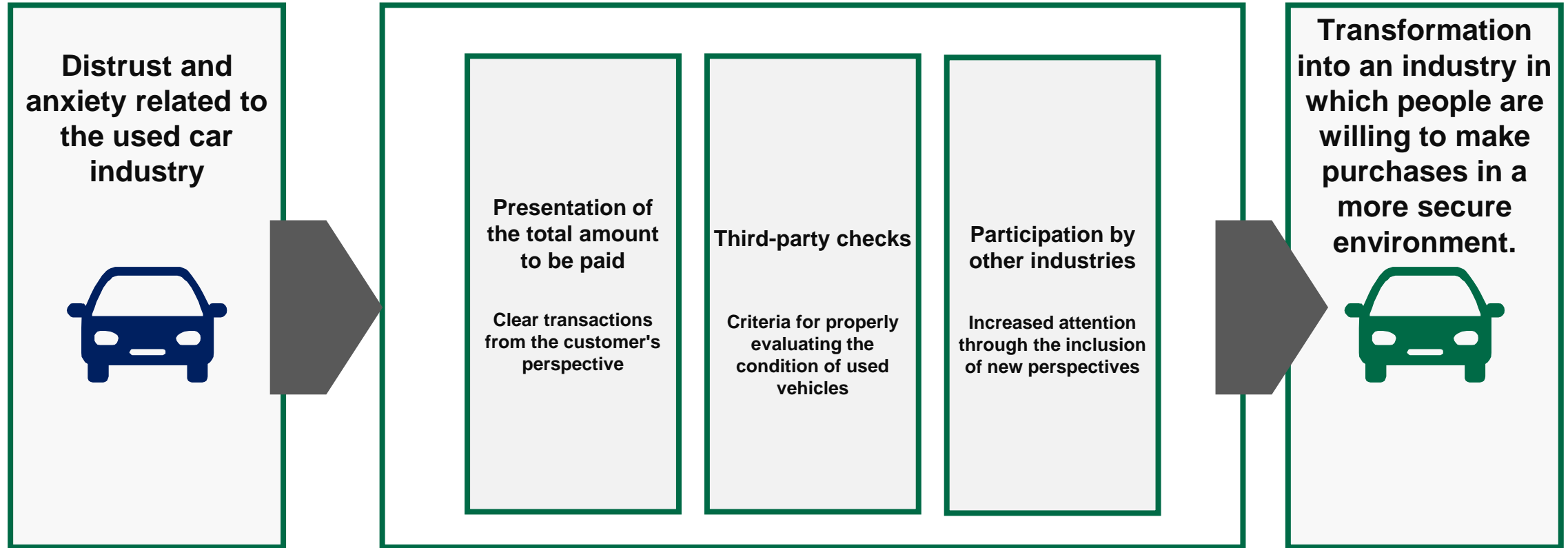
Clarification of sales targets using detailed tables

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.

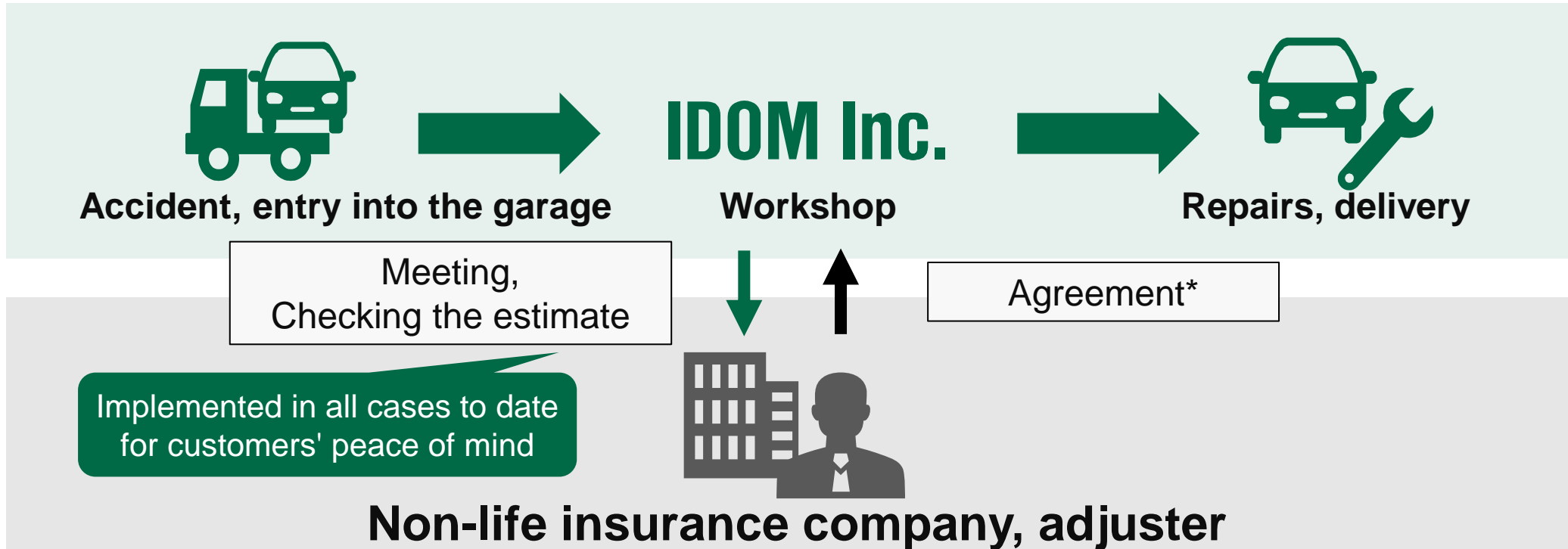


The incentive system is designed to foster the growth of employees without quotas, with customer satisfaction as the premise. We aim to create an environment where employees can focus on serving customers, thus ensuring sustainable livelihoods.



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.

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

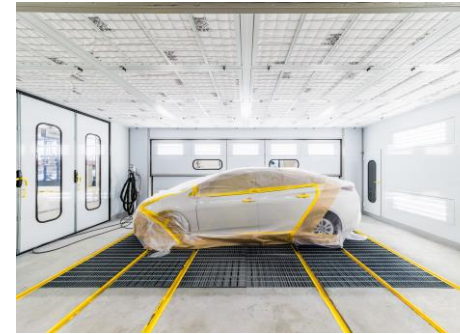
- Regular statutory inspections and vehicle inspections
- When a vehicle has broken down

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.

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*

204

148

54

Features

Purchase-only store

Specialty stores tailored to customer needs

Far greater number of products than other stores in each area

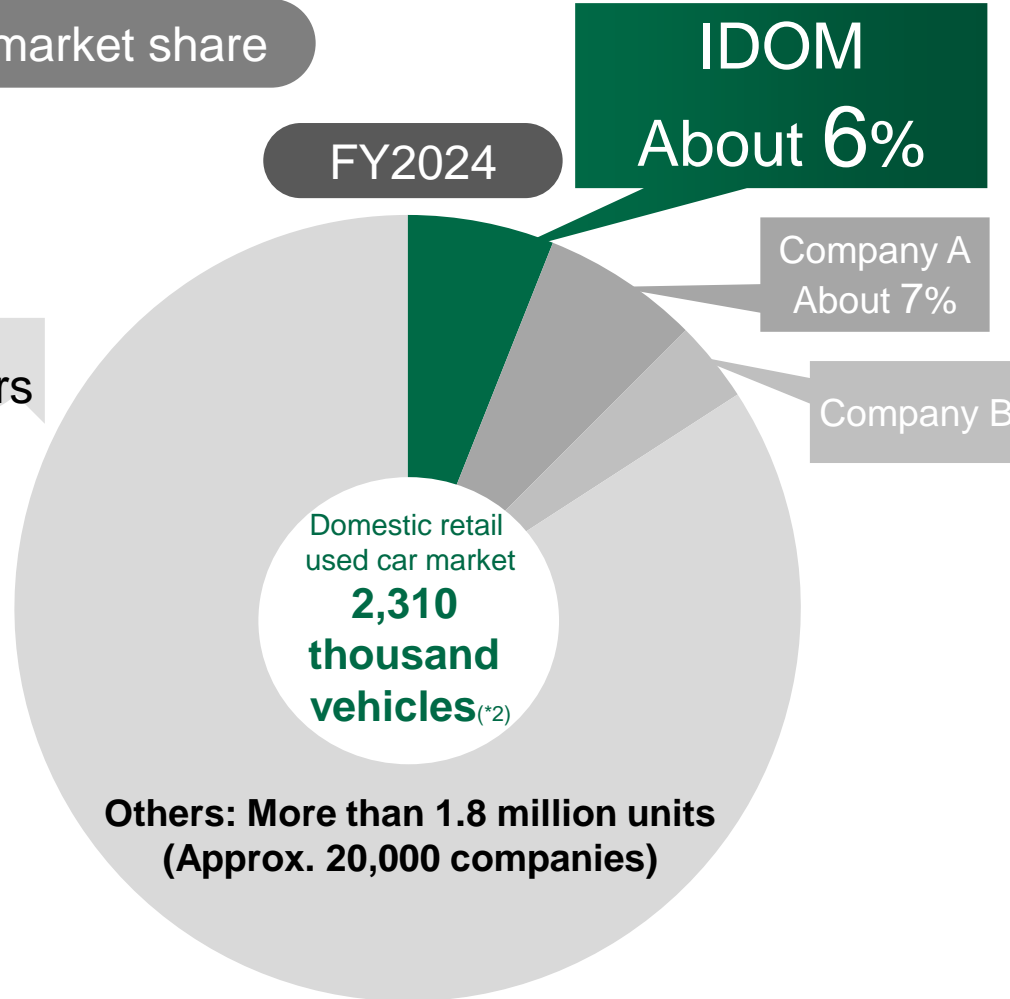
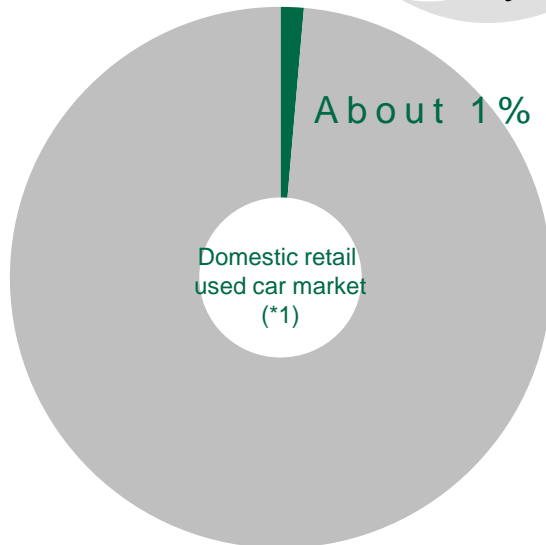
The Gulliver purchasing brand, which has been close to customers for 30 years, has become a customer attraction force, and the retail business will grow and expand into medium —and large stores.

Growing domestic market share

FY2012

FY2024

12 years



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.

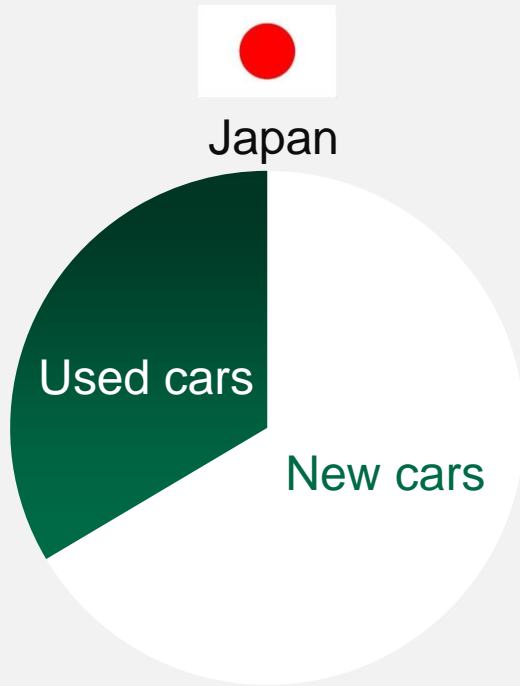
The company will open large stores to take market share away from other companies with sales of more than 1.8 million units.

*1: Market share for FY2012 was calculated based on the proportions of domestic retail unit sales of IDOM to the size of the used car retail market in 2008, which was 2.40 million units (data from Yano Research Institute).

*2: 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).

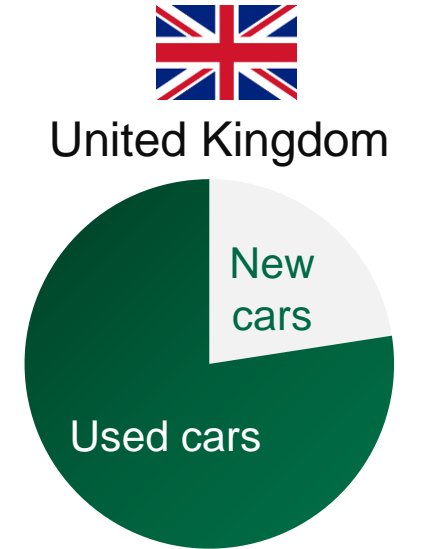
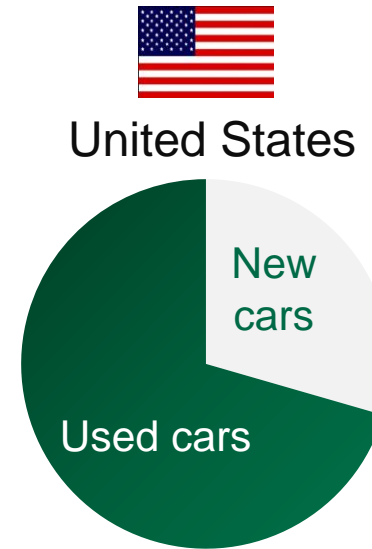
Japan's Used Car Market with Much Lower Ratio than Those in the United States and United Kingdom

Ratio of used cars in Japan (*1)



Potential to increase ratio of used cars

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



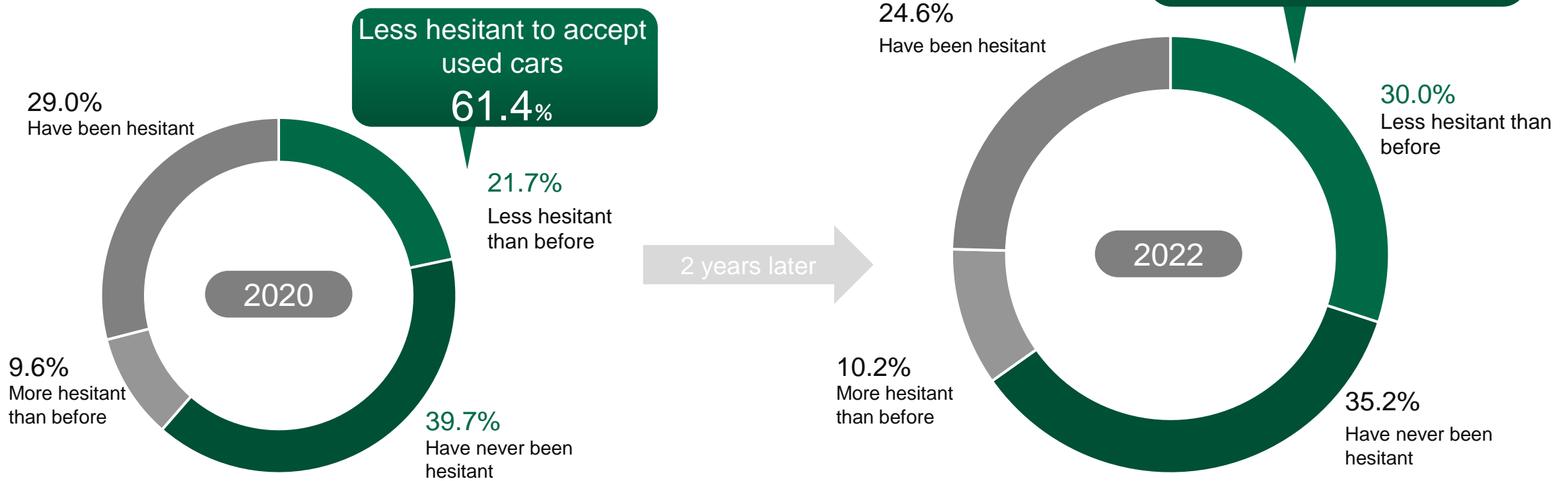
*1: New cars: 2019 data from Japan Automobile Dealers Association
Used cars: 2020 overview of used car distribution by Yano Research Institute

*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)

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

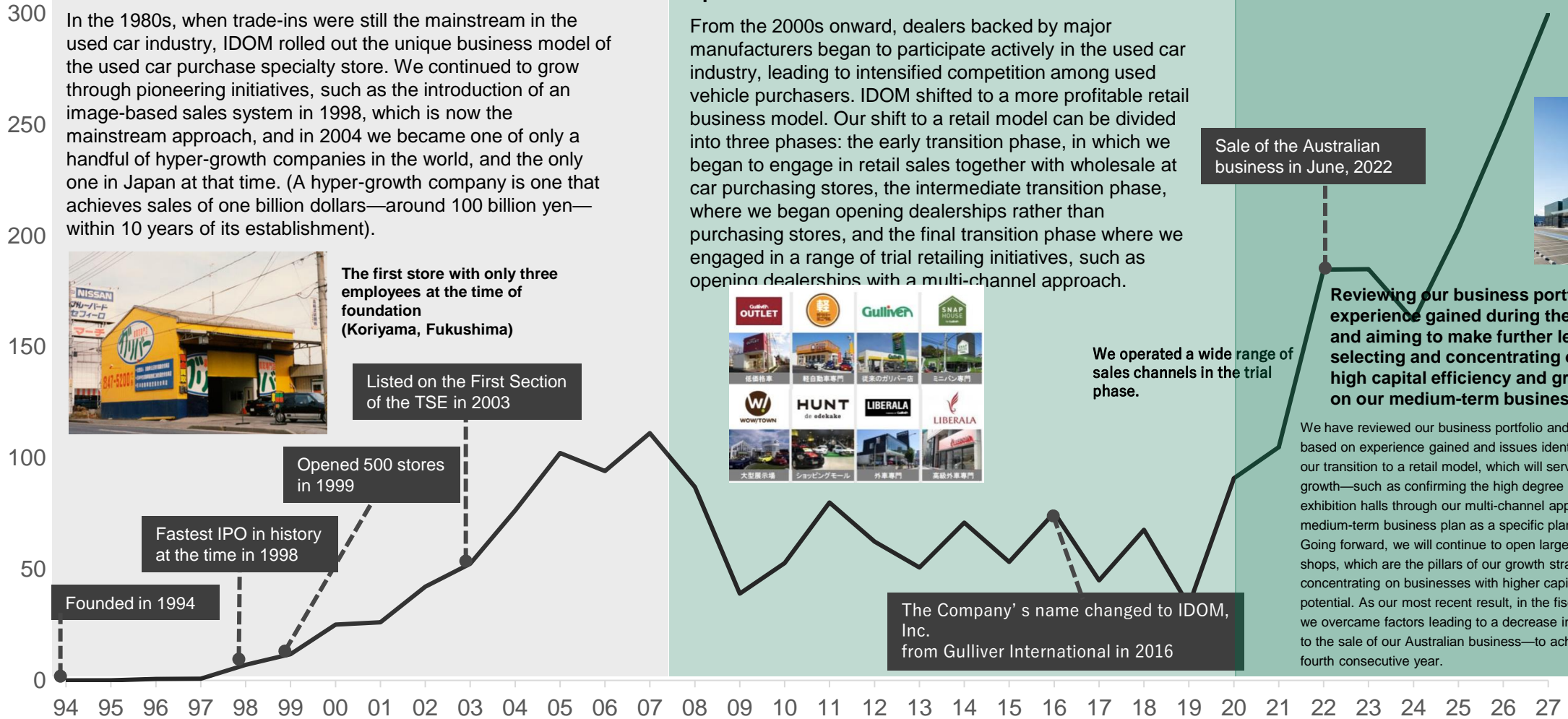
New Retail Model

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.



4. Supplementary Information on Results and Financial Matters



[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 ended August 31, 2024			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	227,775	100.0	225,478	100.0	203,696	100.0	249,651	100.0	45,955	22.6
Cost of sales	185,308	81.4	187,209	83.0	168,792	82.9	205,350	82.3	36,558	21.7
Gross profit	42,466	18.6	38,269	17.0	34,903	17.1	44,300	17.7	9,397	26.9
SG&A Expenses	33,025	14.5	29,652	13.2	27,805	13.7	34,217	13.7	6,412	23.1
Operating profit	9,440	4.1	8,616	3.8	7,098	3.5	10,083	4.0	2,985	42.1
Ordinary profit	9,011	4.0	8,280	3.7	6,918	3.4	9,603	3.8	2,685	38.8
Profit before income taxes and minority interests	7,951	3.5	9,181	4.1	6,853	3.4	9,530	3.8	2,677	39.1
Profit attributable to owners of parent	5,311	2.3	7,516	3.3	4,823	2.4	6,485	2.6	1,662	34.5

Non-Consolidated	6 months ended August 31, 2021		6 months ended August 31, 2022		6 months ended August 31, 2023		6 months ended August 31, 2024			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	Y/Y (%)
Sales	150,239	100.0	178,303	100.0	200,597	100.0	245,381	100.0	44,784	22.3
Cost of sales	120,147	80.0	147,944	83.0	166,737	83.1	202,402	82.5	35,665	21.4
Gross profit	30,092	20.0	30,359	17.0	33,859	16.9	42,978	17.5	9,119	26.9
SG&A Expenses	23,983	16.0	23,601	13.2	26,637	13.3	32,475	13.2	5,838	21.9
Operating profit	6,108	4.1	6,757	3.8	7,222	3.6	10,503	4.3	3,281	45.4
Ordinary profit	5,939	4.0	6,560	3.7	7,015	3.5	10,004	4.1	2,989	42.6
Profit before income taxes	4,655	3.1	9,537	5.3	6,951	3.5	10,046	4.1	3,095	44.5
Profit	3,170	2.1	8,575	4.8	4,871	2.4	6,873	2.8	2,002	41.1

[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	500,000	100.0	36,648	19.1
Cost of sales	373,519	81.3	341,964	82.1	346,519	82.5	409,800	81.8	26,681	18.3
Gross profit	86,013	18.7	74,549	17.9	73,333	17.5	90,200	18.2	9,967	23.6
SG&A Expenses	67,528	14.7	55,865	13.4	57,216	13.6	69,900	13.8	5,784	22.2
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	491,100	100.0	77,793	18.8
Cost of sales	245,661	80.1	301,226	82.3	342,143	82.8	403,800	82.2	61,656	18.0
Gross profit	61,071	19.9	64,842	17.7	71,062	17.2	87,200	17.8	16,137	22.7
SG&A Expenses	49,164	16.0	48,430	13.2	54,333	13.1	66,700	13.6	12,366	22.8
Operating profit	11,907	3.9	16,412	4.5	16,729	4.0	20,500	4.2	3,770	22.5
Ordinary profit	11,573	3.8	15,998	4.4	16,404	4.0	19,800	4.0	3,396	20.7
Profit before income taxes	9,450	3.1	23,709	6.5	16,239	3.9	19,300	3.9	3,060	18.8
Profit	6,553	2.1	20,020	5.5	11,864	2.9	13,600	2.8	1,735	14.6

[Consolidated] Balance Sheets

(Unit: million yen) **Gulliver**

	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
Lease 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

	As of February 29, 2024	As of August 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	5,783	7,304
Short-term borrowings		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 provision	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 Cash Flows



(Unit: million yen)

	6 months ended August 31, 2023	6 months ended August 31, 2024
Profit before income taxes	6,853	9,530
Depreciation	1,269	2,409
Amortization of goodwill	3	3
Net increase (decrease) in working capital	3,702	-13,133
Income taxes paid	-593	-1,761
Other, net	2,455	-2,780
Cash flows from operating activities	13,564	-5,731
Cash flows from investing activities	-2,671	-3,438
Free cash flow	10,892	-9,169
Cash flows from financing activities	-17,638	-803
Net increase (decrease) resulting from exchange rate change and new consolidation	-63	37
Net increase (decrease) in cash and cash equivalents	-6,809	-9,935
Cash and cash equivalents at the beginning of period	37,473	30,548
Cash and cash equivalents at the end of period	30,664	20,612