Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on IFRS)

August 12, 2016

Company name	Iida Group Holdings Co., Ltd.		URL http://www.ighd.co.jp
Stock Code	3291 Stock exchange listing: Tokyo		
Representative	President, Representative Director	Yoichi Nishikawa	
Inquiries	Managing Director & General Manager, Corporate Planning Department	Hideki Aoyagi	TEL 03(5989)0927
Scheduled date to file Quarterly Securities Report		August 12, 2016	
Scheduled date to commence dividend payments		–	
Preparation of supplementary material on quarterly financial results		Yes	
Holding of quarterly financial results meeting		No	

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

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

	Revenue		Operating profit		Profit before income taxes		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2016	276,252	2.8	28,064	32.7	26,897	32.3	18,294	41.0
June 30, 2015	268,847	–	21,156	–	20,334	–	12,977	–

	Profit attributable to owners of the parent company		Comprehensive income for the year		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
June 30, 2016	18,260	40.8	18,321	40.5	63.32	–
June 30, 2015	12,965	–	13,039	–	44.96	–

(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, 2016	1,023,146	602,667	602,009	58.8
March 31, 2016	1,013,527	590,992	590,355	58.2

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	–	19.00	–	23.00	42.00
Year ending March 31, 2017	–				
Year ending March 31,2017 (Forecast)		23.00	–	23.00	46.00

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

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

	Revenue		Operating profit		Profit before income taxes		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	581,800	—	45,700	—	44,500	—	30,100	—	30,000	—	104.03
Full year	1,242,900	9.4	100,500	6.2	98,100	7.1	66,200	1.9	66,000	1.7	228.86

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

Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2016 (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, 2016	294,431,639 shares	As of March 31, 2016	294,431,639 shares
Number of treasury shares at the end of the period	As of June 30, 2016	6,047,400 shares	As of March 31, 2016	6,047,274 shares
Average number of shares during the period (cumulative from the beginning of the fiscal year)	Three months ended June 30, 2016	288,384,300 shares	Three months ended June 30, 2015	288,386,796 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. On the other hand at the time of disclosure of this quarterly financial results report, the review in accordance with the Financial Instruments and Exchange Act for quarterly financial statements (consolidated basis) is 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 three months ended June 30, 2016 is planned to be available on our website on August 12, 2016.

Quarterly consolidated financial statements

Consolidated balance sheets

(Unit: Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and cash equivalents	233,316	196,479
Trade and other receivables	2,516	2,879
Inventories	460,794	502,487
Operating loans and operating accounts receivable	25,745	27,564
Other financial assets	1,498	1,578
Other current assets	10,658	10,851
Total current assets	734,529	741,842
Non-Current assets		
Property, plant and equipment	56,032	58,562
Goodwill	198,297	198,295
Intangible assets	1,164	1,116
Other financial assets	15,519	15,392
Deferred tax assets	7,832	7,783
Other non-Current assets	150	152
Total non-current assets	278,997	281,304
Total assets	1,013,527	1,023,146

(Unit: Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	195,409	208,906
Trade and other payable	117,996	110,159
Other financial liabilities	3,268	2,904
Income taxes payable	20,014	9,055
Other current liabilities	15,658	16,475
Total current liabilities	352,347	347,501
Non-current liabilities		
Bonds and borrowings	60,309	62,951
Other financial liabilities	1,012	304
Retirement benefit liabilities	5,350	6,163
Provisions	3,072	3,171
Deferred tax liabilities	331	361
Other non-current liabilities	110	24
Total non-current liabilities	70,186	72,977
Total liabilities	422,534	420,479
Equity		
Capital stock	10,000	10,000
Capital surplus	418,503	418,503
Retained earnings	174,000	185,628
Treasury stock	△13,196	△13,196
Other components of equity	1,047	1,074
Equity attributable to owners of the parent company	590,355	602,009
Non-controlling interests	637	657
Total equity	590,992	602,667
Total liabilities and equity	1,013,527	1,023,146

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

Consolidated statements of income (cumulative)

(Unit: Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Revenue	268,847	276,252
Cost of sales	△226,574	△225,512
Gross profit	42,272	50,739
Selling, general and administrative expenses	△21,314	△22,732
Other income	310	179
Other expenses	△112	△121
Operating income	21,156	28,064
Financial income	80	71
Financial costs	△902	△1,238
Profit before income taxes	20,334	26,897
Income tax expenses	△7,356	△8,602
Net profit	12,977	18,294
Attributable to		
Owners of the parent company	12,965	18,260
Non-controlling interests	12	34
Net profit	12,977	18,294
Earnings per share		(Unit: Yen)
Basic	44.96	63.32
Diluted	—	—

Consolidated statements of comprehensive income (cumulative)

(Unit: Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	12,977	18,294
Other comprehensive income (loss)		
Items that will not be reclassified subsequently to profit or loss	59	45
Cash flow hedges	1	△18
Items that may be reclassified subsequently to profit or loss	61	26
Other comprehensive income (loss) after income taxes	61	26
Comprehensive income	13,039	18,321
Attributable to		
Owners of the parent company	13,027	18,287
Non-controlling interests	12	34
Comprehensive income	13,039	18,321

Consolidated Statement of Changes in Equity (from April 1, 2015 to June 30, 2015)

(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, 2015	10,000	417,723	120,045	△13,190	△60	646
Profit	—	—	12,965	—	—	—
Other comprehensive income (loss)	—	—	—	—	—	59
Comprehensive income	—	—	12,965	—	—	59
Dividends	—	—	△5,479	—	—	—
Change of treasury stock	—	—	—	△2	—	—
Other	—	780	—	—	—	—
Total transactions with owners	—	780	△5,479	△2	—	—
As of June 30, 2015	10,000	418,503	127,531	△13,192	△60	706

(Unit: Millions of yen)

	Equity attributable to owners of the parent company				
	Other components of equity				
	Cash flow hedges	Total	Owners of the parent company	Non-controlling interests	Total equity
As of April 1, 2015	△1	584	535,162	569	535,732
Profit	—	—	12,965	12	12,977
Other comprehensive income (loss)	1	61	61	—	61
Comprehensive income	1	61	13,027	12	13,039
Dividends	—	—	△5,479	△12	△5,491
Change of treasury stock	—	—	△2	—	△2
Other	—	—	780	—	780
Total transactions with owners	—	—	△4,701	△12	△4,713
As of June 30, 2015	0	646	543,488	569	544,058

Consolidated Statement of Changes in Equity (from April 1, 2016 to June 30, 2016)

(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	—	—	—	△0	—	—
Total transactions with owners	—	—	△6,632	△0	—	—
As of June 30, 2016	10,000	418,503	185,628	△13,196	48	1,044

(Unit: Millions of yen)

	Equity attributable to owners of the parent company				
	Other components of equity				
	Cash flow hedges	Total	Owners of the parent company	Non-controlling interests	Total equity
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
Total transactions with owners	—	—	△6,633	△13	△6,647
As of June 30, 2016	△18	1,074	602,009	657	602,667

Consolidated Statement of Cash flows

(Unit: Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Cash flows from operating activities		
Profit before income taxes	20,334	26,897
Depreciation	647	615
Impairment losses	—	13
Financial income	△80	△71
Financial costs	902	1,238
Decrease (increase) in inventories	17,923	△41,696
Decrease (increase) in loans and receivables	156	△1,820
Increase (decrease) in trade payables and other liabilities	△14,841	△7,219
Other	170	△211
Subtotal	25,213	△22,253
Proceeds from subsidy income	413	0
Interest and dividend income received	60	67
Interest expenses paid	△742	△652
Income taxes paid	△15,766	△20,258
Income taxes refund	8	0
Net cash provided by (used in) operating activities	9,186	△43,096
Cash flows from investing activities		
Payments into time deposits	△1,150	△1,950
Proceeds from withdrawal of time deposits	1,150	800
Purchase of property, plant and equipment	△2,046	△3,397
Proceeds from sales of property, plant and equipment	28	318
Purchase of intangible assets	△98	△53
Purchase of investment securities	△96	△0
Proceeds from sale of investments, redemption	4	10
Payments of loans receivable	△118	△178
Proceeds from collection of loans	37	20
Other	95	39
Net cash provided by (used in) investing activities	△2,194	△4,391
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△19,646	14,329
Proceeds from long-term loans payable	8,417	13,566
Repayments of long-term loans payable	△14,895	△11,790
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	30,094	—
Cash dividends paid	△5,409	△6,568
Other	△36	△32
Net cash provided by (used in) financing activities	△1,474	9,503
Effect of exchange rate change on cash and cash equivalents	0	△1
Net increase (decrease) in cash and cash equivalents	5,517	△37,986
Cash and cash equivalents at beginning of period	182,881	229,751
Cash and cash equivalents at the end of period	188,398	191,764