Translation

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# Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015 (Based on Japanese GAAP)

November 12, 2015

Company name: Iida Group Holdings Co., Ltd.
Stock exchange listing: Tokyo
Stock code: 3291 URL http://www.ighd.co.jp
Representative: President, Representative Director Yoichi Nishikawa
Inquiries: Managing Director & General Manager, Corporate Planning Department Hideki Aoyagi TEL 042(452)5791
Scheduled date to file Quarterly Securities Report: November 12, 2015
Scheduled date to commence dividend payments: December 4, 2015
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended September 30, 2015 | 546,382 | 0.4 | 37,830 | 54.7 | 36,421 | 61.0 | 21,806 | 76.2 |
| Six months ended September 30, 2014 | 543,959 | – | 24,454 | – | 22,623 | – | 12,376 | – |

Note: Comprehensive income Six months ended September 30, 2015 ¥21,765 million (74.8 %)
Six months ended September 30, 2014 ¥12,454 million ( – %)

| | Earnings per share | Diluted earnings per share |
|---|---|---|
| | Yen | Yen |
| Six months ended September 30, 2015 | 75.62 | – |
| Six months ended September 30, 2014 | 42.92 | – |

Note: For the six months ended September 30, 2014, year-on-year changes are not provided.
Reason: a) Iida Group Holdings Co., Ltd. was established on November 1, 2013 and, b) fiscal year ended March 31, 2014 of the acquiring firm Hajime Construction was an irregular accounting period of 14 months as the firm changed its accounting period.

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | Millions of yen | Millions of yen | % |
| As of September 30, 2015 | 934,006 | 545,632 | 58.3 |
| As of March 31, 2015 | 927,476 | 528,582 | 56.9 |

Reference: Equity As of September 30, 2015 ¥544,266 million
As of March 31, 2015 ¥528,013 million

2. Cash dividends

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 31, 2015 | – | 19.00 | – | 19.00 | 38.00 |
| Year ending March 31, 2016 | – | 19.00 | | | |
| Year ending March 31, 2016 (Forecast) | | | – | 19.00 | 38.00 |

Note: Revisions to the cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | | Earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 1,125,900 | (5.2) | 73,900 | 33.4 | 70,800 | 35.6 | 42,300 | 47.9 | 146.68 |

Note: Revisions to the consolidated financial results forecast most recently announced: Yes

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2015 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

| | |
|---|---|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes |
| Changes in accounting policies due to other reasons: | No |
| Changes in accounting estimates: | No |
| Restatement of prior period financial statements: | No |

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

| | | | |
|---|---|---|---|
| As of September 30, 2015 | 294,431,639 shares | As of March 31, 2015 | 294,431,639 shares |

Number of treasury shares at the end of the period

| | | | |
|---|---|---|---|
| As of September 30, 2015 | 6,046,526 shares | As of March 31, 2015 | 6,044,327 shares |

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|---|---|---|---|
| Six months ended September 30, 2015 | 288,386,172 shares | Six months ended September 30, 2014 | 288,388,964 shares |

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is exempt from the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly financial statements are completed.

* 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 six months ended September 30, 2015 is planned to be available on our website on November 12, 2015.

# Quarterly consolidated financial statements
## Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2015 | As of September 30, 2015 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 187,117 | 198,506 |
| Real estate for sale | 197,074 | 154,661 |
| Real estate for sale in process | 221,482 | 246,342 |
| Costs on uncompleted construction contracts | 35,716 | 42,234 |
| Other | 37,881 | 45,405 |
| Total current assets | 679,273 | 687,149 |
| Non-current assets | | |
| Property, plant and equipment | 43,577 | 45,260 |
| Intangible assets | | |
| Goodwill | 187,943 | 182,868 |
| Other | 1,009 | 1,082 |
| Total intangible assets | 188,952 | 183,951 |
| Investments and other assets | 15,673 | 17,594 |
| Total non-current assets | 248,202 | 246,805 |
| Deferred assets | – | 51 |
| Total assets | 927,476 | 934,006 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 48,750 | 44,247 |
| Accounts payable for construction contracts | 67,020 | 51,619 |
| Short-term loans payable | 194,547 | 167,651 |
| Current portion of long-term loans payable | 18,931 | 18,845 |
| Income taxes payable | 14,801 | 14,819 |
| Provision for bonuses | 2,400 | 2,685 |
| Provision for directors' bonuses | 106 | 115 |
| Other | 15,215 | 15,004 |
| Total current liabilities | 361,774 | 314,988 |
| Non-current liabilities | | |
| Convertible bond-type bonds with subscription rights to shares | – | 29,411 |
| Long-term loans payable | 24,469 | 30,743 |
| Net defined benefit liability | 4,381 | 4,627 |
| Provision for directors' retirement benefits | 451 | 488 |
| Provision for construction on warranties | 2,190 | 2,271 |
| Other | 5,626 | 5,842 |
| Total non-current liabilities | 37,119 | 73,385 |
| Total liabilities | 398,893 | 388,374 |

(Millions of yen)

| | As of March 31, 2015 | As of September 30, 2015 |
|---|---|---|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 10,000 | 10,000 |
| Capital surplus | 417,750 | 417,750 |
| Retained earnings | 113,520 | 129,847 |
| Treasury shares | (13,190) | (13,194) |
| Total shareholders' equity | 528,079 | 544,402 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 35 | (32) |
| Remeasurements of defined benefit plans | (102) | (104) |
| Total accumulated other comprehensive income | (66) | (136) |
| Subscription rights to shares | – | 780 |
| Non-controlling interests | 569 | 585 |
| Total net assets | 528,582 | 545,632 |
| Total liabilities and net assets | 927,476 | 934,006 |

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

| | Six months ended September 30, 2014 | Six months ended September 30, 2015 |
|---|---|---|
| Net sales | 543,959 | 546,382 |
| Cost of sales | 470,085 | 459,681 |
| Gross profit | 73,874 | 86,700 |
| Selling, general and administrative expenses | 49,419 | 48,869 |
| Operating income | 24,454 | 37,830 |
| Non-operating income | | |
| Interest income | 19 | 39 |
| Dividend income | 42 | 59 |
| House rent income | 97 | 144 |
| Other | 329 | 347 |
| Total non-operating income | 489 | 590 |
| Non-operating expenses | | |
| Interest expenses | 2,115 | 1,491 |
| Other | 204 | 508 |
| Total non-operating expenses | 2,320 | 1,999 |
| Ordinary income | 22,623 | 36,421 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 32 | 92 |
| Total extraordinary losses | 32 | 92 |
| Income before income taxes and minority interests | 22,590 | 36,329 |
| Income taxes | 10,180 | 14,494 |
| Profit | 12,410 | 21,834 |
| Profit attributable to non-controlling interests | 33 | 28 |
| Profit attributable to owners of parent | 12,376 | 21,806 |

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Six months ended September 30, 2014 | Six months ended September 30, 2015 |
|---|---|---|
| Profit | 12,410 | 21,834 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 8 | (67) |
| Remeasurements of defined benefit plans, net of tax | 35 | (1) |
| Total other comprehensive income | 43 | (69) |
| Comprehensive income | 12,454 | 21,765 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 12,420 | 21,736 |
| Comprehensive income attributable to non-controlling interests | 33 | 28 |

## Consolidated statements of cash flows

(Millions of yen)

| | Six months ended September 30, 2014 | Six months ended September 30, 2015 |
|---|---|---|
| Cash flows from operating activities | | |
| Income before income taxes and minority interests | 22,590 | 36,329 |
| Depreciation | 803 | 809 |
| Amortization of goodwill | 5,075 | 5,075 |
| Increase (decrease) in provision | (3,610) | 415 |
| Increase (decrease) in net defined benefit liability | 4,288 | 243 |
| Interest and dividend income | (61) | (99) |
| Interest expenses | 2,115 | 1,491 |
| Loss on retirement of non-current assets | 32 | 92 |
| Decrease (increase) in inventories | (28,532) | 11,031 |
| Increase (decrease) in notes and accounts payable - trade | 8,418 | (19,903) |
| Other, net | 1,391 | 589 |
| Subtotal | 12,512 | 36,074 |
| Interest and dividend income received | 59 | 82 |
| Interest expenses paid | (2,088) | (1,428) |
| Income taxes paid | (9,850) | (15,757) |
| Income taxes refund | 1,162 | 2,519 |
| Net cash provided by (used in) operating activities | 1,795 | 21,489 |
| Cash flows from investing activities | | |
| Payments into time deposits | (1,400) | (1,490) |
| Proceeds from withdrawal of time deposits | 1,314 | 2,460 |
| Purchase of property, plant and equipment | (1,499) | (2,671) |
| Proceeds from sales of property, plant and equipment | 14 | 2 |
| Purchase of intangible assets | (146) | (192) |
| Purchase of investment securities | (291) | (200) |
| Proceeds from sales of investment securities | 300 | 0 |
| Purchase of shares of subsidiaries and associates | (731) | (86) |
| Payments of loans receivable | (1,359) | (10,502) |
| Collection of loans receivable | 16 | 256 |
| Other, net | 40 | (558) |
| Net cash provided by (used in) investing activities | (3,741) | (12,983) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | 5,027 | (26,896) |
| Proceeds from long-term loans payable | 11,246 | 20,425 |
| Repayments of long-term loans payable | (14,385) | (14,235) |
| Proceeds from issuance of convertible bond-type bonds with subscription rights to shares | – | 30,094 |
| Redemption of bonds | (270) | – |
| Purchase of treasury shares | (2) | (4) |
| Cash dividends paid | (4,608) | (5,477) |
| Other, net | (52) | (52) |
| Net cash provided by (used in) financing activities | (3,044) | 3,853 |
| Effect of exchange rate change on cash and cash equivalents | 2 | (0) |
| Net increase (decrease) in cash and cash equivalents | (4,989) | 12,358 |
| Cash and cash equivalents at beginning of period | 124,197 | 182,027 |
| Cash and cash equivalents at end of period | 119,208 | 194,385 |