FY2027

First Quarter Financial Results for the Fiscal Year Ending February 28, 2027

July 14, 2026

TSE Prime 7599

IDOM Inc.

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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1. FY2027 Q1 Financial Results

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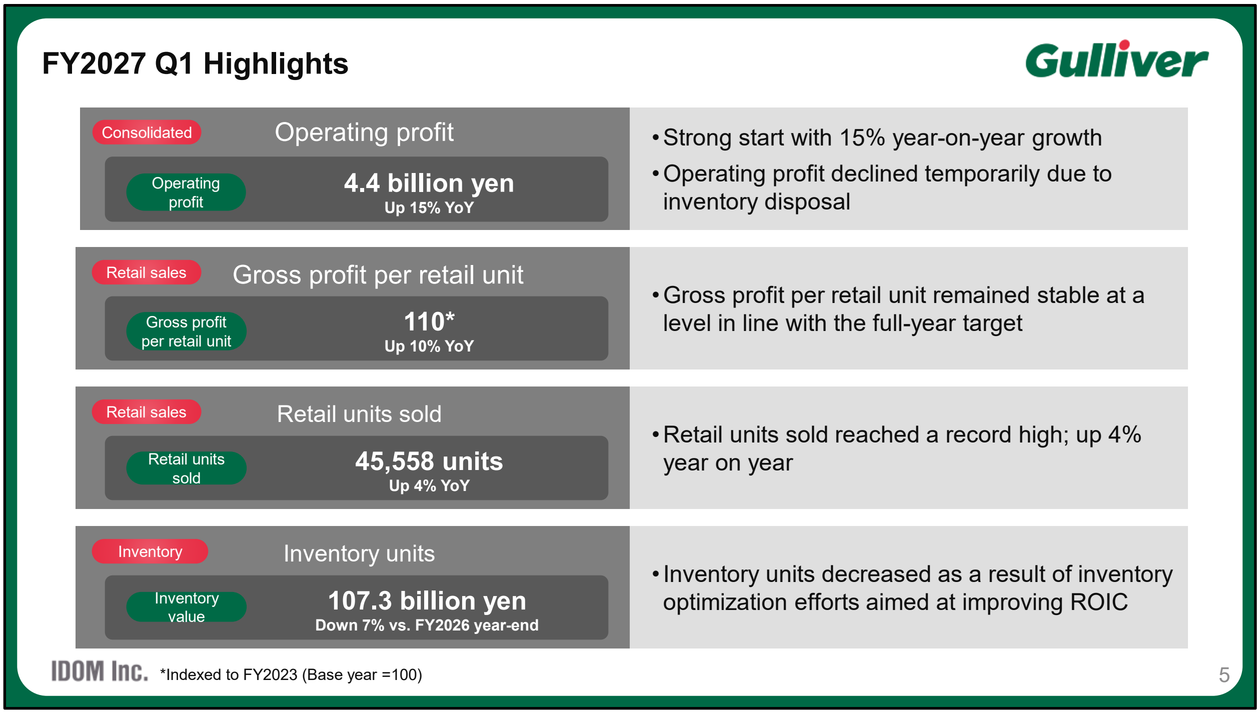
I am Nishibata, CFO of IDOM Co., Ltd. I will now present the financial results for the first quarter of the fiscal year ending February 2027.



Please turn to Slide 5. Here are the highlights of our consolidated financial results for this fiscal period.
The first point concerns operating income.
Consolidated operating income was 4.4 billion yen, up 15% from the same period last year.
The next point is gross profit per unit sold.
On an index basis, it stood at 110, up 10% from the same period last year.
The third point is retail unit sales.
Retail unit sales remained strong this period, totaling 45,558 units—a 4% increase over the same period last year.
For the final point, we recognize that the operating profit of 4.4 billion yen fell slightly short of our first-half earnings forecast of 11.9.
As mentioned at the end of the previous fiscal period, we recognize that declining capital efficiency is one of our challenges. As part of our efforts to address this, we conducted inventory review and sold vehicles at auction that were unlikely to generate the expected

gross profit going forward, thereby reducing inventory levels by 7% compared to the end of February. As a result, gross profit per unit sold temporarily declined, which weighed on operating income.

Highlights

Trend in Operating Profit for FY2027 Q1

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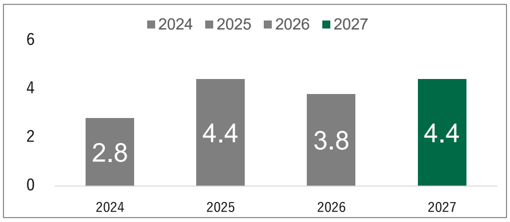
(billion yen)

Q1 trend

Operating profit

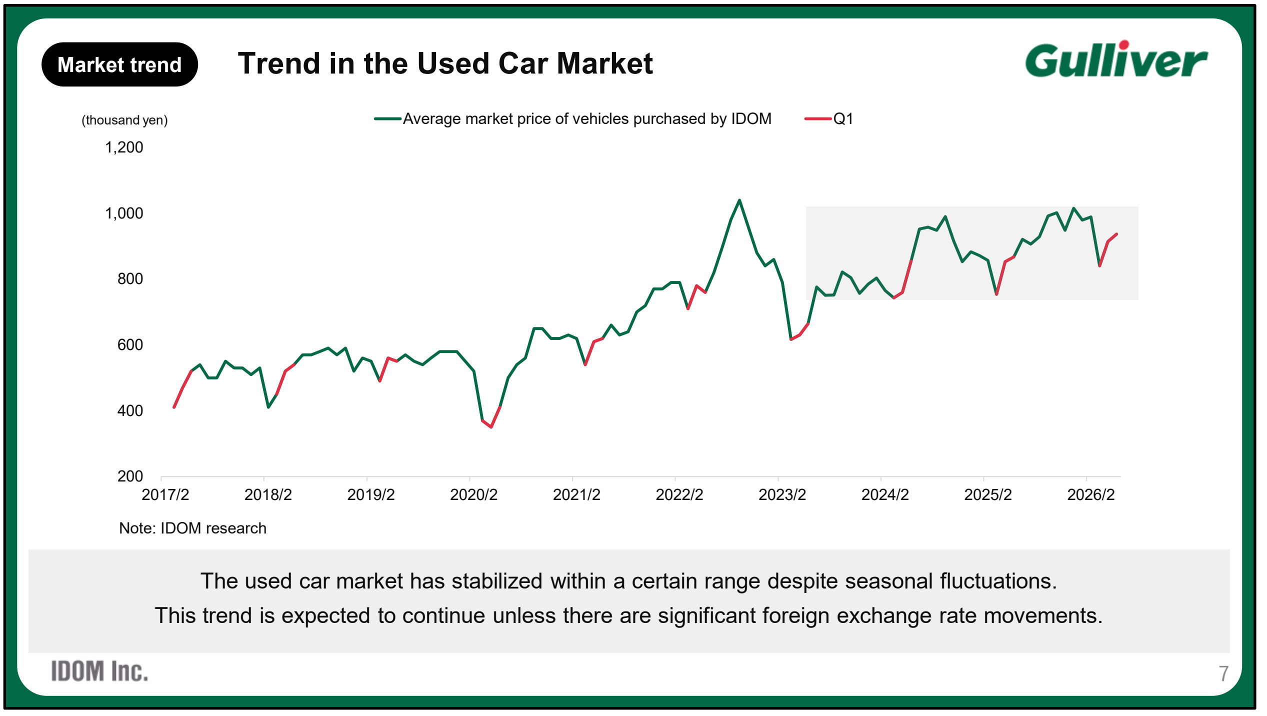


	2024	2025	2026	2027
Operating profit margin	2.6%	3.6%	2.7%	2.7%
YoY change	-	60.6%	(15.1%)	15.4%

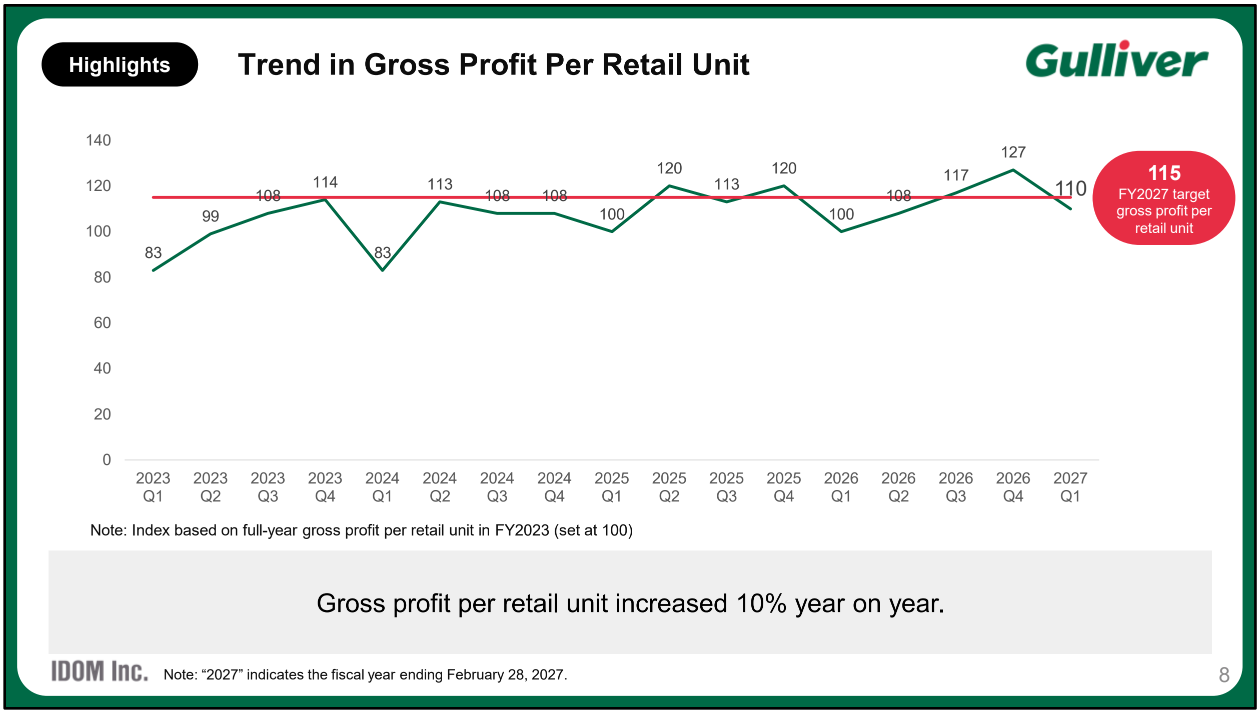
- Implemented changes to inventory thresholds
- Operating profit continued to trend upward despite the impact of disposal losses

IDOM Inc. Note: “2027” indicates the fiscal year ending February 28, 2027. 6

This slide shows the trend in operating income for the first quarter over the past four years.
This quarter, while clearing out inventory, we achieved operating income at a level on par with our all-time high.



This chart shows trends in the used car market based on our purchase prices.
As you can see, since the pandemic, market prices have remained within a certain range.
We believe this trend will continue unless there are significant changes in the market environment.



This chart shows the quarterly trend in retail gross profit starting from the fiscal year ending February 2023.
The orange line indicates the level of 115, which is the assumption underlying our earnings forecast for the current period.
Retail gross profit for this quarter was 110, representing a 10% improvement from the same period last year.
Since we reviewed our inventory, we expect retail gross profit to continue improving and rise to the annual level going forward.

Highlights

Major KPIs for FY2027 Q1

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		FY2025	FY2026	FY2027	Change
Number of stores	Large store openings (stores)	1	2	**0**	**(2)**
Retail	Retail units sold (thousand units)	38.8	43.8	**45.6**	**1.8**
	Gross profit per retail unit (with 2023 as the base year = 100)	100	100	**110**	**-**
Wholesale	Wholesale units sold (thousand units)	43.1	39.9	**44.3**	**4.4**
	Gross profit per wholesale unit (with 2023 as the base year = 100)	120	90	**80**	-

Both retail and wholesale unit sales increased year on year,
while gross profit per wholesale unit temporarily declined due to changes in inventory thresholds.

IDOM Inc. 9

Here, I’d like to discuss the key KPIs for this fiscal year.
Although we did not open any large-scale stores this fiscal year, we are off to a solid start in line with our plan to open 10 stores this year.
In retail, we were able to increase unit sales by approximately 1,800 units compared to the same period last year. As you saw on the previous slide, gross profit per unit in retail stands at 110.
In wholesale, unit sales increased by approximately 4,400 units compared to the same period last year, and gross profit per unit stands at 80.

Consolidated

Statement of Income for FY2027 Q1

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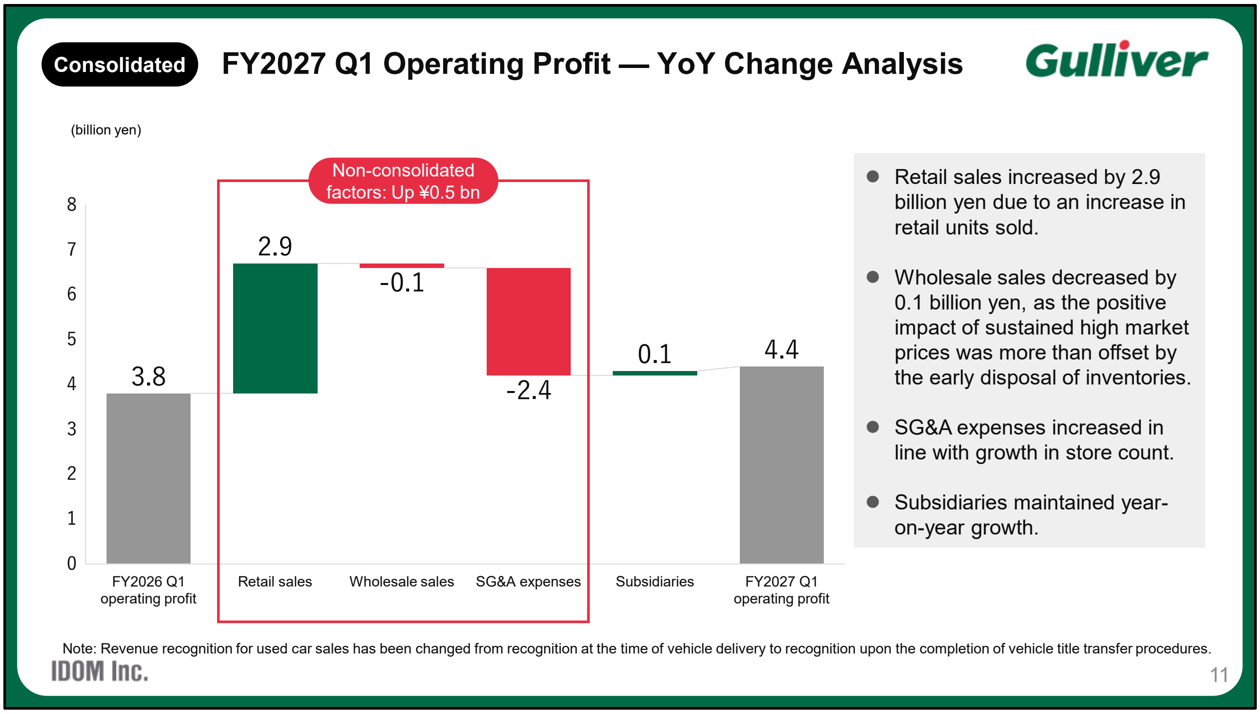
(billion yen)	FY2026	FY2027	Ratio to net sales	Change	Change (%)
Net sales	138.2	159.6	100.0%	21.4	15.5%
Gross profit	22.1	25.6	16.0%	3.5	15.7%
Selling, general and administrative expenses	18.4	21.3	13.3%	2.9	15.8%
Operating profit	3.8	4.4	2.7%	0.6	15.4%
Ordinary profit	3.5	3.9	2.4%	0.4	13.0%
Profit attributable to owners of parent	2.2	2.7	1.7%	0.5	22.0%
EBITDA*1	4.7	5.7	3.6%	1.0	21.3%

*1. EBITDA = Operating profit + Depreciation
Note: Revenue recognition for used car sales has been changed from recognition at the time of vehicle delivery to recognition upon the completion of vehicle title transfer procedures.

IDOM Inc. 10

This is the consolidated income statement.
We have changed our revenue recognition criteria this fiscal year. As I will explain later, please note that the figures for the same period last year have been adjusted accordingly.

Revenue was 159.6 billion yen, up 16% from the same period last year.
Gross profit increased by 16% year-over-year, and selling, general, and administrative expenses also rose by 16%; as a result, operating income increased by 15% to 4.4 billion yen.
Net income rose by 22% due to a rebound from the impairment loss recognized in the previous period.
EBITDA was 5.7 billion yen, up 21% year-over-year, with a margin of 3.6%.
I will explain the factors contributing to the change in operating income on the next slide.



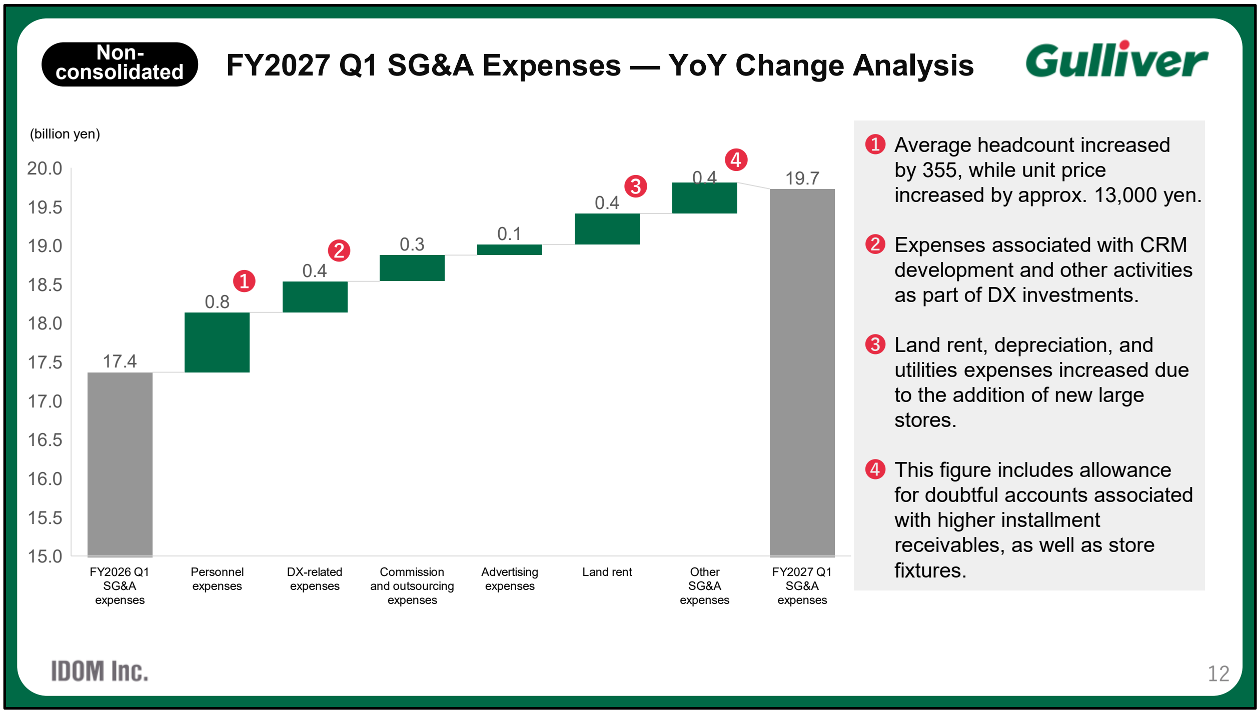
This chart shows the year-over-year change in consolidated operating income. The figures within the red boxes represent factors specific to IDOM on a standalone basis.

The increase in standalone operating income was 500 million yen. Looking at the individual factors, the retail segment saw an expansion in gross profit. An increase in both gross profit per unit and unit sales resulted in a 2.9 billion yen increase in operating income.

In the wholesale segment, although inventory review had an impact, operating profit decreased slightly year-over-year due to market prices remaining at high levels.

Meanwhile, selling, general, and administrative expenses (SG&A) increased by 2.4 billion yen due to investments such as higher labor costs and rent associated with opening large-scale stores. The difference between consolidated and standalone figures resulted in a positive adjustment of 100 million yen.

As a result, consolidated operating profit increased by 600 million yen year-over-year to 4.4 billion yen.



On the previous slide, I explained the factors contributing to changes in consolidated operating income. I would now like to discuss the non-consolidated selling, general, and administrative expenses (SG&A), which were highlighted in the red box.

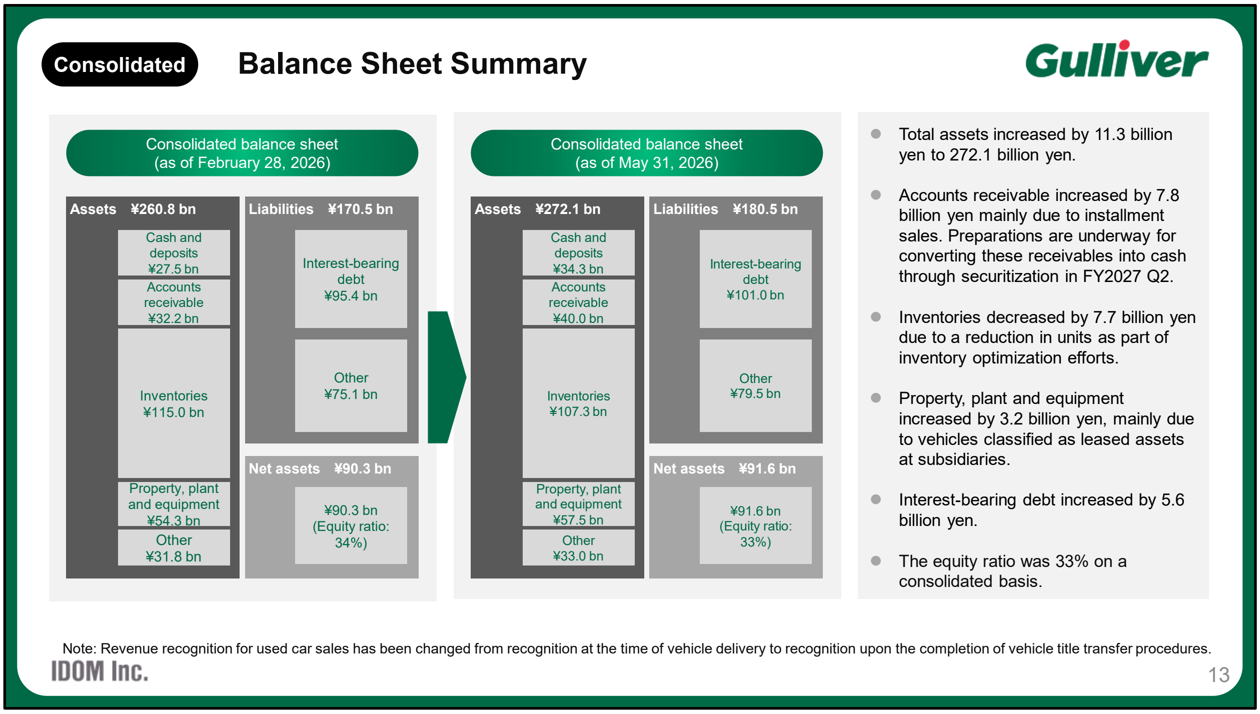
In conjunction with the opening of large-scale stores, we are actively recruiting and training. The number of employees increased steadily by 355 compared to the previous year, and the per-employee cost rose by 13,000 yen, resulting in an 800 million yen increase in personnel expenses and related costs.

DX-related expenses, included in outsourcing fees and commissions paid, increased by 400 million yen and are progressing as planned.

We are striving to use advertising and promotional expenses efficiently amid the expansion of our store network.

In addition, related expenses such as rent and lease payments increased by 400 million yen due to the

opening of large-scale stores.
Other selling, general, and administrative expenses increased by 400 million yen.
Other items include a 300 million yen provision for doubtful accounts related to our expanding installment sales business.
As a result, non-consolidated selling, general, and administrative expenses increased by 2.3 billion yen, from 17.4 billion yen in the previous fiscal year to 19.7 billion yen.



Here is the status of the consolidated balance sheet (BS). Total assets amounted to 272.1 billion yen, an increase of 11.3 billion yen compared to the end of the previous fiscal year.

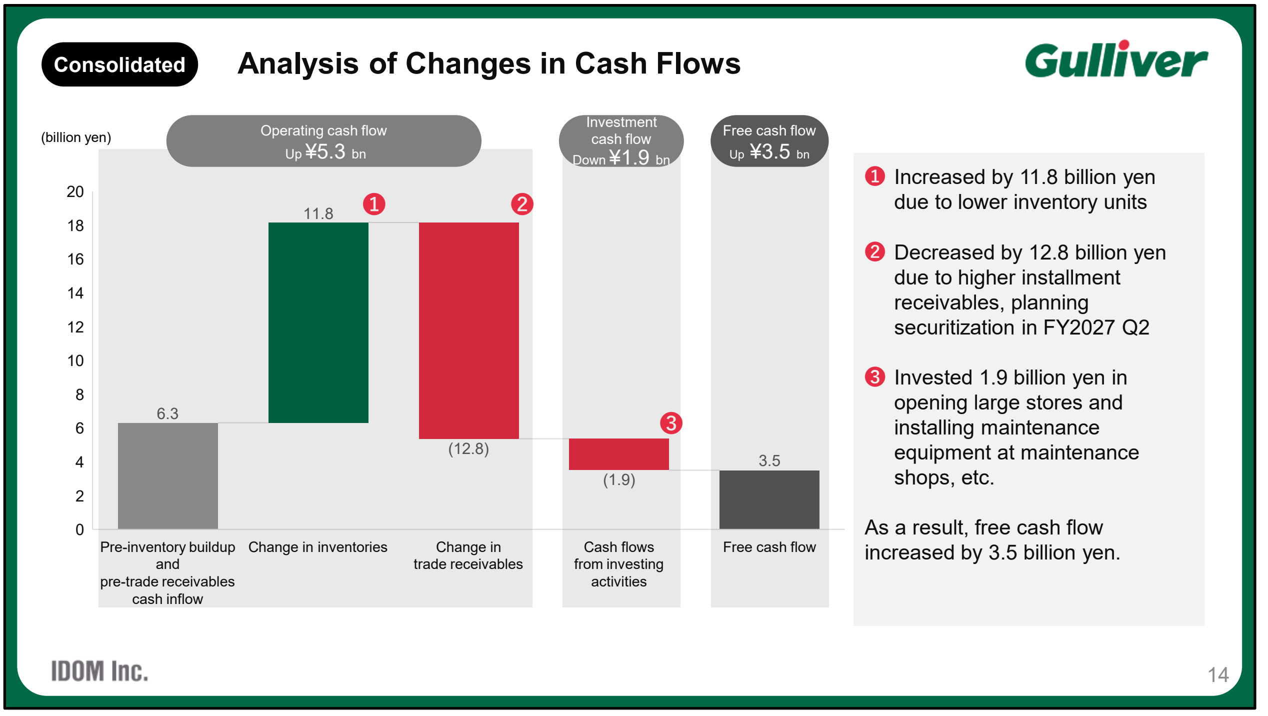
Let’s look at the assets side. Accounts receivable increased by 7.8 billion yen to 40.0 billion yen, primarily due to the installment sales business. Going forward, we will manage the growth of accounts receivable by implementing measures to securitize and convert them into cash.

Inventory was reduced by 7.7 billion yen to 107.3 billion yen. While the impact of market fluctuations was minimal, we are seeing the effects of a reduction in unit volume resulting from inventory review.

Tangible fixed assets totaled 57.5 billion yen, an increase of 3.2 billion yen compared to the end of the previous fiscal period. The main factors were the opening of large-scale stores and an increase in leased vehicles due to IDOM Caas Technology, which has returned to profitability.

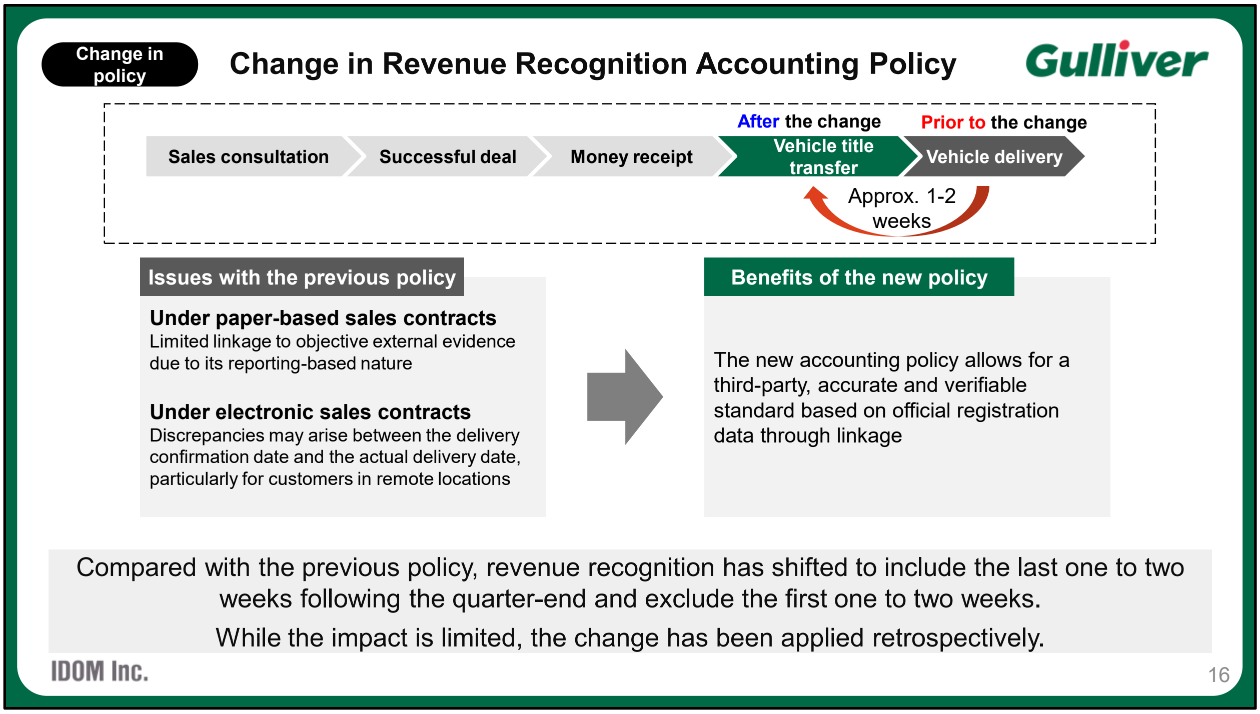
Liabilities increased by 10 billion yen to 180.5 billion yen. Of this amount, interest-bearing debt rose by 5.6 billion yen to 101.0 billion yen.

As a result, net assets increased by 1.3 billion yen to 91.6 billion yen, and the equity ratio stood at 33%.



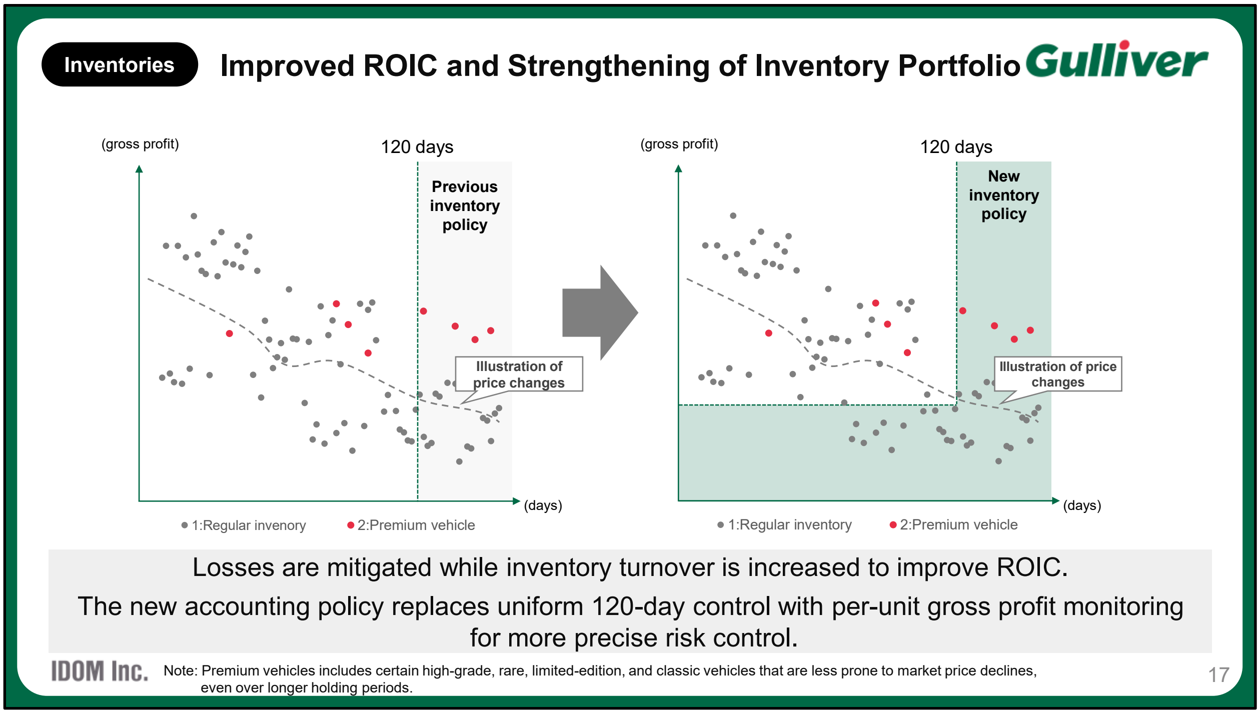
Here is an overview of our consolidated cash flow.
Operating cash flow generated 6.3 billion yen in cash inflows before changes in inventory and accounts receivable indicating steady cash generation. Additionally, a decrease in inventory resulted in a cash inflow of 11.8 billion yen, while an increase in accounts receivable resulted in a cash outflow of 12.8 billion yen; consequently, operating cash flow was positive at 5.3 billion yen.
Regarding investing cash flows, we invested 1.9 billion yen in the acquisition of tangible and intangible fixed assets, such as large-scale stores, maintenance facilities, and IT investments.
As a result, free cash flow was positive at 3.5 billion yen.

I'd like to talk about our initiatives for the first quarter.



Starting this quarter, we have changed our revenue recognition criteria from the date of delivery to the “date of title transfer.” This allows us to link our data to the “Vehicle Inspection and Registration Information Service” provided by a third-party organization, resulting in a more accurate and verifiable system than before.
Compared to the old standard, the shift to the ownership transfer basis means that sales from the first 1–2 weeks of the fiscal year will be recognized as revenue for the previous fiscal year, while sales from the 1–2 weeks following the fiscal year-end will be recognized as revenue for the current fiscal year. Since the impact on the income statement is simply the “difference” between these two periods, we believe the effect will be limited.
Please note that, in accordance with accounting rules, we are comparing figures by applying the new revenue recognition standard retroactively to the previous fiscal year; therefore, the figures for the previous

fiscal year have been adjusted accordingly.



To improve ROIC, we conducted an inventory review and reduction. Previously, our inventory management focused primarily on a maximum inventory holding period of 120 days.
However, depending on the vehicle model, some are more prone to price depreciation than others. Based on this, we assessed whether we could achieve the expected gross profit for each vehicle and made more rigorous decisions on whether to hold or sell them.
As a result, inventory turnover days on the balance sheet have decreased from 90 days to 82 days.

Earnings forecast

FY2027 Q1 Performance vs. Full-year Earnings Forecast

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		FY2027 Q1 actual	FY2027 full-year forecast	Progress
Number of stores	Large store openings (stores)	0	**10**	0%
Retail	Retail units sold (thousand units)	46	**177**	26%
Retail	Gross profit per retail unit (with 2023 as the base year = 100)	110	**115**	-
Wholesale	Wholesale units sold (thousand units)	44	**175**	25%
Wholesale	Gross profit per wholesale unit (with 2023 as the base year = 100)	80	**110**	-
Consolidated P/L	Gross profit (billion yen)	25.6	**107.0**	24%
Consolidated P/L	Selling, general and administrative expenses (billion yen)	21.3	**83.0**	26%
Consolidated P/L	Operating profit (billion yen)	4.4	**24.0**	18%

IDOM Inc.

18

This slide compares our full-year earnings forecast with actual results for the first quarter. The progress rate is shown in the far-right column.
The opening of large-format stores this fiscal year is proceeding as planned.
Retail unit sales are largely in line with plan, and while gross profit per unit is currently below the annual target, we expect it to recover going forward.
In the wholesale segment, gross profit per unit temporarily fell below the planned level due to inventory sorting, but it will recover going forward.
As a result, first-quarter operating income was 4.4 billion yen. We believe we can still achieve our first-half forecast of 11.9 billion yen, and we are confident that the full-year target of 24.0 billion yen is well within reach.
That concludes my presentation. We will continue to work toward enhancing our corporate value, and we would appreciate your continued interest in our activities. Thank you very much.