Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on IFRS)

February 10, 2017

Company name Iida Group Holdings Co., Ltd.

Stock Code 3291 Stock exchange listing: Tokyo

URL http://www.ighd.co.jp

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Scheduled date to file Quarterly Securities Report February 10, 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 nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)

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

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
For the nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2016	877,307	8.3	85,089	25.0	83,051	25.9	56,588	30.5
December 31, 2015	809,988	–	68,052	–	65,956	–	43,363	–

	Profit attributable to owners of the parent company		Comprehensive income		Basic earnings per share	Diluted earnings per share
For the nine months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
December 31, 2016	56,495	30.5	57,144	31.3	195.90	–
December 31, 2015	43,306	–	43,507	–	150.17	–

(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	%
December 31, 2016	1,120,567	634,856	634,139	56.6
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
Year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2016	–	19.00	–	23.00	42.00
March 31, 2017	–	23.00	–		
Year ending March 31,2017 (Forecast)				30.00	53.00

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

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

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before income taxes		Profit for the year		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
Full year	1,250,000	10.0	113,300	19.7	110,700	20.9	75,400	16.0	75,200	15.8	260.76

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

Notes

(1) Changes in significant subsidiaries during the nine months ended December 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

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 December 31, 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 December 31, 2016	6,048,031 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)	Nine months ended December 31, 2016	288,384,148 shares	Nine months ended December 31, 2015	288,385,726 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 nine months ended December 31, 2016 is planned to be available on our website on February 10, 2017.

Quarterly Consolidated Financial Statements

Consolidated Statement of Financial Position (IFRS)

(Unit: Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	233,316	212,662
Trade and other receivables	2,516	4,421
Inventories	460,794	576,229
Operating loans and operating accounts receivable	25,745	29,025
Other financial assets	1,498	1,763
Other current assets	10,658	9,049
Total current assets	734,529	833,151
Non-Current assets		
Property, plant and equipment	56,032	60,615
Goodwill	198,297	198,290
Intangible assets	1,164	1,083
Other financial assets	15,519	20,053
Deferred tax assets	7,832	7,180
Other non-Current assets	150	191
Total non-current assets	278,997	287,415
Total assets	1,013,527	1,120,567

(Unit: Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	195,409	233,491
Trade and other payable	117,996	110,271
Other financial liabilities	3,268	3,514
Income taxes payable	20,014	12,203
Other current liabilities	15,658	13,114
Total current liabilities	352,347	372,595
Non-current liabilities		
Bonds and borrowings	60,309	102,521
Other financial liabilities	1,012	290
Retirement benefit liabilities	5,350	6,452
Provisions	3,072	3,217
Deferred tax liabilities	331	518
Other non-current liabilities	110	113
Total non-current liabilities	70,186	113,115
Total liabilities	422,534	485,711
Equity		
Capital stock	10,000	10,000
Capital surplus	418,503	418,503
Retained earnings	174,000	217,230
Treasury stock	△13,196	△13,197
Other components of equity	1,047	1,603
Equity attributable to owners of the parent company	590,355	634,139
Non-controlling interests	637	716
Total equity	590,992	634,856
Total liabilities and equity	1,013,527	1,120,567

Consolidated Statement of Income (cumulative) and Consolidated Statements of Comprehensive Income (cumulative)

Consolidated Statement of Income (cumulative) (IFRS)

(Unit: Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Revenue	809,988	877,307
Cost of sales	△677,987	△720,795
Gross profit	132,000	156,511
Selling, general and administrative expenses	△64,462	△71,610
Other income	982	641
Other expenses	△469	△453
Operating income	68,052	85,089
Finance income	111	280
Finance costs	△2,207	△2,318
Profit before income taxes	65,956	83,051
Income tax expenses	△22,592	△26,462
Profit for the period	43,363	56,588
Attributable to		
Owners of the parent company	43,306	56,495
Non-controlling interests	57	92
Profit	43,363	56,588
Earnings per share		
Basic	150.17	195.90
Diluted	—	—

Consolidated Statements of Comprehensive Income (cumulative) (IFRS)

(Unit: Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit for the period	43,363	56,588
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss		
Gains or losses on an available-for-sale financial asset	143	529
Cash flow hedges	1	27
Total	144	556
Other comprehensive income (loss) after tax	144	556
Comprehensive income for the period	43,507	57,144
Attributable to		
Owners of the parent company	43,450	57,051
Non-controlling interests	57	92
Comprehensive income	43,507	57,144

Consolidated Statement of Changes in Equity (April 1, 2015 to December 31, 2015) (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, 2015	10,000	417,723	120,045	△13,190	△60	646
Profit for the period	—	—	43,306	—	—	—
Other comprehensive income (loss) for the period	—	—	—	—	—	143
Comprehensive income for the period	—	—	43,306	—	—	143
Dividends	—	—	△10,958	—	—	—
Change of treasury stock	—	—	—	△5	—	—
Change of scope of consolidation	—	780	—	—	—	—
Total transactions with owners	—	780	△10,958	△5	—	—
As of December 31, 2015	10,000	418,503	152,392	△13,195	△60	790

(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 for the period	—	—	43,306	57	43,363
Other comprehensive income (loss)	1	144	144	—	144
Comprehensive income for the period	1	144	43,450	57	43,507
Dividends	—	—	△10,958	△12	△10,971
Change of treasury stock	—	—	△5	—	△5
Change of scope of consolidation	—	—	780	—	780
Total transactions with owners	—	—	△10,183	△12	△10,196
As of December 31, 2015	△0	729	568,429	614	569,044

Consolidated Statement of Changes in Equity (April 1, 2016 to December 31, 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 for the period	—	—	56,495	—	—	—
Other comprehensive income (loss)	—	—	—	—	—	529
Comprehensive income for the period	—	—	56,495	—	—	529
Dividends	—	—	△13,265	—	—	—
Change of treasury stock	—	—	—	△1	—	—
Total transactions with owners	—	—	△13,265	△1	—	—
As of December 31, 2016	10,000	418,503	217,230	△13,197	48	1,528

(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 for the period	—	—	56,495	92	56,588
Other comprehensive income (loss)	27	556	556	—	556
Comprehensive income for the period	27	556	57,051	92	57,144
Dividends	—	—	△13,265	△13	△13,279
Change of treasury stock	—	—	△1	—	△1
Total transactions with owners	—	—	△13,267	△13	△13,281
As of December 31, 2016	26	1,603	634,139	716	634,856

Consolidated Statement of Cash flows (IFRS)

(Unit: Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Cash flows from operating activities		
Profit before income taxes	65,956	83,051
Depreciation	2,003	1,910
Impairment losses	—	16
Financial incomes	△111	△280
Financial costs	2,207	2,318
Decrease (increase) in inventories	△28,926	△115,300
Decrease (increase) in loans and receivables	232	△3,318
Increase (decrease) in trade payables and other liabilities	△10,616	△7,895
Other	△2,355	△1,943
Subtotal	28,390	△41,441
Proceeds from subsidy income	413	0
Interest and dividend income received	67	107
Interest expenses paid	△2,207	△2,002
Income taxes paid	△26,983	△36,591
Income taxes refund	2,535	2,731
Net cash provided by (used in) operating activities	2,217	△77,196
Cash flows from investing activities		
Payments into time deposits	△2,320	△6,100
Proceeds from withdrawal of time deposits	4,120	4,950
Purchase of property, plant and equipment	△3,768	△6,916
Proceeds from sales of property, plant and equipment	42	567
Purchase of intangible assets	△256	△146
Purchase of investment securities	△818	△2,219
Proceeds from sale of investments, redemption	11	14
Payments of loans receivable	△1,307	△2,060
Proceeds from collection of loans	89	495
Other	12	△40
Net cash provided by (used in) investing activities	△4,196	△11,456
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△17,799	36,965
Proceeds from long-term loans payable	27,340	70,525
Repayments of long-term loans payable	△28,850	△26,998
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	30,094	—
Redemption of bonds	—	△300
Cash dividends paid	△10,946	△13,252
Other	△83	△60
Net cash provided by (used in) financing activities	△244	66,879
Effect of exchange rate change on cash and cash equivalents	△0	△30
Net increase (decrease) in cash and cash equivalents	△2,224	△21,804
Cash and cash equivalents at beginning of period	182,881	229,751
Cash and cash equivalents at the end of period	180,657	207,947