Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on IFRS)

November 9, 2018

Company name Iida Group Holdings Co., Ltd.
Stock Code 3291 Stock exchange listing: 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

Scheduled Date to Filing Quarterly Securities Report: Nov 9, 2018
Scheduled Date to Commence Dividend Payments: Dec 3,2018
Preparation of supplementary material on quarterly financial results Yes
Holding of quarterly financial results meeting (for institutional investors or analysts) Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2018 (From April 1, 2018 to September 30, 2018)

(1) Consolidated Operating Results (Cumulative) (Percentages 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2018	628,369	0.8	47,812	10.7	46,568	10.8	31,910	9.8	31,914	9.6	32,439	8.5
September 30, 2017	633,306	7.9	53,544	9.6	52,185	9.3	35,375	9.7	35,314	9.7	35,440	9.8

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2018	110.67	-
September 30, 2017	122.46	-

(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	%
September 30, 2018	1,280,594	734,579	734,561	57.4
March 31, 2018	1,280,540	709,427	709,427	55.4

2.Cash dividends

	Annual dividends per share				
	Q1	Q2	Q3	Q4	TOTAL
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2018	—	30.00	—	30.00	60.00
Year ending March 31, 2019	—	31.00			
Year ending March 31, 2019 (Forecast)			—	31.00	62.00

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

(Percentages 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 of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
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

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

Notes

(1) Changes in significant subsidiaries during six month ended September 30, 2018

(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: Yes

② Changes in accounting policies due to other reasons: No

③ Changes in accounting estimates: Yes

(3) Number of issued shares (Common shares)

Total number of issued shares at the end of the period (including treasury shares)	As of September 30, 2018	294,431,639	shares	As of March 31, 2018	294,431,639	shares
Number of treasury shares at the end of the period	As of September 30, 2018	6,049,770	shares	As of March 31, 2018	6,049,458	shares
Average number of shares during the period (Cumulative from the beginning of the fiscal year)	Six months ended September 30, 2018	288,381,993	shares	Six months ended September 30, 2017	288,382,981	shares

* This report is unaudited.

* Explanation of appropriate use of financial results forecast and other remarks

– Financial results forecast and other forward-looking statements contained in this material are based on information available to the Company and a certain assumptions judged to be reasonable on the date of this material'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 six months ended September 30, 2018 is planned to be available on our website (Nov 9, 2018.

Quarterly Consolidated Financial Statements
Consolidated Statement of Financial Position (IFRS)

(Unit: Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and cash equivalents	298,658	260,398
Trade and other receivables	3,084	4,041
Contract assets	-	5,423
Inventories	615,792	652,425
Operating loans and operating accounts receivable	34,339	30,702
Income taxes receivable	11,401	-
Other financial assets	2,746	2,639
Other current assets	9,626	9,970
Total current assets	975,648	965,601
Non-Current assets		
Property, plant and equipment	65,954	76,721
Goodwill	198,278	198,509
Intangible assets	1,630	1,559
Other financial assets	31,807	31,561
Deferred tax assets	7,010	6,434
Other non-current assets	210	206
Total non-current assets	304,892	314,993
Total assets	1,280,540	1,280,594

(Unit: Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	236,974	221,736
Trade and other payables	120,159	115,939
Other financial liabilities	10,412	3,062
Income taxes payables	15,832	15,966
Contract liabilities	-	5,183
Other current liabilities	17,928	10,999
Total current liabilities	401,307	372,888
Non-current liabilities		
Bonds and borrowings	157,353	160,218
Other financial liabilities	501	465
Retirement benefit liabilities	7,536	7,864
Provisions	3,707	3,929
Deferred tax liabilities	484	479
Other non-current liabilities	220	168
Total non-current liabilities	169,804	173,126
Total liabilities	571,112	546,015
Equity		
Capital stock	10,000	10,000
Capital surplus	418,913	418,913
Retained earnings	289,834	316,728
Treasury stock	13,200	13,201
Other components of equity	3,880	2,120
Equity attributable to owners of the parent company	709,427	734,561
Non-controlling interests	-	17
Total equity	709,427	734,579
Total liabilities and equity	1,280,540	1,280,594

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

Consolidated Statement of Income (Cumulative) (IFRS)

(Unit: Millions of yen)

	Six Months Ended September 30, 2017	Six Months Ended September 30, 2018
Revenue	633,306	628,369
Cost of sales	527,805	526,786
Gross profit	105,501	101,582
Selling, general and administrative expenses	52,259	54,275
Other income	678	756
Other expenses	375	250
Operating income	53,544	47,812
Finance income	146	416
Finance costs	1,505	1,660
Profit before income taxes	52,185	46,568
Income tax expenses	16,810	14,657
Net Profit	35,375	31,910
Attributable to		
Owners of the parent company	35,314	31,914
Non-controlling interests	60	3
Net Profit	35,375	31,910
Earnings per share		
Basic (Unit: Yen)	122.46	110.67
Diluted (Unit: Yen)	－	－

Consolidated Statements of Comprehensive Income (Cumulative) (IFRS)

(Unit: Millions of yen)

	Six Months Ended September 30, 2017	Six Months Ended September 30, 2018
Profit	35,375	31,910
Other comprehensive income (loss)		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income	-	527
Total items that will not be reclassified subsequently to profit or loss	-	527
Items that may be reclassified to profit or loss		
Gains or losses on an available-for-sale financial asset	61	-
Cash flow hedges	3	0
Total items that may be reclassified to profit or loss	64	0
Other comprehensive income (loss) after income taxes	64	528
Comprehensive income	35,440	32,439
Attributable to		
Owners of the parent company	35,379	32,443
Non-controlling interests	60	3
Comprehensive income	35,440	32,439

Consolidated Statement of Changes in Equity (From April 1, 2017 to September 30, 2017) (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, 2017	10,000	418,503	237,476	13,198	3	1,736
Profit	—	—	35,314	—	—	—
Other comprehensive income (loss)	—	—	—	—	—	61
Comprehensive income	—	—	35,314	—	—	61
Dividends	—	—	8,939	—	—	—
Change of treasury stock	—	—	—	0	—	—
Total transactions with owners	—	—	8,939	0	—	—
As of September 30, 2017	10,000	418,503	263,851	13,199	3	1,798

(Unit: Millions of yen)

	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	—	—	35,314	60	35,375
Other comprehensive income (loss)	3	64	64	—	64
Comprehensive income	3	64	35,379	60	35,440
Dividends	—	—	8,939	19	8,959
Change of treasury stock	—	—	0	—	0
Total transactions with owners	—	—	8,940	19	8,960
As of September 30, 2017	—	1,794	680,949	807	681,756

Consolidated Statement of Changes in Equity (From April 1, 2018 to September 30, 2018) (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	Financial assets measured at fair value through other comprehensive income
As of April 1, 2018	10,000	418,913	289,834	13,200	185	4,067	—
Changes in accounting policies	—	—	858	—	—	4,067	4,067
Revised as of April 1, 2018	10,000	418,913	290,692	13,200	185	—	4,067
Profit	—	—	31,914	—	—	—	—
Other comprehensive income (loss)	—	—	—	—	—	—	527
Comprehensive income	—	—	31,914	—	—	—	527
Dividends	—	—	8,651	—	—	—	—
Change of treasury stock	—	—	—	0	—	—	—
Transfer from other components of equity to retained earnings	—	—	2,288	—	—	—	2,288
Other	—	—	484	—	—	—	—
Total transactions with owners	—	—	5,878	0	—	—	2,288
As of September 30, 2018	10,000	418,913	316,728	13,201	185	—	2,306

(Unit: Millions of yen)

	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, 2018	0	3,880	709,427	—	709,427
Changes in accounting policies	—	—	858	—	858
Revised as of April 1, 2018	0	3,880	710,286	—	710,286
Profit	—	—	31,914	3	31,910
Other comprehensive income (loss)	0	528	528	—	528
Comprehensive income	0	528	32,443	3	32,439
Dividends	—	—	8,651	—	8,651
Change of treasury stock	—	—	0	—	0
Transfer from other components of equity to retained earnings	—	2,288	—	—	—
Other	—	—	484	20	505
Total transactions with owners	—	2,288	8,167	20	8,146
As of September 30, 2018	—	2,120	734,561	17	734,579

Consolidated Statement of Cash flows (IFRS)

(Unit: Millions of yen)

	Six Months ended September 30, 2017	Six Months ended September 30, 2018
Cash flows from operating activities		
Profit before income taxes	52,185	46,568
Depreciation	1,345	1,515
Impairment losses	92	-
Financial incomes	146	416
Financial costs	1,505	1,660
Decrease (increase) in inventories	56,561	38,253
Decrease (increase) in loans and receivables	7,513	3,595
Increase(decrease) in trade payables and other liabilities	1,208	5,469
Other	128	129
Subtotal	4,853	9,331
Proceeds from subsidy income	33	166
Interest and dividend income received	107	107
Interest expenses paid	1,517	1,628
Income taxes paid	21,538	22,484
Income taxes refund	3,205	11,359
Net cash provided by (used in) operating activities	14,856	3,148
Cash flows from investing activities		
Payments into time deposits	8,420	7,312
Proceeds from withdrawal of time deposits	3,320	7,320
Purchase of property, plant and equipment	5,254	8,837
Proceeds from sales of property, plant and equipment	333	118
Purchase of intangible assets	185	165
Purchase of investment securities	279	56
Proceeds from sale of investments, redemption	133	3,317
Payments of loans receivable	691	3,379
Proceeds from collection of loans	234	645
Other	124	62
Net cash provided by (used in) investing activities	10,933	8,411
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,280	16,309
Proceeds from long-term loans payable	347	-
Repayments of long-term loans payable	2,885	1,780
Cash dividends paid	8,935	8,647
Other	13	44
Net cash provided by (used in) financing activities	10,206	26,692
Effect of exchange rate change on cash and cash equivalents	2	0
Net increase (decrease) in cash and cash equivalents	35,994	38,251
Cash and cash equivalents at the beginning of period	260,745	288,768
Cash and cash equivalents at the end of period	224,751	250,516