FY2025

Results for Fiscal Year Ended February 28, 2025

April 14th, 2025

TSE Prime 7599

IDOM Inc.

Hello, I am Nishibata, the CFO of IDOM Co., Ltd.

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. All figures in the materials are rounded to the nearest whole number.

Contents

Gulliver

I will now explain the financial results for the fiscal year ending February 2025.

1. FY2025 Results Summary

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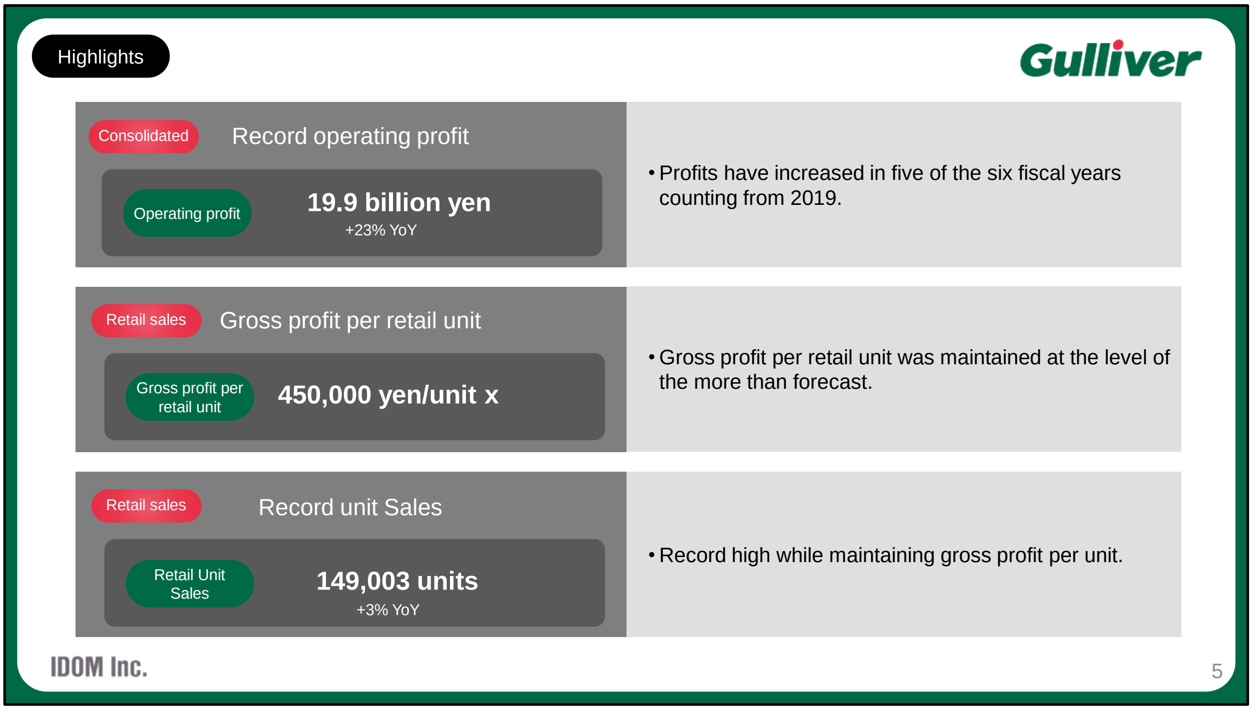
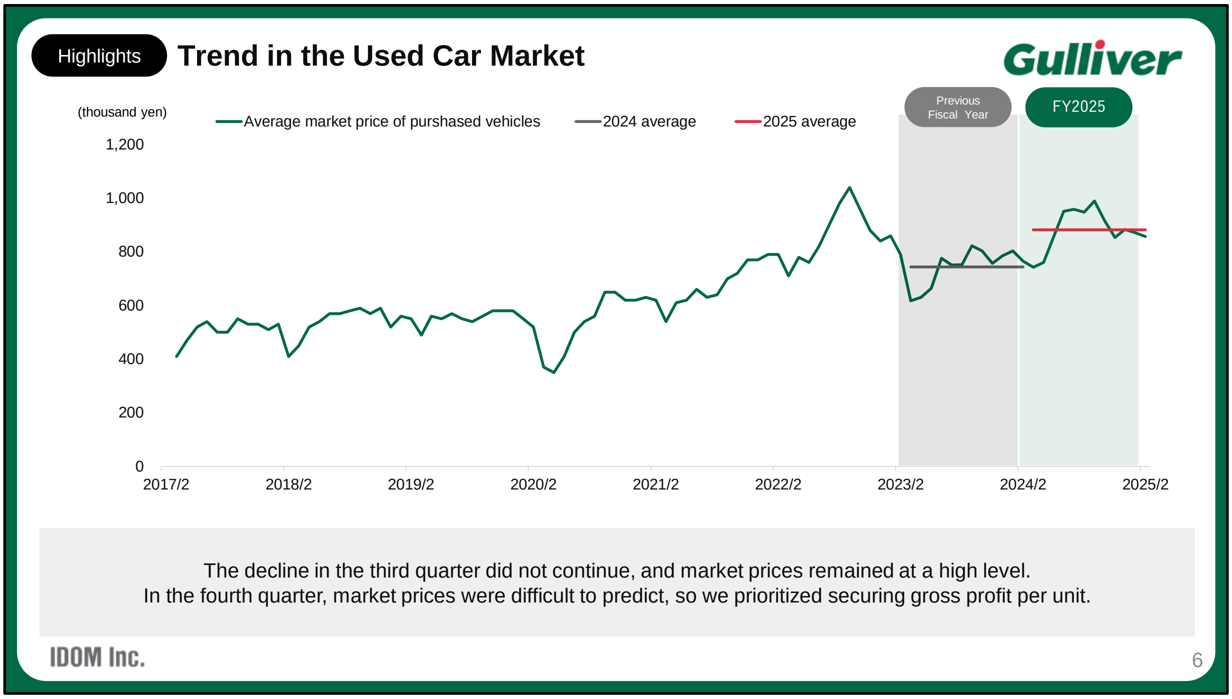


Please take a look at slide 5 – Highlights of this fiscal year.
First, regarding our consolidated operating profit.
We achieved ¥19.9 billion in operating profit.
Since bottoming out in FY2019, we overcame setbacks such as the sale of our Australian business and achieved profit growth in 5 out of the last 6 fiscal years, reaching an all-time high.

This performance was supported by retail sales volume and gross profit per unit.

Returning to the highlights on slide 5:
When the used car market is in decline, there is a risk of inventory valuation losses.
Instead of focusing solely on volume, we prioritized offering comprehensive pricing, additional services, and financial services to our customers, aiming to maintain strong gross profit per unit.
Despite this focus, our large-format stores performed strongly (+22% YoY), resulting in approximately 149,000 units sold—a 3% increase year-over-year.
By increasing unit sales while maintaining unit profit, we achieved record operating profit.



Now, please look at slide 6.
This shows trends in used car prices based on our average vehicle purchase price. Although the annual average price (represented by horizontal bars for last and current fiscal years) increased year-over-year, market conditions fluctuated significantly throughout the year:

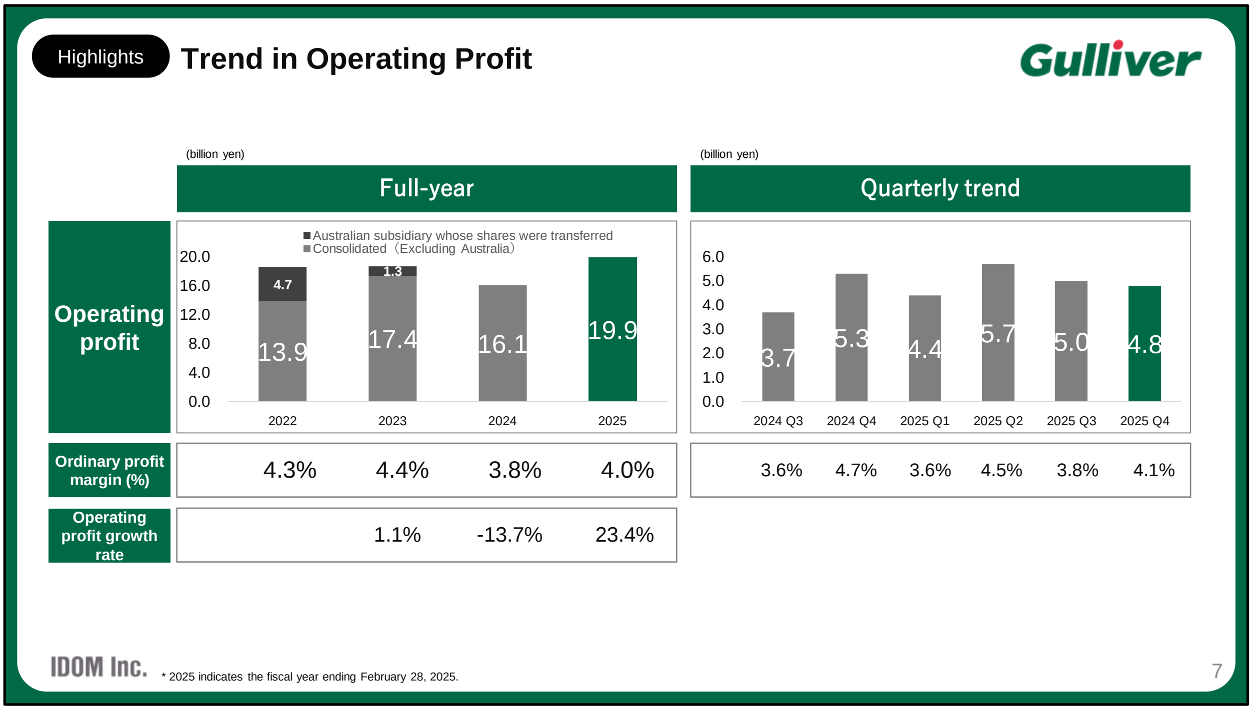
Q1: Increase

Q2: Flat

Q3: Decrease

Q4: Flat

Returning again to the highlights on slide 5.



Please refer to slide 7.
The left side shows the transition of operating profit since FY2022.
We can see that this fiscal year’s profit surpasses that of FY2023, which included the now-sold Australian business.
Our operating profit margin this year stands at 4%.
The right side shows operating profit over six quarters:

Q1: ¥4.4 billion

Q2: ¥5.7 billion

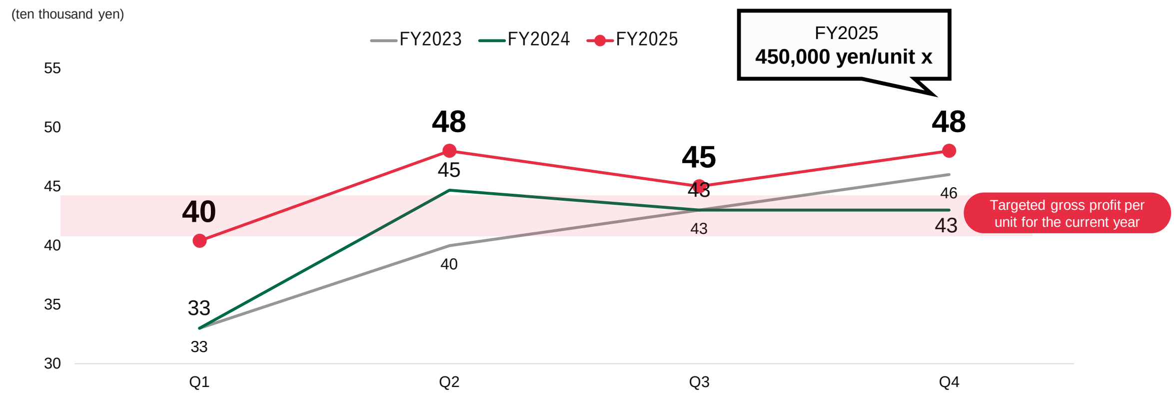
Q3: ¥5.0 billion

Q4: ¥4.8 billion

Highlights

Trend in Gross Profit per Retail Unit

Gulliver



* Retail unit gross profit = Total gross profit including vehicle, maintenance, bodywork, and warranty, divided by retail units sold.

Gross profit per retail unit was 450,000 yen, achieving the target level (410,000-440,000 yen /unit x).

IDOM Inc. * 2025 indicates the fiscal year ending February 28, 2025. 8

This slide shows the quarterly trend in retail gross profit per unit over the past three years.
The orange band indicates the forecast range announced in October 2024: ¥410,000 to ¥440,000.
While Q1 was below this range, from Q2 onward we exceeded expectations, achieving an annual average of ¥450,000.
This result reflects our success in proper pricing through "total price display."
Note: This retail gross profit includes all associated services such as inspections and loans, excluding wholesale gross profit.

Consolidated

KPIs for FY2025

Gulliver

		FY2023	FY2024	FY2025	YoY Changes
Number of stores	Store opening of large stores (stores)	8	11	**16**	**+5**
Retail sales	Number of retail unit sales (thousand units)	136	144	**149**	**+5**
	Gross profit per retail unit (ten thousand yen)	40	41	**45**	**+4**
wholesale	Number of wholesales unit (thousand units)	112	128	**144**	**+16**
	Gross profit per wholesale unit (ten thousand yen)	10	10	**12**	**+2**

Store openings are going as planned. In the second half of the year, we prioritized securing gross profit per unit, in preparation for a decline in market prices.
As a result, we saw moderate growth in the number of units sold, and sales at large stores were strong.

IDOM Inc. * 2025 indicates the fiscal year ending February 28, 2025.

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Let me now talk about our key KPIs.
We opened 16 new stores this fiscal year—progressing steadily.
As discussed earlier, retail sales volume grew by 3% while maintaining gross profit per unit.
On the wholesale side, despite market fluctuations, the annual average used car market remained higher than last year, leading to significant increases in both volume and profit, contributing to overall earnings.

That said, the retail segment still accounts for about 80% of total gross profit, highlighting its continued importance.

Consolidated

FY2025 Results

Gulliver

(billion yen)	FY2024	FY2025	Ratio to net sales	YoY changes	Percent change
Net sales	419.9	**496.7**	100.0%	76.8	18.3%
Gross profit	73.3	**88.7**	17.9%	15.4	20.9%
Selling, general and administrative expenses	57.2	**68.8**	13.8%	11.6	20.2%
Operating profit	16.1	**19.9**	4.0%	3.8	23.4%
Ordinary profit	15.8	**19.1**	3.8%	3.3	20.8%
Profit attributable to owners of parent	11.4	**13.4**	2.7%	2.0	17.5%

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This slide shows our consolidated P&L results:

Revenue: ¥496.7 billion

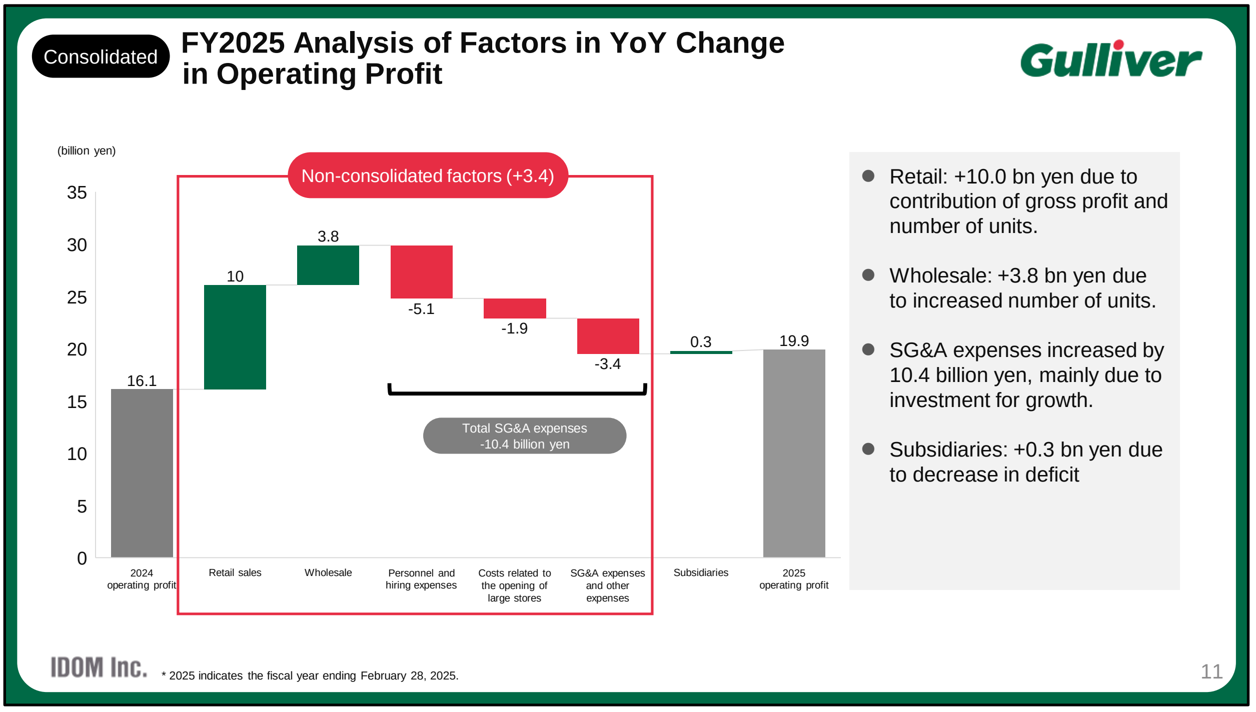
Gross profit: Up 21% YoY

SG&A expenses: Up 20% YoY

Operating profit: ¥19.9 billion, up 23% YoY

Net income: ¥13.4 billion

We'll explain the factors behind the increase in operating profit on the next slide.



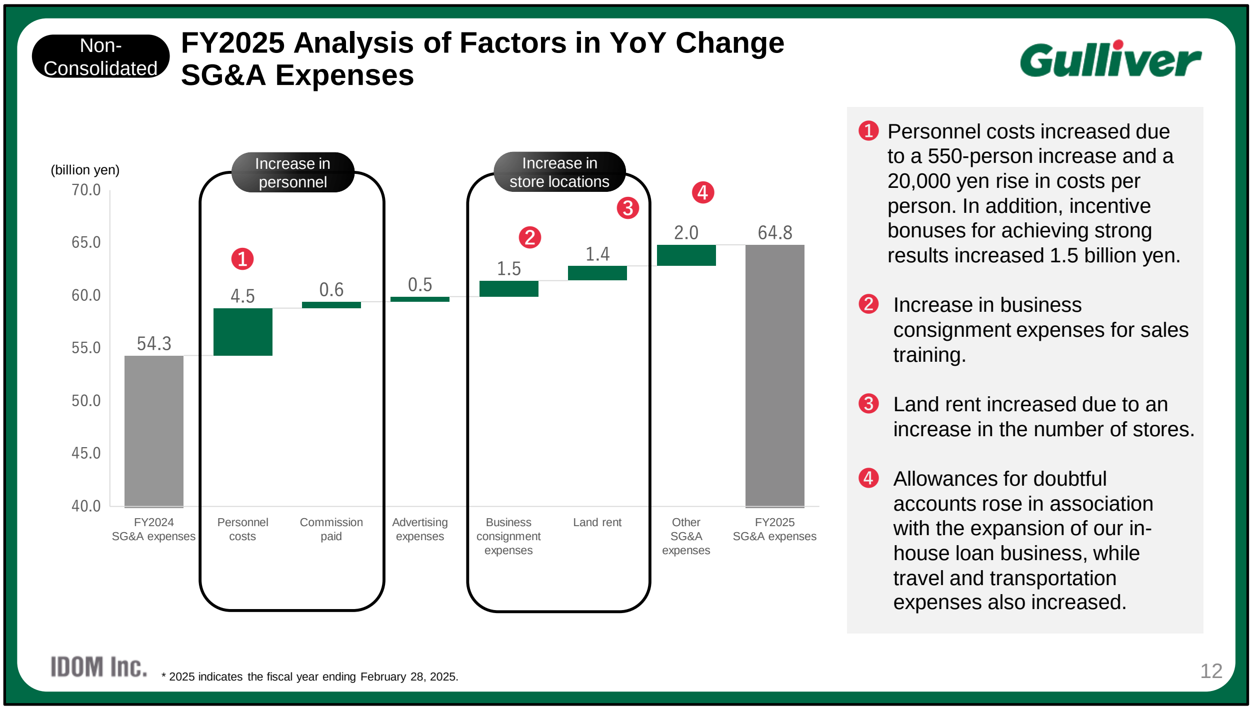
This slide analyzes the changes in consolidated operating profit YoY.
The red box shows factors related to IDOM's standalone results:

Standalone profit increase: ¥3.4 billion
- Retail segment: +¥10 billion
- Wholesale segment: +¥3.8 billion

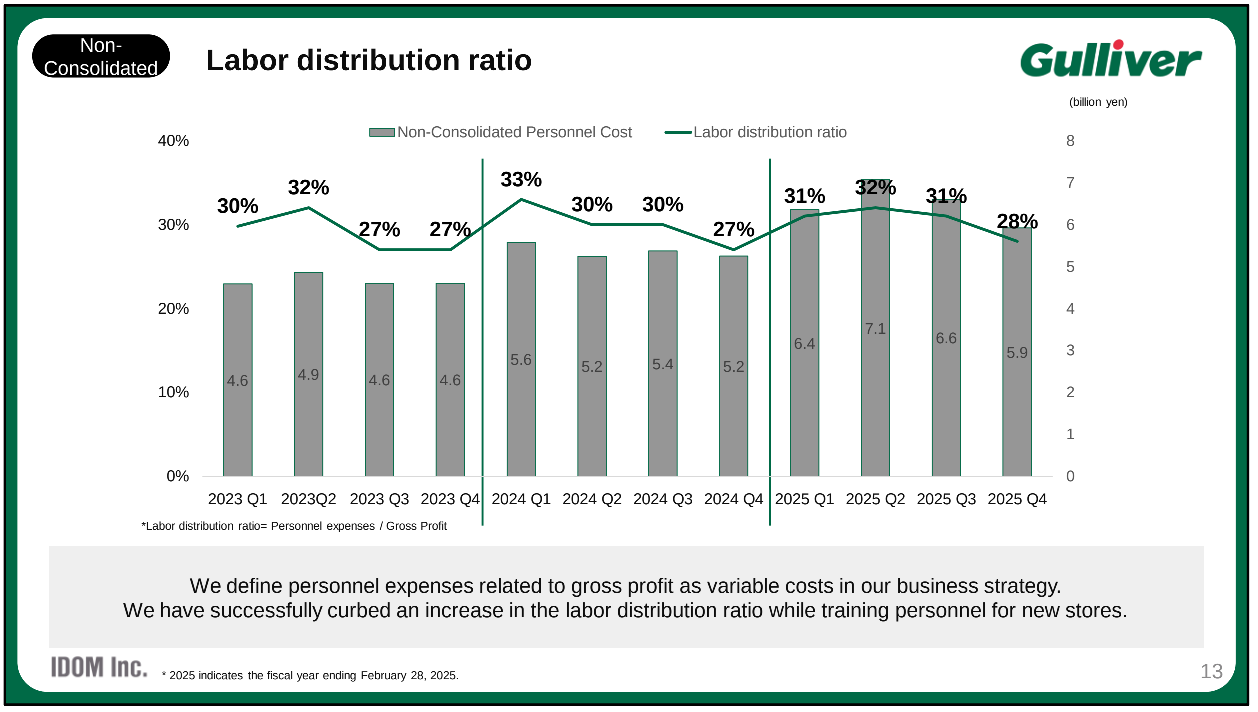
SG&A expenses increased by ¥10.4 billion due to accelerated opening of large-format stores, higher personnel and hiring costs, advertising, and rent.

Non-standalone group components improved by ¥300 million.

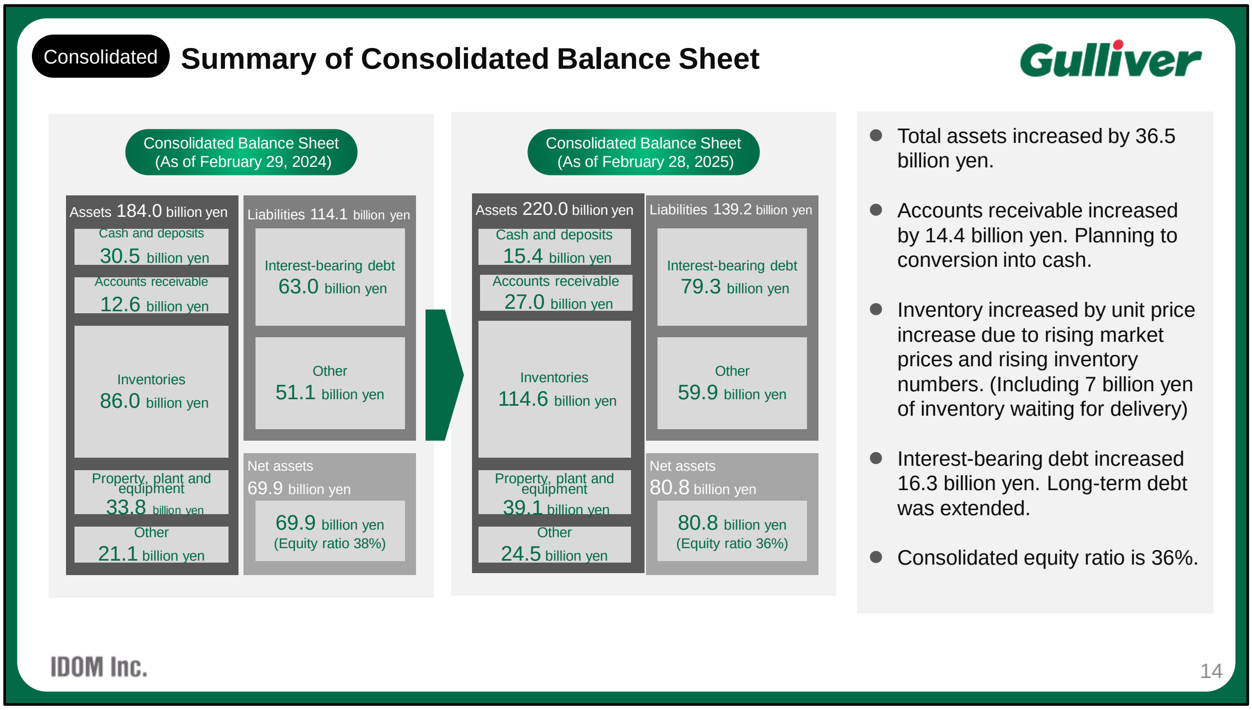
As a result, consolidated operating profit increased by ¥3.8 billion to ¥19.9 billion.



Let me further explain the ¥10.4 billion increase in SG&A expenses, primarily from the standalone entity.
With new store openings, we actively hired personnel. Hiring went smoothly, and salary levels rose with our strong business performance, resulting in a ¥4.5 billion increase in labor costs.
To enhance talent quality, we implemented a sales training program (“Salescore”), adding ¥1.5 billion in outsourcing expenses.
Rent rose by ¥1.4 billion due to new stores.
Other SG&A expenses increased by ¥2.0 billion, which includes provisions for bad debt related to installment sales.



Labor costs account for about 40% of SG&A.
We are strategically assigning newly hired and trained staff, especially to large stores, which has contributed to higher gross profit.
Although these are upfront investments, the labor distribution ratio remains stable at around 30% as new stores progress steadily.



Here is the status of our consolidated balance sheet (BS):

Total assets: ¥2.2 trillion, up ¥360 billion YoY

Accounts receivable: Increased by ¥14.4 billion to ¥27 billion, driven by rising used car prices and expansion of installment sales.
Note: In Q2, we liquidated ¥4.3 billion in receivables.

Inventory: Increased by ¥28.6 billion to ¥114.6 billion.
- ¥8 billion from higher market prices
- ¥20.6 billion from increased inventory volume, including ¥7 billion worth of vehicles pending delivery

Fixed assets: Increased by ¥5.3 billion due to store and factory expansion

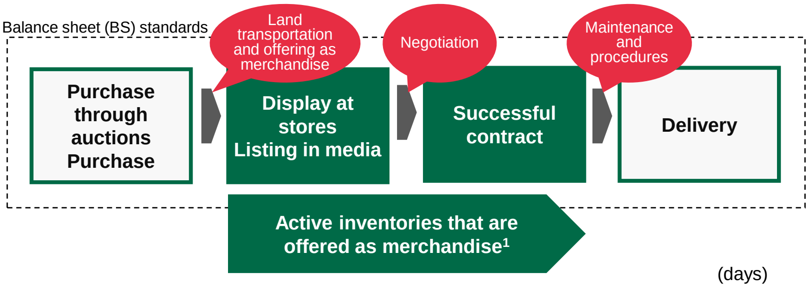
Total liabilities: Increased by ¥25.1 billion to ¥139.2 billion
- Interest-bearing debt: Increased by ¥16.3 billion to ¥79.3 billion, restructured from short to long term

Net assets: Increased by ¥10.9 billion to ¥80.8 billion
- Equity ratio declined from 38% to 36% due to increased debt

Non-Consolidated

Changes in Inventory Turnover

Gulliver



(days)

Inventory turnover	2022	2023	2024	2025
Active inventories	39.3	41.1	42.1	34.3
BS standards (including temporary replacement vehicles)	83.0	85.5	86.8	87.0

- The Company has been controlling inventories efficiently to maximize retail volumes while continually considering the need to balance the enhancement of displayed vehicles with the risk of market price fluctuations.
- Active inventories have enjoyed improved efficiency thanks to brisk retail volumes
- BS-based inventory remained flat due to an increase in inventory awaiting delivery

IDOM Inc.

1. Average period from the day when a purchased vehicle is listed in the Company's media until the day when they are delisted from the media.

* 2025 indicates the fiscal year ending February 28, 2025.

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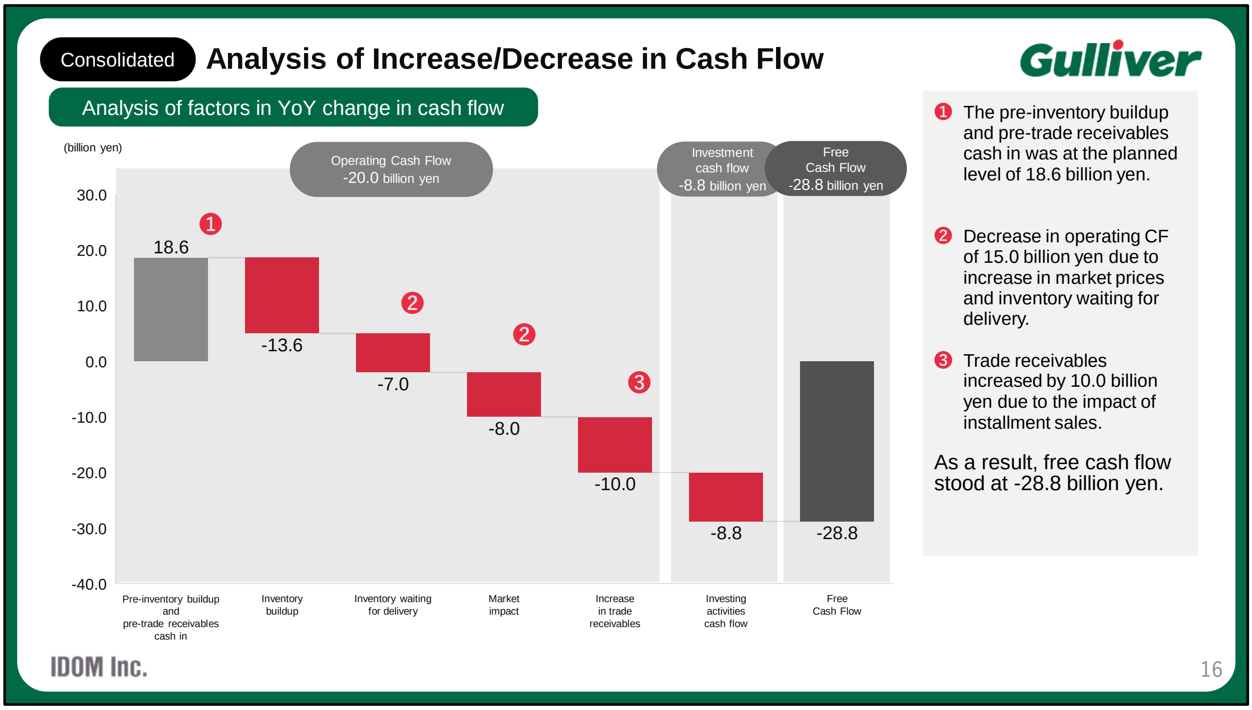
This slide focuses on inventory turnover, the main factor in BS expansion.

Inventory turnover days (based on BS): 87 days, flat YoY

Active inventory period (from productization to contract): 34 days, shortened from 42 days YoY
 This was affected by a ¥7 billion increase in vehicles awaiting delivery at the end of February due to snow.



This slide shows consolidated cash flow:

Operating CF: Despite strong operations generating ¥18.6 billion in cash before changes in inventory and receivables,
inventory investment (¥28.6B) and receivable increases (¥10B) resulted in a ¥20B negative operating CF
- Note: ¥8B was due to market price increases
- ¥7B from inventory pending delivery will be monetized upon delivery
- Receivables will also be liquidated when appropriate

→ We expect profit to eventually reflect in CF in the mid-to-long term

Investing CF: ¥8.8 billion used for acquiring stores, service centers, and other tangible/intangible assets

Resulting Free CF: ¥28.8 billion negative

Consolidated

FY2025 P/L Forecast Comparison

Gulliver

(billion yen)	2025 Forecast	2025	Changes	Percent achievement
Net sales	500.0	**496.7**	-3.3	99.3%
Gross profit	90.2	**88.7**	-1.5	98.7%
Selling, general and administrative expenses	69.9	**68.8**	-1.1	98.4%
Operating profit	20.3	**19.9**	-0.4	98.0%
Ordinary profit	19.8	**19.1**	-0.7	96.5%
Profit attributable to owners of parent	13.6	**13.4**	-0.2	98.9%

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* 2025 indicates the fiscal year ending February 28, 2025.

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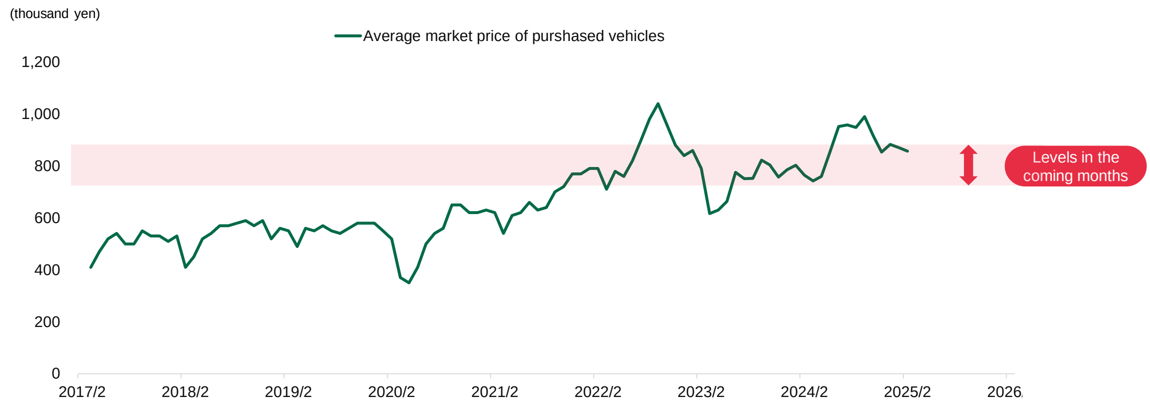
Here, we compare actual results to forecasts:
Unfortunately, every level of profit—from sales to net income—was slightly below forecasts.

Market

Outlook for the Used Car Market



Market prices remained high this fiscal year.
The level of prices is still high and will gradually decline in the next fiscal year.

IDOM Inc. * 2025 indicates the fiscal year ending February 28, 2025.

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Now, let me explain the outlook for FY2026.
Starting with the used car market:

From March onward, we expect no sharp decline but a gradual decrease within a set range.

U.S. tariffs could impact the broader economy, but their effect on used cars depends on automaker strategies.
The key will be whether new car makers shift supply from overseas to domestic and adjust pricing accordingly.
→ We believe that tariffs won’t directly affect the used car market, but may have secondary effects.

Forecast

KPIs for Forecast FY2026

Gulliver

		2025	2026 Forecast	YoY Changes
Number of stores	Store opening of large stores (stores)	16	15	-1
Retail Unit sales	Number of retail unit sales (thousand units)	149	160~165	+11~16
	Gross profit per retail unit (ten thousand yen) *Index with 2023 as 100	45 *113	Maintain/ Increase *113~115	
Wholesale	Number of wholesales unit (thousand units)	144	150	+6
	Gross profit per wholesale unit (ten thousand yen) *Index with 2023 as 100	12 *120	Maintain/Decline *120~110	

IDOM Inc. * 2025 indicates the fiscal year ending February 28, 2025.

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Having discussed market outlook, let’s move on to KPI forecasts:

Starting this year, gross profit per unit will be indexed with FY2023 as 100.

We plan to open 15 large-format stores (many already contracted).

Retail volume is expected to rise by ~15,000 units as new stores contribute.

Gross profit per unit is expected to remain stable or rise up to 5%, thanks to a higher proportion of large stores.

For wholesale, assuming a gently declining market, we forecast higher volume but lower per-unit profit.

Forecast

FY2026 Forecasts

(billion yen)	2025 Actual result	2026 Forecast	Ratio to net sales	YoY changes	Percent change
Net sales	496.7	**508.9**	100.0%	+12.2	+2.5%
Gross profit	88.7	**92.9**	18.3%	+4.2	+4.8%
Selling, general and administrative expenses	68.8	**70.8**	13.9%	+2.0	+2.9%
Operating profit	19.9	**22.1**	4.3%	+2.2	+11.3%
Ordinary profit	19.1	**21.1**	4.1%	+2.0	+10.6%
Profit attributable to owners of parent	13.4	**13.6**	2.7%	+0.2	+1.5%

IDOM Inc. * 2025 indicates the fiscal year ending February 28, 2025.

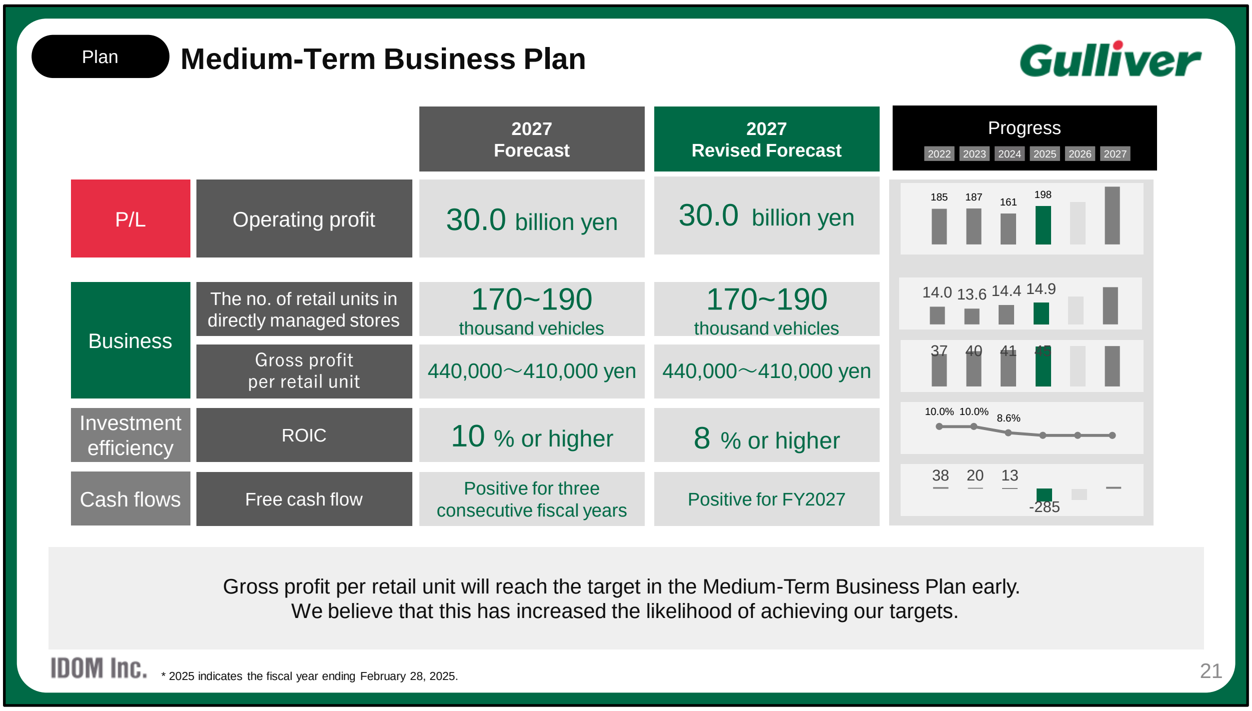
Performance forecast:

Although uncertainty is rising due to tariffs, economic conditions, interest rates, and exchange rates,
We expect gross profit to continue growing based on our market assumptions and KPI outlook.

We will continue investing in talent and DX, but cost increases will moderate as store expansion stabilizes.

Operating profit: Targeting ¥22.1 billion (10%+ growth)

Net income: Forecasted at ¥13.6 billion, factoring in costs of receivables liquidation



This will be the final slide of my explanation.
Let me now talk about our Mid-Term Management Plan.
We are aiming to reach 100 large-format stores by FY2027.

Retail volume and gross profit per unit are expected to remain on a steady growth path.

We will continue upfront investments in talent and systems, while maintaining efficiency.

Achieving ¥30 billion in operating profit by FY2027 is a challenging goal, but we will continue to aim high.

Even with continued investments, we will maintain ROIC above 8%, exceeding our capital cost.

Our target for free cash flow depends on market conditions, but we aim to avoid three consecutive years of negative FCF under the assumption of a mildly declining market.

The strategies we’ve executed so far—maximizing unit profit and expanding retail volume through large-format stores—are clearly reflected in our performance.

Despite rising uncertainty in the outlook, we will stay on a solid growth trajectory through future-oriented investments.
Thank you very much.

2. FY2025 Initiatives

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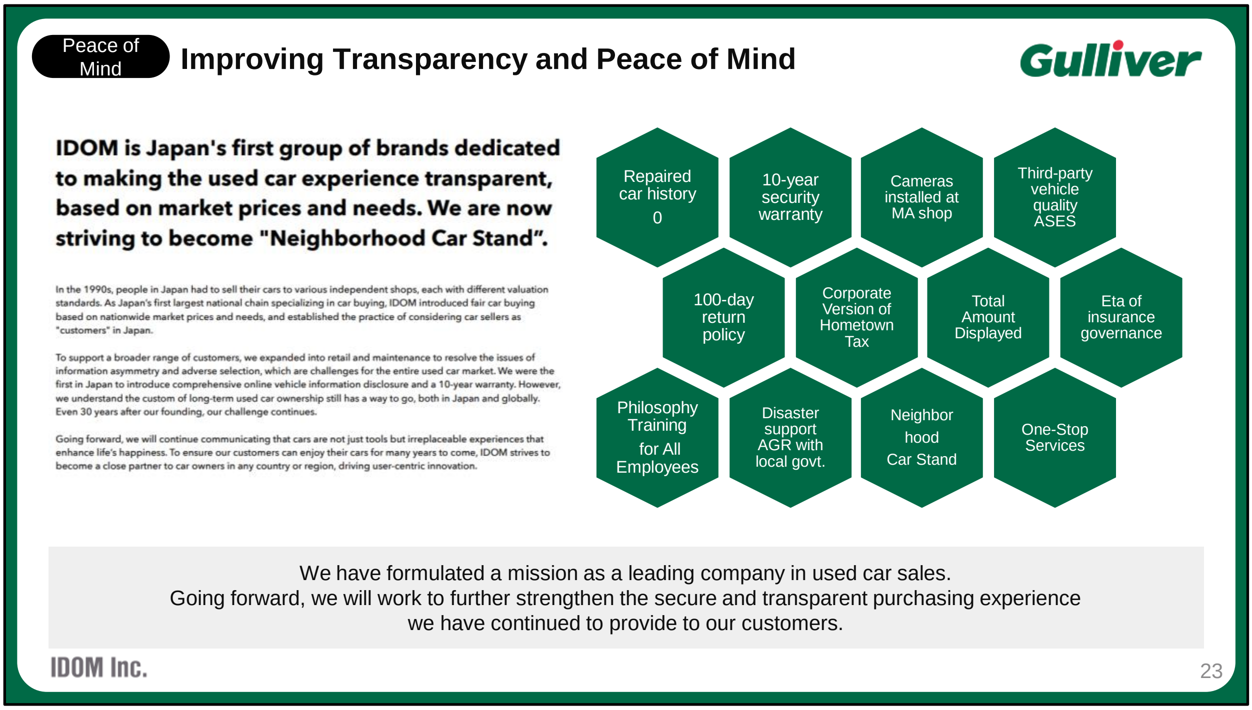
I am Hatori, the president of the company. I will tell you the business part from me.

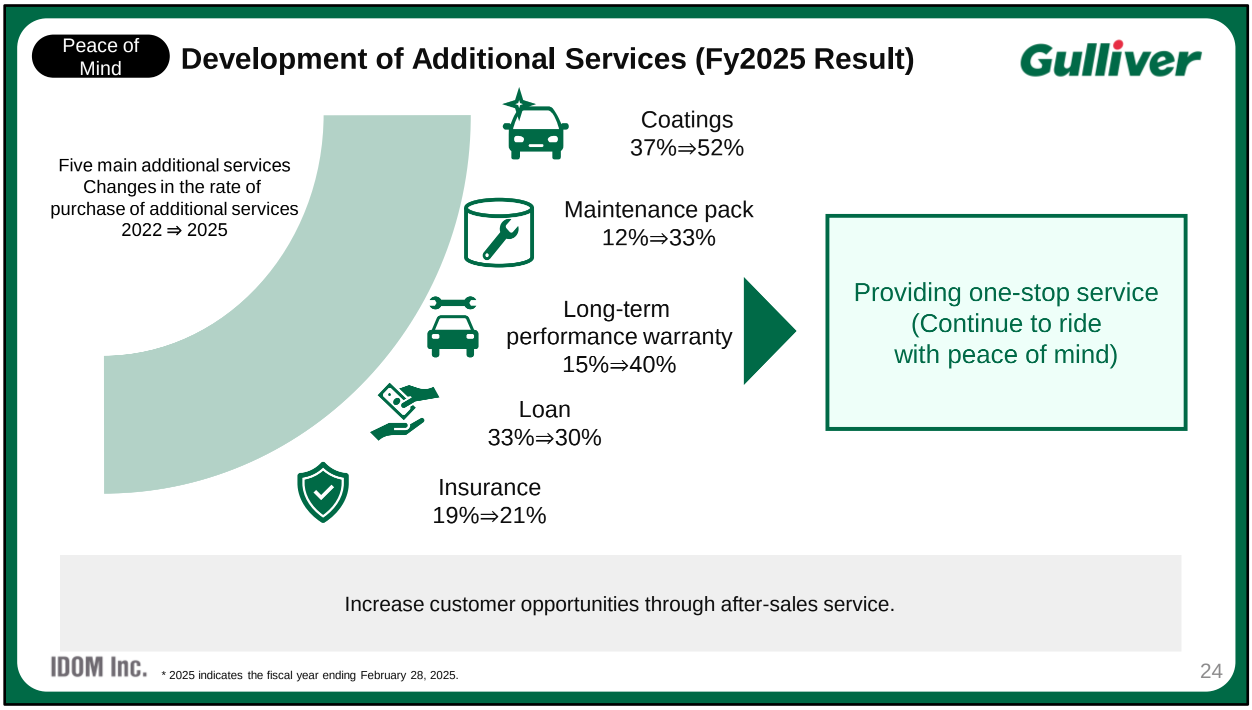


In FY2025, we strengthened our efforts toward transparency and customer peace of mind.

We also defined a new mission for IDOM:

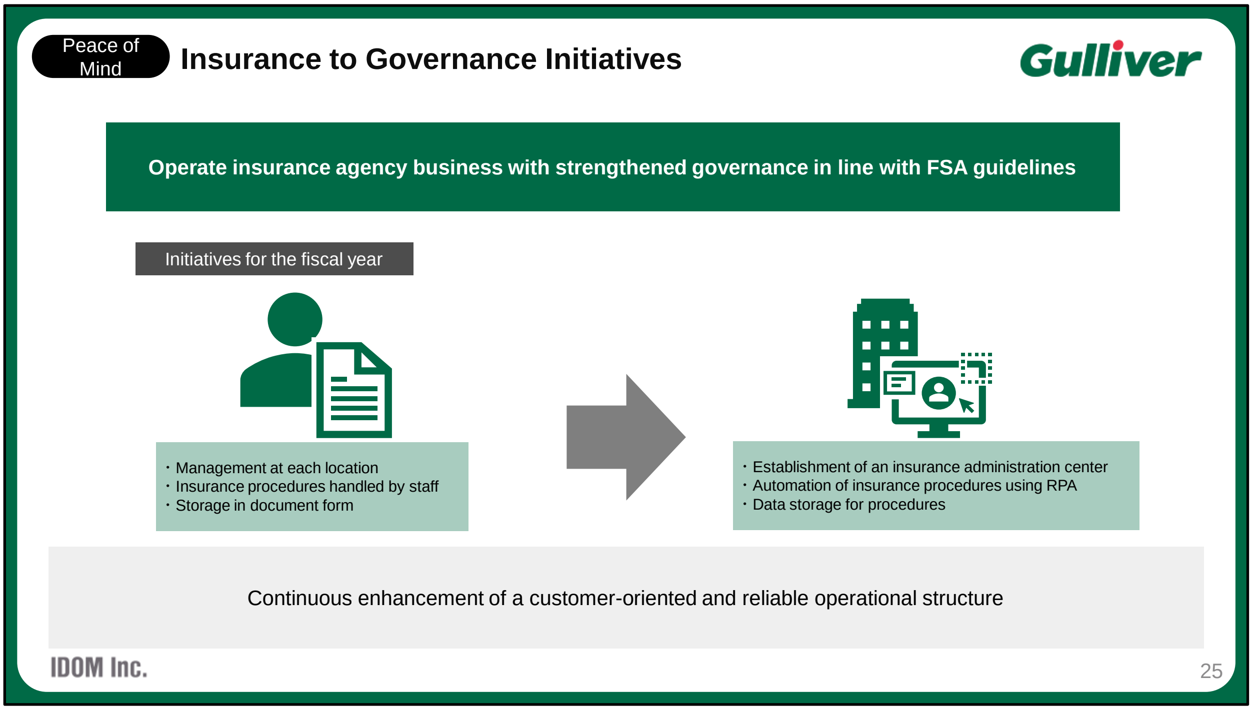
“To be the local car dealership for our communities.”

As a leading used car company, we will continue delivering customer-centric services.



Through various ancillary products, Gulliver continues to provide customers with convenient one-stop services.

Especially for used cars, our after-sales services offer peace of mind and have been well received, reflected in a high attachment rate at the time of purchase.



Let me now discuss our initiatives in the insurance agency business.

Going forward, we will strengthen governance in accordance with guidelines established by the Financial Services Agency.

This fiscal year, we established a dedicated Insurance Operations Center, focusing solely on supporting insurance activities.

Gulliver

3. FY2026 Initiatives

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Next, I will explain our initiatives for the fiscal year ending February 2026 (FY2026).

Growth Investment

Launch of Forward-looking Expansion Investment Strategy

Gulliver

Having stabilized previously volatile performance and established a solid financial foundation, we are now entering an investment phase for the next stage of growth.

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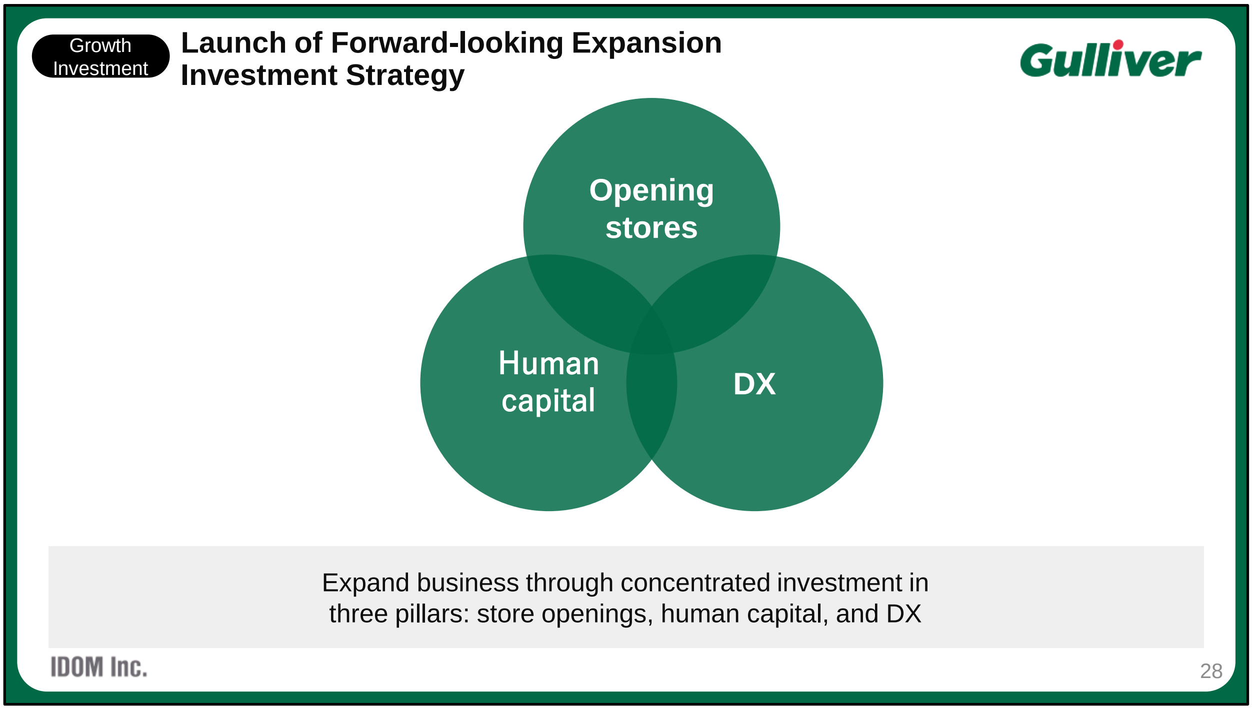
Previously volatile, our business is now on a stable growth trajectory.

We will carry out further investments for future growth.



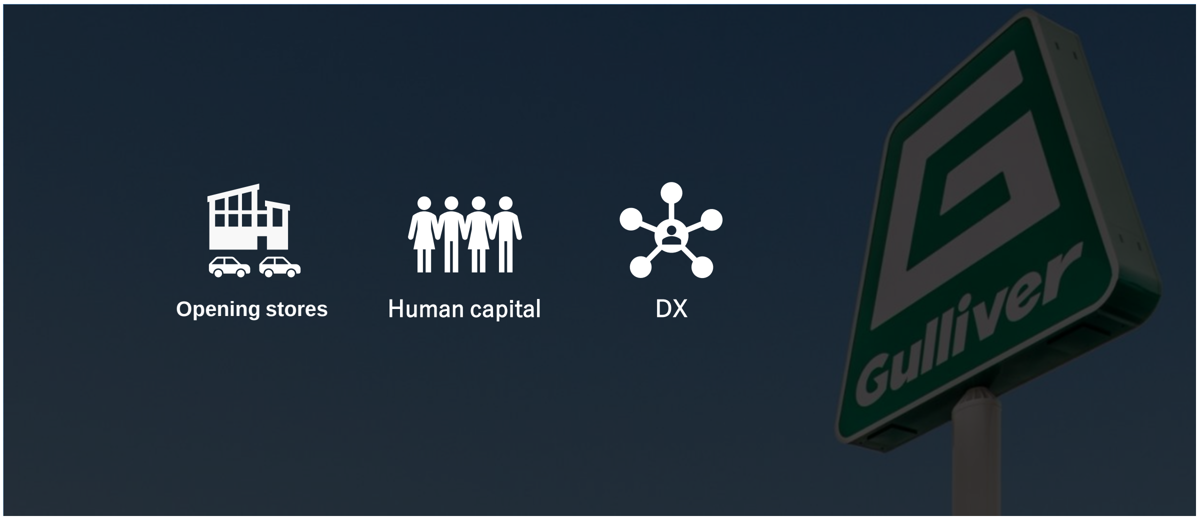
From FY2026 onward, we will focus our investments around three key pillars:

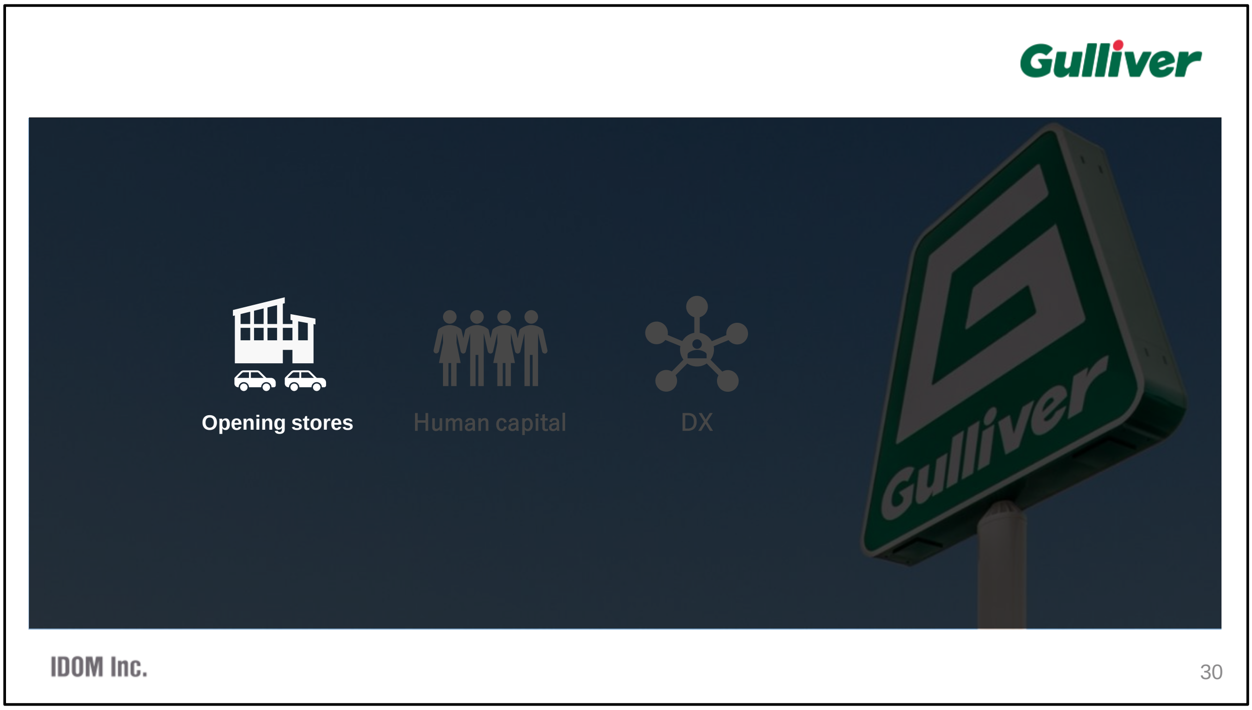
Store Expansion

Human Capital

Digital Transformation (DX)

Let me explain each of these in more detail.


Opening stores
Human capital
DX
Gulliver



First, regarding store expansion.

Opening stores

Large Stores Opened in Q4 FY2025

Gulliver

Gifu Kitakata (Opened in February 2025)

Gifu

Recent launch of new stores

Opening in the fourth quarter

- Hanyu (January 2025)
- Matsuyama (January 2025)
- Ichinomiya (January 2025)
- Toyohashi (February 2025)
- Gifu Kitakata (February 2025)
- Kashihama (February 2025)
- Saga Honnjo(February 2025)

Full Year Progress	16/15
Number of Large Stores	69 (as of February 28, 2025)

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In Q4 alone, 7 new large-format stores were opened, including the Gifu-Kitakata location shown in the photo.

This brings our total for the fiscal year to 16 new stores, exceeding our plan by one.
We acquired one of these through a takeover of an existing property.
As a result, we now have 69 large-format stores.

Opening stores

Maintenance Opened in Q4 FY2025

Gulliver

Gifu Kitakata (Opened in February 2025)

Gifu

Recent launch of new maintenance shops

Opening in the fourth quarter

- Ichinomiya (January 2025)
- Toyohashi (February 2025)
- Gifu Kitakata (February 2025)
- Saga Honnjo(February 2025)

Full Year Progress	10/10
Number of Maintenance Shops	39 20 of them are designated maintenance shops

(as of February 28, 2025)

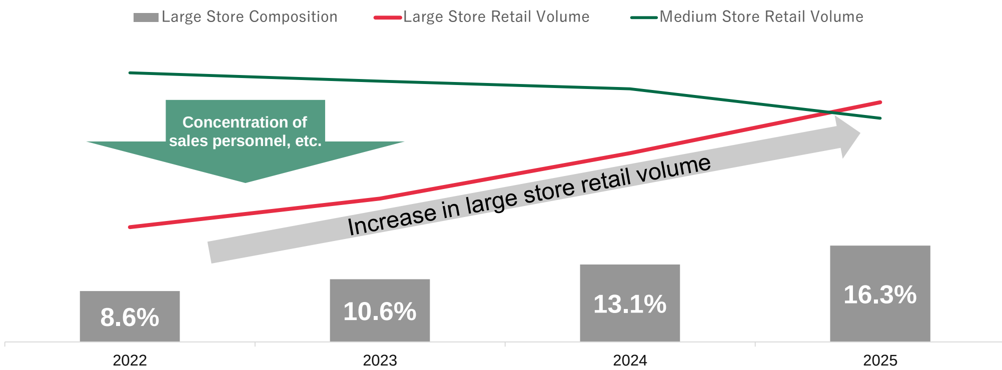
IDOM Inc. 32

As for our maintenance facilities, all 10 planned new workshops were opened this year.
We now operate 39 workshops, and 20 of them are certified inspection sites, enabling us to perform in-house vehicle inspections.

Opening stores

To expand the number of retail units

Gulliver



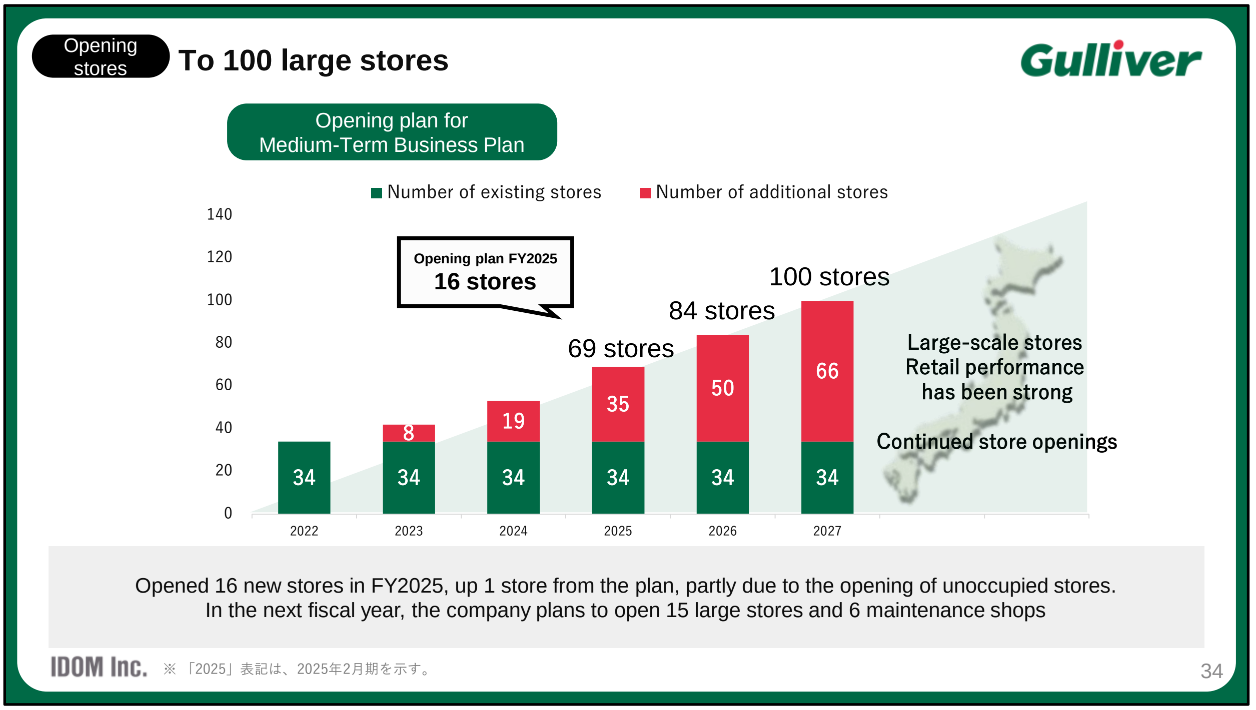
With our focus on large stores, the total number of units sold by large stores has exceeded that of medium-sized stores.
Going forward, we will continue to focus on large stores, while also continuing to operate medium-sized stores.

IDOM Inc. 33

Here is the progress in expanding retail sales through new large-format stores.

Retail sales from large-format stores have now surpassed those of our 136 mid-sized stores.

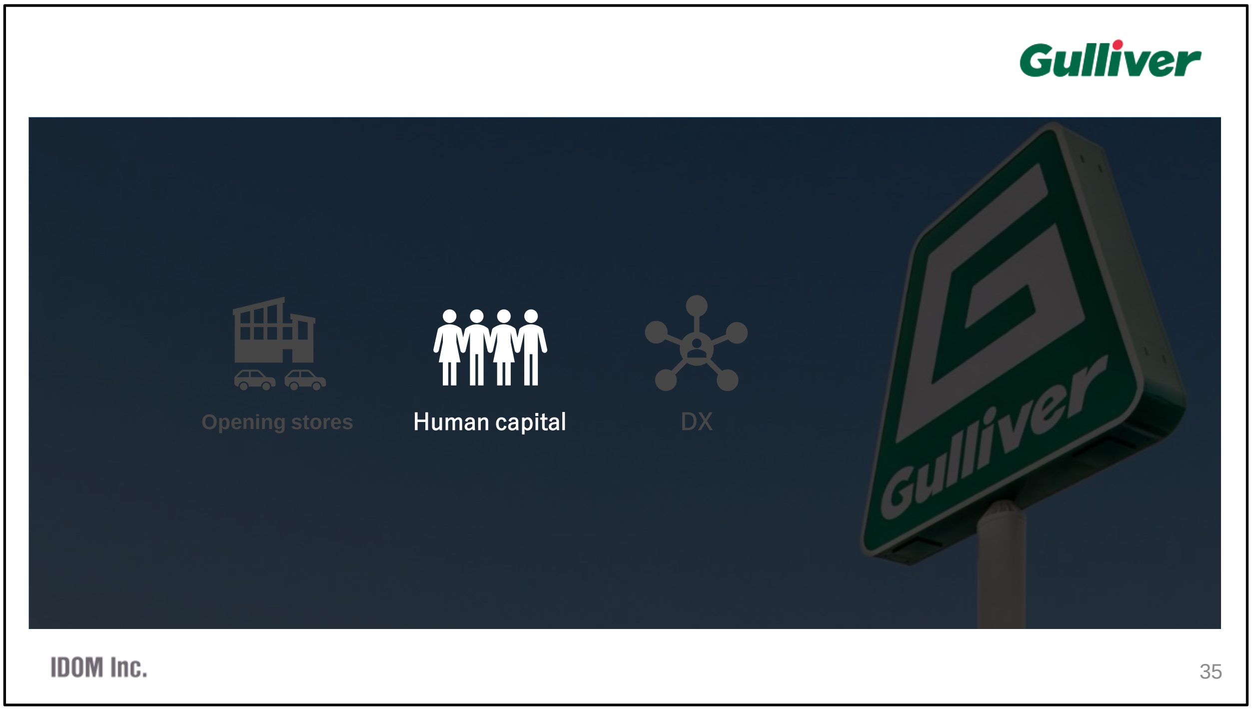
Although large-format stores account for only 16% of total store count,
we will continue to consolidate into larger locations, increasing customer draw and operational efficiency.



Our expansion of large-format stores has been very successful.
We plan to open 15 more in FY2026, most of which are already under contract.

Even after reaching 100 stores, we believe there is still ample room for further expansion.

Nationwide large-format stores will also become key bases for our OMO (Online Merges with Offline) strategy,
ensuring efficient and strategic investments.

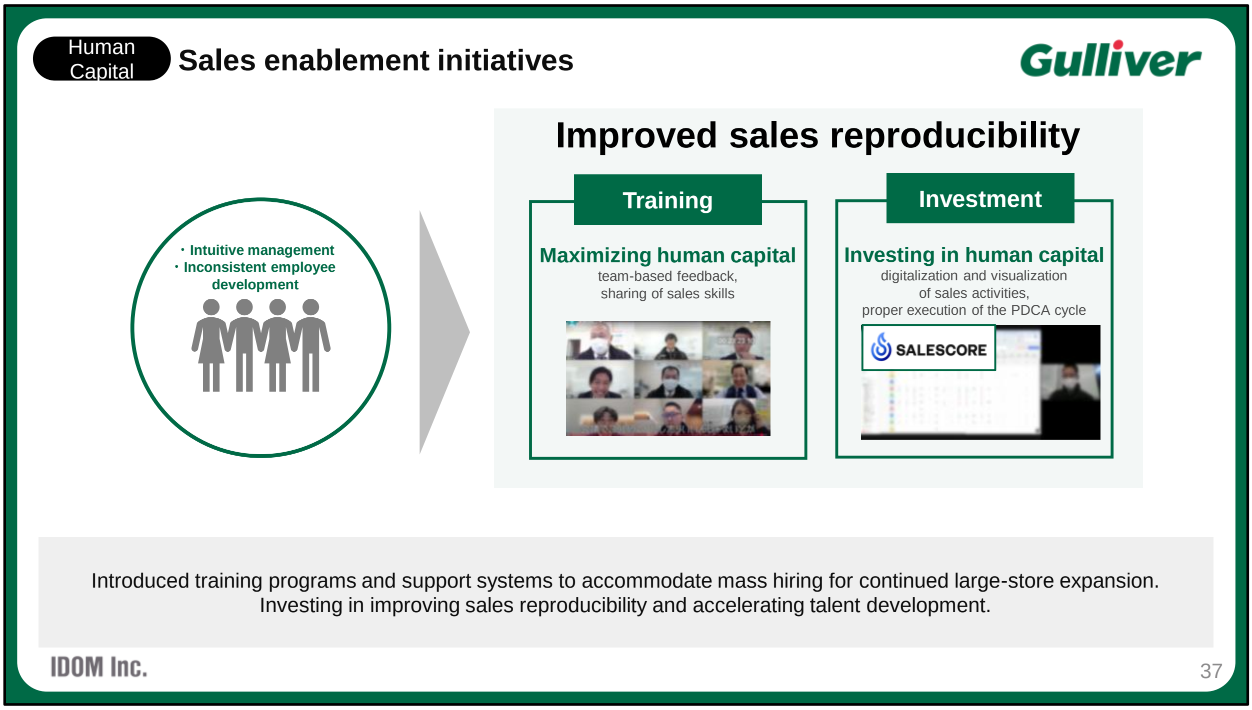


Next, let me discuss investment in human capital.

At IDOM, we consider employee health to be a key management issue.

Thanks to our efforts, we were certified as a 2025 Health and Productivity Management Organization.

We will continue working toward achieving the “White 500” certification.



We also place great importance on enhancing individual employee capabilities as a critical management indicator.

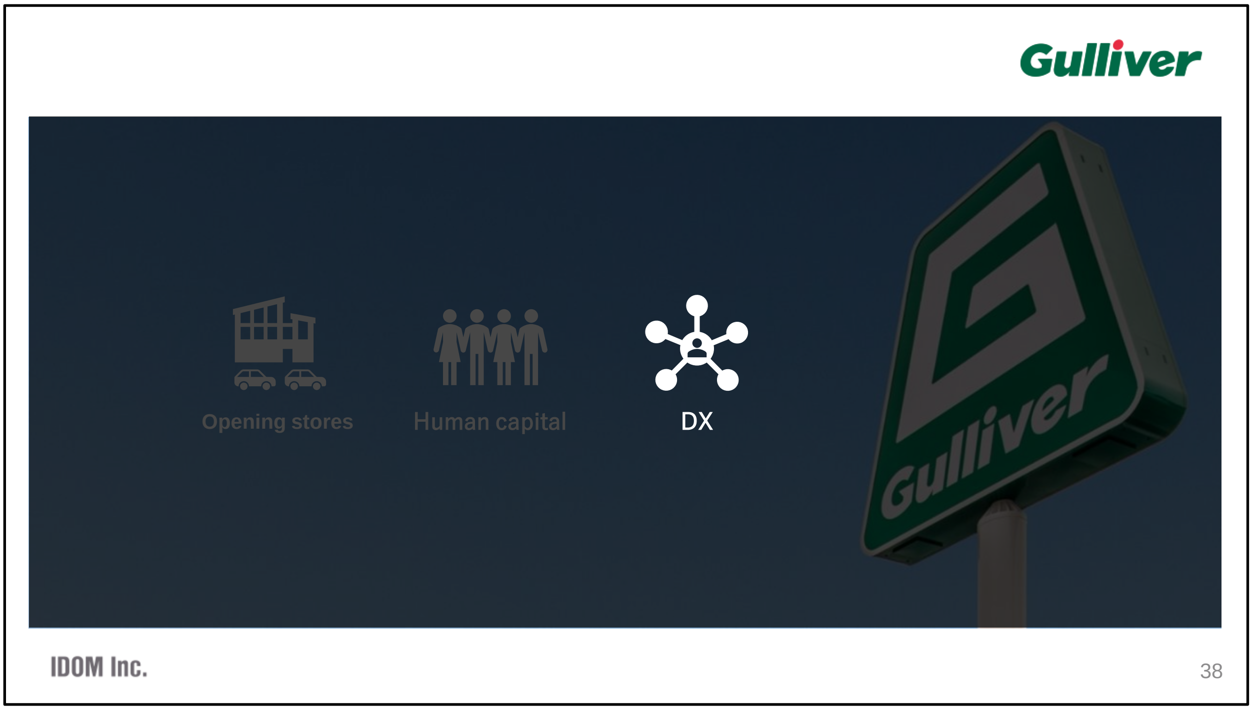
In this context, we launched initiatives to improve the reproducibility of sales performance, incorporating third-party perspectives.

We've been using accumulated data to:

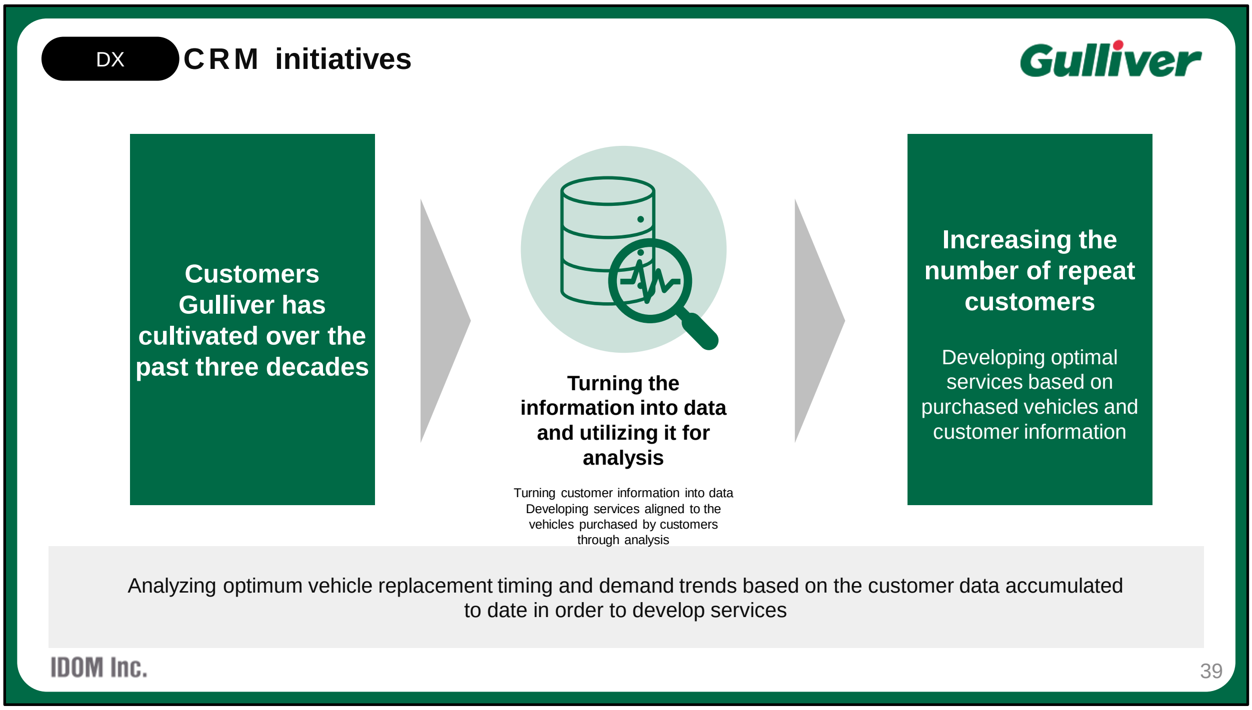
Share the skills of top-performing employees

Provide constructive feedback to new hires

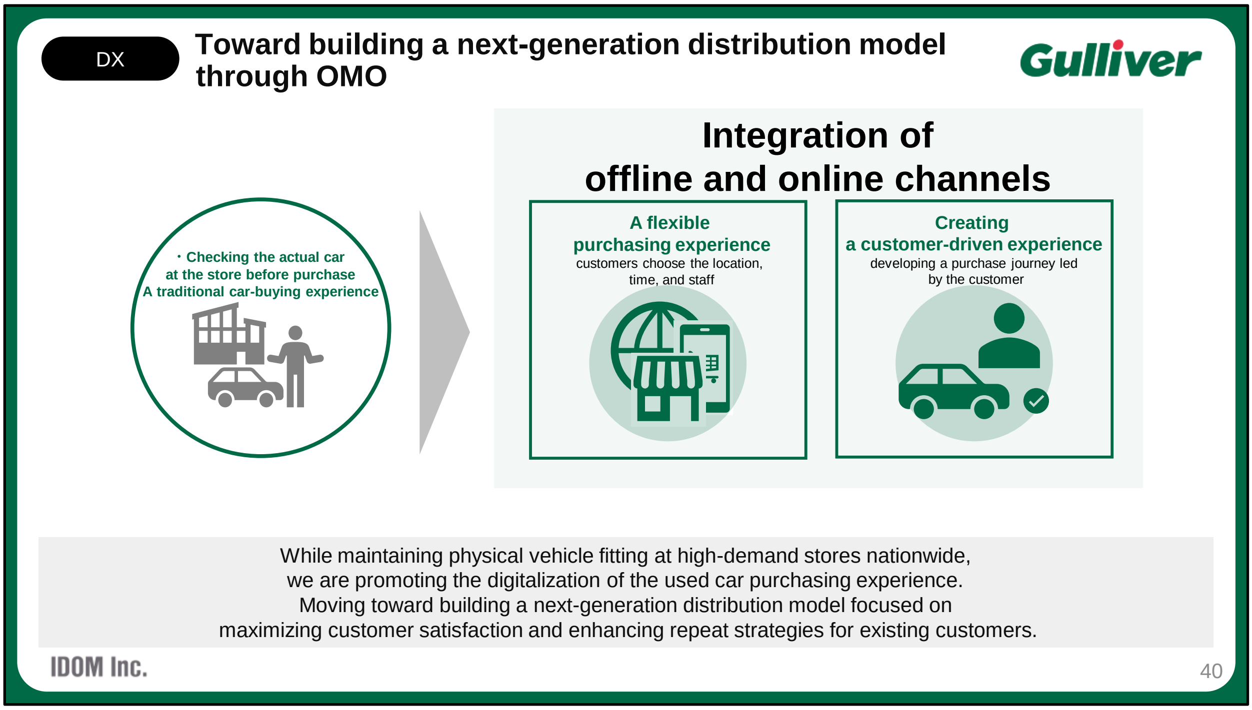
These efforts to support employee growth will continue in the future.



Now, let me explain our efforts in Digital Transformation (DX).



Our long-standing customer base, built over 30 years of Gulliver service, is one of our most valuable assets.
We have been developing CRM systems to tailor services to each customer.
This has enabled us to provide even more satisfying and repeatable services.



We are moving away from the traditional model of car buying:

Visiting a store → Checking cars in person → Negotiating with sales staff

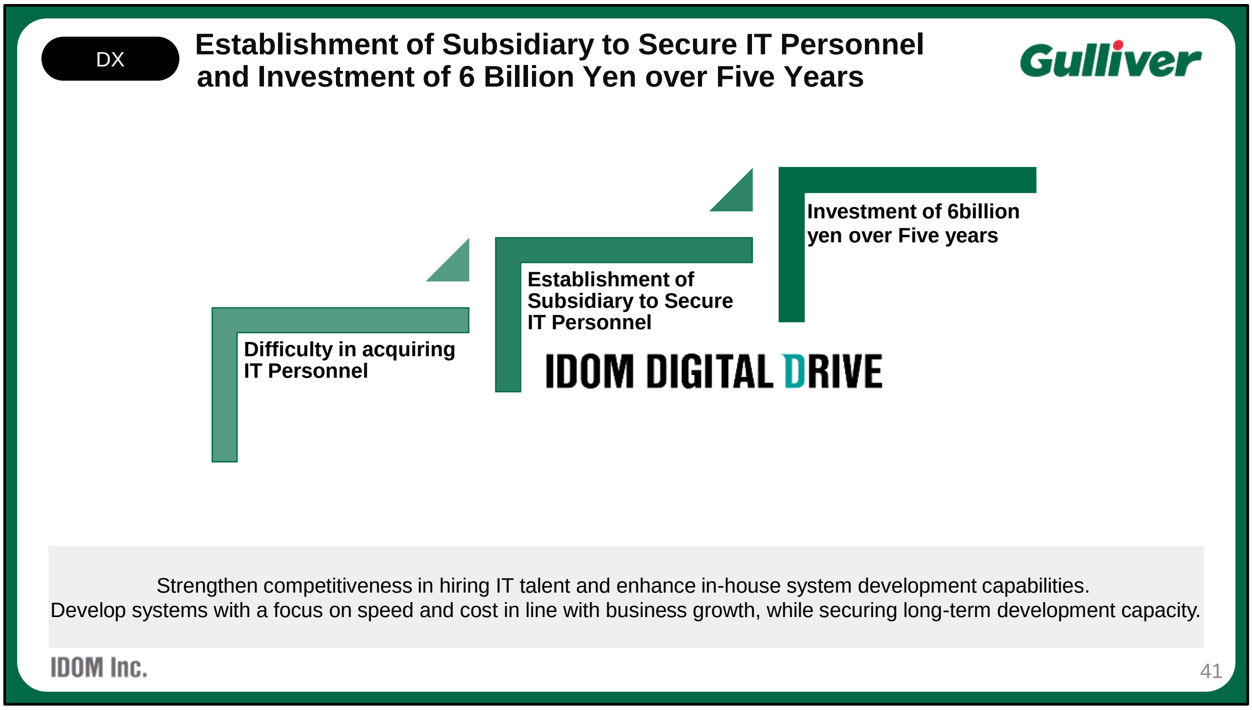
Instead, we are building a new experience that combines:

Offline service: Large-format stores nationwide where customers can check vehicles in person

Online service: Allowing customers to buy cars remotely

→ A new level of freedom for customers, unconstrained by time or place.

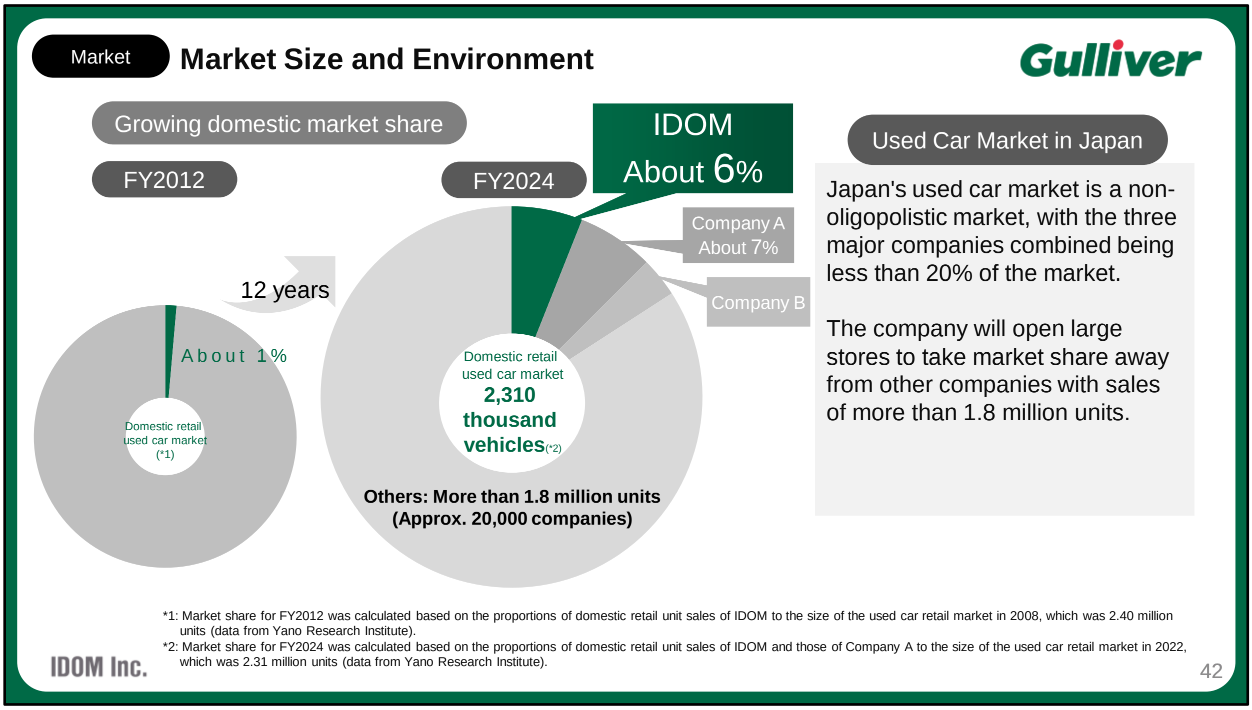
As a leading used car company, we aim to transform the car buying experience for the next generation.



To support our DX development, we have established a new subsidiary to secure digital talent.

This new entity offers flexible working conditions, free from traditional regulations, allowing us to attract expert personnel across various fields.

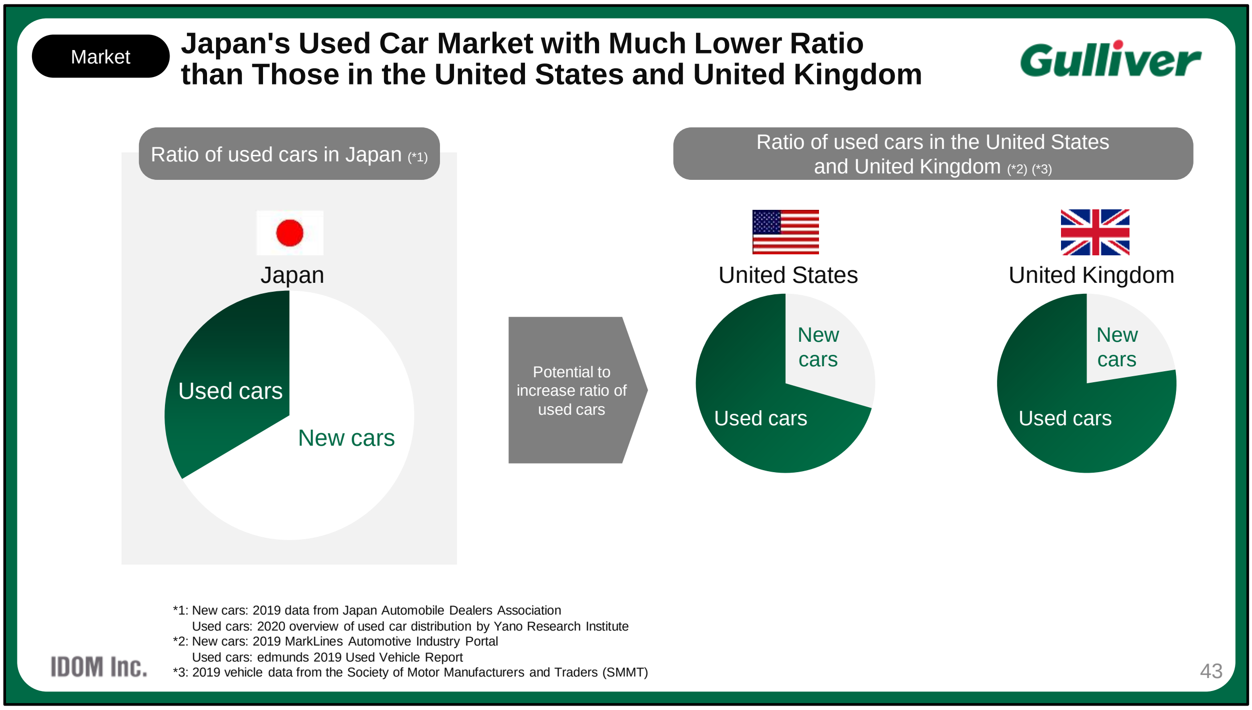
Over the next five years, we will carry out sustained large-scale investments with strong development capabilities.



Let us now revisit the potential of the used car market.

Gulliver holds about 6% market share in the Japanese used car industry.
We believe there is room to double or triple this share.

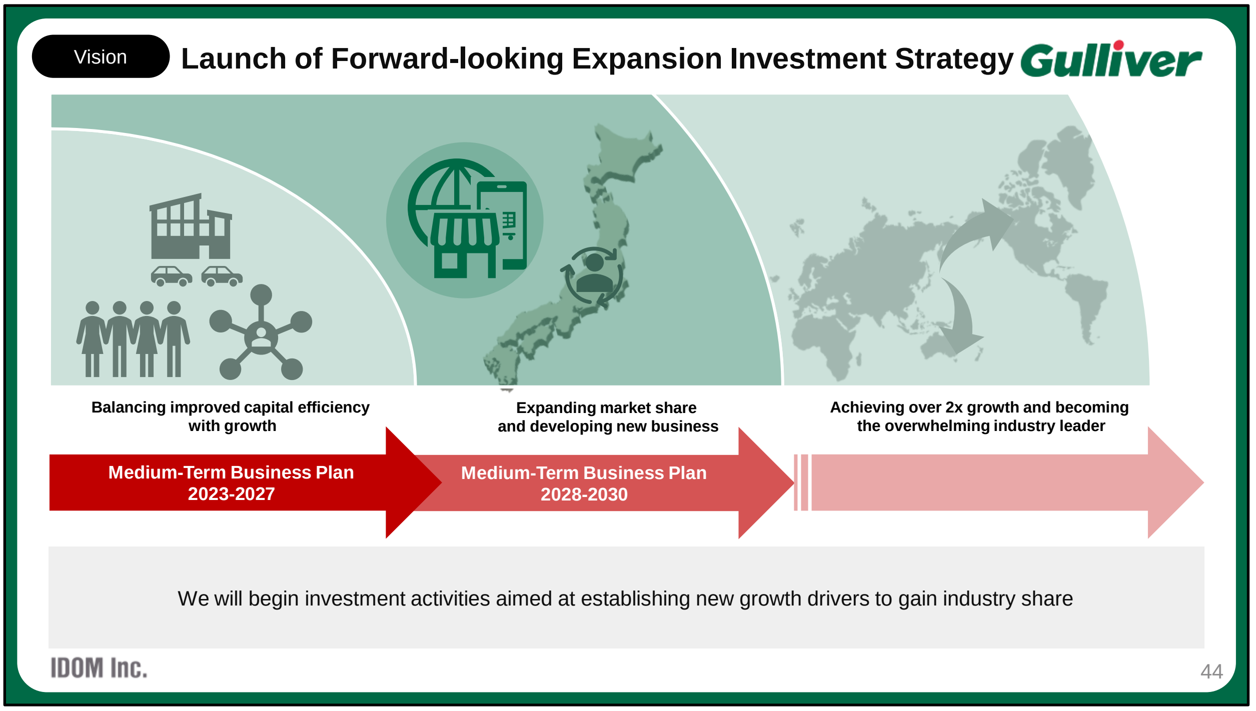
Through continued investment in store expansion, human capital, and DX, we aim to further expand our share.



Compared to Western countries, the used car ratio in Japan remains relatively low.

As global car prices rise and Japan’s economic growth slows,
we believe demand for used cars will increase significantly.

Thus, both market share and overall business growth potential are substantia



Our current mid-term management plan focused on stable growth and capital efficiency,
and we believe these goals have been largely achieved.

From FY2026, we will begin preliminary investments aimed at expanding our market share under the next mid-term plan.

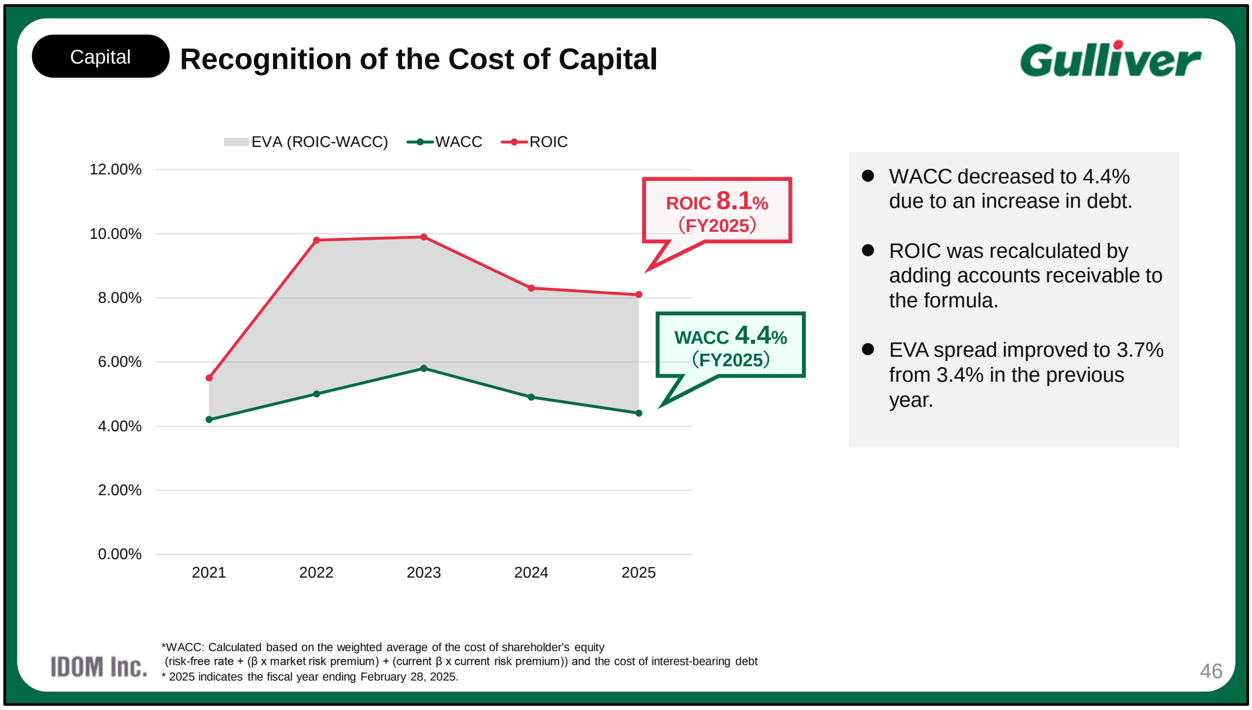
While this will involve temporary costs, we are committed to moving forward toward further growth.

Gulliver

4. Capital Policy and Dividends

IDOM Inc.

Let us now discuss dividends and capital policy.



Our capital cost is estimated at around 4%.

Due to asset increases from store openings and a slight decline in profit,
ROIC dropped from 8.3% to 8.1%, but we have still maintained an EVA spread of about 4%.

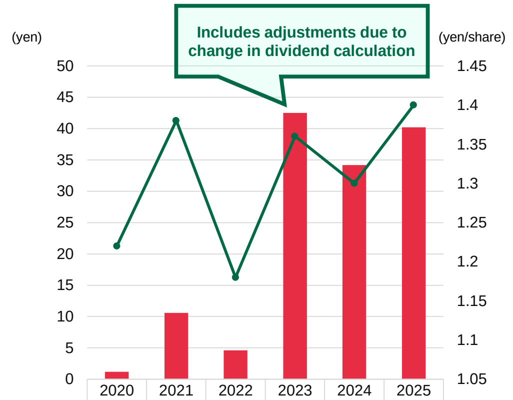
From this fiscal year, we've also revised our ROIC calculation to include accounts receivable to better reflect business realities.

We will continue managing our business with a firm awareness of capital costs.

Capital

Policies on Dividends, Share Buybacks, etc.

Gulliver



	2020	2021	2022	2023	2024	2025
Dividend per share(yen)	1.2	10.6	4.6	42.5	34.19	40.18
Payout ratio	3%	72%	4%	30%	30%	30%
PBR	1.22	1.38	1.18	1.36	1.3	1.4

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.

IDOM Inc.

* 2025 indicates the fiscal year ending February 28, 2025.

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This slide shows the historical trend of dividends.

Previously, we returned 30% of the previous fiscal year’s consolidated net profit to shareholders.
From FY2023, we revised this to return 30% of the current fiscal year’s profit, resulting in a consistent 30% dividend payout ratio.

Regarding share buybacks:
We will consider them if PBR (Price-to-Book Ratio) approaches 1x.
For reference, we executed a buyback in April 2020.

Going forward, we will prioritize growth investments and increase shareholder returns by improving earnings.

Dividends

Dividend Policy

Gulliver

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	14.41 yen	19.78 yen	34.19 yen
FY2025	19.38 yen	20.80 yen	40.18 yen
FY2026 (Forecast)	22.41 yen	18.22 yen	40.63 yen

increased dividend

increased dividend

IDOM Inc.

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Here is the dividend forecast for the current, previous, and next fiscal years.

FY2025 full-year dividend: ¥40.18, an increase from the previous year
- Interim: ¥19.38
- Year-end: ¥20.80 per share

FY2026 projected dividend: ¥40.63 (slight increase)

Over the past two years, the used car industry has made significant strides toward safe and transparent transactions for customers.

We at IDOM have taken this seriously and will continue to strengthen our efforts.

Our financial foundation has been greatly strengthened through our mid-term plan.

The automotive industry is in the midst of a once-in-a-century transformation, and we believe the used car market will also undergo major changes.

As a leading used car company, we will continue to take on challenges so we can grow together with all our stakeholders.

We hope you will continue to place your trust in IDOM.