

## Translation

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# Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on IFRS)

August 9, 2017

Company name Iida Group Holdings Co., Ltd.  
 Stock Code 3291 Stock exchange listing: Tokyo  
 URL <https://www.ighd.co.jp/>  
 Representative President, Representative Director Yoichi Nishikawa  
 General Manager  
 Inquiries Hitoshi Oyama TEL 03(5989)0927  
 Corporate Planning Department  
 Scheduled Date to Filing Quarterly Securities Report: Aug 9, 2017  
 Scheduled Date to Commence Dividend Payments : - -  
 Preparation of supplementary material on quarterly financial results Yes  
 Holding of quarterly financial results meeting (for institutional investors or analysts) No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the three months ended June 30, 2017 (From April 1, 2017 to June 30, 2017)

### (1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes)

|                                  | Revenue         |     | Operating profit |      | Profit before income taxes |      | Net Profit      |      | Profit attributable to owners of the parent company |      | Comprehensive income for the year |      |
|----------------------------------|-----------------|-----|------------------|------|----------------------------|------|-----------------|------|---|------|-----------------------------------|------|
|                                  | Millions of yen | %   | Millions of yen  | %    | Millions of yen            | %    | Millions of yen | %    | Millions of yen                                     | %    | Millions of yen                   | %    |
| Three months ended June 30, 2017 | 295,693         | 7.0 | 25,868           | Δ7.8 | 25,204                     | Δ6.3 | 16,742          | Δ8.5 | 16,706  | Δ8.5 | 16,766                            | Δ8.5 |
| June 30, 2016                    | 276,252         | 2.8 | 28,064           | 32.7 | 26,897                     | 32.3 | 18,294          | 41.0 | 18,260  | 40.8 | 18,321                            | 40.5 |

|                    | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Three months ended | Yen                      | Yen                        |
| June 30, 2017      | 57.93                    | -                          |
| June 30, 2016      | 63.32                    | -                          |

### (2) Consolidated Financial Position

|                | Total assets    | Total equity    | Equity attributable to owners of the parent company | Ratio of equity attributable to owners of the parent company to total assets |
|----------------|-----------------|-----------------|---|--|
| As of          | Millions of yen | Millions of yen | Millions of yen                                     | %  |
| June 30, 2017  | 1,179,921       | 663,083         | 662,300   | 56.1   |
| March 31, 2017 | 1,168,389       | 655,276         | 654,511   | 56.0   |

## 2. Cash dividends

|                                       | Annual dividends per share |       |     |       |       |
|---------------------------------------|----------------------------|-------|-----|-------|-------|
|                                       | Q1                         | Q2    | Q3  | Q4    | TOTAL |
|                                       | Yen                        | Yen   | Yen | Yen   | Yen   |
| Year ended March 31, 2017             | -                          | 23.00 | -   | 31.00 | 54.00 |
| Year ending March 31, 2018            | -                          | -     | -   | -     | -     |
| Year ending March 31, 2018 (Forecast) | -                          | 30.00 | -   | 30.00 | 60.00 |

3.Forecast of consolidated results for the fiscal year ending March 31, 2018 (From April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes)

|            | Revenue         |      | Operating profit |       | Profit before income taxes |       | Net Profit      |       | Profit attributable to owners of the parent company |       | Basic earnings per share |
|------------|-----------------|------|------------------|-------|----------------------------|-------|-----------------|-------|---|-------|--------------------------|
|            | Millions of yen | %    | Millions of yen  | %     | Millions of yen            | %     | Millions of yen | %     | Millions of yen                                     | %     | Yen                      |
| First Half | 635,800         | 8.3  | 55,400           | Δ 6.5 | 54,400                     | Δ 5.4 | 37,800          | Δ 3.5 | 37,750  | Δ 3.5 | 130.90                   |
| Full year  | 1,355,900       | 10.0 | 118,400          | 4.2   | 115,800                    | 4.4   | 79,300          | 3.1   | 79,200  | 3.2   | 274.63                   |

Note: Revisions to the consolidated financial results forecast most recently announced : No

Notes

(1) Changes in significant subsidiaries during three month ended June 30, 2017

(Changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies and changes in accounting estimates

- ① Changes in accounting policies due to transitioning to IFRS: No
- ② Changes in accounting policies due to other reasons: No
- ③ Changes in accounting estimates: No

(3) Number of issued shares (Common shares)

|   |                                  |                    |                                  |                    |
|---|----------------------------------|--------------------|----------------------------------|--------------------|
| Total number of issued shares at the end of the period (including treasury shares)            | As of June 30, 2017              | 294,431,639 shares | As of March 31, 2017             | 294,431,639 shares |
| Number of treasury shares at the end of the period  | As of June 30, 2017              | 6,048,653 shares   | As of March 31, 2017             | 6,048,414 shares   |
| Average number of shares during the period (Cumulative from the beginning of the fiscal year) | Three months ended June 30, 2017 | 288,383,109 shares | Three months ended June 30, 2016 | 288,384,300 shares |

\* This report is unaudited.

\* Explanation of appropriate use of financial results forecast and other remarks

– Financial results forecast and other forward-looking statements contained in this report are based on information available to the Company and a certain assumptions judged to be reasonable on the date of this report’s announcement, and it does not constitute the Company’s intention to promise the accomplishment of the forecasts. In addition, actual results may differ significantly from the forecast due to various factors.

– Supplementary material on financial results for the three months ended June 30, 2017 is planned to be available on our website on

Aug 9, 2017.

**Quarterly Consolidated Financial Statements**  
**Consolidated Statement of Financial Position (IFRS)**

(Unit: Millions of yen)

|  | As of March<br>31, 2017 | As of June<br>30, 2017 |
|--|-------------------------|------------------------|
| <b>Assets</b>  |                         |                        |
| <b>Current assets</b>                                |                         |                        |
| Cash and cash equivalents                            | 265,586                 | 244,170                |
| Trade and other receivables                          | 3,353                   | 3,040                  |
| Inventories  | 558,853                 | 597,642                |
| Operating loans and operating<br>accounts receivable | 36,332                  | 30,011                 |
| Other financial assets                               | 1,930                   | 2,059                  |
| Other current assets                                 | 12,953                  | 12,804                 |
| <b>Total current assets</b>                          | <b>879,009</b>          | <b>889,730</b>         |
| <b>Non-Current assets</b>                            |                         |                        |
| Property, plant and equipment                        | 60,691                  | 61,590                 |
| Goodwill   | 198,288                 | 198,285                |
| Intangible assets                                    | 1,140                   | 1,152                  |
| Other financial assets                               | 21,720                  | 22,018                 |
| Deferred tax assets                                  | 7,330                   | 6,933                  |
| Other non-current assets                             | 208                     | 210                    |
| <b>Total non-current assets</b>                      | <b>289,379</b>          | <b>290,191</b>         |
| <b>Total assets</b>                                  | <b>1,168,389</b>        | <b>1,179,921</b>       |

(Unit: Millions of yen)

|   | As of March<br>31, 2017 | As of June<br>30, 2017 |
|---|-------------------------|------------------------|
| Liabilities and equity                              |                         |                        |
| Liabilities   |                         |                        |
| Current liabilities                                 |                         |                        |
| Bonds and borrowings                                | 222,092                 | 236,490                |
| Trade and other payable                             | 116,695                 | 119,563                |
| Other financial liabilities                         | 4,107                   | 3,457                  |
| Income taxes payable                                | 20,512                  | 8,448                  |
| Other current liabilities                           | 17,736                  | 18,461                 |
| Total current liabilities                           | 381,144                 | 386,421                |
| Non-current liabilities                             |                         |                        |
| Bonds and borrowings                                | 121,085                 | 119,323                |
| Other financial liabilities                         | 266                     | 268                    |
| Retirement benefit liabilities                      | 6,683                   | 6,825                  |
| Provisions  | 3,442                   | 3,509                  |
| Deferred tax liabilities                            | 357                     | 355                    |
| Other non-current liabilities                       | 133                     | 134                    |
| Total non-current liabilities                       | 131,968                 | 130,417                |
| Total liabilities                                   | 513,112                 | 516,838                |
| Equity  |                         |                        |
| Capital stock                                       | 10,000                  | 10,000                 |
| Capital surplus                                     | 418,503                 | 418,503                |
| Retained earnings                                   | 237,476                 | 245,243                |
| Treasury stock                                      | △13,198                 | △13,199                |
| Other components of equity                          | 1,729                   | 1,753                  |
| Equity attributable to owners of the parent company | 654,511                 | 662,300                |
| Non-controlling interests                           | 765                     | 782                    |
| Total equity  | 655,276                 | 663,083                |
| Total liabilities and equity                        | 1,168,389               | 1,179,921              |

## Consolidated Statement of Income (Cumulative) and Consolidated Statements of Comprehensive Income (Cumulative)

### Consolidated Statement of Income (Cumulative) (IFRS)

(Unit: Millions of yen)

|  | Three Months Ended<br>June 30, 2016 | Three Months Ended<br>June 30, 2017 |
|--|-------------------------------------|-------------------------------------|
| Revenue                                      | 276,252                             | 295,693                             |
| Cost of sales                                | Δ 225,512                           | Δ244,688                            |
| Gross profit                                 | 50,739                              | 51,005                              |
| Selling, general and administrative expenses | Δ 22,732                            | Δ25,287                             |
| Other income                                 | 179                                 | 316                                 |
| Other expenses                               | Δ 121                               | Δ165                                |
| Operating income                             | 28,064                              | 25,868                              |
| Finance income                               | 71                                  | 103                                 |
| Finance costs                                | Δ 1,238                             | Δ767                                |
| Profit before income taxes                   | 26,897                              | 25,204                              |
| Income tax expenses                          | Δ 8,602                             | Δ8,461                              |
| Net Profit                                   | 18,294                              | 16,742                              |
| Attributable to                              |                                     |                                     |
| Owners of the parent company                 | 18,260                              | 16,706                              |
| Non-controlling interests                    | 34                                  | 35                                  |
| Net Profit                                   | 18,294                              | 16,742                              |
| Earnings per share                           |                                     |                                     |
| Basic (Unit: Yen)                            | 63.32                               | 57.93                               |
| Diluted (Unit: Yen)                          | -                                   | -                                   |

## Consolidated Statements of Comprehensive Income (Cumulative) (IFRS)

(Unit: Millions of yen)

|  | Three Months Ended<br>June 30, 2016 | Three Months Ended<br>June 30, 2017 |
|--|-------------------------------------|-------------------------------------|
| Profit   | 18,294                              | 16,742                              |
| Other comprehensive income (loss)                                      |                                     |                                     |
| Items that will not be reclassified subsequently to profit or loss     |                                     |                                     |
| Remeasurements of defined benefit pension plans                        |                                     |                                     |
| Gains or losses on an available-for-sale financial asset               | 45                                  | 20                                  |
| Cash flow hedges   | Δ 18                                | 3                                   |
| Total of items that may be reclassified subsequently to profit or loss | 26                                  | 23                                  |
| Other comprehensive income (loss) after income taxes                   | 26                                  | 23                                  |
| Comprehensive income for the year                                      | 18,321                              | 16,766                              |
| Attributable to  |                                     |                                     |
| Owners of the parent company   | 18,287                              | 16,730                              |
| Non-controlling interests  | 34                                  | 35                                  |
| Comprehensive income   | 18,321                              | 16,766                              |

## Consolidated Statement of Changes in Equity (From April 1, 2016 to June 30, 2016) (IFRS)

(Unit: Millions of yen)

|                                   | Equity attributable to owners of the parent company |                 |                   |                 | Other components of equity                      |  |
|-----------------------------------|---|-----------------|-------------------|-----------------|---|--|
|                                   | Capital stock                                       | Capital surplus | Retained earnings | Treasury Stock  | Remeasurements of defined benefit pension plans | Gains or losses on an available-for-sale financial asset |
| As of April 1, 2016               | 10,000  | 418,503         | 174,000           | △ 13,196        | 48  | 999  |
| Profit                            | —   | —               | 18,260            | —               | —   | —  |
| Other comprehensive income (loss) | —   | —               | —                 | —               | —   | 45   |
| Comprehensive income              | —   | —               | 18,260            | —               | —   | 45   |
| Dividends                         | —   | —               | △ 6,632           | —               | —   | —  |
| Change of treasury stock          | —   | —               | —                 | —               | —   | —  |
| Change of scope of consolidation  | —   | —               | —                 | △ 0             | —   | —  |
| Total transactions with owners    | —   | —               | △ 6,632           | △ 0             | —   | —  |
| As of June 30, 2016               | <u>10,000</u>                                       | <u>418,503</u>  | <u>185,628</u>    | <u>△ 13,196</u> | <u>48</u>                                       | <u>1,044</u>   |

(Unit: Millions of yen)

|                                   | Other components of equity |              | Owners of the parent company | Non-controlling interests | Total equity   |
|-----------------------------------|----------------------------|--------------|------------------------------|---------------------------|----------------|
|                                   | Cash flow hedges           | Total        |                              |                           |                |
| As of April 1, 2016               | △ 0                        | 1,047        | 590,355                      | 637                       | 590,992        |
| Profit                            | —                          | —            | 18,260                       | 34                        | 18,294         |
| Other comprehensive income (loss) | △ 18                       | 26           | 26                           | —                         | 26             |
| Comprehensive income              | △ 18                       | 26           | 18,287                       | 34                        | 18,321         |
| Dividends                         | —                          | —            | △ 6,632                      | △ 13                      | △ 6,646        |
| Change of treasury stock          | —                          | —            | △ 0                          | —                         | △ 0            |
| Change of scope of consolidation  | —                          | —            | —                            | —                         | —              |
| Total transactions with owners    | —                          | —            | △ 6,633                      | △ 13                      | △ 6,647        |
| As of June 30, 2016               | <u>△ 18</u>                | <u>1,074</u> | <u>602,009</u>               | <u>657</u>                | <u>602,667</u> |

## Consolidated Statement of Changes in Equity (From April 1, 2017 to June 30, 2017) (IFRS)

(Unit: Millions of yen)

|                                   | Equity attributable to owners of the parent company |                 |                   |                | Other components of equity                      |  |
|-----------------------------------|---|-----------------|-------------------|----------------|---|--|
|                                   | Capital stock                                       | Capital surplus | Retained earnings | Treasury Stock | Remeasurements of defined benefit pension plans | Gains or losses on an available-for-sale financial asset |
| As of April 1, 2017               | 10,000  | 418,503         | 237,476           | Δ13,198        | Δ3  | 1,736  |
| Profit                            | —   | —               | 16,706            | —              | —   | —  |
| Other comprehensive income (loss) | —   | —               | —                 | —              | —   | 20   |
| Comprehensive income              | —   | —               | 16,706            | —              | —   | 20   |
| Dividends                         | —   | —               | Δ8,939            | —              | —   | —  |
| Change of treasury stock          | —   | —               | —                 | —              | —   | —  |
| Change of scope of consolidation  | —   | —               | —                 | Δ0             | —   | —  |
| Total transactions with owners    | —   | —               | Δ8,939            | Δ0             | —   | —  |
| As of June 30, 2017               | <u>10,000</u>                                       | <u>418,503</u>  | <u>245,243</u>    | <u>Δ13,199</u> | <u>Δ3</u>                                       | <u>1,756</u>   |

(Unit: Millions of yen)

|                                   | Equity attributable to owners of the parent company |              | Owners of the parent company | Non-controlling interests | Total equity   |
|-----------------------------------|---|--------------|------------------------------|---------------------------|----------------|
|                                   | Cash flow hedges                                    | Total        |                              |                           |                |
| As of April 1, 2017               | Δ3  | 1,729        | 654,511                      | 765                       | 655,276        |
| Profit                            | —   | —            | 16,706                       | 35                        | 16,742         |
| Other comprehensive income (loss) | 3   | 23           | 23                           | —                         | 23             |
| Comprehensive income              | 3   | 23           | 16,730                       | 35                        | 16,766         |
| Dividends                         | —   | —            | Δ8,939                       | Δ19                       | Δ8,959         |
| Change of treasury stock          | —   | —            | Δ0                           | —                         | Δ0             |
| Change of scope of consolidation  | —   | —            | —                            | —                         | —              |
| Total transactions with owners    | —   | —            | Δ8,940                       | Δ19                       | Δ8,959         |
| As of June 30, 2017               | <u>—</u>  | <u>1,753</u> | <u>662,300</u>               | <u>782</u>                | <u>663,083</u> |



## Consolidated Statement of Cash flows (IFRS)

(Unit: Millions of yen)

|  | Three Months ended<br>June 30, 2016 | Three Months ended<br>June 30, 2017 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities   |                                     |                                     |
| Profit before income taxes   | 26,897                              | 25,204                              |
| Depreciation   | 615                                 | 663                                 |
| Impairment losses  | 13                                  | —                                   |
| Financial incomes  | △ 71                                | △ 103                               |
| Financial costs  | 1,238                               | 767                                 |
| Decrease (increase) in inventories   | △ 41,696                            | △ 38,744                            |
| Decrease (increase) in loans and receivables   | △ 1,820                             | 6,320                               |
| Increase(decrease) in trade payables and other liabilities                               | △ 7,219                             | 2,770                               |
| Other  | △ 211                               | 1,958                               |
| Subtotal   | △ 22,253                            | △ 1,162                             |
| Proceeds from subsidy income   | 0                                   | 7                                   |
| Interest and dividend income received  | 67                                  | 82                                  |
| Interest expenses paid   | △ 652                               | △ 781                               |
| Income taxes paid  | △ 20,258                            | △ 21,159                            |
| Income taxes refund  | 0                                   | 38                                  |
| Net cash provided by (used in) operating activities                                      | △ 43,096                            | △ 22,974                            |
| Cash flows from investing activities   |                                     |                                     |
| Payments into time deposits  | △ 1,950                             | △ 7,150                             |
| Proceeds from withdrawal of time deposits  | 800                                 | 2,250                               |
| Purchase of property, plant and equipment  | △ 3,397                             | △ 1,610                             |
| Proceeds from sales of property, plant and equipment                                     | 318                                 | 16                                  |
| Purchase of intangible assets  | △ 53                                | △ 89                                |
| Purchase of investment securities  | △ 0                                 | △ 200                               |
| Proceeds from sale of investments, redemption  | 10                                  | 0                                   |
| Payments of loans receivable   | △ 178                               | △ 269                               |
| Proceeds from collection of loans  | 20                                  | 79                                  |
| Other  | 39                                  | △ 87                                |
| Net cash provided by (used in) investing activities                                      | △ 4,391                             | △ 7,062                             |
| Cash flows from financing activities   |                                     |                                     |
| Net increase (decrease) in short-term loans payable                                      | 14,329                              | 14,001                              |
| Proceeds from long-term loans payable  | 13,566                              | 347                                 |
| Repayments of long-term loans payable  | △ 11,790                            | △ 1,766                             |
| Proceeds from issuance of convertible bond-type bonds with subscription rights to shares | —                                   | —                                   |
| Cash dividends paid  | △ 6,568                             | △ 8,819                             |
| Other  | △ 32                                | △ 43                                |
| Net cash provided by (used in) financing activities                                      | 9,503                               | 3,718                               |
| Effect of exchange rate change on cash and cash equivalents                              | △ 1                                 | 2                                   |
| Net increase (decrease) in cash and cash equivalents                                     | △ 37,986                            | △ 26,315                            |
| Cash and cash equivalents at beginning of period   | 229,751                             | 260,745                             |
| Cash and cash equivalents at the end of period   | 191,764                             | 234,430                             |