Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

May 13, 2016

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 03(5989)0927
Scheduled date of ordinary general meeting of shareholders: June 28, 2016
Scheduled date to file Securities Report: June 29, 2016
Scheduled date to commence dividend payments: June 29, 2016
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

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	%
Year ended March 31, 2016	1,140,269	(4.0)	84,895	53.2	82,280	57.6	54,850	91.8
Year ended March 31, 2015	1,188,125	–	55,414	–	52,213	–	28,590	–

Note: Comprehensive income Year ended March 31, 2016 ¥54,923 million (92.2%)
Year ended March 31, 2015 ¥28,572 million (–%)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	190.20	–	10.0	8.6	7.4
Year ended March 31, 2015	99.14	–	5.5	5.6	4.7

Reference: Share of (profit) loss of entities accounted for using equity method
Year ended March 31, 2016 ¥ – million
Year ended March 31, 2015 ¥ – million

Note: Year-on-year change for the year ended March 31, 2015 is not provided because the year ended March 31, 2014 was an irregular accounting period of 14 months (from February 1, 2013 to March 31, 2014) due to change in accounting period by Hajime Construction, the acquiring entity.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	992,209	573,260	57.6	1,982.92
As of March 31, 2015	927,476	528,582	56.9	1,830.92

Reference: Equity As of March 31, 2016 ¥571,842 million
As of March 31, 2015 ¥528,013 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2016	63,957	(8,149)	(9,116)	229,751
Year ended March 31, 2015	124,568	(5,420)	(61,322)	182,027

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2015	–	19.00	–	19.00	38.00	11,187	38.3	2.1
Year ended March 31, 2016	–	19.00	–	23.00	42.00	12,226	22.1	2.2
Year ending March 31, 2017 (Forecast)	–	23.00	–	23.00	46.00		20.1	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Sales		Operating income		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2016	581,800	–	45,700	–	44,500	–	30,100	–	30,000	–	104.03
Full year	1,242,900	–	100,500	–	98,100	–	66,200	–	66,000	–	228.86

Note: The Company made the decision to voluntarily adopt International Financial Reporting Standards (IFRS) starting with the consolidated financial statements of the Securities Report for the year ended March 31, 2016. As a result, forecast of consolidated financial results for the year ending March 31, 2017 are prepared based on IFRS. Accordingly, year-on-year changes from the results of the year ended March 31, 2016, which were prepared based on Japanese GAAP, are not provided.

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2016	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 March 31, 2016	6,047,274 shares	As of March 31, 2015	6,044,327 shares

Average number of shares during the period

Year ended March 31, 2016	288,385,409 shares	Year ended March 31, 2015	288,388,448 shares

* Indication regarding execution of quarterly review procedures

This financial results report is exempt from the audit procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this financial results report, the audit procedures for financial statements have not been 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 the year ended March 31, 2016 is planned to be available on our website on May 13, 2016.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	187,117	233,316
Real estate for sale	197,074	154,032
Real estate for sale in process	221,482	264,100
Costs on uncompleted construction	35,716	38,627
Operating loans And Operating accounts receivable	22,964	25,719
Deferred tax assets	3,673	3,893
Other	11,273	18,913
Allowance for doubtful accounts	(30)	(42)
Total current assets	679,273	738,561
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,225	31,416
Land	24,927	31,723
Other	6,280	14,795
Accumulated depreciation	(15,855)	(21,489)
Total property, plant and equipment	43,577	56,445
Intangible assets		
Goodwill	187,943	177,987
Other	1,009	1,164
Total intangible assets	188,952	179,151
Investments and other assets		
Investment securities	6,792	6,908
Deferred tax assets	1,994	3,257
Other	7,170	8,886
Allowance for doubtful accounts	(283)	(1,047)
Total investments and other assets	15,673	18,004
Total non-current assets	248,202	253,602
Deferred assets	–	45
Total assets	927,476	992,209

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,750	54,355
Accounts payable for construction contracts	67,020	57,017
Short-term loans payable	194,547	178,897
Current portion of bonds	–	300
Current portion of long-term loans payable	18,931	16,211
Income taxes payable	14,801	20,014
Provision for bonuses	2,400	2,827
Provision for directors' bonuses	106	196
Other	15,215	18,512
Total current liabilities	361,774	348,332
Non-current liabilities		
Bonds payable	300	–
Convertible bond-type bonds with subscription rights to shares	–	29,473
Long-term loans payable	24,469	30,881
Deferred tax liabilities	3,571	594
Net defined benefit liability	4,381	4,881
Provision for directors' retirement benefits	451	589
Provision for construction on warranties	2,190	2,307
Other	1,755	1,887
Total non-current liabilities	37,119	70,616
Total liabilities	398,893	418,949
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	417,750	417,750
Retained earnings	113,520	157,361
Treasury shares	(13,190)	(13,196)
Total shareholders' equity	528,079	571,915
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35	(16)
Deferred gains or losses on hedges	–	(0)
Remeasurements of defined benefit plans	(102)	(56)
Total accumulated other comprehensive income	(66)	(73)
Subscription rights to shares	–	780
Non-controlling interests	569	637
Total net assets	528,582	573,260
Total liabilities and net assets	927,476	992,209

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	1,188,125	1,140,269
Cost of sales	1,031,000	953,677
Gross profit	157,125	186,591
Selling, general and administrative expenses	101,711	101,696
Operating income	55,414	84,895
Non-operating income		
Interest income	38	54
Dividend income	61	78
House rent income	243	305
Penalty income	82	69
Income from safety cooperating association	248	104
Other	587	637
Total non-operating income	1,261	1,248
Non-operating expenses		
Interest expenses	3,971	3,142
Other	491	722
Total non-operating expenses	4,462	3,864
Ordinary income	52,213	82,280
Extraordinary income		
Subsidy income	–	810
Total extraordinary income	–	810
Extraordinary losses		
Loss on sales of non-current assets	91	96
Loss on reduction of non-current assets	–	597
Loss on retirement of non-current assets	107	172
Impairment loss	–	997
Total extraordinary losses	199	1,864
Profit before income taxes	52,013	81,226
Income taxes - current	22,763	30,655
Income taxes - deferred	580	(4,359)
Total income taxes	23,344	26,295
Profit	28,668	54,930
Profit attributable to non-controlling interests	77	80
Profit attributable to owners of parent	28,590	54,850

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	28,668	54,930
Other comprehensive income		
Valuation difference on available-for-sale securities	6	(52)
Deferred gains or losses on hedges	–	(0)
Remeasurements of defined benefit plans, net of tax	(102)	46
Total other comprehensive income	(95)	(6)
Comprehensive income	28,572	54,923
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,495	54,843
Comprehensive income attributable to non-controlling interests	77	80

Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,000	417,750	94,876	(13,186)	509,440
Cumulative effects of changes in accounting policies			145		145
Restated balance	10,000	417,750	95,022	(13,186)	509,586
Changes of items during period					
Dividends of surplus			(10,093)		(10,093)
Profit attributable to owners of parent			28,590		28,590
Purchase of treasury shares				(3)	(3)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	18,497	(3)	18,493
Balance at end of current period	10,000	417,750	113,520	(13,190)	528,079

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	29	–	29	492	509,961
Cumulative effects of changes in accounting policies					145
Restated balance	29	–	29	492	510,107
Changes of items during period					
Dividends of surplus					(10,093)
Profit attributable to owners of parent					28,590
Purchase of treasury shares					(3)
Net changes of items other than shareholders' equity	6	(102)	(95)	77	(18)
Total changes of items during period	6	(102)	(95)	77	18,475
Balance at end of current period	35	(102)	(66)	569	528,582

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,000	417,750	113,520	(13,190)	528,079
Changes of items during period					
Dividends of surplus			(10,958)		(10,958)
Profit attributable to owners of parent			54,850		54,850
Purchase of treasury shares				(5)	(5)
Change of scope of consolidation			(49)		(49)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	43,841	(5)	43,836
Balance at end of current period	10,000	417,750	157,361	(13,196)	571,915

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	35	–	(102)	(66)	–	569	528,582
Changes of items during period							
Dividends of surplus							(10,958)
Profit attributable to owners of parent							54,850
Purchase of treasury shares							(5)
Change of scope of consolidation							(49)
Net changes of items other than shareholders' equity	(52)	(0)	46	(6)	780	67	841
Total changes of items during period	(52)	(0)	46	(6)	780	67	44,677
Balance at end of current period	(16)	(0)	(56)	(73)	780	637	573,260

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	52,013	81,226
Depreciation	1,711	2,894
Amortization of goodwill	10,150	10,160
Increase (decrease) in provision	(3,691)	575
Increase (decrease) in net defined benefit liability	4,455	566
Interest and dividend income	(100)	(132)
Interest expenses	3,971	3,142
Subsidy income	–	(810)
Loss (gain) on sales of non-current assets	91	96
Loss on reduction of non-current assets	–	597
Loss on retirement of non-current assets	107	172
Impairment loss	–	997
Decrease (increase) in inventories	72,160	(2,498)
Increase (decrease) in notes and accounts payable - trade	9,349	(2,895)
Other, net	(3,728)	(2,627)
Subtotal	146,491	91,466
Proceeds from subsidy income	–	1,223
Interest and dividend income received	98	120
Interest expenses paid	(3,828)	(2,905)
Income taxes paid	(19,445)	(28,485)
Income taxes refund	1,253	2,537
Net cash provided by (used in) operating activities	124,568	63,957
Cash flows from investing activities		
Payments into time deposits	(3,430)	(2,795)
Proceeds from withdrawal of time deposits	3,434	4,320
Purchase of property, plant and equipment	(2,452)	(5,892)
Proceeds from sales of property, plant and equipment	469	148
Purchase of intangible assets	(417)	(391)
Purchase of investment securities	(1,499)	(659)
Other, net	(1,524)	(2,879)
Net cash provided by (used in) investing activities	(5,420)	(8,149)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(45,905)	(22,171)
Proceeds from long-term loans payable	26,682	32,917
Repayments of long-term loans payable	(31,353)	(38,893)
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	–	30,094
Redemption of bonds	(570)	–
Purchase of treasury shares	(3)	(5)
Cash dividends paid	(10,080)	(10,953)
Other, net	(91)	(104)
Net cash provided by (used in) financing activities	(61,322)	(9,116)
Effect of exchange rate change on cash and cash equivalents	4	177
Net increase (decrease) in cash and cash equivalents	57,829	46,869
Cash and cash equivalents at beginning of period	124,197	182,027
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	–	854
Cash and cash equivalents at end of period	182,027	229,751