

FY2027 Q2

Financial Results Briefing Materials

October 15, 2026

TSE Prime 7599
IDOM Inc.



Disclaimer

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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.

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1. FY2027 H1 Financial Results



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

FY2027 H1 Highlights

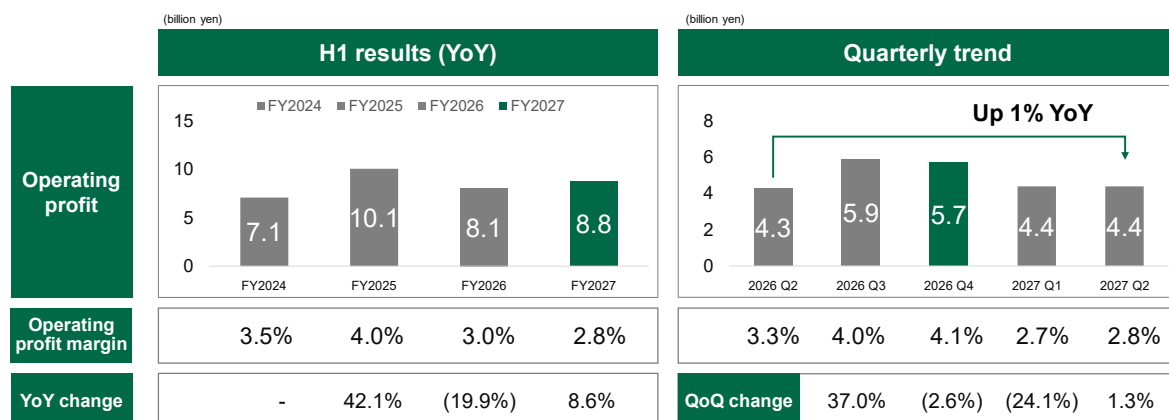


Consolidated	Operating profit	8.8 billion yen Up 9% YoY	• Up 9% YoY
Retail sales	Gross profit per retail unit	114 * Up 10% YoY	Gross profit per retail unit increased from 110 in Q1 to 118 in Q2.
Retail sales	Retail units sold	88,043 units Up 5% YoY	• Retail units sold reached a record high; up 5% year on year.

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

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Please turn to Slide 5. Here are the highlights of our consolidated financial results for the current fiscal year. The first point concerns operating income. Consolidated operating income for the first half totaled 8.8 billion yen, up 9% from the same period last year, resulting in growth in both revenue and profit. The next point is retail gross profit per unit. On an index basis, with 2023 set at 100, the figure for the first half was 114, up 10% from 103 in the same period last year. In the first quarter, we made the health of our inventory portfolio our top priority and strategically replaced low-margin vehicles. As a result, while the retail unit gross profit index for the first quarter remained at 110, it has since recovered to 118 in the second quarter. The third point is retail sales volume. Driven by strong performance at our large dealerships, retail sales volume was robust at 88,043 units, a 5% increase over the same period last year.



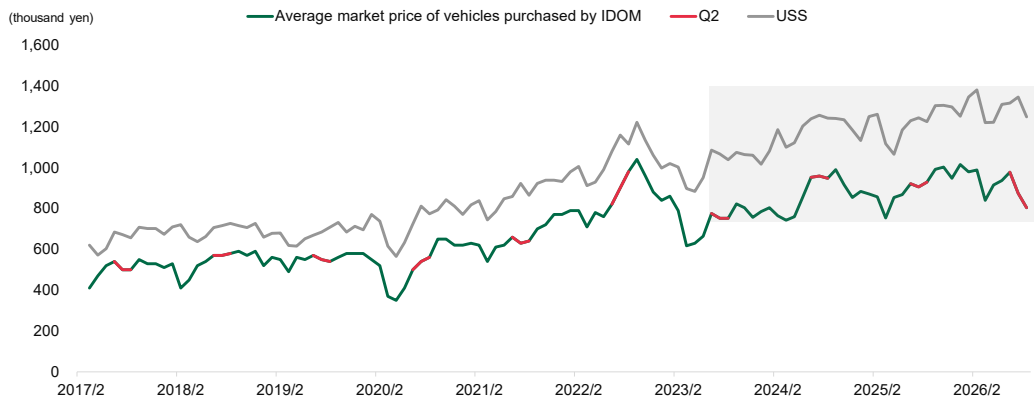
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Note: Revenue recognition for used car sales has been changed from recognition at the time of vehicle delivery to recognition upon the completion of vehicle title transfer procedures.

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I will now explain the trends in operating income. On the left side of this slide, you can see the operating income trends for the first half of the fiscal year over the past four years. Although it did not reach the level of the first half of the fiscal year ending February 2025, it increased by 9% year-over-year.

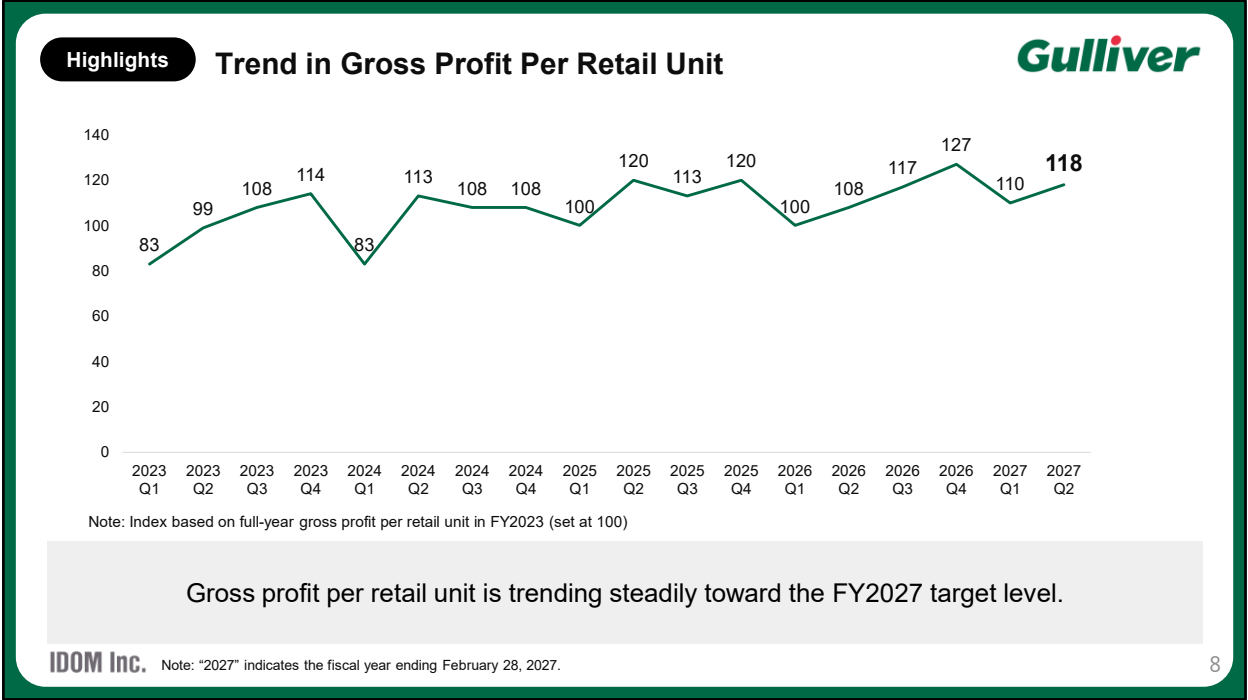
The right side of the slide shows the trends over the past five quarters. In the current quarter (Q2), we continued to make growth investments and reduced inventory, resulting in operating income that exceeded the same period last year.



Note: Based on monthly data published by USS Co., Ltd.

The used car market has stabilized within a certain range despite seasonal fluctuations.
Market prices declined more sharply than usual in Q2.

This chart shows trends in the used car market based on our purchase prices. Starting with this presentation, we've also included data from USS. Although there are differences in the mix of vehicle models, you can see that our purchase prices reflect market trends. This slide shows that the market declined in the second quarter. However, since the pandemic, the market has remained stable within a certain range. We expect this trend to continue within this range unless there are significant changes in the market environment.



This chart shows the quarterly trend in retail unit gross profit starting with the fiscal year ending February 2023. In the current fiscal year, retail unit gross profit stood at 110 in the first quarter. In the second quarter, thanks in part to inventory selection efforts, the unit gross profit index rose to 118 despite falling market prices, and recovered to 114 over the first six months of the fiscal year.

		FY2025	FY2026	FY2027	Change
Number of stores	Large store openings (stores)	1	8	3	(5)
Retail	Retail units sold (thousand units)	75.9	84.2	88.0	3.8
	Gross profit per retail unit (with 2023 as the base year = 100)	110	103	114	-
Wholesale	Wholesale units sold (thousand units)	76.7	74.8	87.7	12.9
	Gross profit per wholesale unit (with 2023 as the base year = 100)	120	100	90	-

Both retail and wholesale unit sales increased year on year.

Here, I'll discuss the key KPIs for this fiscal period. We opened three large-scale stores this fiscal period; although the timing of their openings varied, they all opened as planned. In retail, we were able to increase unit sales by approximately 4,000 units compared to the same period last year. As you saw on the previous slide, gross profit per unit in retail stands at 114. In wholesale, unit sales increased by approximately 13,000 units compared to the same period last year, and gross profit per unit improved to 90 in the second quarter compared to the first quarter.

(billion yen)	FY2026	FY2027	Ratio to net sales	Change	Change (%)
Net sales	270.3	318.1	100.0%	47.8	17.7%
Gross profit	44.4	52.0	16.0%	7.6	17.1%
Selling, general and administrative expenses	36.3	43.2	13.6%	6.9	18.9%
Operating profit	8.1	8.8	2.8%	0.7	8.6%
Ordinary profit	7.3	7.7	2.4%	0.4	5.2%
Profit attributable to owners of parent	4.9	5.2	1.7%	0.3	6.7%
EBITDA*1	9.9	11.7	3.7%	1.8	18.2%

*1 EBITDA = Operating profit+ Depreciation

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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.

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This is the consolidated income statement.

For the current period, we have changed our revenue recognition policy from the date of delivery to the date of registration.

Please note that, as a result, the figures for the same period last year have been adjusted.

Revenue totaled 318.1 billion yen, an 18% increase over the same period last year.

Gross profit rose 17% year-over-year, while selling, general, and administrative expenses increased by 19%; as a result, operating profit rose 9% to 8.8 billion yen.

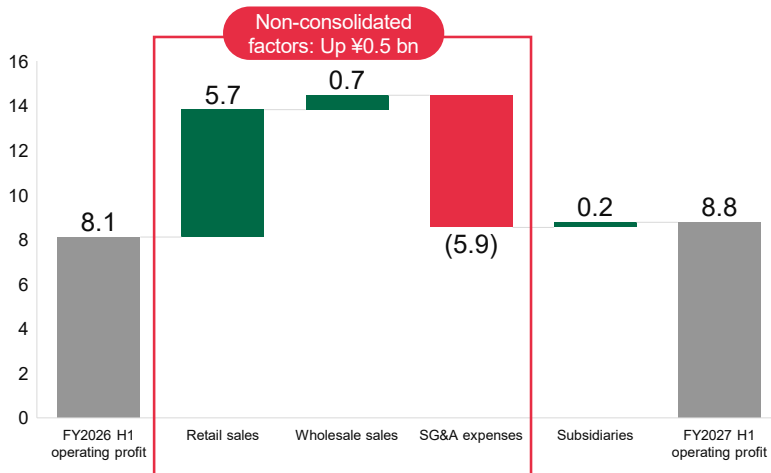
Net income increased by 7% due to the reversal of store impairment charges recognized in the previous fiscal year.

EBITDA was 11.7 billion yen, up 18% year-over-year, with a margin of 3.7%.

We will explain the factors contributing to the change

in operating income on the next slide.

(billion yen)



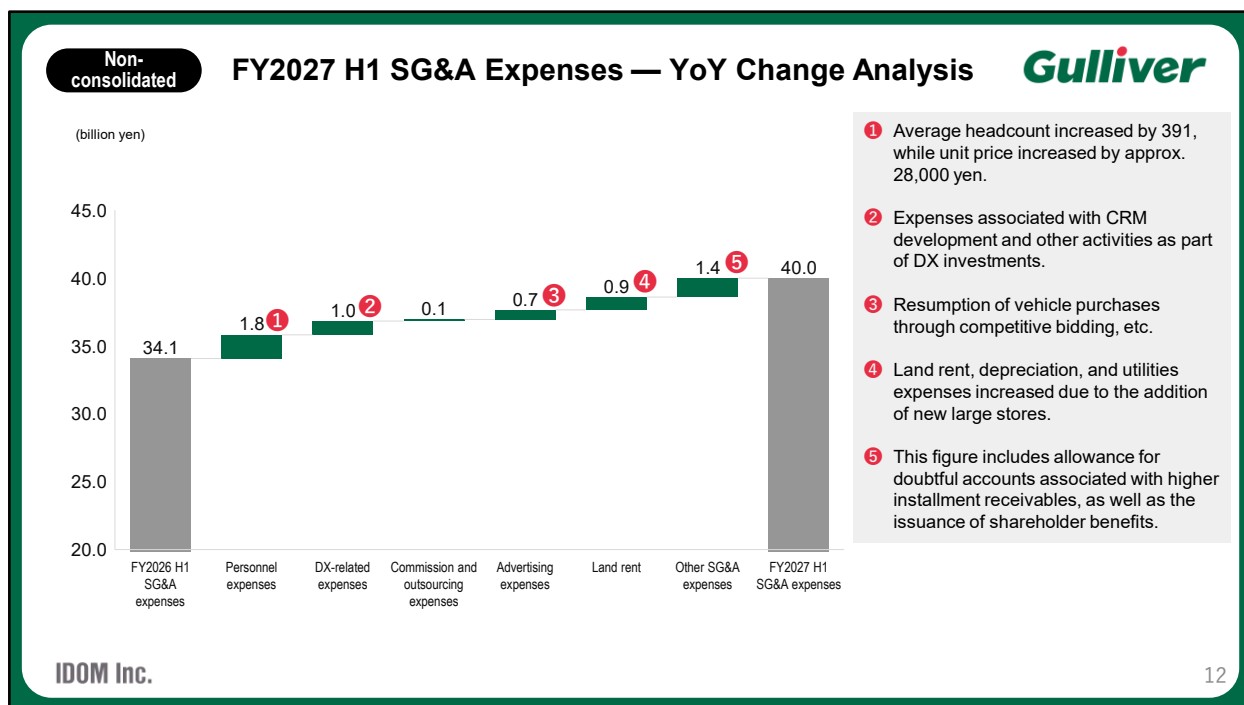
- Retail sales increased by 5.7 billion yen due to increases in retail units sold and gross profit per unit.
- Wholesale sales increased by 0.7 billion yen due to an increase in wholesale units sold.
- SG&A expenses increased in line with growth in store count.
- Subsidiaries maintained year-on-year growth.

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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.

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This chart shows an analysis of the year-over-year change in consolidated operating income. The figures within the red boxes represent factors specific to IDOM on a non-consolidated basis. The increase in non-consolidated operating income was 500 million yen. Looking at the individual factors, the retail segment saw an increase in gross profit. A rise in gross profit per unit and sales volume contributed to a 5.7 billion yen increase in operating income. The wholesale segment contributed 700 million yen to the increase in operating income due to higher sales volume. On the other hand, selling, general, and administrative expenses (SG&A) increased by 5.9 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 200 million yen. As a result, consolidated operating income increased by 700 million yen year-over-year to 8.8 billion yen.



In the previous slide, I explained the factors contributing to the change in consolidated operating income. I would now like to discuss the non-consolidated SG&A expenses highlighted in the red box. In conjunction with the opening of large-format stores, we are actively recruiting and training new talent. Our headcount increased steadily by 391 employees year-over-year, and the per-employee cost rose by 28,000 yen, resulting in an 1.8 billion yen increase in personnel expenses and related costs. DX-related expenses, included in outsourced services and commissions paid, increased by 1 billion yen, and initiatives such as the rollout of our CRM system are progressing as planned. Advertising and promotional expenses increased by 700 million yen amid the expansion of our store network. In addition, related expenses such as rent and lease payments increased by 900 million yen due to the opening of large-scale stores. Other selling, general, and administrative expenses increased by 1.4 billion yen. This category

includes a 300 million yen provision for doubtful accounts related to the expanding installment sales business and 700 million yen in shareholder benefit expenses. As a result, non-consolidated selling, general, and administrative expenses rose by 5.9 billion yen, from 34.1 billion yen in the previous fiscal year to 40.0 billion yen.

Consolidated balance sheet
(as of February 28, 2026)

Assets ¥260.8 bn		Liabilities ¥170.5 bn	
Cash and deposits	¥27.5 bn	Interest-bearing debt	¥95.4 bn
Accounts receivable	¥32.2 bn	Other	¥75.1 bn
Inventories	¥115.0 bn		
Property, plant and equipment	¥54.3 bn		
Other	¥31.8 bn		
Net assets ¥90.3 bn		¥90.3 bn (Equity ratio: 34%)	

Consolidated balance sheet
(as of August 31, 2026)

Assets ¥279.0 bn		Liabilities ¥185.3 bn	
Cash and deposits	¥34.0 bn	Interest-bearing debt	¥100.6 bn
Accounts receivable	¥34.8 bn	Other	¥84.7 bn
Inventories	¥111.9 bn		
Property, plant and equipment	¥61.5 bn		
Other	¥32.6 bn		
Net assets ¥93.7 bn		¥93.7 bn (Equity ratio: 33%)	

- Total assets increased by 18.2 billion yen to 279.0 billion yen.
- Accounts receivable increased by 2.6 billion yen following securitization in Q2.
- Inventories decreased by 3.1 billion yen, reflecting a 4.2-billion-yen reduction due to lower unit volume, partially offset by a 1.4-billion-yen increase due to higher unit prices and a 0.3-billion-yen decrease at subsidiaries, etc.
- Property, plant and equipment increased by 7.2 billion yen due to new store openings and vehicles classified as leased assets at subsidiaries.
- Interest-bearing debt increased by 5.2 billion yen.
- The equity ratio was 33% on a consolidated basis.

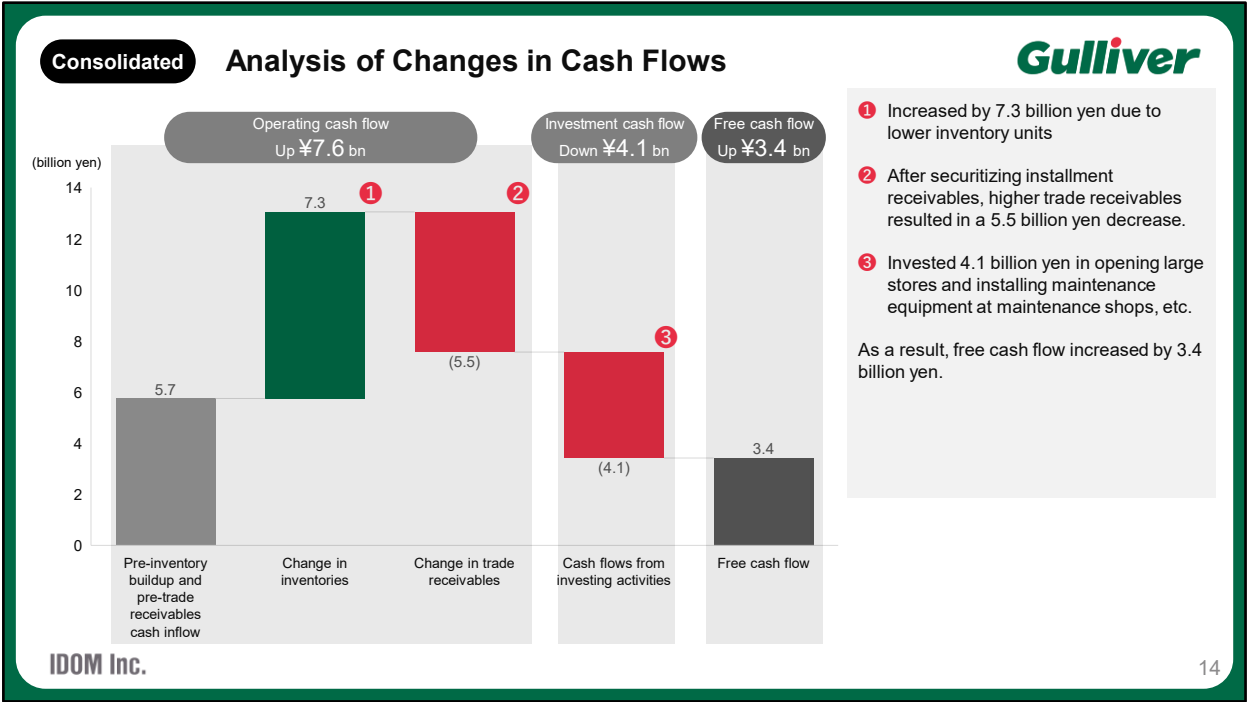
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Note: Revenue recognition for used car sales has been changed from recognition at the time of vehicle delivery to recognition upon the completion of vehicle title transfer procedures.

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Here is the consolidated balance sheet. Total assets amounted to 279.0 billion yen, an increase of 18.2 billion yen compared to the end of the previous fiscal year. Let's look at the assets side. Accounts receivable increased by 2.6 billion yen to 34.8 billion yen, primarily due to the installment sales business. In the second quarter, we carried out 7.2 billion yen in securitization and cash conversion to manage the increase in accounts receivable. Inventory totaled 111.9 billion yen. Although it decreased by 3.1 billion yen due to a decline in unit volume, it increased by 1.4 billion yen due to higher unit prices. Combined with a 300 million yen decrease attributable to subsidiaries, inventory was reduced by 3.1 billion yen overall. Tangible fixed assets totaled 61.5 billion yen, an increase of 7.2 billion yen compared to the end of the previous fiscal year. 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

14.8 billion yen to 185.3 billion yen. Of this amount, interest-bearing debt rose by 5.2 billion yen to 100.6 billion yen. As a result, net assets increased by 3.4 billion yen to 93.7 billion yen, and the equity ratio stood at 33%.



Here is an overview of our consolidated cash flow. Looking at operating cash flow, cash flow before changes in inventory and accounts receivable—our key investment items—resulted in a cash inflow of 5.7 billion yen, reflecting the strong performance of our business. Inventory, our largest investment item, generated a cash inflow of 7.3 billion yen due to inventory adjustments made in the first quarter, while accounts receivable resulted in a cash outflow of 5.5 billion yen as installment sales remained robust. As a result, operating cash flow was positive at 7.5 billion yen. Regarding investing cash flow, we invested 4.1 billion yen in the acquisition of tangible and intangible fixed assets, such as large-scale stores, maintenance facilities, and IT infrastructure. As a result, free cash flow was positive at 3.4 billion yen. That concludes my presentation.

2. Revision to the Earnings Forecast



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I am Takao Hatori, the President. I will now explain the revision to our earnings forecast.

H1 (results)

Below initial forecast

Operating profit (¥ bn)

11.9 → **8.8**vs. initial forecast **(3.1)**Gross profit 53.0 → 52.0
SG&A expenses 41.0 → 43.2

+

H2 (revised forecast)

Growth investments
factored in

Operating profit (¥ bn)

12.1 → **9.7**vs. initial forecast **(2.4)**Gross profit 54.0 → 54.6
SG&A expenses 42.0 → 44.9

=

Full year (revised forecast)

Downward revision

Operating profit (¥ bn)

24.0 → **18.5**vs. initial forecast **(5.5)**Gross profit 107.0 → 106.6
SG&A expenses 83.0 → 88.1

Note: Initial forecast → results/revised forecast. Unit: billion yen

Revised the full-year forecast to reflect the H1 shortfall and growth investments in H2.

Here are the key points of the revised earnings forecast.

First-half net sales totaled 318.1 billion yen, an 18% increase from the same period last year, reaching a record high.

However, operating income came in at 8.8 billion yen, 3.1 billion yen below the initial forecast of 11.9 billion yen.

For the second half, we have revised our forecast from the initial 12.1 billion yen to 9.7 billion yen.

As a result, we are revising our full-year operating income forecast from 24.0 billion yen to 18.5 billion yen.

We have revised our outlook to reflect growth investments planned for the second half of the fiscal year.

	Unit volume	Gross profit per unit	Unit volume × gross profit per unit
Retail	Strengthened mid-career hiring from other industries and employee training, resulting in a temporary decline in performance.	Gross profit per unit progressed as expected.	Time lag before new hires become fully productive.
Wholesale	Shifted inventory disposal from wholesale to retail in response to a temporary decline in market prices.	Gross profit per unit declined due in part to inventory disposal in Q1 and market conditions.	Gross profit per unit declined more than expected, including the impact of temporary factors.

In addition to lower gross profit per wholesale unit, a temporary decline in productivity during the training period for mid-career hires affected H1 results.

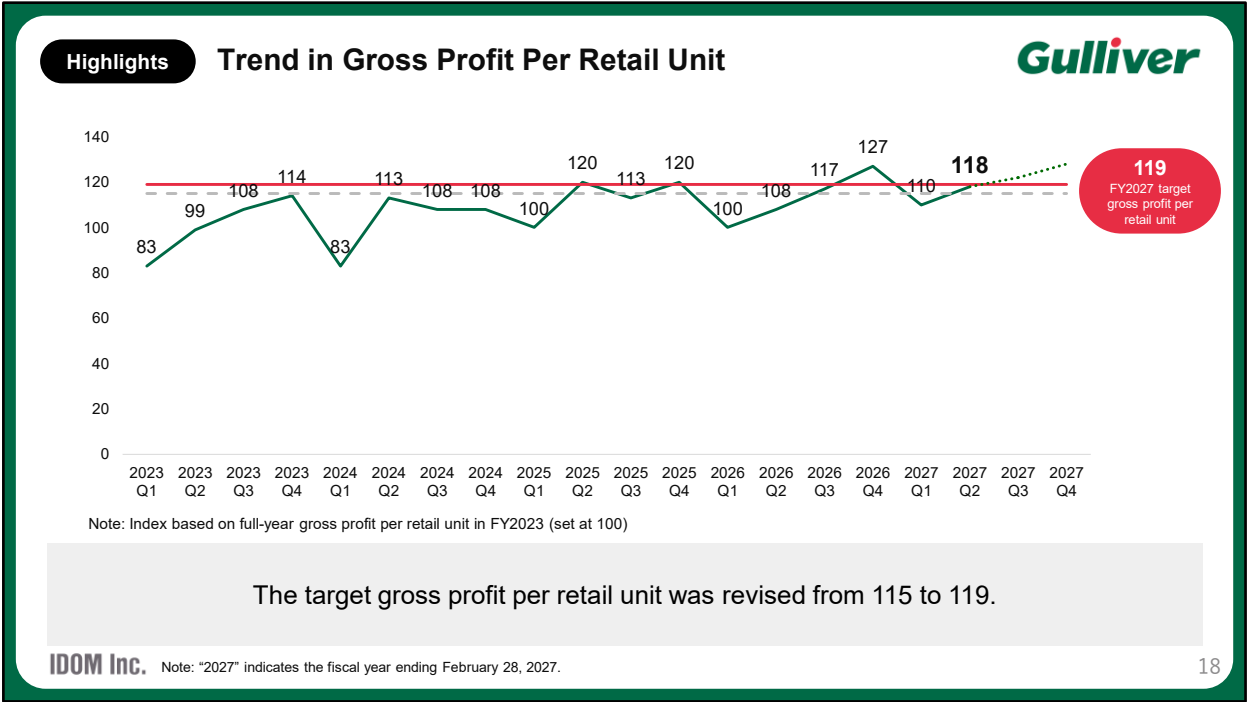
In H2, we aim to improve performance through the benefits of the Q1 inventory refresh and by bringing new hires up to full productivity.

This explains why gross profit for the first half came in at 52 billion yen, compared to the initial forecast of 53 billion yen.

Regarding retail unit sales, performance temporarily declined due to our efforts to strengthen and train mid-career hires from other industries.

Gross profit per vehicle was 114, in line with expectations.

In the wholesale segment, gross profit per vehicle fell significantly below initial projections due to a sharper-than-usual decline in used-car prices during the second quarter, combined with inventory liquidation carried out in the first quarter.



Here are the trends in retail unit gross profit.

The figure stood at 110 in the first quarter and 118 in the second quarter, with both figures exceeding the levels for the same periods last year.

We conducted an inventory clearance in the first quarter and made progress in replenishing inventory, and the effects of these measures are beginning to show.

We anticipate further improvement in the second half of the fiscal year and have set our full-year target at 119.

We will secure profits in the second half of the fiscal year through improvements in retail unit gross profit.

	Drivers of increase	Future returns
Personnel expenses	Securing personnel for H2 store openings, higher personnel expenses per employee	Expanded resources for in-store sales
DX-related expenses	CRM development and AI investment	Reduced sales negotiation costs through customer management and improved sales negotiation accuracy using AI
Advertising expenses	Strengthening customer acquisition strategy	Efficient vehicle purchasing in line with inventory levels

We will maintain this level of higher costs as growth investments, as they are expected to contribute positively from H2 over the medium to long term.

Selling, general, and administrative expenses for the first half totaled 43.2 billion yen, an increase of 6.9 billion yen from the same period last year; however, a significant portion of this represents investment in the future.

Personnel expenses were driven by efforts to secure staff for store openings in the second half and by an increase in per-employee compensation.

Digital transformation (DX)-related expenses, including CRM development and investments in AI, are aimed at reducing sales negotiation costs through improved customer management and enhancing the accuracy of sales negotiations.

We are strengthening customer acquisition efforts while aligning advertising and promotional expenses with inventory levels.

These are necessary expenses for medium- to long-term growth, and we will continue to maintain this level going forward.

Inventory optimization
and improvement in
gross profit per unit
through Q1 inventory
disposal

Improved efficiency
through CRM
development and AI
utilization

Bringing mid-career
hires up to full
productivity
Securing talent to
support medium- to
long-term growth

H1 investments and strategies are expected to bear fruit in H2, improving the earnings structure over the medium to long term.

These are initiatives for the second half of the fiscal year and beyond. I will explain our initiatives for the second half and the effects we expect to see starting next fiscal year.

First is inventory.

We will improve gross profit per unit sold in the second half using the inventory we refreshed in the first quarter, and starting next fiscal year, we will enhance profitability through inventory management that maintains higher gross profit margins.

Second is digital transformation (DX) and customer acquisition. We will improve the efficiency and accuracy of our sales operations by leveraging CRM and AI.

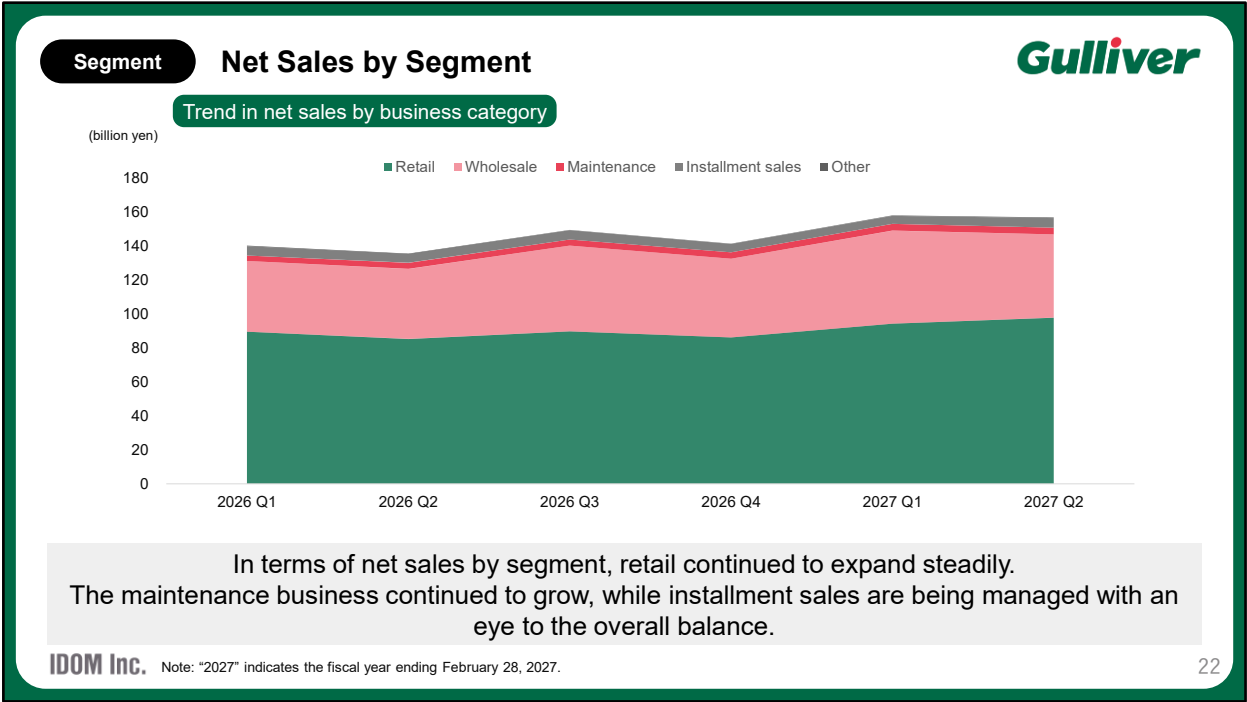
Third is human capital. We are implementing measures to ensure that mid-career hires become effective contributors over the medium to long term. Starting next fiscal year, we will boost productivity through the growth of our workforce.

3. FY2027 H1 Strategic Initiatives



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Next, I will explain our initiatives for the first half of the year.



Here are the sales figures by segment.

Our core retail business continues to grow alongside the opening of new large-scale stores.

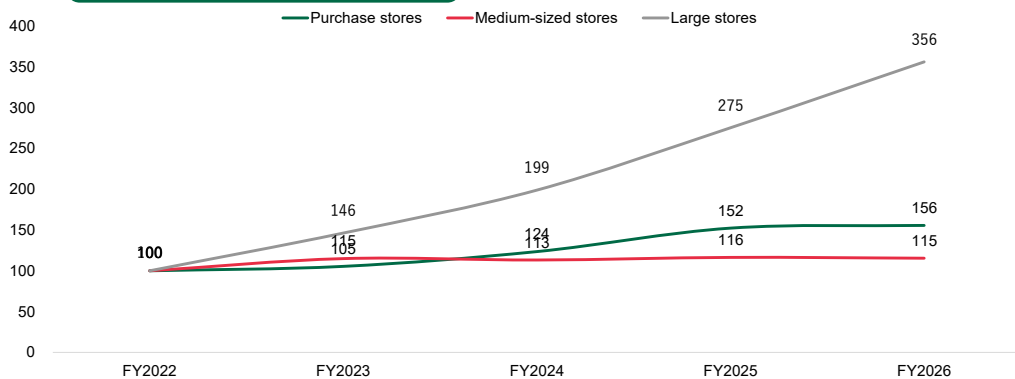
Although our wholesale business is subject to market fluctuations, it maintains stable profitability.

Our maintenance business is expanding steadily as the number of service centers increases.

We are managing the scale of our installment sales business while maintaining overall balance.

With retail as our core, we will broaden our revenue base by combining it with related businesses such as maintenance.

Trend in net sales by business category



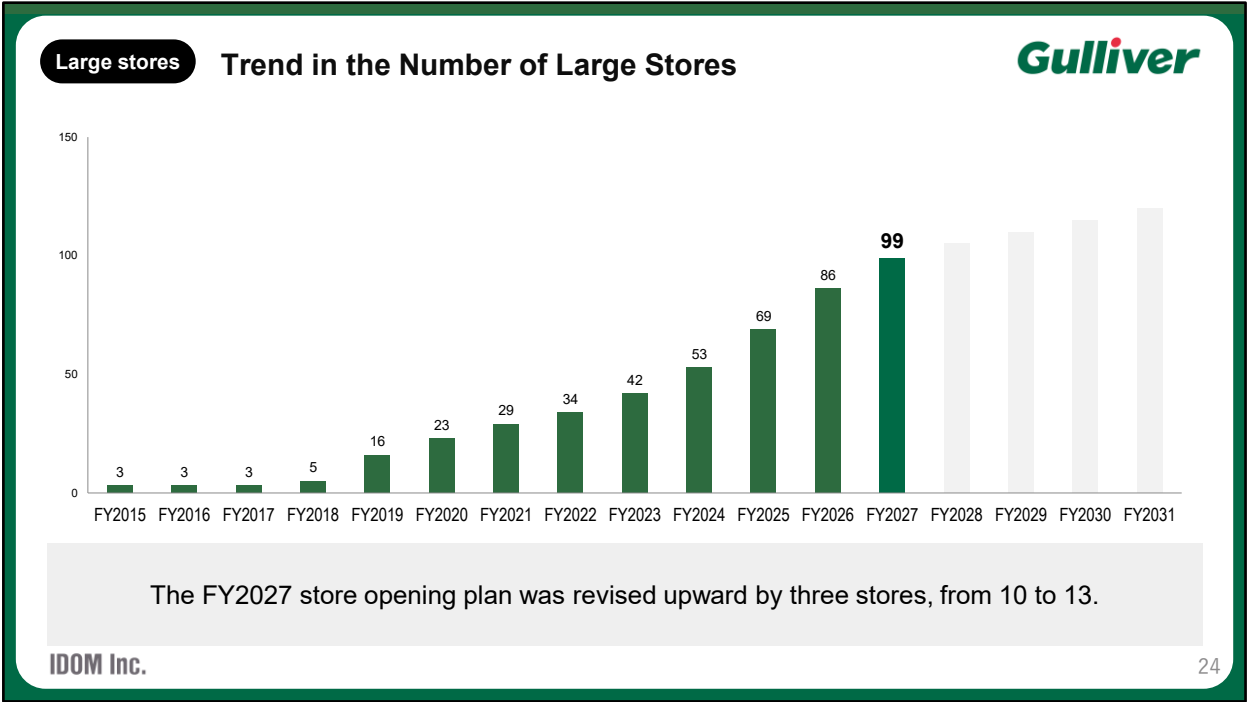
Note: Index based on FY2022 net sales (set at 100).

Large-store sales have expanded steadily in line with growth in store count. Meanwhile, net sales at medium-sized stores have remained flat despite rising market prices; we aim to improve performance through employee training.

This chart shows sales trends by business segment. This graph illustrates the growth in sales for each business segment, with 2022 actual results set as 100. Sales at large stores have expanded to approximately 3.6 times the 2022 level, making them a key driver of our growth.

On the other hand, sales at medium-sized stores have been sluggish, even amid rising market conditions. Due to our prioritization of staffing large stores and the increase in transfers associated with new store openings, developing and retaining talent has become a challenge.

Going forward, we will continue to focus on developing and retaining talent in line with our pace of store expansion.



Here is the trend in the number of large-format stores. We have increased this fiscal year’s store opening plan from the initial 10 stores to 13 stores. We expect to have 99 stores by the end of this fiscal year, which will bring us very close to our cumulative goal of 100 stores. Since we have now covered nearly all major commercial districts nationwide, we expect to settle into a pace of about five new stores per year starting next fiscal year, while carefully assessing economic feasibility. Having passed the peak of store openings, new stores will begin contributing to profits in earnest, and we will continue to recoup our investments.



Soka Interchange Store (opened in July 2026)

Soka City, Saitama Prefecture

Recent store openings

- [Large stores opened in Q2]
- Fukushige Store (June 2026)
 - Kashiwa Store (July 2026)
 - Soka Interchange Store (July 2026)

Full-year
progress

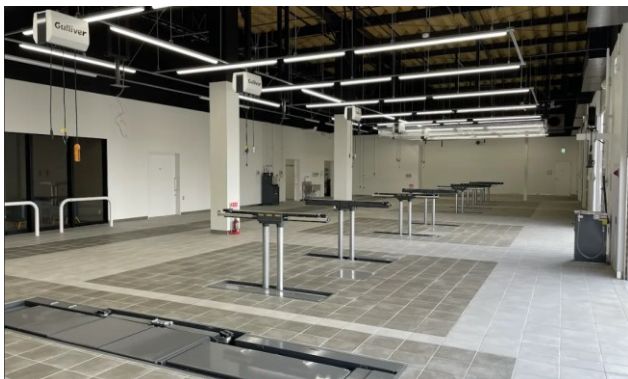
3/13 stores

Number of
large stores
(as of August 31,
2026)

89 stores

In the second quarter, we opened three stores: the Fukushige Store, the Kashiwa Store, and the Soka Interchange Store.

We opened three stores in the first half of the fiscal year; of the 13 stores planned for the full year, the remaining 10 are scheduled to open in the second half.



Fukuyama Maintenance Shop (opened in August 2026)

Fukuyama City, Hiroshima Prefecture

Recent shop openings

[Maintenance shops opened in Q2]

- Sapporo Teine Maintenance Shop (July 2026)
- Hirakata Maintenance Shop (August 2026)
- Fukuyama Maintenance Shop (August 2026)

Full-year
progress

8/10 shops

Number of
maintenance
shops
(as of August 31, 2026)50 shops
incl. 33 designated
maintenance shops

In terms of service facilities, we opened three facilities—in Sapporo Teine, Hirakata, and Fukuyama—during the second quarter, bringing our total to eight out of the 10 planned for the full fiscal year.

As of the end of August, we had 50 facilities, 33 of which are designated facilities capable of handling vehicle inspections entirely in-house.

(billion yen)	FY2026 results	FY2027	Ratio to net sales	Change	Change (%)
Net sales	559.3	655.0	100.0%	95.7	17.1%
Gross profit	95.8	106.6	16.3%	10.8	11.2%
Selling, general and administrative expenses	76.1	88.1	13.5%	12.0	15.8%
Operating profit	19.7	18.5	2.8%	(1.2)	(6.2%)
Ordinary profit	18.1	16.4	2.5%	(1.7)	(9.3%)
Profit attributable to owners of parent	11.6	10.5	1.6%	(1.1)	(9.2%)

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These are our revised full-year forecasts.

We expect net sales of 655.0 billion yen, a 17% increase from the previous fiscal year.

Gross profit is projected at 106.6 billion yen, and selling, general, and administrative expenses at 88.1 billion yen;

operating income is projected at 18.5 billion yen, ordinary income at 16.4 billion yen,

and net income attributable to owners of the parent company at 10.5 billion yen.

Although this represents a year-over-year decline in profit, it is the result of concentrating investments in store openings and human resources during the current fiscal year, and we will use this as a foundation to drive profit growth in the next fiscal year and beyond.

		H1 forecast	H1 results	Initial H2 forecast		Revised H2 forecast	Initial full-year forecast	Revision to full-year forecast
Number of stores	Opening of large stores (stores)	3	3	7	➡	10	10	13
Retail	Retail units sold (thousand units)	90	88	87	➡	87	177	175
	Gross profit per retail unit (with 2023 as the base year = 100)	114	114	118	➡	125	115	119
Wholesale	Wholesale units sold (thousand units)	90	88	85	➡	94	175	182
	Gross profit per wholesale unit (with 2023 as the base year = 100)	103	90	112	⬅	96	110	94
Consolidated P/L	Gross profit (¥ bn)	53.0	52.0	54.0	➡	54.6	107.0	106.6
	Selling, general and administrative expenses (¥ bn)	41.0	43.2	42.0	➡	44.9	83.0	88.1
	Operating profit (¥ bn)	11.9	8.8	12.1	⬅	9.7	24.0	18.5

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These are the key indicators underlying the revision. We will increase the number of large-format store openings to 13 for the full fiscal year.

Retail unit sales for the second half are projected at 87,000 units, with a gross profit margin per unit of 125; for the full year, the gross profit margin per unit is projected at 119.

For the wholesale segment, while we expect to increase unit sales, we have lowered the full-year gross profit margin per unit to 94, reflecting current market conditions.

As a result, we project second-half gross profit of 54.6 billion yen, selling, general, and administrative expenses of 44.9 billion yen, and operating income of 9.7 billion yen.

4. Shareholder Returns



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Next, I will explain our shareholder returns.

We have undertaken a comprehensive review of our shareholder returns framework, including dividends and shareholder benefits, to support sustainable business growth, optimize capital efficiency (ROIC), and enhance the predictability of shareholder returns.

■ Dividend Policy

[Current Challenges]

- The current fully performance-linked dividend policy (target payout ratio of approximately 30%) is highly sensitive to fluctuations in annual earnings.

[Direction of Review]

- We are reassessing the current dividend policy, which is sensitive to fluctuations in annual earnings, to better adapt to changes in the business environment, improve capital efficiency (ROIC), and enhance the predictability of shareholder returns. We are considering new profit allocation criteria that comprehensively take into account medium- to long-term business growth and a stronger foundation for shareholder returns.

[Next Steps]

- Details of the new policy are scheduled to be announced in April 2027, alongside the next Medium-term Business Plan.

■ Shareholder Benefits Program

[Current Challenges]

- Although we achieved our goal of expanding the shareholder base, the rapid increase in the number of shareholders has driven the operational and administrative costs of digital gifts beyond expectations.

[Direction of Review]

- We are considering restructuring the current digital gift-based shareholder benefits program, with greater emphasis on alignment with our business, creating opportunities to use our services, and the sustainability of the program.

[Treatment of Current Program]

- The current digital gift-based shareholder benefits program will end after the final benefits are provided for the end-of-August 2027 record date (scheduled for distribution in November 2027), subject to the requirement to hold shares continuously for at least one year.

[Next Steps]

- Details of the new policy are scheduled to be announced in April 2027, alongside the next Medium-term Business Plan.

In conjunction with the announcement of our next medium-term management plan in April 2027, we are reviewing our shareholder return policy with a view to adapting to changes in the business environment, improving capital efficiency, and further enhancing the “stability and predictability” of shareholder returns for our shareholders.

Dividend policy

Performance-linked dividend

Method for determining dividends

Dividends for the current period are determined by calculating **30%** of consolidated profit attributable to owners of parent for the period.
(revised from the end of FY2023)

Dividend per share

	Q2 end	Year end	Total
FY2026 results	15.43 yen	20.17 yen	35.60 yen
FY2027 results/forecast	15.54 yen (actual)	15.84 yen	31.38 yen

Regarding our dividend policy, as I mentioned on the previous slide, we are considering a review; however, at present, our basic policy is to pay “performance-based dividends” that are linked to our consolidated financial results.

Accordingly, based on this basic policy, we will determine the amount of the interim dividend and revise our forecast for the year-end dividend.

Message from the President

The financial results briefing video is scheduled to be posted on our IR website on or after Thursday, October 15.

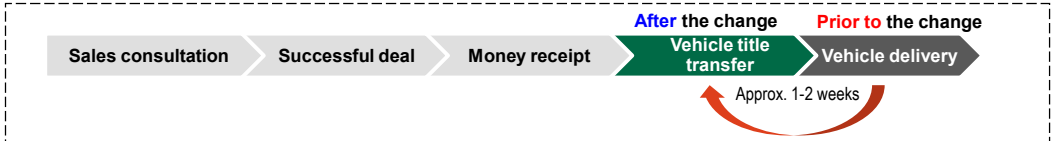
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In closing,
during the first half of the fiscal year, our results fell short of our initial projections due to market fluctuations and inventory-related factors. In this revised forecast, we have adjusted our gross profit projections based on current conditions. At the same time, we will continue to invest in new store openings, human resources, and digital transformation without pause. We recognize that these investments will temporarily result in double costs and lead to higher overall expenses. However, we are committed to leveraging these investments to drive growth in the next fiscal year and beyond. We appreciate your continued support.

5. APPENDIX



IDOM Inc.



Issues with the previous policy

Under paper-based sales contracts
Limited linkage to objective external evidence due to its reporting-based nature

Under electronic sales contracts
Discrepancies may arise between the delivery confirmation date and the actual delivery date, particularly for customers in remote locations



Benefits of the new policy

The new accounting policy allows for a third-party, accurate and verifiable standard based on official registration data through linkage with vehicle inspection and registration information services provided by a third-party organization

Compared with the previous policy, revenue recognition has shifted to include the last one to two weeks following the quarter-end and exclude the first one to two weeks. While the impact is limited, the change has been applied retrospectively.

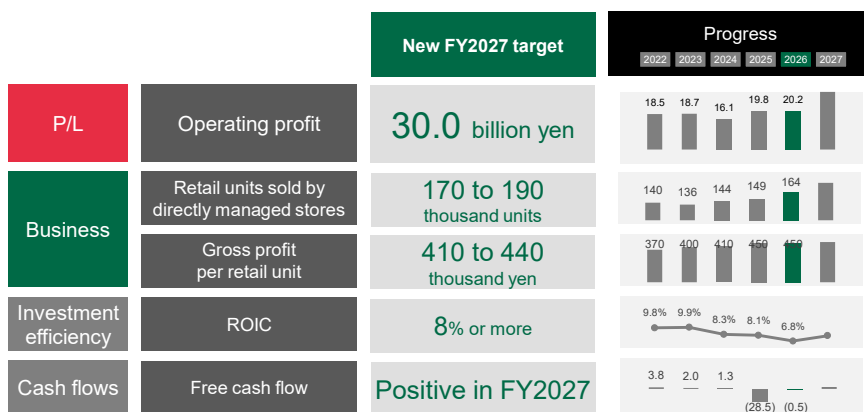
Consolidated**FY2027 Quarterly P/L Comparison****Gulliver**

(billion yen)	FY2026 Q1	FY2026 Q2	FY2026 Q3	FY2026 Q4	FY2027 Q1	FY2027 Q2	QoQ change
Net sales	138.2	132.1	147.6	141.4	159.6	158.5	(1.1)
Gross profit	22.1	22.3	25.3	26.1	25.6	26.4	0.8
Selling, general and administrative expenses	18.4	17.9	19.4	20.4	21.3	22.0	0.7
Operating profit	3.8	4.3	5.9	5.7	4.4	4.4	0.0
Ordinary profit	3.5	3.8	5.6	5.2	3.9	3.8	(0.1)
Profit attributable to owners of parent	2.2	2.7	3.8	2.9	2.7	2.5	(0.2)

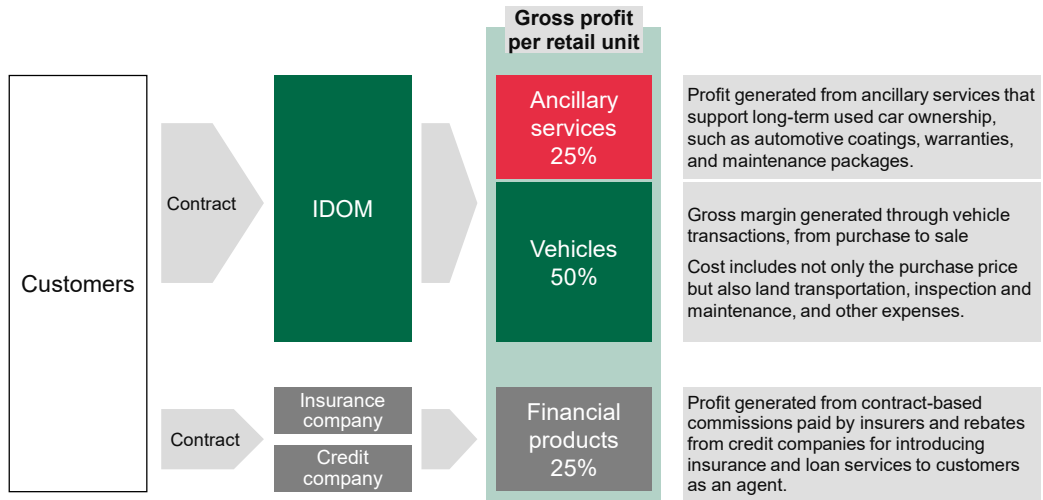
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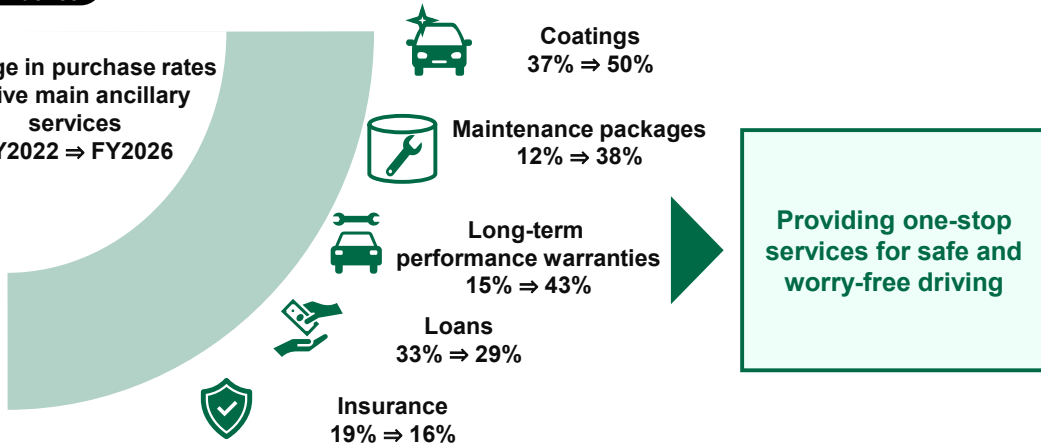
Upward Revision of Medium-term Business Plan (April 2024)



Target operating profit was revised upward from 21.0 to 30.0 billion yen.



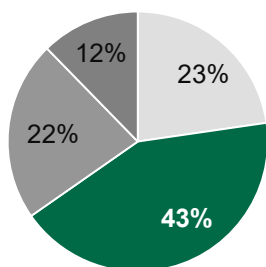
Change in purchase rates
of five main ancillary
services
FY2022 $\Rightarrow$ FY2026



Increase customer usage opportunities through after-sales services

Inventories and market fluctuation risk

Distribution of IDOM vehicle inventory by model year



Market fluctuation risk by model year



Risk characteristics of vehicle inventories

Wholesale vehicles

- Relatively sensitive to market fluctuations, as vehicles are sold through auctions
- Vehicles are typically sold at auction within two weeks of purchase
- Purchase stores remain unchanged, with no increase in purchasing efforts

Retail vehicles

- Relatively less affected by market fluctuations, as vehicles are sold directly to end users
- Disposal is considered for inventory that does not meet a certain gross profit threshold
- The ratio of retail units sold has grown in line with the increase in large store openings

- Long-term inventory carries higher risk due to constant market exposure
- A higher wholesale sales ratio tends to result in faster inventory turnover

- Long-term inventory risk is low, as ancillary services gross profit helps secure gross profit per unit
- A higher retail sales ratio tends to result in slower inventory turnover

Large store inventories primarily consist of four- to seven-year-old vehicles, which are less sensitive to market fluctuations.

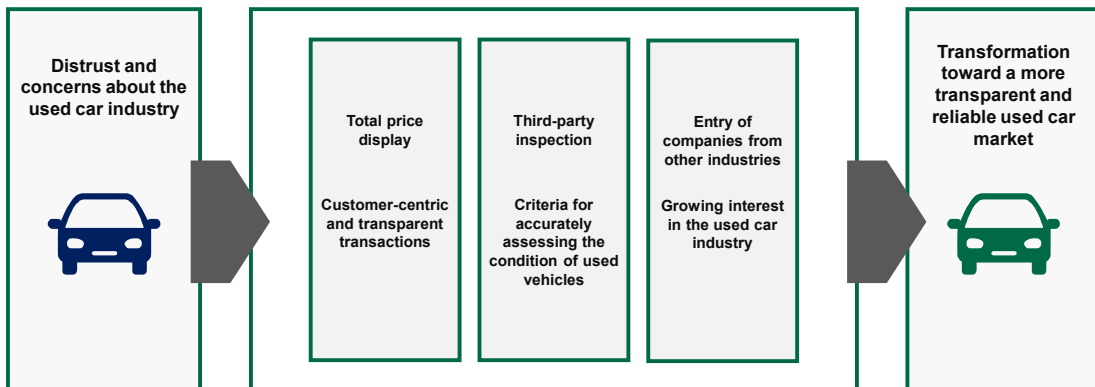
We will enhance ROIC by ensuring inventory profitability through higher gross profit thresholds.

Inventories Change in Inventory Turnover



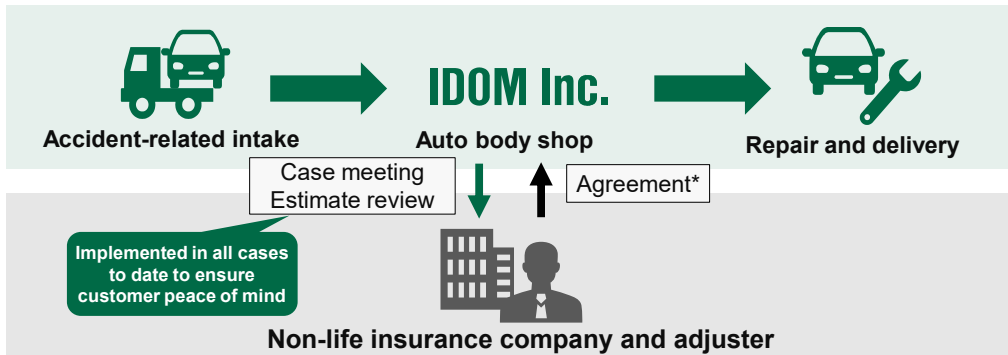
- Inventories under the balance sheet standard decreased due to the change in inventory criteria.

Inventory turnover (days)	FY2025	FY2026	FY2027 Q2
Balance sheet standard	87.0	89.5	78.7



In FY2024, the credibility of the used car industry declined due to issues such as fraudulent insurance claims. As a leading industry player, IDOM is committed to enhancing transparency across the sector and restoring customer trust.

Auto Body Shop Governance Initiatives: Handling of Accidents



For all referred cases, repair estimates are agreed upon with non-life insurance adjusters to ensure fair and reasonable repair costs.

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*Agreement: A non-life insurance adjuster inspects the damaged vehicle, verifies the scope of repairs, required parts, and costs, then negotiates with the insurer to determine the payable amount.



Cameras are installed in each auto body shop to ensure transparency, allowing customers to view work being carried out and providing them with both peace of mind and proof of proper employee conduct.

Maintenance shops

Auto body shops



Scope of work

Mainly cover internal vehicle components such as the engine, brakes, and electrical systems, in addition to the body

Specialize in repairing external vehicle structures, including the body and frame

Purpose of use

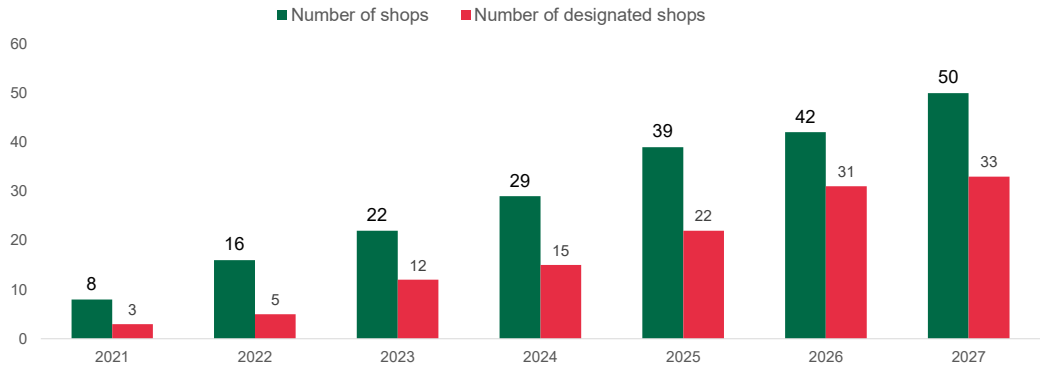
- Regular statutory inspections and vehicle inspections
- In the event of vehicle breakdown

- When the vehicle body is damaged due to an accident
- When paint peels off or rust appears on the body
- When customizing the vehicle body
- When a customer is referred by their insurance company

Required qualifications

Auto mechanics in Japan must hold a national certification. (Four levels: Class 1, Class 2, Class 3, and Specialized Mechanic)
Note: Obtaining a Class 2 license significantly expands the scope of maintenance work a mechanic can carry out.

Qualifications are not essential, but technical skills and experience are required.

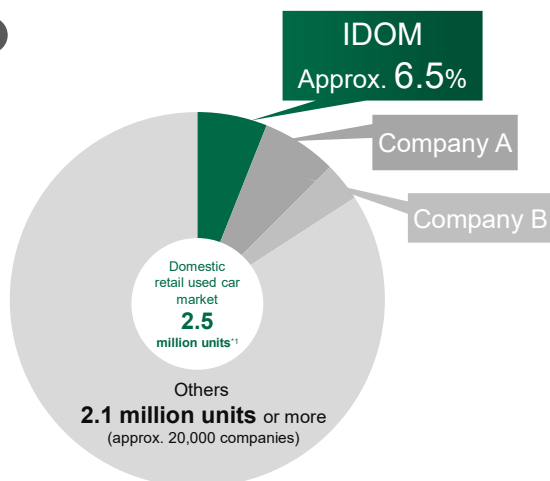


The number of maintenance shops now stands at 42, of which 31 are designated maintenance shops capable of carrying out vehicle inspections in-house.

	Purchase store	Jisharon store*2	Medium-sized store	Large store
Store format				
Number of stores*1	170 stores	56 stores	133 stores	89 stores
Features	Specializes in vehicle purchasing	Specializes in installment sales	Specialty stores tailored to customer needs	Offers the most extensive product lineup in each region

Drawing on 30 years of customer-focused operations, the Gulliver purchasing brand has become a strong driver of customer acquisition, fueling the growth and expansion of our large store business.

FY2026



Used car market in Japan

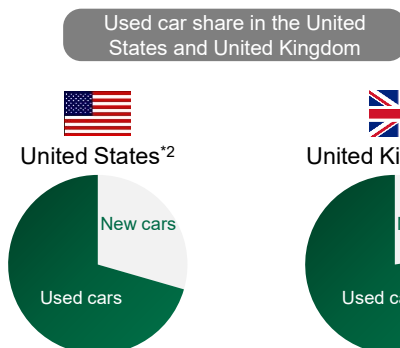
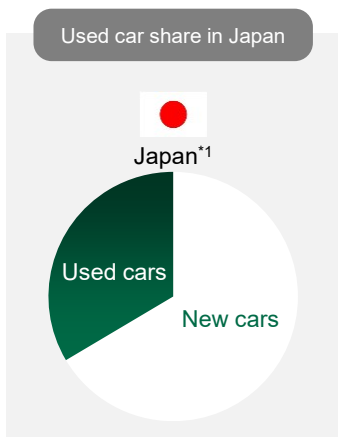
Japan's used car market remains fragmented, with the top three companies accounting for less than 20% of the total market share.

IDOM is expanding its large store network to capture market share from the remaining 2.1 million-vehicle segment.

^{*1} FY2026 market share was calculated based on the domestic retail unit sales of IDOM and Company A, relative to the 2.5 million-unit retail used car market in 2024 (Yano Research Institute Ltd.).

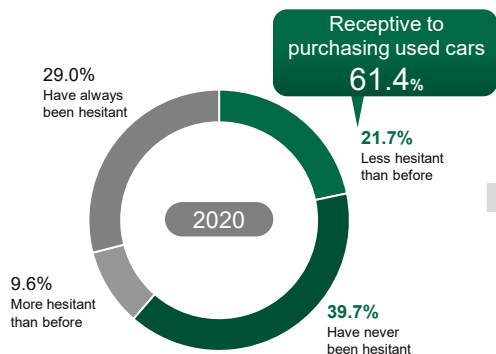
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Japan's Used Car Market Lags Far Behind the United States and United Kingdom

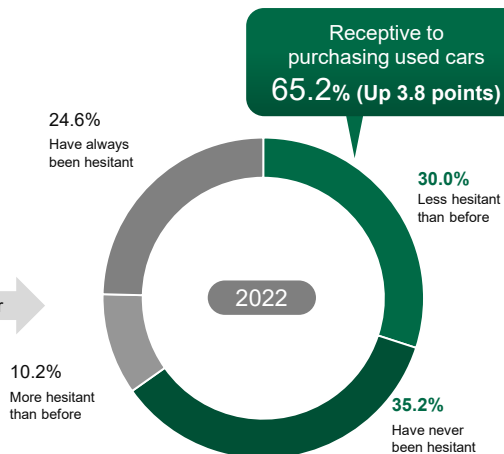


*1: New Cars: 2019 data from the Japan Automobile Dealers Association
Used Cars: 2020 edition of the *Used Car Distribution Overview* published by Yano Research Institute Ltd.
*2: New Cars: 2019 data from MarkLines Co., Ltd.'s Automotive Industry Portal
Used Cars: 2019 *Used Vehicle Report*, Edmunds.com, Inc.
*3: Vehicles: 2019 data from the Society of Motor Manufacturers and Traders Limited (SMMT)

Are you more or less hesitant about purchasing a used car compared to before (several to ten years ago)?



2 years later



Results of an online questionnaire conducted in December 2020 (1,000 respondents)

Results of an online questionnaire conducted in March 2022 (1,000 respondents)

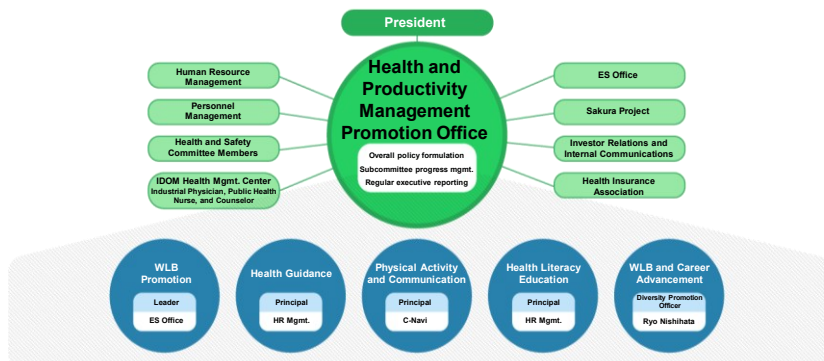
IDOM Inc.

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Further innovation is key to addressing emerging challenges in our industry. By advancing health and productivity management, we are fostering a workplace where employees feel empowered to take on challenges in good health and high spirits, thereby maximizing organizational performance.

Health and Productivity Management Structure and Areas of Responsibility

Under the leadership of the President, the Health and Productivity Management Promotion Office collaborates with individual departments to drive health and productivity management. Through a structured framework focused on maintaining and enhancing employee well-being and increasing health literacy, we develop and operate the systems that underpin our health and productivity management initiatives.



6. Appendix: Supplementary Performance and Financial Data



IDOM Inc.

Consolidated and Non-consolidated Statements of Income (Q2 Cumulative)

Q2 Cumulative (Consolidated)	Three months ended August 31, 2023		Three months ended August 31, 2024		Three months ended August 31, 2025		Three months ended August 31, 2026			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	YoY (%)
Net sales	203,696	100.0	249,651	100.0	273,107	100.0	318,100	100.0	47,801	17.7
Cost of sales	168,792	82.9	205,350	82.3	228,274	83.6	266,109	83.7	40,227	17.8
Gross profit	34,903	17.1	44,300	17.7	44,832	16.4	51,991	16.3	7,574	17.1
SG&A expenses	27,805	13.7	34,217	13.7	36,338	13.3	43,219	13.6	6,881	18.9
Operating profit	7,098	3.5	10,083	4.0	8,493	3.1	8,771	2.8	693	8.6
Ordinary profit	6,918	3.4	9,603	3.8	7,755	2.8	7,722	2.4	383	5.2
Profit before income taxes	6,853	3.4	9,530	3.8	7,554	2.8	7,652	2.4	513	7.2
Interim profit attributable to owners of parent	4,823	2.4	6,485	2.6	5,163	1.9	5,201	1.6	326	6.7

Q2 Cumulative (Non-consolidated)	Three months ended August 31, 2023		Three months ended August 31, 2024		Three months ended August 31, 2025		Three months ended August 31, 2026			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Change (million yen)	YoY (%)
Net sales	200,597	100.0	245,381	100.0	265,594	100.0	304,798	100.0	42,012	16.0
Cost of sales	166,737	83.1	202,402	82.5	223,429	84.1	256,683	84.2	35,646	16.1
Gross profit	33,859	16.9	42,978	17.5	42,165	15.9	48,115	15.8	6,366	15.2
SG&A expenses	26,637	13.3	32,475	13.2	34,058	12.8	39,992	13.1	5,933	17.4
Operating profit	7,222	3.6	10,503	4.3	8,106	3.1	8,123	2.7	432	5.6
Ordinary profit	7,015	3.5	10,004	4.1	7,375	2.8	7,173	2.4	214	3.1
Profit before income taxes	6,951	3.5	10,046	4.1	7,183	2.7	7,156	2.3	388	5.7
Interim profit	4,871	2.4	6,873	2.8	4,940	1.9	4,905	1.6	253	5.4

IDOM Inc.

Consolidated and Non-consolidated Statements of Income (Full Year)

Full year (Consolidated)	Fiscal year ended February 29, 2024		Fiscal year ended February 28, 2025		Fiscal year ended February 28, 2026		Fiscal year ending February 28, 2027			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Forecast (million yen)	Ratio (%)	Change (million yen)	YoY (%)
Net sales	419,852	100.0	496,678	100.0	559,250	100.0	655,000	100.0	95,750	17.1
Cost of sales	346,519	82.5	408,002	82.1	463,407	82.9	548,379	83.7	84,972	18.3
Gross profit	73,333	17.5	88,675	17.9	95,842	17.1	106,621	16.3	10,779	11.2
SG&A expenses	57,216	13.6	68,785	13.8	76,127	13.6	88,119	13.5	11,992	15.8
Operating profit	16,117	3.8	19,890	4.0	19,715	3.5	18,501	2.8	(1,214)	(6.2)
Ordinary profit	15,826	3.8	19,115	3.8	18,113	3.2	16,422	2.5	(1,691)	(9.3)
Profit before income taxes	15,664	3.7	18,576	3.7	17,019	3.0	15,452	2.4	(1,567)	(9.2)
Profit attributable to owners of parent	11,442	2.7	13,447	2.7	11,571	2.1	10,501	1.6	(1,070)	(9.2)

Full year (Non-consolidated)	Fiscal year ended February 29, 2024		Fiscal year ended February 28, 2025		Fiscal year ended February 28, 2026		Fiscal year ending February 28, 2027			
	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Results (million yen)	Ratio (%)	Forecast (million yen)	Ratio (%)	Change (million yen)	YoY (%)
Net sales	413,206	100.0	486,843	100.0	543,108	100.0	634,198	100.0	91,090	16.8
Cost of sales	342,143	82.8	401,991	82.6	453,210	83.4	534,183	84.2	80,972	17.9
Gross profit	71,062	17.2	84,852	17.4	89,897	16.6	100,015	15.8	10,118	11.3
SG&A expenses	54,333	13.1	64,710	13.3	70,950	13.1	82,492	13.0	11,541	16.3
Operating profit	16,729	4.0	20,142	4.1	18,946	3.5	17,553	2.8	(1,393)	(7.4)
Ordinary profit	16,404	4.0	19,374	4.0	17,416	3.2	15,673	2.5	(2,238)	(12.5)
Profit before income taxes	16,239	3.9	19,021	3.9	16,822	3.1	15,056	2.4	(2,260)	(13.1)
Profit	11,864	2.9	13,945	2.9	11,504	2.1	10,405	1.6	(1,442)	(12.2)

IDOM Inc.

Consolidated Balance Sheet

Gulliver

(Unit: million yen)

	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	27,462	33,546
Notes and accounts receivable — trade	32,245	34,757
Merchandise	115,023	111,874
Other operating assets	7,128	10,056
Other	9,488	11,897
Allowance for doubtful accounts	△2,184	△3,021
Total current assets	189,163	199,111
Non-current assets		
Property, plant and equipment		
Buildings and structures	62,232	64,322
Accumulated depreciation	△23,164	△24,528
Buildings and structures, net	39,067	39,794
Vehicles	10,956	17,451
Accumulated depreciation	△914	△1,790
Vehicles, net	10,042	15,660
Tools, furniture and fixtures	7,514	7,932
Accumulated depreciation	△4,760	△4,859
Tools, furniture and fixtures, net	2,753	3,072
Land	136	136
Construction in progress	1,521	2,064
Other	775	775
Total property, plant and equipment	54,297	61,503
Intangible assets		
Software	1,873	2,285
Goodwill	2	2
Other	1,875	2,287
Total intangible assets	39	44
Investments and other assets		
Shares of subsidiaries and associates	2,103	2,184
Long-term loans receivable	7,055	7,168
Lease and guarantee deposits	2,697	2,532
Construction assistance fund receivables	3,125	3,679
Deferred tax assets	480	524
Other	△2	△39
Allowance for doubtful accounts	15,488	16,079
Total investments and other assets	71,661	79,871
Total non-current assets	260,825	278,983
Total assets	243,581	278,983

	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Accounts payable — trade	10,279	8,776
Short-term borrowings	8,201	1,423
Current portion of bonds payable	—	3,000
Current portion of long-term borrowings	10,150	12,429
Accounts payable - other	5,286	5,090
Income taxes payable	4,038	3,277
Contract liabilities	30,173	35,224
Deposits received	345	410
Provision for bonuses	1,523	1,709
Other	8,720	9,186
Total current liabilities	78,719	80,527
Non-current liabilities		
Bonds payable	7,000	4,000
Long-term borrowings	70,000	79,777
Lease liabilities	9,720	15,505
Long-term guarantee deposits	783	748
Asset retirement obligations	4,101	4,289
Other	183	183
Total non-current liabilities	91,788	104,503
Total liabilities	170,508	185,331
Net assets		
Shareholders' equity		
Share capital	4,157	4,157
Capital surplus	5,756	5,756
Retained earnings	82,534	85,710
Treasury shares	△4,344	△4,344
Total shareholders' equity	88,102	91,278
Accumulated other comprehensive income		
Foreign currency translation adjustment	474	534
Total accumulated other comprehensive income	474	534
Share acquisition rights	0	0
Non-controlling interests	1,799	1,837
Total net assets	90,316	93,651
Total liabilities and net assets	260,825	278,983

IDOM Inc.

Consolidated Statement of Cash Flows



(Unit: million yen)

	Three months ended August 31, 2025	Three months ended August 31, 2026
Profit before income taxes	7,138	7,652
Depreciation	1,881	2,904
Amortization of goodwill	3	-
Net increase (decrease) in working capital	△3,440	14
Income taxes paid	△2,958	△3,626
Other, net	5,149	537
Cash flows from operating activities	7,773	7,481
Cash flows from investing activities	△5,785	△4,060
Free cash flow	1,987	3421
Cash flows from financing activities	10,658	2,638
Net increase (decrease) resulting from exchange rate change and new consolidation	△39	23
Net increase (decrease) in cash and cash equivalents	12,606	6,084
Cash and cash equivalents at the beginning of period	15,416	27,462
Cash and cash equivalents at the end of period	28,023	33,546

Note: IDOM voluntarily discloses a condensed statement of cash flows for the first and third quarters.

IDOM Inc.

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KPIs (Quarterly Data)



KPI	FY2025				FY2026				FY2027	
	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2
Total number of car purchases (units)	48,306	93,307	139,681	183,781	48,949	91,010	139,883	186,628	51,660	103,694
YoY	12.4%	18.4%	16.4%	13.0%	1.3%	-2.5%	0.1%	1.5%	5.5%	13.9%
Cars sold per directly managed stores (units)	81,988	152,584	227,464	293,163	83,714	158,941	239,974	315,916	89,906	175,771
YoY	11.4%	12.3%	12.6%	9.0%	2.1%	4.2%	5.5%	7.8%	7.4%	10.6%
Retail (units)	38,842	75,917	113,519	149,003	43,840	84,190	125,177	163,931	45,558	88,043
YoY	-1.1%	2.9%	6.6%	3.1%	12.9%	10.9%	10.3%	10.0%	3.9%	4.6%
Wholesale (units)	43,146	76,667	113,945	144,160	39,874	74,751	114,797	151,985	44,348	87,728
YoY	25.7%	23.4%	19.4%	15.9%	-7.6%	-2.5%	0.7%	5.4%	11.2%	17.3%
Number of employees (people)	3,861	3,906	3,852	3,816	4,202	4,076	4,087	4,010	4,380	4,243