



May 14, 2021

Company name: Iida Group Holdings Co., Ltd.
Representative: Masashi Kanei, President and Representative Director
Stock code: 3291 Toyo Stock Exchange (First Section)
For inquiry: Hiroshi Nishino, Executive Board Director
(Tel: +81-422-38-8828)

Notice: Announcement of Establishment of an Intermediary Holding Company by Company Split

Iida Group Holdings Co., Ltd., (hereafter “the Company”) announces that it passed a resolution at the Board of Directors’ meeting held today to establish an intermediary holding company by company split. Based on the establishment, all the outstanding shares of the four companies, First Wood Co., Ltd. IG Windows Co., Ltd. First Plus Inc. and Orient Co., Ltd. (hereafter “the Procurement Companies”), which are fully owned by the Company and are engaged in materials procurement (hereafter “Materials Procurement Business”) for each major subsidiary of the Group, are assumed by the intermediary holding company.

Some items and details are partially abridged in the disclosure as the company split constitutes a simple incorporation type split solely pertaining to the Company.

1. The purpose of establishing the intermediary holding company by company split

Detached house business, the Company’s mainstay, has increased its competitiveness by managing every operation of land purchase, construction, sales and customer services. In order to increase the competitiveness further in the expected severer business environments, the Company decided to establish an intermediary holding company, which controls and manages Materials Procurement Business. The newly establish company is mainly to strengthen the function of materials procurement and expand its own business by using M&A.

The Company believes that the company split is also to contribute to strengthening of corporate governance of the whole group. Reason: the roles and responsibilities of the intermediary holding company and the Procurement Companies are clarified by separating management oversight function and business execution function.

After the establishment, the intermediary holding company will not only control the planning and management of the Procurement Companies but also constitute the competitive management organization and increase the corporate value by strengthening internal control system and corporate governance, promoting sharing of administrative functions

and optimizing relocation of management resources including personnel and funds. The Procurement Companies are to become core companies of the group in the future. Reason: the Procurement Companies are expected to create synergy effects such as promoting of strategic sales, cost reduction by centralized purchasing, optimizing of important offices, and strengthening of external sales by following the strategies of the intermediary holding company. Moreover, expansion of Materials Procurement Business and its peripheral business in the future is expected to contribute to growth of the Procurement Companies.

2. Details of the company split

(1) Schedule for the company split	① Board of Directors' Meeting for approval of establishment of the intermediary holding company.	May 14, 2021
	② Board of Directors' Meeting for approval of the new establishment and company split plan.	August 1, 2021 (Expected)
	③ Date for the split (Effective date)	October 1, 2021 (Expected)
	④ Date for registration of the intermediary holding company	October 1, 2021 (Expected)
	<p>(Note) Since the company split satisfies the conditions for simple incorporation type split described under Article 805 of the Company Act, obtaining approval at the Company's general meeting of shareholders is not required.</p> <p>Schedule for the company split may be changed on discussion between the parties concerned if the change is necessary in the course of proceedings or for other reasons.</p>	
(2) Method of the company split	The Company will be the split company and the newly established company will be the succeeding company. Therefore, the company split will constitute a simple incorporation type split solely pertaining to the Company, and the newly established company will be fully owned by the Company.	
(3) Details of allotment in the company split	The newly established company will issue 100 shares of common stock at the time of the split. And all the share will be allocated to the Company.	
(4) Treatment of subscription warrants and bonds with subscription warrants	The Company has not issued any subscription warrants and bonds with subscription warrants.	
(5) Capital change due to the split	No increase or decrease in the Company's capital is expected as a result of the company split.	
(6) Rights and obligations the newly established company will assume	The newly established company will assume all the shares of the Procurement Companies from the Company on the effective date based on the new establishment and company split plan. The newly established company will assume no debts or no employment agreements from the Company.	

(7) Likelihood of performing obligations	It is assumed that the Company and the newly established company will not have any problems performing their obligations after the split.
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3. Summary of the parties in the company split

	Split company (At the time of establishment of the newly established company.)	The newly established company (At the time of establishment of the newly established company.)
(1) Name	Iida Group Holdings Co., Ltd.	First Materials Co., Ltd.
(2) Address	1-2-11, Nishikubo, Musashinoshi, Tokyo	1-6-22, Nishikubo, Musashinoshi, Tokyo
(3) Name and position of the representative	Masashi Kanei, President and Representative Director	Masashi Kanei, President and Representative Director
(4) Details of business	Management & control of the subsidiaries and group companies which are engaged in business of detached houses, condominiums and contract construction. And other related operations.	Management & control of the Procurement Companies. And other related operations.
(5) Capital	¥10,000 million	¥10 million
(6) Establishment date	November 1, 2013	October 1, 2021 (Expected)
(7) The number of outstanding shares	294,431,639 shares	100 shares
(8) Fiscal year-ends	March 31	March 31
(9) Major shareholders and the shareholding ratio	Iida Kosan Co., Ltd. 18.37% Yoichi Nishikawa 10.11% Kazuhiko Mori 6.39% The Master Trust Bank of Japan, Ltd. 5.13% K. Forest 4.04% (Note) Calculations of equity positions exclude holdings of treasury stock	the Company
(10) Financial conditions and operation results of the split company for the most recent fiscal year	Fiscal year	March 2020
	Net assts	¥587,107 million
	Total assets	¥813,150 million
	Net asset value per share	¥2,033.17
	Revenue	¥46,363 million
	Operating profit	¥42,236 million
	Ordinary profit	¥41,316 million
	Net profit	¥41,338 million
	Net profit per share	¥143.35
	(Note) With regard to the split company, the result at the end of March 2020 is described.	

4. Summary of business to be split

(1)Details of business

In the company split, the shares of the Procurement Companies are assumed by the newly established company from the Company. Any business divisions are not assumed.

(2)Operation results of business to be split for the most recent fiscal year ended March 2021

There is no revenue as no business divisions are to be split.

(3)The book value for the items of assets and liabilities to be split (Expected)

Assets		Liabilities	
Item	The book value	Item	The book value
Shares of subsidiaries concerned (the Procurement Companies)	¥5,143 million	-	-
Total	¥5,143 million	Total	-

5. The situation of the listed company after the split

The corporate name, address, as well as the names and positions of the representative directors, business description or capital and fiscal term ending date will not change due to the split.

6. Future outlook

Influence on the Company' s consolidated financial results for the fiscal year ending March 2022 will be very limited as the company split is a simple incorporation type split solely pertaining to the Company.