FY2026 Q1

# Financial Results for the Fiscal Year Ending February 28, 2026

July 14, 2025

TSE Prime 7599

IDOM Inc.

Gulliver

## Disclaimer

The forward-looking statements contained in these materials, including earnings forecasts, are based on information available to IDOM at the time of disclosure and on assumptions deemed reasonable. These statements are not guarantees of future performance or outcomes.

Please note that actual results may differ materially from those expressed or implied in these forward-looking statements due to various factors. These factors include, but are not limited to, economic conditions affecting IDOM’s business domains, fluctuations in foreign exchange rates, and changes in market conditions. Furthermore, the information contained in these materials is not intended to serve as advertising or investment advice.

## Contents

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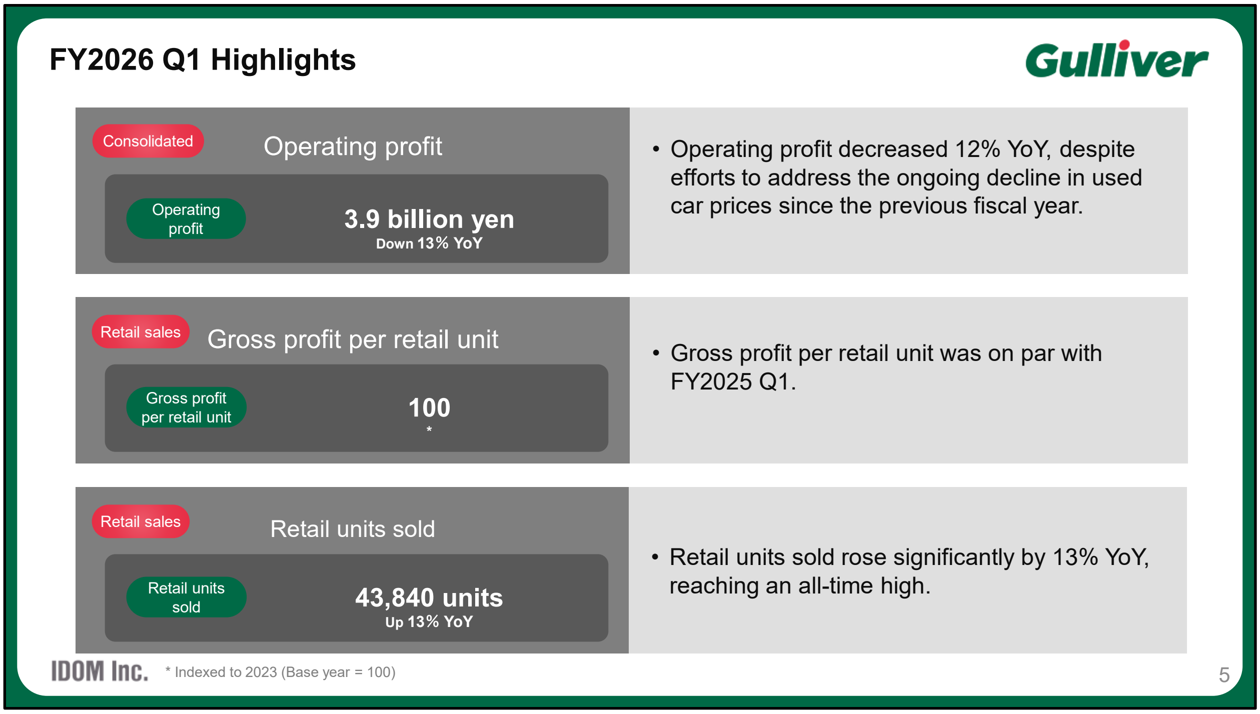
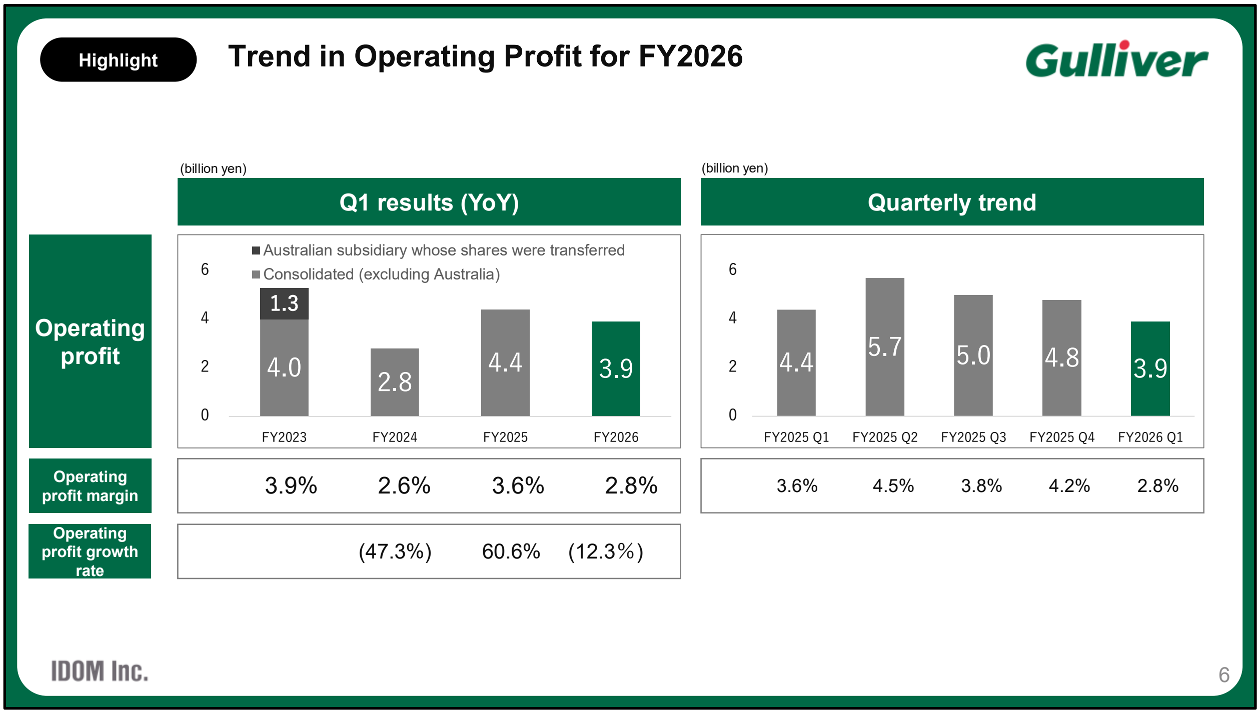
I will explain the financial results for the first quarter of the fiscal year ending February 2026.

# 1. FY2026 Q1 Financial Results




Here are the highlights for this fiscal year.
First, let's look at consolidated operating income. Consolidated operating income was 3.9 billion yen.
In response to the decline in the used car market from the previous fiscal year, this represents a 12% decrease from the same period last year.
However, compared to the first quarter of the fiscal year ending February 2024, which saw similar market movements, we believe we were able to respond effectively by not rushing to dispose of inventory and instead increasing retail sales.
The next point is retail unit gross profit.
As indicated by the index from the end of last fiscal year, we maintained the same level as the same period last year. Going forward, we aim to improve our performance throughout the year to reach the full-year forecast range of 113 to 115.
The third point is retail sales volume.
Retail sales volume for the current period was 43,840 units.
This represents a significant increase of 13% from the same period last year, marking the highest retail sales volume on record. Large stores contributed to the growth in retail sales volume.




The left side of the slide shows the operating income for the first quarter over the past four years. Operating income for the current fiscal year was 3.9 billion yen, a decrease of 0.5 billion yen from the strong performance of the previous fiscal year. Compared to two years ago, when market conditions were similar, operating income increased by 1.1 billion yen.
The right side of the slide shows the operating income for the last five quarters.

Market trend

## Outlook for the Used Car Market

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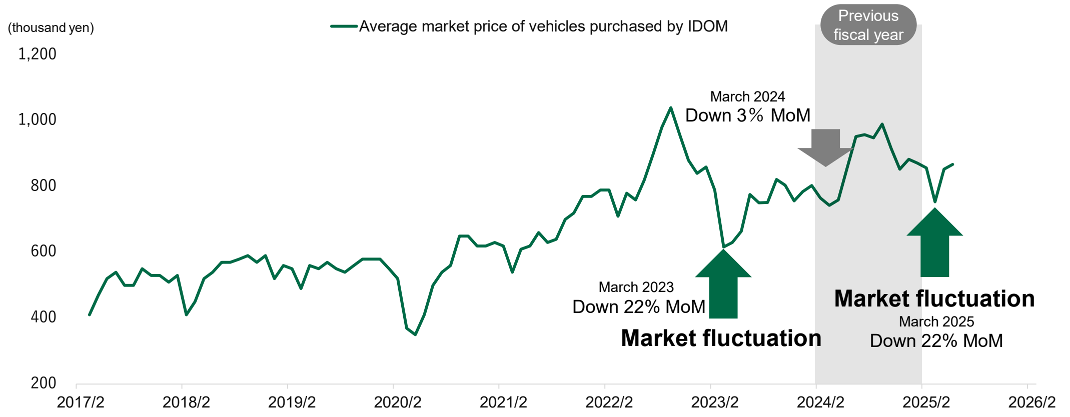


We initiated early disposal of long-term retail inventories to address market fluctuations in March 2025.
Our response was more effective than two years ago, but gross profit per unit
fell short of our plan in both the retail sales and wholesale businesses.

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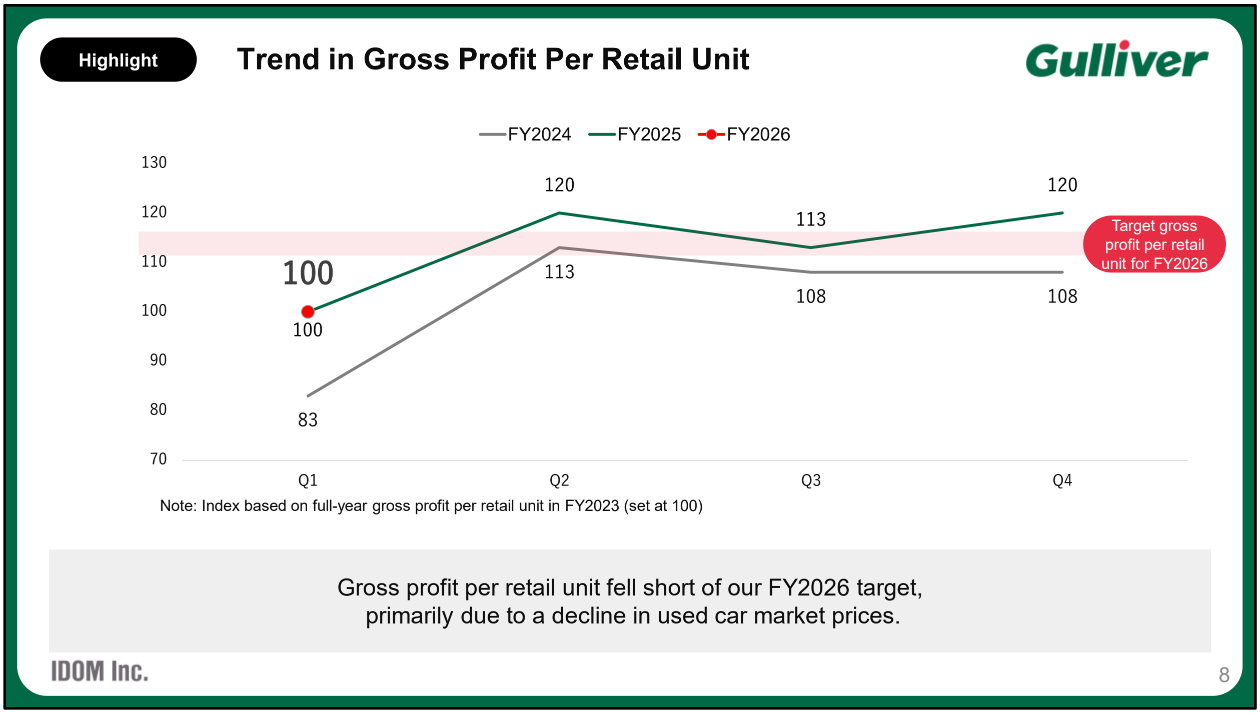
Our purchase prices show the trend in the used car market. In the first quarter of the previous fiscal year ending February 2025, there was a decline of several percent, so it was a favorable environment in terms of earnings. As we have discussed, as long as the market continues to trend gradually, there will be no impact on earnings.
On the other hand, the first quarter of the 2024 fiscal year and the current fiscal year saw declines exceeding 20%, so looking at the past three months, the environment is such that cars purchased when the market was high are being sold. If the market reverses or stabilizes after this, the environment will improve as we will be able to sell inventory purchased when the market was low in the next quarter. Therefore, the impact of market fluctuations will be small when viewed over a period of six months or a year.
In the current quarter, due to market fluctuations starting in March 2025, we executed inventory disposal through retail sales and believe we handled the situation more effectively than during the previous fluctuation period two years ago. However, both retail and wholesale gross margins fell below the planned levels.




The chart shows the trend in retail gross profit from the fiscal year ending February 2024 on a quarterly basis.
The orange band indicates the range of 113 to 115, which is the assumption for the current earnings forecast announced in April 2025.
The red dots indicate the level for the first quarter, which remained at the same level as the same period of the previous year, but fell below the level of this year's earnings forecast.

Highlight

## Major KPIs for FY2026 Q1

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| | | FY2024 Q1 | FY2025 Q1 | FY2026 Q1 | Change |
|---|---|---|---|---|---|
| Number of stores | Opening of large stores (stores) | 0 | 1 | **2** | **Up 1** |
| Retail | Retail units sold (thousand units) | 39.2 | 38.8 | **43.8** | **Up 5.0** |
| | Gross profit per retail unit (with 2023 as the base year = 100) | 83 | 100 | **100** | **-** |
| Wholesale | Wholesale units sold (thousand units) | 34.3 | 43.1 | **39.9** | **Down 3.2** |
| | Gross profit per wholesale unit (with 2023 as the base year = 100) | 90 | 120 | **90** | **-** |

Store openings progressed steadily as planned, contributing to record-high retail units sold.

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Regarding key performance indicators (KPIs),
two stores opened this fiscal year and are performing well. Including the first quarter stores, we plan to open eight stores in the first half of the fiscal year.
As mentioned in the highlights, we were able to increase the number of retail units sold by 5,000 while maintaining the same level of retail gross profit as the previous fiscal year. We would have liked to increase the number of units sold even further to offset the decline in retail gross profit, but sales did not increase to that extent.

In wholesale, due to not rushing to dispose of inventory, sales decreased by 3,200 units compared to the same period last year. Regarding wholesale unit gross profit, compared to the strong performance last year, this quarter was affected by the decline in used car prices, resulting in a significant decrease in gross profit.

Consolidated

## Consolidated Statement of Income for FY2026 Q1

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| (billion yen) | FY2025 | FY2026 | Ratio to net sales | Change | Change (%) |
|---|---|---|---|---|---|
| **Net sales** | 124.6 | **138.5** | 100.0% | 14.0 | 11.2% |
| **Gross profit** | 21.5 | **22.3** | 16.1% | 0.7 | 3.5% |
| **Selling, general and administrative expenses** | 17.1 | **18.4** | 13.3% | 1.3 | 7.6% |
| **Operating profit** | 4.4 | **3.9** | 2.8% | (0.5) | (12.3%) |
| **Ordinary profit** | 4.3 | **3.6** | 2.6% | (0.7) | (17.0%) |
| **Profit attributable to owners of parent** | 2.9 | **2.3** | 1.6% | (0.6) | (21.5%) |

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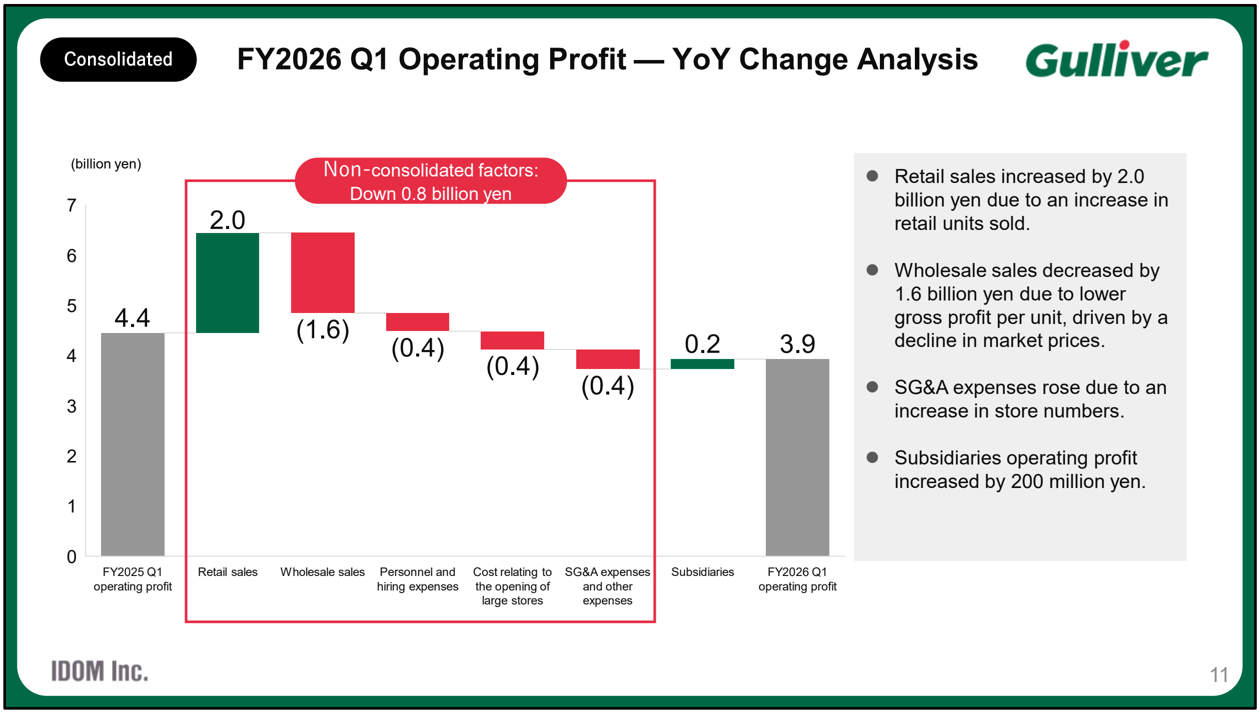
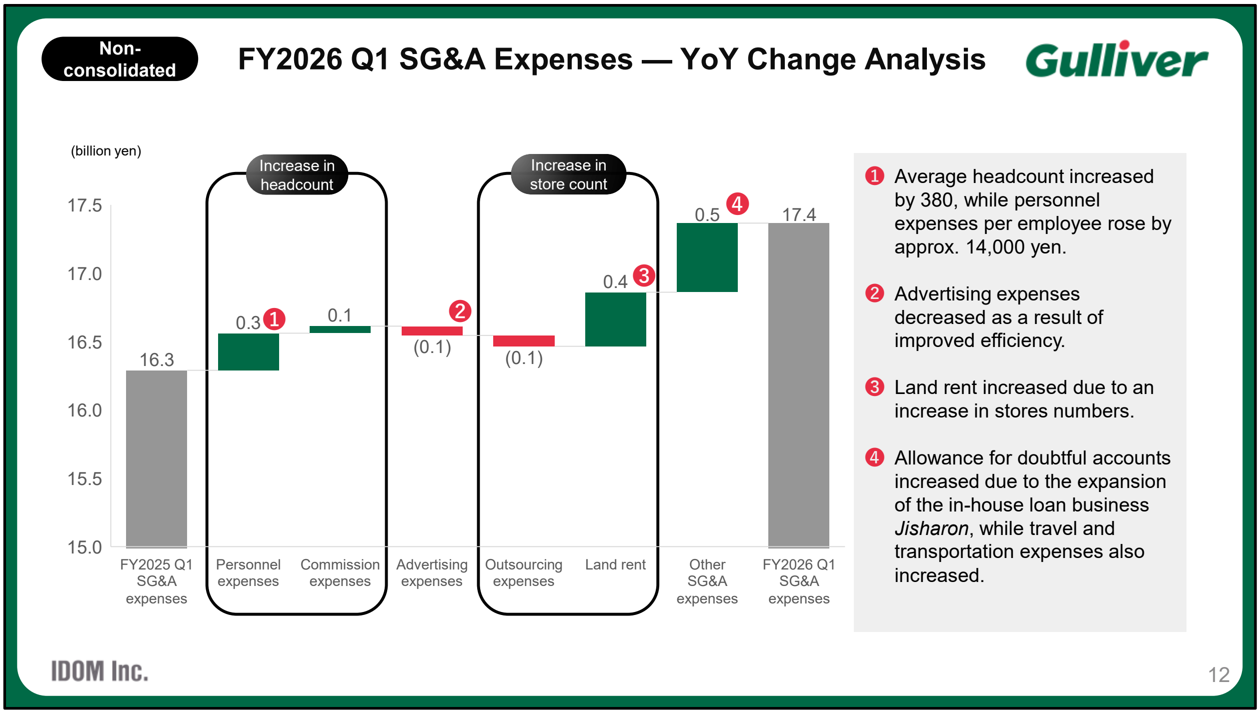
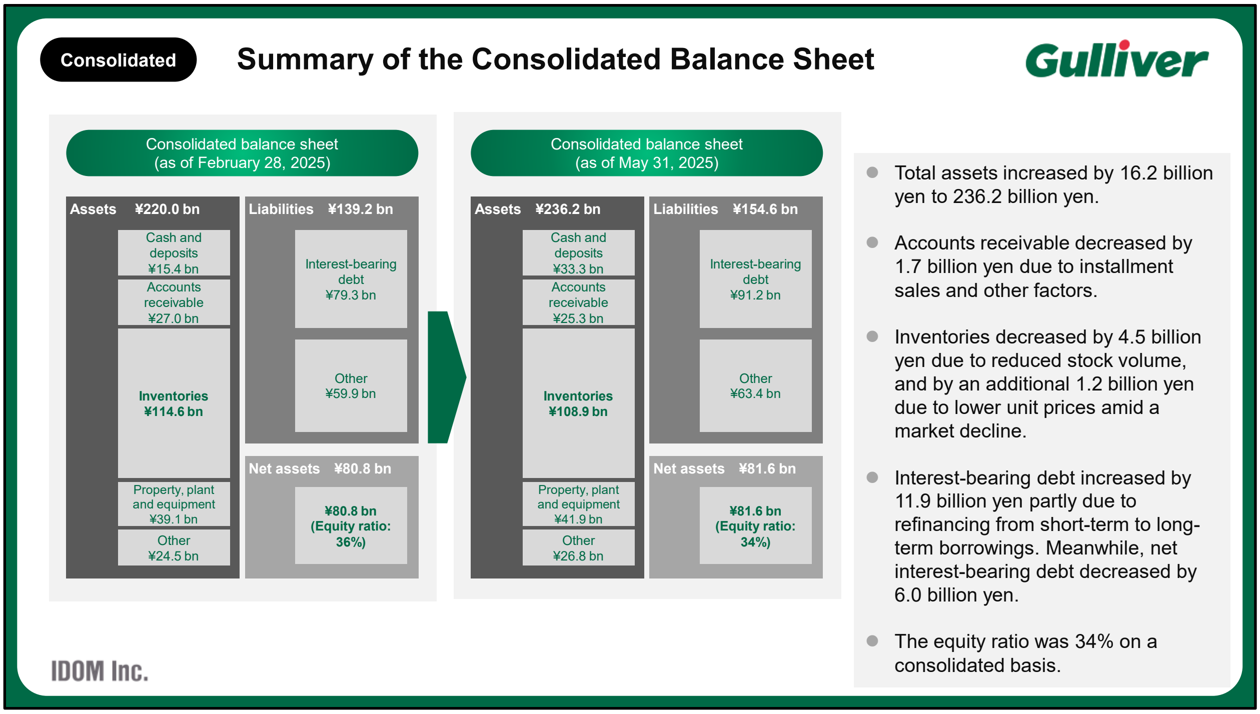
These are the consolidated income statement results.
Sales were 138.5 billion yen.
Gross profit increased 3.5% year-on-year, and selling, general, and administrative expenses increased 7.6%.
As a result, operating income was 3.9 billion yen, down 12% from the same period last year.
Net income for the current period was 2.3 billion yen.
The factors affecting the increase or decrease in operating income will be explained in the next slide.



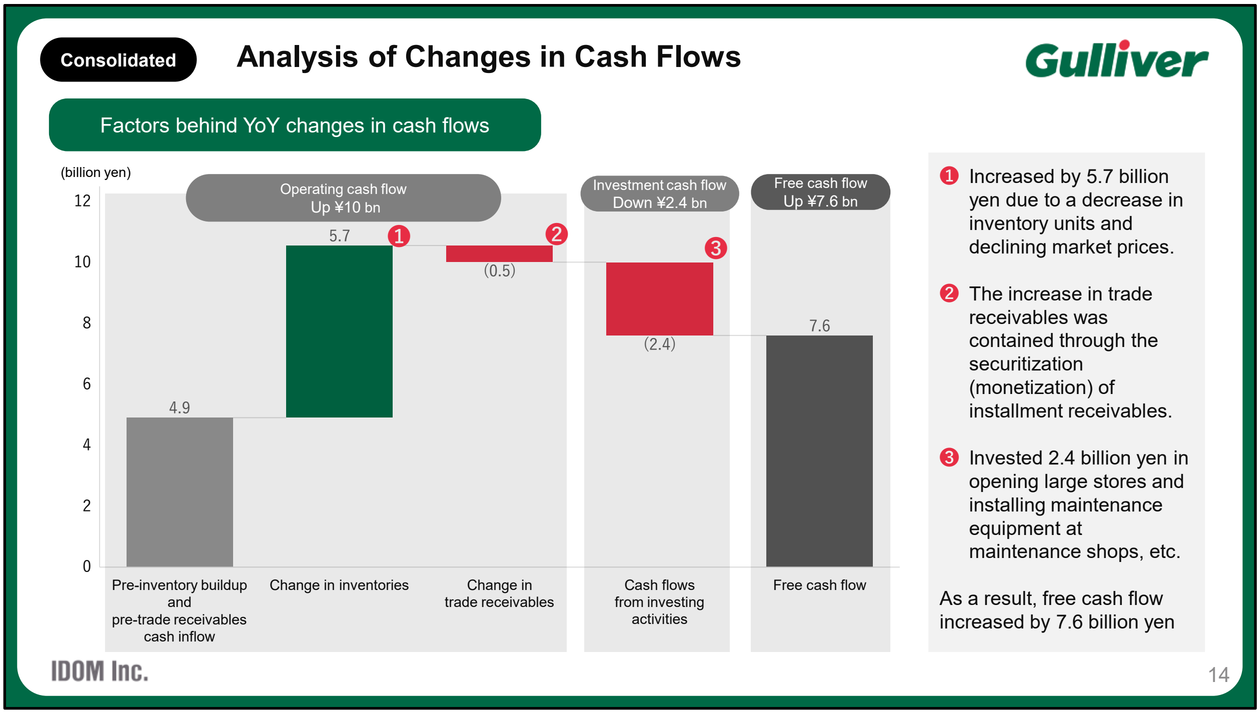

This shows the year-on-year change in consolidated operating income. The red square indicates factors specific to IDOM alone.
The decrease in income for IDOM alone was 800 million yen. Of this, the retail segment saw an increase of 2 billion yen due to an increase in retail sales, while the wholesale segment saw a decrease of 1.6 billion yen due to the impact of falling market prices.
On the other hand, selling, general, and administrative expenses increased by 1.2 billion yen due to higher labor costs, recruitment expenses,and promotional expenses, and rent expenses related to the accelerated expansion of large-scale stores.
The difference between standalone and consolidated results was a positive 200 million yen.
As a result, consolidated operating profit reached 3.9 billion yen.




I will now explain the SG&A expenses for the non-consolidated segment, which is shown in the red frame in the previous slide, where I explained the factors affecting the increase or decrease in consolidated operating income.
We are actively recruiting human resources in line with the opening of large stores. We are recruiting at the same level as last year, so the number of employees is 380 on average, and the unit price has increased by approximately 14,000 yen, resulting in a 400 million yen increase in personnel expenses.
We are striving to use advertising and promotional expenses efficiently.
In addition, land rent increased by 400 million yen due to the opening of a large store.
Other SG&A expenses increased by 500 million yen. This includes various items such as travel and transportation expenses, but among these, 300 million yen is attributed to the provision for bad debts related to the installment sales business, similar to the fourth quarter.




This is the consolidated balance sheet. Total assets increased by 16.2 billion yen from the end of the previous fiscal year to 236.2 billion yen.
On the asset side, most of the accounts receivable are from installment sales, but in May, we liquidated (converted to cash) 1.7 billion yen.
Inventory decreased by 5.7 billion yen to 108.9 billion yen. The decrease was due to a 4.5 billion yen reduction in unit volume and a 1.2 billion yen decrease in unit price.
Tangible fixed assets increased by 2.8 billion yen due to the expansion of stores and factories.
Liabilities increased by 15.4 billion yen to 154.6 billion yen.
Interest-bearing debt increased by 11.9 billion yen to 91.2 billion yen, but net interest-bearing debt, including cash and deposits, decreased by 6 billion yen. At the same time, we are restructuring our debt from short-term to long-term.
As a result, equity increased by 0.8 billion yen to 81.6 billion yen, and the equity ratio reached 34%.




This is the consolidated cash flow statement.
Operating cash flow generated 4.9 billion yen in cash inflows before changes in inventory and accounts receivable. A decrease in inventory resulted in 5.7 billion yen in cash inflows, while an increase in accounts receivable led to 0.5 billion yen in cash outflows, resulting in a net operating cash flow of 10 billion yen.
Regarding investment cash flow, 2.4 billion yen was invested in the acquisition of tangible and intangible fixed assets such as large stores and maintenance facilities.
As a result, free cash flow was positive by 7.6 billion yen.

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# 2. FY2026 Strategic Initiatives


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Large stores

## Newly Opened Stores

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Sendai Rifu Store (opened in March 2025)

Rifu Town, Miyagi District, Miyagi Prefecture

**Recent and upcoming store openings**

[Large stores opened in Q1]
- Naha Store (March 2025)
- Sendai Rifu Store (March 2025)

[Large store openings scheduled in Q2]
- 6 stores

| | |
|---|---|
| Full-year progress | 2/15 stores |
| Number of large stores | 71 stores (as of May 31, 2025) |

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This fiscal year, we opened large stores in Naha and Sendai. We expect to open six stores in the second quarter, which is in line with our annual plan of opening 15 stores.
As of the end of May, we had 71 large stores.

Workshops

## Newly Opened Maintenance Shops

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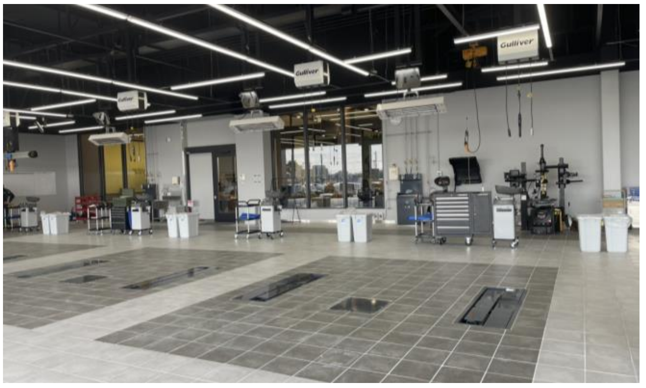

Sendai Rifu Maintenance Shop (opened in March 2025)

Rifu Town, Miyagi District, Miyagi Prefecture

**Recent and upcoming shop openings**

[Maintenance shops opened in Q1]
・Sendai Rifu (March 2025)

[Maintenance shop openings scheduled in Q2]
・4 shops

| | |
|---|---|
| Full-year progress | 1/9 shops |
| Number of maintenance shops (as of May 31, 2025) | 40 shops incl. 21 designated maintenance shops |

(as of May 31, 2025)

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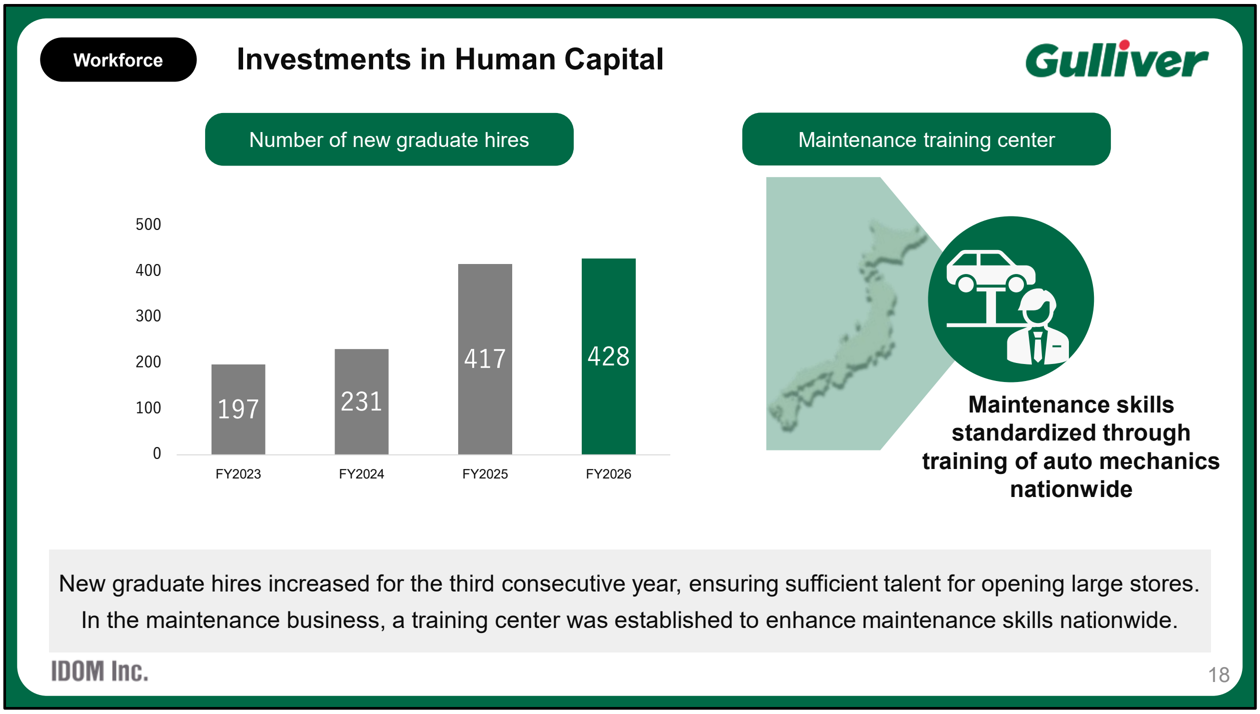
This fiscal year, we opened a maintenance shop in Sendai. Progress is on track with our annual plan to open nine factories. As of the end of May, we had 40 maintenance shops. Of these, 21 are designated shops that can perform vehicle inspections in-house.




Human resources are essential to supporting the opening of large stores. Despite the widespread difficulty in recruiting new employees, the number of new graduates joining our company has increased for three consecutive years, ensuring that we have sufficient human resources for opening large stores.
Now that the pace of store openings has stabilized, the rate of increase in recruitment has slowed.
With regard to maintenance operations, we have established a training center, which we believe will contribute to improving the level of maintenance technology nationwide.

Consolidated

## Q1 Progress Toward FY2026 Earnings Forecasts

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| | | Q1 results | Initial full-year forecast | Q1 progress |
|---|---|---|---|---|
| Number of stores | Opening of large stores (stores) | 2 | 15 | As forecasted |
| Retail | Retail units sold (thousand units) | 43.8 | 160.0 | As forecasted |
| | Gross profit per retail unit (with 2023 as the base year = 100) | 100 | 113-115 | Underperformed |
| Wholesale | Wholesale units sold (thousand units) | 39.9 | 150.0 | As forecasted |
| | Gross profit per wholesale unit (with 2023 as the base year = 100) | 90 | 110-120 | Underperformed |
| P/L | Gross profit (billion yen) | 22.3 | 92.9 | Underperformed |
| | Selling, general and administrative expenses (billion yen) | 18.4 | 70.8 | As forecasted |
| | Operating profit (billion yen) | 3.9 | 22.1 | Underperformed |

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Finally, I would like to discuss our progress toward our annual earnings forecast.
We are on track to open 15 stores this year, as planned.
Both retail and wholesale sales volumes are in line with expectations, but gross profit per unit is below the performance forecast due to market conditions.
We believe we have responded to market fluctuations more effectively than two years ago, but we are already working to strengthen inventory management in response to market outlook. We will continue to actively promote ancillary and financial services, aiming to achieve our annual sales target while striving to improve retail gross profit per unit.

We believe that the accuracy of our growth drivers, such as securing gross profit from retail sales and increasing retail sales volume through the expansion of large stores, remains high.
Although the first three months were affected by market conditions, we were able to respond appropriately and achieve solid financial results.
We intend to continue investing in the future and maintain our growth path.
Thank you very much.