

FY2026 Q2

First Half Financial Results for the  
Fiscal Year Ending February 28, 2026

October 15, 2025

TSE Prime 7599

IDOM Inc.



I am Nishihata, CFO of IDOM Inc.

## Disclaimer

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1. FY2026 H1 Financial Results



IDOM Inc.

## FY2026 H1 Highlights



Consolidated

Operating profit

Operating profit

**8.5 billion yen**  
Down 16% YoY

- Decreased 16% YoY, reflecting the delayed response to the downturn in the used car market that began in the previous fiscal year

Retail sales

Gross profit per retail unit

Gross profit per retail unit

**103\***  
Down 6% YoY

- Underperformed due to the disposal of long-term inventories carried over from the previous fiscal year
- Recovered to the target level in August alone

Retail sales

Retail units sold

Retail units sold

**84,190 units**  
Up 11% YoY

- Recorded a significant increase of 11% YoY
- Set a new first-half record for retail units sold

IDOM Inc. \*Indexed to 2023 (Base year =100)

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Here are the highlights for the first half.

The first point concerns consolidated operating profit.

Consolidated operating profit reached ¥8.5 billion. In the fourth quarter of the previous fiscal year, we increased inventory in preparation for new store openings. However, it took time to adjust to the subsequent market downturn, leaving us with high-cost inventory. This resulted in a 16% decline compared to the strong results of the previous year.

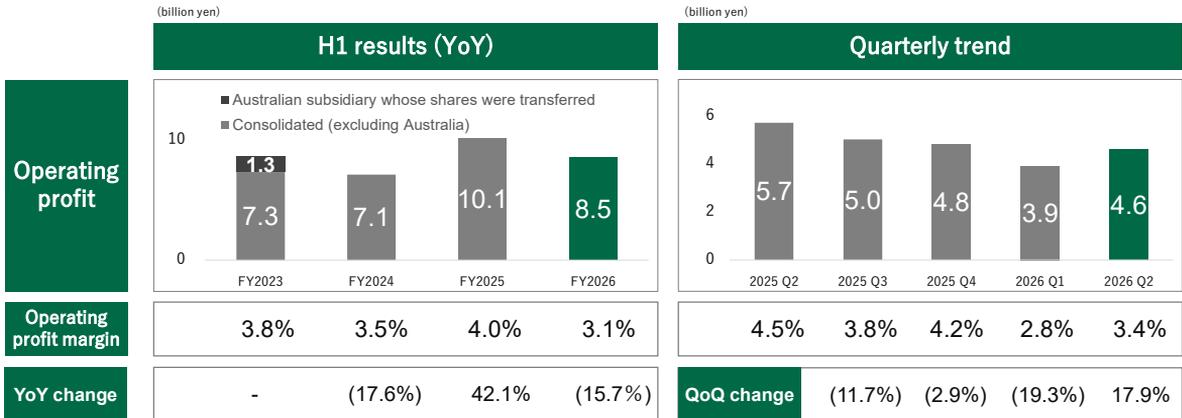
The second point is retail gross profit per unit.

As mentioned earlier, selling inventory purchased at high prices increased our cost of goods sold.

While the second quarter saw an 8% improvement compared to the previous quarter, the first half as a whole showed a 6% decrease year-on-year.

The third point is retail units sold.

Retail units sold this period reached 84,190 units. This represents an 11% increase compared to the same period last year. The first half recorded the highest retail units sold in our history. Large stores contributed significantly to this growth in retail units sold.

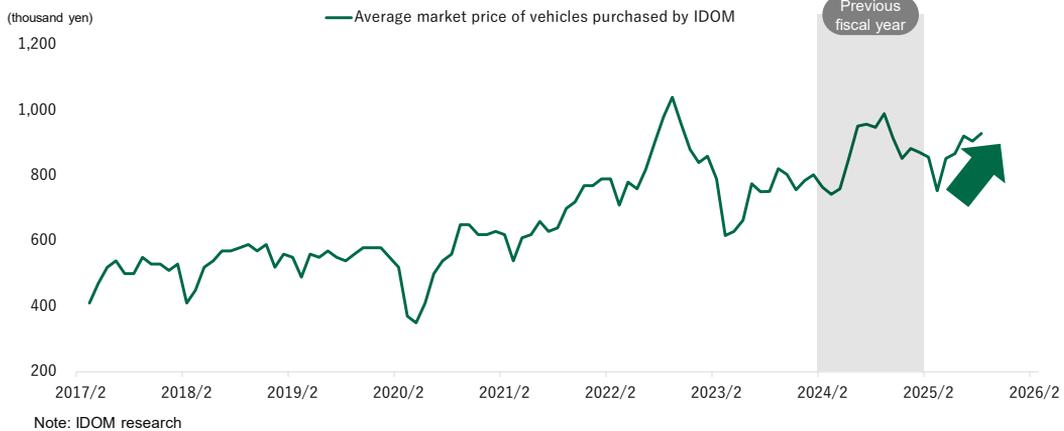


The left side of the slide shows the four-year trend in operating profit for the first half. This period's operating profit of ¥8.5 billion represents a decrease compared to the strong performance of the previous fiscal year.

The right side of the slide shows the trend in operating profit over the last five quarters. It shows a recovery of +18% since the first quarter.

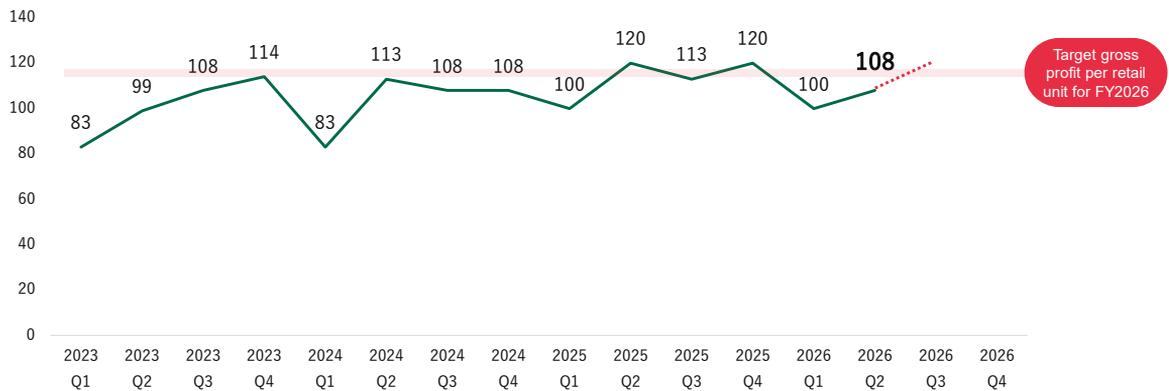
Market trend

Trend in the Used Car Market



The used car market rebounded following a sharp decline that began at the end of FY2025. Prices have continued to rise since September, indicating a sustained recovery trend.

This slide shows the trend in used car market prices relative to our purchase prices. In the second quarter, the market shifted from the decline seen from the second half of last year into this fiscal year to an upward trend. The market in September also shows an upward trend.



Results fell short of our target level due to the lingering effects of long-term inventories disposal. Performance improved steadily from March to August, with results for August alone exceeding the initial target set at the start of the fiscal year.

IDOM Inc. Note: "2026" indicates the fiscal year ending February 28, 2026.

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This slide shows the quarterly trend in retail gross profit per unit since the fiscal year ending February 2023.

The orange line indicates the level of 111, which is the assumption for the full-year earnings forecast.

While we advanced inventory processing in response to market fluctuations, lingering effects caused Q2 results to remain below the forecast assumption.

However, gross profit levels are trending upward, with the August monthly figure improving to the Q2 level of the previous year (120).

We expect retail gross profit per unit to continue improving towards the full-year plan assumption.

		FY2024 H1	FY2025 H1	FY2026 H1	Change
Number of stores	Opening of large stores (stores)	0	1	8	7
	Retail units sold (thousand units)	73.8	75.9	84.2	8.3
Retail	Gross profit per retail unit (with 2023 as the base year = 100)	100	110	103	-
	Wholesale units sold (thousand units)	62.1	76.7	74.8	(1.9)
Wholesale	Gross profit per wholesale unit (with 2023 as the base year = 100)	100	120	100	-

Store openings proceeded as planned, with retail units sold hitting a record high.

## Key Performance Indicators (KPIs).

Eight stores opened during the first half, progressing smoothly.

Retail sales volume increased by 8,000 units.

Wholesale sales volume decreased by 1,900 units compared to the same period last year. Gross profit recovered from 87 in the first quarter to an average of 100 for the first half.

(billion yen)	FY2025	FY2026	Ratio to net sales	Change	Change (%)
Net sales	249.7	273.1	100.0%	23.4	9.4%
Gross profit	44.3	44.8	16.4%	0.5	1.2%
Selling, general and administrative expenses	34.2	36.3	13.3%	2.1	6.2%
Operating profit	10.1	8.5	3.1%	(1.6)	(15.7%)
Ordinary profit	9.6	7.8	2.8%	(1.8)	(19.2%)
Profit attributable to owners of parent	6.5	5.2	1.9%	(1.3)	(20.4%)
EBITDA*1	12.5	10.4	3.8%	(2.1)	(16.9%)

\*1 EBITDA = Operating profit + Depreciation

This shows the actual consolidated income statement.

Revenue was ¥273.1 billion.

Gross profit increased by 1% year-on-year, while SG&A expenses rose by 6%.

As a result, operating profit was ¥8.5 billion, down 16% from the same period last year.

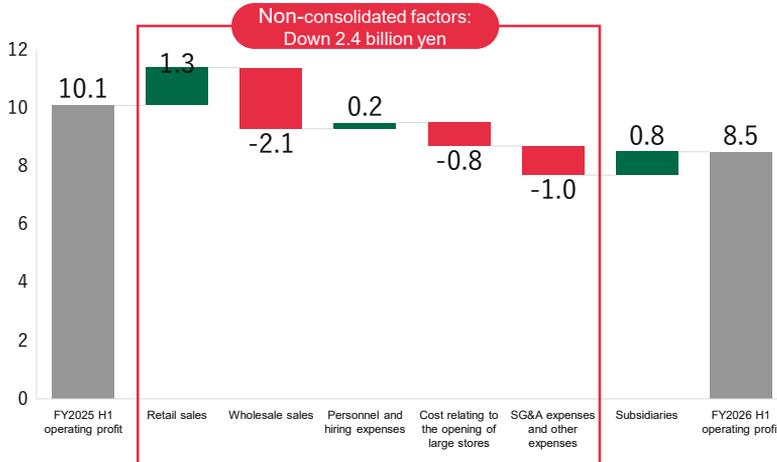
Net income for the period was ¥5.7 billion.

We disclose EBITDA. The calculation formula is shown below.

The amount is ¥10.4 billion, with a margin of 3.8%.

Factors affecting the change in operating profit will be explained on the next slide.

(billion yen)



- Retail sales increased 1.3 billion yen due to an increase in retail units sold.
- Wholesale sales decreased 2.1 billion yen, reflecting lower gross profit per unit under soft used car market conditions.
- SG&A expenses increased in line with growth in store count.
- IDOM CaaS Technology, one of our subsidiaries, turned profitable.

This slide shows the year-on-year change analysis for consolidated operating profit. The red box indicates factors specific to IDOM's standalone results.

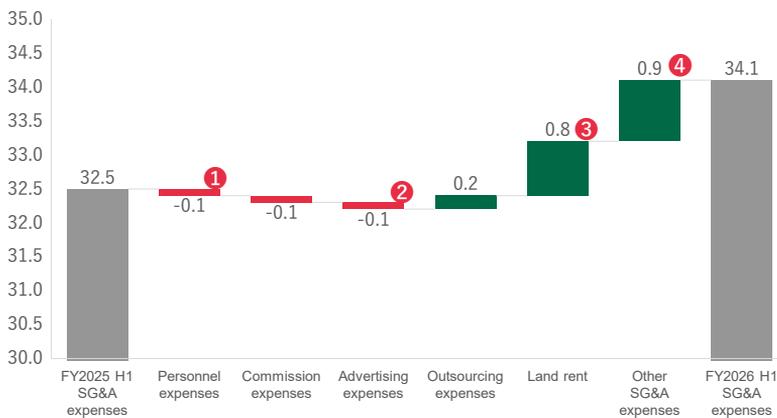
The standalone profit decrease was ¥2.4 billion. The breakdown shows the Retail segment increased profit by ¥1.3 billion due to higher retail unit sales, while the Wholesale segment decreased profit by ¥2.1 billion.

Conversely, SG&A expenses increased by ¥1.6 billion due to higher rent costs associated with accelerated large-store openings, increased operating expenses, and the provision for doubtful accounts.

The difference between standalone and consolidated figures resulted in a positive impact of ¥0.8 billion.

Consequently, consolidated operating profit decreased by ¥1.6 billion year-on-year to ¥8.5 billion.

(billion yen)



- ① Average headcount increased by 247, while unit price decreased by approx. 3,000 yen.
- ② Advertising expenses decreased due to improved business efficiency.
- ③ Land rent increased due to the year-on-year addition of 23 large stores.
- ④ Allowance for doubtful accounts increased, reflecting higher fixtures and transportation expenses associated with business expansion, as well as increased sales in the in-house loan business, *Jisharon*.

The previous slide explained the factors affecting consolidated operating profit. I will now discuss the non-consolidated portion of SG&A expenses, highlighted in the red box.

We are actively recruiting personnel to support the opening of large-format stores. Recruitment levels are comparable to last year. The average increase in headcount was 247 people, while the average cost per hire decreased by ¥3,000, resulting in a ¥100 million reduction in personnel expenses.

We are striving for efficient use of advertising and promotion expenses.

Furthermore, with 23 more large-format stores compared to last year, rent expenses increased by ¥800 million.

Other SG&A expenses rose by ¥900 million. This includes numerous items such as travel expenses, transportation costs, and supplies. Due to strong sales in the installment sales business, we recorded ¥300 million in allowance for doubtful accounts.

As a result, standalone SG&A expenses increased by ¥1.6 billion to ¥34.1 billion.

Consolidated balance sheet  
(as of February 28, 2025)

Assets	¥220.0 bn	Liabilities	¥139.2 bn
Cash and deposits	¥15.4 bn	Interest-bearing debt	¥79.3 bn
Accounts receivable	¥27.0 bn	Other	¥59.9 bn
Inventories	¥114.6 bn	Net assets	¥80.8 bn
Property, plant and equipment	¥39.1 bn	¥80.8 bn (Equity ratio: 36%)	
Other	¥23.9 bn		

Consolidated balance sheet  
(as of August 31, 2025)

Assets	¥243.6 bn	Liabilities	¥159.0 bn
Cash and deposits	¥28.0 bn	Interest-bearing debt	¥91.6 bn
Accounts receivable	¥32.5 bn	Other	¥67.4 bn
Inventories	¥109.6 bn	Net assets	¥84.4 bn
Property, plant and equipment	¥46.6 bn	¥84.4 bn (Equity ratio: 34%)	
Other	¥32.9 bn		

- Total assets increased by 23.5 billion yen to 243.6 billion yen.
- Accounts receivable increased by 5.5 billion yen, mainly due to an increase in installment sales.
- Inventories decreased mainly due to an 8.0-billion-yen reduction in unit volume, partially offset by a 3.0-billion-yen increase resulting from higher unit prices amid a market uptrend. We remain focused on inventory optimization while continuing to open large stores.
- Interest-bearing debt increased by 12.3 billion yen on a gross basis but decreased by 0.3 billion yen on a net basis. We also restructured short-term borrowings into long-term ones to enhance financial stability.
- The equity ratio was 34% on a consolidated basis.

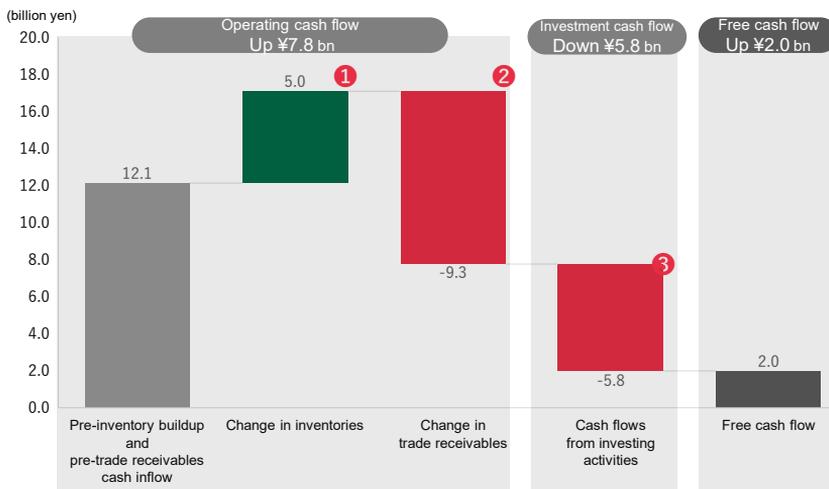
This shows the status of the consolidated balance sheet (BS). Total assets increased by ¥23.5 billion compared to the end of the previous fiscal year, reaching ¥243.6 billion. On the asset side, accounts receivable, primarily from the installment sales business, increased by ¥5.5 billion to ¥32.5 billion at the end of this fiscal year. We plan to implement securitization (conversion to cash) in the third quarter to control the increase in accounts receivable.

Inventory decreased by ¥5.0 billion to ¥109.6 billion. This reflects an ¥8.0 billion decrease due to reduced unit sales and a ¥3.0 billion increase due to higher unit prices driven by market price increases. We continue to optimize inventory levels while opening large-format stores.

Liabilities increased by ¥19.9 billion to ¥159.1 billion.

Interest-bearing debt increased by ¥12.3 billion to ¥91.6 billion, and we simultaneously restructured debt from short-term to long-term. Considering cash and deposits, net interest-bearing debt decreased by ¥0.3 billion.

As a result, net assets increased by ¥3.6 billion to ¥84.4 billion, and the equity ratio reached 34%.



- 1 Increased by 5.0 billion yen due to a decrease in inventory units
- 2 Decreased by 9.3 billion yen due to an increase in installment receivables. To improve free cash flow, we plan to liquidate installment receivables through securitization in FY2026 Q3.
- 3 Invested 5.8 billion yen in opening large stores and installing maintenance equipment at maintenance shops, etc.

As a result, free cash flow increased by 2.0 billion yen.

This shows the consolidated cash flow situation.

Operating cash flow generated ¥12.1 billion in cash before changes in inventories and accounts receivable. A ¥5.0 billion cash inflow from inventory reduction and a ¥9.3 billion cash outflow from increased accounts receivable resulted in a net operating cash flow of ¥7.8 billion.

Although accounts receivable increased significantly, we plan to implement securitization in the third quarter, similar to last fiscal year. This will improve free cash flow.

Regarding investing cash flow, we invested ¥5.8 billion in acquiring tangible and intangible fixed assets, such as large stores and maintenance facilities.

As a result, free cash flow (FCF) was positive ¥2.0 billion.

That concludes my explanation

## 2. FY2026 Strategic Initiatives



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I am Takao Hatori, President.

I will now discuss our initiatives for this fiscal period.

Large stores

## Newly Opened Stores

**Gulliver**



Moriyama Store (opened in August 2025)

Nagoya City, Aichi Prefecture

### Recent store openings

[Large stores opened in Q2]

- Okazaki Store (June 2025)
- Hirakata Store (July 2025)
- Ibaraki Store (August 2025)
- Moriyama Store (August 2025)
- Hiroshima Interchange Store (August 2025)
- Hitachi Seaside Park-mae Store (August 2025)

Full-year progress

**8/15** stores

Number of  
large stores

(as of August 31, 2025)

**77** stores

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This period saw the opening of six large-format stores. The total number of new stores opened in the first half reached eight, which will drive retail sales volume in the second half. As of the end of August, we had 77 large-format stores.



Okazaki Maintenance Shop (opened in June 2025)

Okazaki City, Aichi Prefecture

## Recent shop openings

[Maintenance shops opened in Q2]  
 • Okazaki Maintenance Shop (June 2025)  
 • Hirakata Maintenance Shop (July 2025)

Full-year progress

3/9 shops

Number of  
 maintenance shops  
 (as of August 31, 2025)

42 shops  
 incl. 28 designated  
 maintenance shops

Additionally, we opened three new service centers. Progress toward our annual target of nine new centers is proceeding as planned. As of the end of August, we operate 42 service centers. Within this total, the number of designated centers capable of performing full vehicle inspections in-house increased by seven, reaching 28 centers.



Preparations for second-half store openings are progressing smoothly, keeping us on track to achieve our full-year target of 15 new locations.

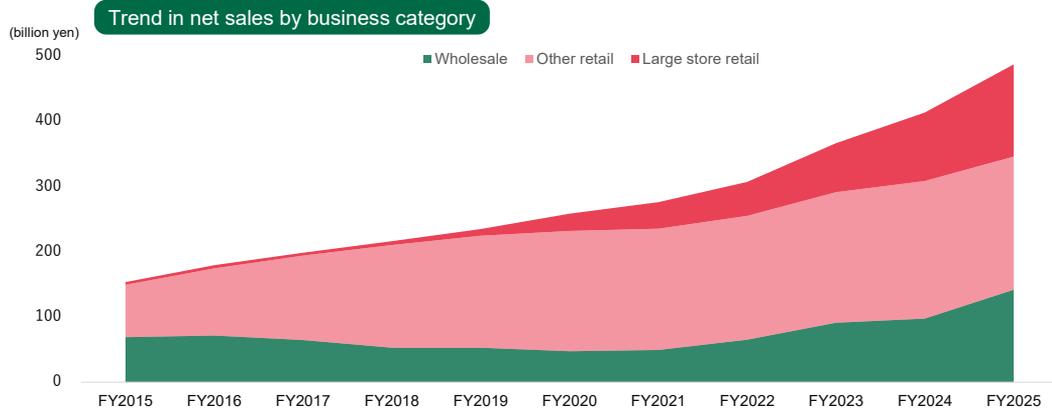
This shows the large-format store opening plan. Regarding the 15 stores planned for this period, all have been contracted and construction commenced, progressing smoothly as planned.



Here, we will revisit the progress of large-format store expansion.

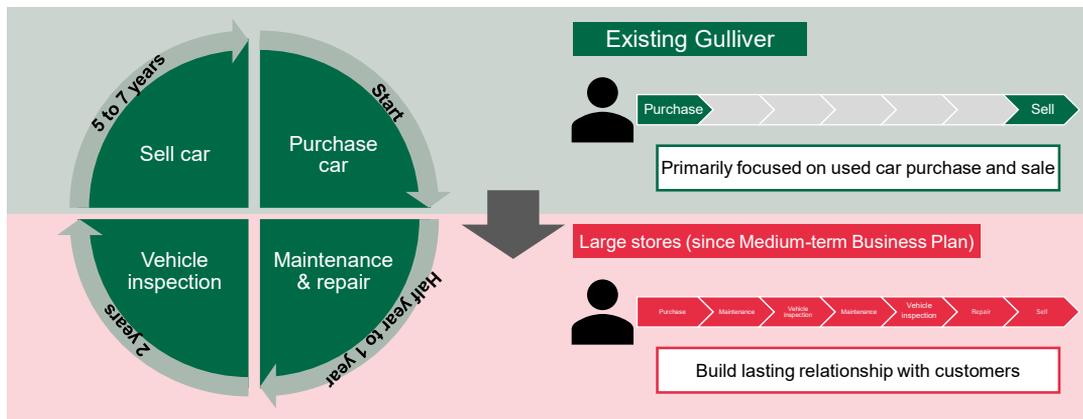
Since the mid-term management plan, we have steadily increased the number of stores.

Proportional to the store count, retail sales volume at large-format stores has also grown significantly.



Net sales are growing steadily in line with the opening of large stores.  
Retail growth is reinforcing our path toward sustained expansion.

This graph shows the sales trends by business segment. While our existing businesses provide a solid revenue foundation supporting the overall performance, retail sales at large stores are significantly driving the company's total sales growth. The expansion of overall retail sales is further strengthening our sustainable revenue growth foundation.



Large stores with on-site maintenance shops have significantly increased customer touchpoints. This model leads to an increase in repeat customers over the long 5-7 year used car replacement cycle.

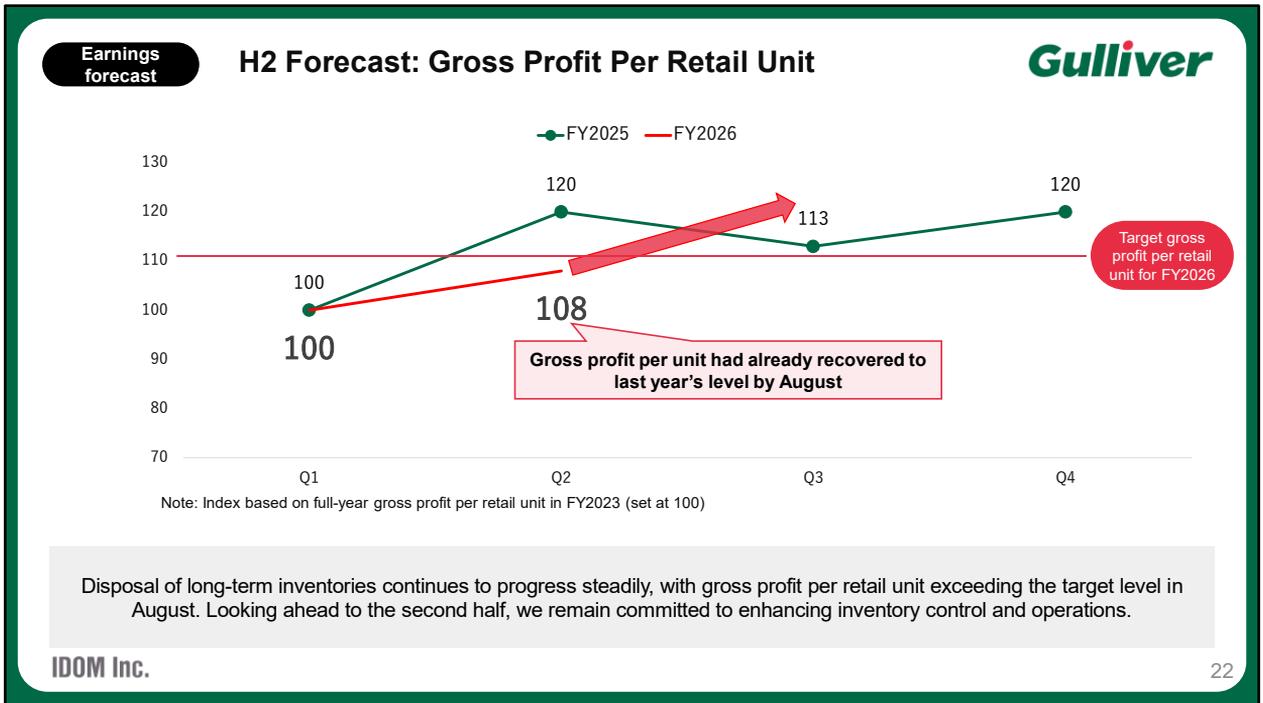
Next, we will explain the rationale behind our growth strategy for these large stores.

At our traditional mid-sized stores and buy-and-sell shops, customer touchpoints were primarily limited to the purchase/sale transaction during the vehicle replacement cycle, said to be every 5 to 7 years.

The large stores with integrated service workshops, opened since the mid-term management plan, have successfully increased customer touchpoints through warranties, vehicle inspections, and maintenance.

This enables us to secure stable revenue through after-sales services and is expected to enhance customer loyalty, encouraging them to choose us again for their next vehicle purchase.

We anticipate this virtuous cycle will be key to our future growth.



Next, I will explain the current trends heading into the second half.

During the first half, the disposal of high-cost inventory pressured gross profit per vehicle.

However, as a result of swift corrective actions taken during the period, gross profit per unit for August alone has already recovered to the same level as the second quarter of the previous year.

Building on this experience, we have fundamentally strengthened our inventory management and operational systems. We will continue to enforce strict cost control through the end of the fiscal year.

		H1 forecast	H1 results	H1 progress	H2	Revision to full-year forecast
Number of stores	Opening of large stores (stores)	8	8	As forecasted	7	15
Retail	Retail units sold (thousand units)	83.4	84.2	As forecasted	83.1	167.3
	Gross profit per retail unit (with 2023 as the base year = 100)	112	103	Improvement needed	118	111
Wholesale	Wholesale units sold (thousand units)	77.2	74.8	As forecasted	75.2	145.0
	Gross profit per wholesale unit (with 2023 as the base year = 100)	120	100	Improvement needed	118	108
Consolidated P/L	Gross profit (¥ bn)	46.4	44.8	Improvement needed	50.3	95.1
	Selling, general and administrative expenses (¥ bn)	34.5	36.3	Improvement needed	38.7	75.0
	Operating profit (¥ bn)	11.9	8.5	Improvement needed	11.6	20.1

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The left side of this table compares actual results for the first half with initial forecasts. Improving gross profit became a challenge for both retail and wholesale. As previously discussed, we advanced inventory management, and its effects began to appear starting in August alone.

The right side shows the full-year assumptions for retail and wholesale.

Reflecting the first-half results, we have revised the retail unit volume upward from the initial forecast and the retail gross profit per unit slightly downward.

For wholesale, we have revised the gross profit per unit based on the current trend.

(billion yen)	FY2025 results	FY2026	Ratio to net sales	Change	Change (%)
Net sales	496.7	<b>546.8</b>	100.0%	50.1	10.1%
Gross profit	88.7	<b>95.1</b>	17.4%	6.4	7.2%
Selling, general and administrative expenses	68.8	<b>75.0</b>	13.7%	6.2	9.0%
Operating profit	19.9	<b>20.1</b>	3.7%	0.2	1.0%
Ordinary profit	19.1	<b>18.9</b>	3.5%	(0.2)	(1.0%)
Profit attributable to owners of parent	13.4	<b>12.5</b>	2.3%	(0.9)	(6.7%)

This compares the revised full-year earnings forecast as of October 10 with the previous year's results.

We forecast net sales of ¥546.8 billion and operating profit of ¥20.1 billion.

We will recover the shortfall from the first half to achieve an increase in operating profit compared to the previous year's ¥11.9 billion.

Dividend policy	Performance-linked dividend
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Method for determining dividends	Dividends for the current period are determined by calculating <b>30%</b> of consolidated profit attributable to owners of parent for the period. <small>(revised from the end of FY2023)</small>
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## Dividend per share

	Q2 end	Year end	Total
FY2025 results	19.38 yen	20.80 yen	40.18 yen
FY2026 forecasts	15.43 yen	21.92 yen	37.35 yen

Dividend forecasts for the previous, current, and next fiscal years.

The interim dividend will be ¥15.43 per share.

The dividend amount for the current fiscal year is projected to be ¥37.35 per share for the full year.

## Message from the President



In the first half, we fell short of our initial plan and revised our earnings forecast downward. Learning from this experience, we will further strengthen inventory management for the second half. A key point we consider important in inventory disposal is not just the holding period, but also disposing of inventory based on the difference between cost and market value. First, the degree of price depreciation varies depending on the vehicle model. Additionally, vehicle value fluctuates with the seasons and exchange rates. We recognize the inherent nature of used cars, whose prices fluctuate due to various factors, and will implement optimal inventory management. In fact, the gross profit per unit sold in August and September has recovered to the level initially anticipated. Based on this solid foundation, we have revised our second-half earnings forecast upward. We will continue to strive for strengthening our management foundation and achieving sustainable growth.