Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (Based on IFRS)

May 15, 2018

Company name	Iida Group Holdings Co., Ltd.		
Stock Code	3291 Listed exchange: Tokyo		
URL	https://www.ighd.co.jp/		
Representative	President, Representative Director	Yoichi Nishikawa	
Inquiries	General Manager Corporate Planning Department	Hitoshi Oyama	TEL 03(5989)0927

Date of scheduled general shareholders' meeting : June 26, 2018
Date of scheduled filing of securities report : June 27, 2018
Date of scheduled payment of dividends : June 27, 2018
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting (for institutional investors or analysts): Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(1) Consolidated Operating Results (Cumulative) (% figures 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	
Fiscal year ended	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
March 31, 2018	1,335,386	8.3	103,755	-8.7	100,316	-9.5	69,631	-9.4	69,542	-9.4	71,781	-7.5
March 31, 2017	1,232,476	8.5	113,647	20.1	110,878	21.1	76,883	18.3	76,741	18.2	77,565	18.5

	Basic earnings per share	Diluted earnings per share	Profit attributable to owners of the parent company	Profit before income tax to total assets ratio	Operating income to net sales ratio
Fiscal year ended	¥	¥	%	%	%
March 31, 2018	241.15	–	10.2	8.2	7.8
March 31, 2017	266.11	–	12.3	10.2	9.2

(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	Equity attributable to owners of the parent company per share
As of	¥ millions	¥ millions	¥ millions	%	¥
March 31, 2018	1,280,540	709,427	709,427	55.4	2,460.03
March 31, 2017	1,168,389	655,276	654,511	56.0	2,269.59

(3) Consolidated Cash Flow

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	¥ millions	¥ millions	¥ millions	¥ millions
March 31, 2018	17,599	-20,570	30,992	288,768
March 31, 2017	-29,616	-13,327	73,956	260,745

2. Cash Dividends

	Annual dividends per share				
	Q1	Q2	Q3	Q4	TOTAL
Fiscal year ended	¥	¥	¥	¥	¥
Ended March 31, 2017 (Based on IFRS)	–	23.00	–	31.00	54.00
March 31, 2018	–	30.00	–	30.00	60.00
Year ending March 31, 2019 (Forecast)	–	31.00	–	31.00	62.00

	Total Dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividend attributable to owners of the parent company (consolidated)
Fiscal year ended	¥ millions	%	%
March 31, 2017	15,572	20.3	2.5
March 31, 2018	17,302	24.9	2.5
Year ending March 31, 2019 (Forecast)		20.2	

3. Forecast of consolidated results for the fiscal year ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

(% figures 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	%	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	¥
1stHalf	692,900	9.4	61,000	13.9	59,000	13.1	41,000	15.9	41,000	16.1	142.17
Full year	1,496,700	12.1	132,700	27.9	128,800	28.4	88,700	27.4	88,700	27.5	307.58

Notes

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2018
(Changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, accounting estimates and restatements

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 March 31, 2018	294,431,639	As of March 31, 2017	294,431,639
Number of treasury shares at the end of the period	As of March 31, 2018	6,049,458	As of March 31, 2017	6,048,414
Average number of shares during the period (Cumulative from the beginning of the fiscal year)	Fiscal year ended March 31, 2018	288,382,691	Fiscal year ended March 31, 2017	288,383,948

* This report is unaudited.

* Explanation of appropriate use of results forecasts and other remarks

– Results forecasts 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 fiscal year ended March 31, 2018 is planned to be available on our official website on May 15, 2018.

Consolidated Financial Statements
Consolidated Statement of Financial Position (IFRS)

(¥ millions)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and cash equivalents	265,586	298,658
Trade and other receivables	3,353	3,084
Inventories	558,853	615,792
Operating loans and operating accrued revenue	36,332	34,339
Corporate tax receivable	3,118	11,401
Other financial assets	1,930	2,746
Other current assets	9,835	9,626
Total current assets	879,009	975,648
Non-Current assets		
Property, plant and equipment	60,691	65,954
Goodwill	198,288	198,278
Intangible assets	1,140	1,630
Other financial assets	21,720	31,807
Deferred tax assets	7,330	7,010
Other non-current assets	208	210
Total non-current assets	289,379	304,892
Total assets	1,168,389	1,280,540

(¥ millions)

	As of March 31, 2017	As of March 31, 2018
Liabilities and equity		
Ended March 31, 2018 (Based on IFRS)		
Current liabilities		
Bonds and borrowings	222,092	236,974
Trade and other payable	116,695	120,159
Other financial liabilities	4,107	10,412
Income taxes payable	20,512	15,832
Other current liabilities	17,736	17,928
Total current liabilities	381,144	401,307
Non-current liabilities		
Bonds and borrowings	121,085	157,353
Other financial liabilities	266	501
Retirement benefit liabilities	6,683	7,536
Provisions	3,442	3,707
Deferred tax liabilities	357	484
Other non-current liabilities	133	220
Total non-current liabilities	131,968	169,804
Total liabilities	513,112	571,112
Equity		
Capital stock	10,000	10,000
Capital surplus	418,503	418,913
Retained earnings	237,476	289,834
Treasury stock	-13,198	-13,200
Other components of equity	1,729	3,880
Equity attributable to owners of the parent company	654,511	709,427
Non-controlling interests	765	-
Total equity	655,276	709,427
Total liabilities and equity	1,168,389	1,280,540

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

Consolidated Statement of Income (Cumulative) (IFRS)
Ended March 31, 2018 (Based on IFRS)

(¥ millions)

	Fiscal Year ended March 31, 2017	Fiscal Year ended March 31, 2018
Revenue	1,232,476	1,335,386
Cost of sales	-1,017,793	-1,120,440
Gross profit	214,682	214,945
Selling, general and administrative expenses	-101,707	-112,248
Other operating income	1,685	1,496
Other operating expenses	-1,011	-438
Operating income	113,647	103,755
Financial income	244	245
Financial costs	-3,013	-3,684
Profit before income taxes	110,878	100,316
Income tax expenses	-33,995	-30,685
Net Profit	76,883	69,631
Attributable to		
Owners of the parent company	76,741	69,542
Non-controlling interests	142	88
Net Profit	76,883	69,631
Earnings per share		
Basic (Unit: Yen)	266.11	241.15
Diluted (Unit: Yen)	–	–

Consolidated Statements of Comprehensive Income (Cumulative) (IFRS)

(¥ millions)

Ended March 31, 2018 (Based on IFRS)	Fiscal Year ended March 31, 2017	Fiscal Year ended March 31, 2018
Profit for the year	76,883	69,631
Other comprehensive income (loss)		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit pension plans	-51	-182
Total of items that will not be reclassified subsequently to profit or loss	-51	-182
Items that may be reclassified subsequently to profit or loss		
Gains or losses on an available-for-sale financial asset	736	2,330
Cash flow hedges	-2	2
Total of items that may be reclassified subsequently to profit or loss	734	2,332
Other comprehensive income (loss) after income taxes	682	2,150
Comprehensive income for the year	77,565	71,781
Attributable to		
Owners of the parent company	77,423	71,693
Non-controlling interests	142	88
Comprehensive income	77,565	71,781

Consolidated Statement of Changes in Equity (From April 1, 2016 to March 31, 2017) (IFRS)

(¥ millions)

Ended March 31, 2018 (Based on IFRS)	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	-	-	76,741	-	-	-
Other comprehensive income (loss)	-	-	-	-	-51	736
Comprehensive income	-	-	76,741	-	-51	736
Dividends	-	-	-13,265	-	-	-
Change of treasury stock	-	-	-	-2	-	-
Total transactions with owners	-	-	-13,265	-2	-	-
As of March 31, 2017	10,000	418,503	237,476	-13,198	-3	1,736

(¥ millions)

	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, 2016	-0	1,047	590,355	637	590,992
Profit	-	-	76,741	142	76,883
Other comprehensive income (loss)	-2	682	682	-	682
Comprehensive income	-2	682	77,423	142	77,565
Dividends	-	-	-13,265	-13	-13,279
Change of treasury stock	-	-	-2	-	-2
Total transactions with owners	-	-	-13,268	-13	-13,282
As of March 31, 2017	-3	1,729	654,511	765	655,276

Consolidated Statement of Changes in Equity (From April 1, 2017 to March 31, 2018) (IFRS)

(¥ millions)

Ended March 31, 2018 (Based on IFRS)	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, 2017	10,000	418,503	237,476	-13,198	-3	1,736
Profit	-	-	69,542	-	-	-
Other comprehensive income (loss)	-	-	-	-	-182	2,330
Comprehensive income	-	-	69,542	-	-182	2,330
Dividends	-	-	-17,591	-	-	-
Change of treasury stock	-	-	-	-2	-	-
Change of scope of consolidation	-	410	-	-	-	-
Other	-	-	406	-	-	-
Total transactions with owners	-	410	-17,184	-2	-	-
As of March 31, 2018	10,000	418,913	289,834	-13,200	-185	4,067

(¥ millions)

	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, 2017	-3	1,729	654,511	765	655,276
Profit	-	-	69,542	88	69,631
Other comprehensive income (loss)	2	2,150	2,150	-	2,150
Comprehensive income	2	2,150	71,693	88	71,781
Dividends	-	-	-17,591	-19	-17,610
Change of treasury stock	-	-	-2	-	-2
Change of scope of consolidation	-	-	410	-834	-424
Other	-	-	406	-	406
Total transactions with owners	-	-	-16,776	-854	-17,630
As of March 31, 2018	-0	3,880	709,427	-	709,427

Consolidated Statement of Cash flows (IFRS)

(¥ millions)

Ended March 31, 2018 (Based on IFRS)	Fiscal Year ended March 31, 2017	Fiscal Year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	110,878	100,316
Depreciation	2,550	2,707
Impairment losses	391	80
Financial incomes	-244	-245
Financial costs	3,013	3,684
Decrease (increase) in inventories	-97,917	-54,846
Decrease (increase) in loans and receivables	-10,620	1,993
Increase(decrease) in trade payables and other liabilities	128	3,208
Other	-566	2,090
Subtotal	7,614	58,989
Proceeds from subsidy income	0	33
Interest and dividend income received	162	218
Interest expenses paid	-2,730	-3,105
Income taxes paid	-37,394	-41,746
Income taxes refund	2,731	3,209
Net cash provided by (used in) operating activities	-29,616	17,599
Cash flows from investing activities		
Payments into time deposits	-6,760	-12,560
Proceeds from withdrawal of time deposits	5,485	7,510
Purchase of property, plant and equipment	-9,161	-7,852
Proceeds from sales of property, plant and equipment	2,444	343
Purchase of intangible assets	-229	-886
Purchase of investment securities	-3,120	-3,239
Proceeds from sale of investments, redemption	14	134
Payments of loans receivable	-2,322	-4,466
Proceeds from collection of loans	567	600
Other	-245	-153
Net cash provided by (used in) investing activities	-13,327	-20,570
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	39,524	13,505
Proceeds from long-term loans payable	122,666	40,169
Repayments of long-term loans payable	-74,581	-4,599
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	-300	-
Cash dividends paid	-13,259	-17,594
Payments for investments in subsidiaries resulting in no-change in scope of consolidation	-	-424
Other	-94	-63
Net cash provided by (used in) financing activities	73,956	30,992
Effect of exchange rate change on cash and cash equivalents	-17	1
Net increase (decrease) in cash and cash equivalents	30,994	28,022
Cash and cash equivalents at beginning of period	229,751	260,745
Cash and cash equivalents at the end of period	260,745	288,768