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Notice Regarding Differences Between Second-Quarter (Interim) Financial Forecasts and Actual Results and Revisions to Full-Year Financial Forecasts

IDOM Inc. (“the Company”) hereby announces that actual results announced today for the second quarter (interim period) of the fiscal year ending February 28, 2027, differed from the financial forecasts announced on April 13, 2026. In addition, reflecting recent business performance trends, the Company has revised its full-year financial forecasts for the fiscal year ending February 28, 2027, as detailed below.

1. Differences between First Half consolidated financial forecasts and actual results for the fiscal year ending February 28, 2027 (March 1, 2026 – August 31, 2026)

	Net sales	Operating profit	Ordinary profit	Net profit	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	301,000	11,900	11,100	7,050	70.21
Actual results (B)	318,100	8,771	7,722	5,201	51.80
Increases/Decreases (B - A)	17,100	-3,129	-3,378	-1,849	—
Increases/Decreases in percentage (%)	5.7%	-26.3%	-30.4%	-26.2%	—
(Reference) Results for the second quarter of the previous fiscal year (fiscal year ended February 28, 2026)	270,298	8,078	7,339	4,875	48.55

2. Differences between First Half non-consolidated financial forecasts and actual results for the fiscal year ending February 28, 2027 (March 1, 2026 – August 31, 2026)

	Net sales	Ordinary profit	Net profit	Earnings per share
	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	292,800	10,850	6,950	69.22
Actual results (B)	304,798	7,173	4,905	48.85
Increases/Decreases (B - A)	11,998	-3,677	-2,045	—
Increases/Decreases in percentage (%)	4.1%	-33.9%	-29.4%	—
(Reference) Results for the second quarter of the previous fiscal year (fiscal year ended February 28, 2026)	262,785	6,947	4,652	46.33

3. Reasons for the differences

During the current interim consolidated period, net sales remained robust supported by the strong performance of large stores and other factors.

On the other hand, operating profit was 8,771 million yen, ordinary profit was 7,722 million yen, and interim profit attributable to owners of parent was 5,201 million yen, all below the previous forecasts due to the following factors.

1. In the retail business, the Company stepped up mid-career recruitment in preparation for an accelerated pace of store openings in the future. As the new hires required a period of training before becoming fully productive, retail sales volume was limited to 88,000 vehicles, compared with the initial plan of 90,000 vehicles. Gross profit per retail unit, however, remained at the level initially assumed.
2. In the second quarter, used-car auction prices fell sharply, with the decline exceeding that typically seen in previous years. Although the Company advanced its shift from wholesale disposals to retail sales, gross profit per wholesale unit remained below expectations, partly due to the impact of clearing slow-moving inventory in the first quarter.
3. Selling, general and administrative expenses increased to 43.2 billion yen from the initially assumed 41.0 billion yen, mainly due to higher personnel expenses associated with advance recruitment of store staff and improved compensation in preparation for large-store openings concentrated in the second half, as well as spending on digital transformation (DX), including investment in CRM development aimed at streamlining sales negotiations and leveraging AI.

These factors resulted in the differences between actual results and the previous forecasts.

4. Revisions to consolidated financial forecasts for the fiscal year ending February 28, 2027 (March 1, 2026 – February 28, 2027)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	629,000	24,000	22,400	14,200	141.42
Revised forecasts (B)	655,000	18,501	16,422	10,501	104.58
Increases/Decreases (B - A)	26,000	-5,499	-5,978	-3,699	—
Increases/Decreases in percentage (%)	4.1%	-22.9%	-26.7%	-26.0%	—
(Reference) Results for the previous fiscal year ended February 28, 2026	559,250	19,715	18,113	11,571	115.25

5. Revisions to non-consolidated financial forecasts for the fiscal year ending February 28, 2027 (March 1, 2026 – February 28, 2027)

	Net sales	Ordinary profit	Net profit	Earnings per share
	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	613,400	21,900	14,000	139.43
Revised forecasts (B)	634,198	15,673	10,405	103.63
Increases/Decreases (B - A)	20,798	-6,227	-3,595	—
Increases/Decreases in percentage (%)	3.4%	-28.4%	-25.7%	—
(Reference) Results for the previous fiscal year ended February 28, 2026	543,108	17,417	11,504	114.58

6. Reason for revision

The Company has revised its full-year consolidated financial forecasts to reflect results for the current interim consolidated period and its outlook for the business environment and cost structure in the second half and beyond.

The Company has revised its net sales forecast upward from 629.0 billion yen to 655.0 billion yen, reflecting an increase in the planned number of new large-store openings, with an emphasis on capital efficiency, from the initial assumption of 10 to 13 stores, as well as a projected increase in full-year wholesale sales volume.

The Company has revised its forecasts for operating profit, ordinary profit, and profit attributable to owners of parent to 18.5 billion yen, 16.4 billion yen, and 10.5 billion yen, respectively. These revisions reflect operating profit in the first half falling 3.1 billion yen short of the initial plan, together with higher growth investment costs expected in the second half.

In the second half, gross profit is expected to increase beyond the level initially assumed, supported by improved inventory health following the inventory clearance carried out in the first quarter, and increases in retail sales volume and gross profit per retail unit as new large stores begin operating. Productivity in sales operations is also expected to improve as employees recruited in advance during the first half become more effective in their roles. However, selling, general and administrative expenses are expected to exceed the initial plan as the Company continues to make proactive growth investments aimed at enhancing corporate value over the medium to long term. These include pre-opening expenses and capital investment-related costs for 10 new large stores scheduled to open in the second half, higher personnel expenses associated with workforce expansion, and advertising and promotional spending to attract customers and strengthen vehicle purchasing.

As a result, the increase in gross profit is not expected to fully offset the increase in selling, general and administrative expenses associated with substantial growth investment, and the Company has therefore revised its second-half operating profit forecast to 9.7 billion yen. Accordingly, full-year consolidated operating profit is forecast at 18.5 billion yen, consolidated ordinary profit at 16.4 billion yen, and profit attributable to owners of parent at 10.5 billion yen. The non-consolidated financial forecasts have also been revised based on the same factors and assumptions as the consolidated forecasts.