

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on IFRS)

August 9, 2019

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
 Inquiries Senior Board Director Hiroshi Nishino TEL 0422(60)8889
 Scheduled Date to Filing Quarterly Securities Report: Aug 9, 2019
 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, 2019 (From April 1, 2019 to June 30, 2019)

(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, 2019	299,169	(2.8)	20,242	(15.1)	19,112	(17.8)	12,847	(19.0)	12,738	(19.7)	9,835	(37.1)
June 30, 2018	307,869	4.1	23,847	(7.8)	23,255	(7.7)	15,857	(5.3)	15,862	(5.1)	15,640	(6.7)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2019	44.17	-
June 30, 2018	55.01	-

(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, 2019	1,405,075	761,986	760,656	54.1
March 31, 2019	1,389,255	758,220	758,190	54.6

2.Cash dividends

	Annual dividends per share				
	Q1	Q2	Q3	Q4	TOTAL
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	-	31.00	-	31.00	62.00
Year ending March 31, 2020	-	-	-	-	-
Year ending March 31, 2020 (Forecast)	-	31.00	-	31.00	62.00

3.Forecast of consolidated results for the fiscal year ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

(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	632,600	0.7	45,500	(4.8)	44,200	(5.1)	30,000	(6.0)	30,000	(6.0)	104.03
Full year	1,370,000	1.9	98,500	1.4	96,000	2.0	65,500	0.0	65,500	0.0	227.13

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

Notes

(1) Changes in significant subsidiaries during three month ended June 30, 2019

(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: Yes
- 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, 2019	294,431,639 shares	As of March 31, 2019	294,431,639 shares
Number of treasury shares at the end of the period	As of June 30, 2019	6,050,170 shares	As of March 31, 2019	6,049,978 shares
Average number of shares during the period (Cumulative from the beginning of the fiscal year)	Three months ended June 30, 2019	288,381,567 shares	Three months ended June 30, 2018	288,382,078 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, 2019 is planned to be available on our website on Aug 9, 2019.

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

(Unit: Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and cash equivalents	344,583	291,489
Trade and other receivables	4,673	5,997
Contract assets	4,146	6,113
Inventories	649,621	707,215
Operating loans and operating accounts receivable	34,099	30,762
Income taxes receivable	9,606	9,604
Other financial assets	1,763	2,552
Other current assets	13,909	11,573
Total current assets	1,062,403	1,065,308
Non-Current assets		
Property, plant and equipment	86,159	88,482
Right-of -use assets	-	15,131
Goodwill	198,509	199,230
Intangible assets	1,583	1,603
Other financial assets	31,787	25,236
Deferred tax assets	8,581	9,824
Other non-current assets	230	257
Total non-current assets	326,852	339,766
Total assets	1,389,255	1,405,075

(Unit: Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	205,670	251,178
Lease liabilities	-	4,332
Trade and other payable	129,872	127,017
Other financial liabilities	10,412	4,183
Income taxes payable	17,624	6,244
Contract liabilities	4,532	5,549
Other current liabilities	14,964	15,672
Total current liabilities	383,078	414,178
Non-current liabilities		
Bonds and borrowings	233,835	202,929
Lease liabilities	-	11,152
Other financial liabilities	1,020	1,253
Retirement benefit liabilities	8,577	9,020
Provisions	3,705	3,708
Deferred tax liabilities	643	633
Other non-current liabilities	173	211
Total non-current liabilities	247,956	228,910
Total liabilities	631,034	643,089
Equity		
Capital stock	10,000	10,000
Capital surplus	418,913	418,941
Retained earnings	341,567	347,018
Treasury stock	(13,201)	(13,202)
Other components of equity	910	(2,101)
Equity attributable to owners of the parent company	758,190	760,656
Non-controlling interests	30	1,329
Total equity	758,220	761,986
Total liabilities and equity	1,389,255	1,405,075

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 June 30, 2018	Three Months Ended June 30, 2019
Revenue	307,869	299,169
Cost of sales	(257,914)	(249,883)
Gross profit	49,954	49,285
Selling, general and administrative expenses	(26,424)	(29,225)
Other income	448	343
Other expenses	(131)	(160)
Operating income	23,847	20,242
Finance income	233	109
Finance costs	(826)	(1,239)
Profit before income taxes	23,255	19,112
Income tax expenses	(7,397)	(6,265)
Net Profit	15,857	12,847
Attributable to		
Owners of the parent company	15,862	12,738
Non-controlling interests	(4)	109
Net Profit	15,857	12,847
Earnings per share		
Basic (Unit: Yen)	55.01	44.17
Diluted (Unit: Yen)	-	-

Consolidated Statements of Comprehensive Income (Cumulative) (IFRS)

(Unit: Millions of yen)

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2019
Profit	15,857	12,847
Other comprehensive income (loss)		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income	(217)	(3,011)
Total items that will not be reclassified subsequently to profit or loss	(217)	(3,011)
Items that may be reclassified to profit or loss		
Cash flow hedges	0	-
Total items that may be reclassified to profit or loss	0	-
Other comprehensive income (loss) after income taxes	(217)	(3,011)
Comprehensive income	15,640	9,835
Attributable to		
Owners of the parent company	15,645	9,726
Non-controlling interests	(4)	109
Comprehensive income	15,640	9,835

Consolidated Statement of Changes in Equity (From April 1, 2018 to June 30, 2018) (IFRS)

(Unit: Millions of yen)

	Equity attributable to owners of the parent company						
	Capital stock	Capital surplus	Retained earnings	Treasury Stock	Other components of equity		
					Remeasurements of defined benefit pension plans	Gains or losses on an available-for-sale financial asset	Financial assets measured at fair value through other comprehensive income
As of April 1, 2018	10,000	418,913	289,834	(13,200)	(185)	4,067	-
Changes in accounting policies	-	-	858	-	-	(4,067)	4,067
Revised as of April 1, 2018	10,000	418,913	290,692	(13,200)	(185)	-	4,067
Profit	-	-	15,862	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	-	(217)
Comprehensive income	-	-	15,862	-	-	-	(217)
Dividends	-	-	(8,651)	-	-	-	-
Change of treasury stock	-	-	-	(0)	-	-	-
Change of scope of consolidation	-	-	484	-	-	-	-
Total transactions with owners	-	-	(8,167)	(0)	-	-	-
As of June 30, 2018	10,000	418,913	298,388	(13,201)	(185)	-	3,849

(Unit: Millions of yen)

	Equity attributable to owners of the parent company				
	Other components of equity		Owners of the parent company	Non-controlling interests	Total equity
	Cash flow hedges	Total			
As of April 1, 2018	(0)	3,880	709,427	-	709,427
Changes in accounting policies	-	-	858	-	858
Revised as of April 1, 2018	(0)	3,880	710,286	-	710,286
Profit	-	-	15,862	(4)	15,857
Other comprehensive income (loss)	0	(217)	(217)	-	(217)
Comprehensive income	0	(217)	15,645	(4)	15,640
Dividends	-	-	(8,651)	-	(8,651)
Change of treasury stock	-	-	(0)	-	(0)
Other	-	-	484	20	505
Total transactions with owners	-	-	(8,167)	20	(8,146)
As of June 30, 2018	-	3,663	717,764	16	717,780

Consolidated Statement of Changes in Equity (From April 1, 2019 to June 30, 2019) (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, 2019	10,000	418,913	341,567	(13,201)	(434)	1,344
Changes in accounting policies	-	-	(261)	-	-	-
Revised as of April 1, 2019	10,000	418,913	341,306	(13,201)	(434)	1,344
Profit	-	-	12,738	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	(3,011)
Comprehensive income	-	-	12,738	-	-	(3,011)
Dividends	-	-	(8,939)	-	-	-
Change of treasury stock	-	-	-	(0)	-	-
Change of scope of consolidation	-	27	1,913	-	-	-
Total transactions with owners	-	27	(7,026)	(0)	-	-
As of June 30, 2019	10,000	418,941	347,018	(13,202)	(434)	(1,667)

(Unit: Millions of yen)

	Equity attributable to owners of the parent company		Non-controlling interests	Total equity
	Other components of equity	Owners of the parent company		
	Total			
As of April 1, 2019	910	758,190	30	758,220
Changes in accounting policies	-	(261)	-	(261)
Revised as of April 1, 2019	910	757,929	30	757,959
Profit	-	12,738	109	12,847
Other comprehensive income (loss)	(3,011)	(3,011)	-	(3,011)
Comprehensive income	(3,011)	9,726	109	9,835
Dividends	-	(8,939)	(44)	(8,984)
Change of treasury stock	-	(0)	-	(0)
Other	-	1,941	1,233	3,175
Total transactions with owners	-	(6,998)	1,189	(5,809)
As of June 30, 2019	(2,101)	760,656	1,329	761,986

Consolidated Statement of Cash flows (IFRS)

(Unit: Millions of yen)

	Three Months ended June 30, 2018	Three Months ended June 30, 2019
Cash flows from operating activities		
Profit before income taxes	23,255	19,112
Depreciation	734	1,969
Financial incomes	(233)	(109)
Financial costs	826	1,239
Decrease (increase) in inventories	(12,017)	(55,232)
Decrease (increase) in loans and receivables	2,716	3,336
Increase(decrease) in trade payables and other liabilities	(7,452)	(4,940)
Other	2,762	3,657
Subtotal	<u>10,592</u>	<u>(30,967)</u>
Proceeds from subsidy income	166	2,677
Interest and dividend income received	76	26
Interest expenses paid	(818)	(859)
Income taxes paid	(22,393)	(24,441)
Income taxes refund	0	10
Net cash provided by (used in) operating activities	<u>(12,375)</u>	<u>(53,554)</u>
Cash flows from investing activities		
Payments into time deposits	(2,080)	(370)
Proceeds from withdrawal of time deposits	7,250	870
Purchase of property, plant and equipment	(6,139)	(3,634)
Proceeds from sales of property, plant and equipment	60	7
Purchase of intangible assets	(120)	(122)
Purchase of investment securities	(39)	(0)
Proceeds from sale of investments, redemption	-	0
Payments of loans receivable	(432)	(775)
Proceeds from collection of loans	167	413
Other	19	25
Net cash provided by (used in) investing activities	<u>(1,315)</u>	<u>(3,585)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,115	14,609
Proceeds from long-term loans payable	-	34
Repayments of long-term loans payable	(932)	(531)
Repayments of lease liabilities	-	(1,147)
Cash dividends paid	(8,576)	(8,871)
Other	22	(44)
Net cash provided by (used in) financing activities	<u>(8,371)</u>	<u>4,048</u>
Effect of exchange rate change on cash and cash equivalents	<u>0</u>	<u>(2)</u>
Net increase (decrease) in cash and cash equivalents	<u>(22,061)</u>	<u>(53,094)</u>
Cash and cash equivalents at beginning of period	<u>288,768</u>	<u>337,110</u>
Cash and cash equivalents at the end of period	<u><u>266,706</u></u>	<u><u>284,016</u></u>