

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on IFRS)

November 14, 2019

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 Senior Board Director Hiroshi Nishino TEL 0422(60)8889
 Scheduled Date to Filing Quarterly Securities Report: Nov 14, 2019
 Scheduled Date to Commence Dividend Payments : Dec 2, 2019
 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, 2019 (From April 1, 2019 to September 30, 2019)

(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, 2019	657,075	4.6	47,020	△ 1.7	45,126	△ 3.1	30,623	△ 4.0	30,454	△ 4.6	27,682	△ 14.7
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

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2019	105.60	—
September 30, 2018	110.67	—

(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, 2019	1,445,917	779,831	778,442	53.8
March 31, 2019	1,389,255	758,220	758,190	54.6

2. Cash dividends

	Annual dividends per share				
	Q1	Q2	Q3	Q4	TOTAL
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	—	31.00	—	31.00	62.00
Year ending March 31, 2020	—	31.00			
Year ending March 31, 2020 (Forecast)			—	31.00	62.00

3.Forecast of consolidated results for the fiscal year ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

(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	1,370,000	1.9	98,500	1.4	96,000	2.0	65,500	0.0	65,500	0.0	227.13

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

Notes

(1) Changes in significant subsidiaries during six month ended Sept 30, 2019

(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: No

(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, 2019	294,431,639 shares	As of March 31, 2019	294,431,639 shares
Number of treasury shares at the end of the period	As of September 30, 2019	6,050,499 shares	As of March 31, 2019	6,049,978 shares
Average number of shares during the period (Cumulative from the beginning of the fiscal year)	Six months ended September 30, 2019	288,381,428 shares	Six months ended September 30, 2018	288,381,993 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 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 Six months ended Sept 30, 2019 is planned to be available on our website on Nov 14, 2019.

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

(Unit: Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and cash equivalents	344,583	303,715
Trade and other receivables	4,673	5,841
Contract assets	4,146	5,348
Inventories	649,621	732,497
Operating loans and operating accounts receivable	34,099	36,450
Income taxes receivable	9,606	—
Other financial assets	1,763	3,363
Other current assets	13,909	11,513
Total current assets	1,062,403	1,098,730
Non-Current assets		
Property, plant and equipment	86,159	91,223
Right-of-use assets	-	15,939
Goodwill	198,509	199,230
Intangible assets	1,583	1,817
Other financial assets	31,787	28,798
Deferred tax assets	8,581	9,903
Other non-current assets	230	272
Total non-current assets	326,852	347,186
Total assets	1,389,255	1,445,917

(Unit: Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	205,670	271,458
Lease liabilities	-	4,508
Trade and other payable	129,872	124,893
Other financial liabilities	10,412	2,925
Income taxes payable	17,624	15,056
Contract liabilities	4,532	5,578
Other current liabilities	14,964	12,326
Total current liabilities	383,078	436,747
Non-current liabilities		
Bonds and borrowings	233,835	202,450
Lease liabilities	-	11,862
Other financial liabilities	1,020	1,199
Retirement benefit liabilities	8,577	9,198
Provisions	3,705	3,840
Deferred tax liabilities	643	584
Other non-current liabilities	173	201
Total non-current liabilities	247,956	229,337
Total liabilities	631,034	666,085
Equity		
Capital stock	10,000	10,000
Capital surplus	418,913	418,941
Retained earnings	341,567	364,734
Treasury stock	△ 13,201	△ 13,202
Other components of equity	910	△ 2,030
Equity attributable to owners of the parent company	758,190	778,442
Non-controlling interests	30	1,389
Total equity	758,220	779,831
Total liabilities and equity	1,389,255	1,445,917

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, 2018	Six Months Ended September 30, 2019
Revenue	628,369	657,075
Cost of sales	△ 526,786	△ 550,273
Gross profit	101,582	106,801
Selling, general and administrative expenses	△ 54,275	△ 60,115
Other income	756	657
Other expenses	△ 250	△ 323
Operating income	47,812	47,020
Finance income	416	214
Finance costs	△ 1,660	△ 2,108
Profit before income taxes	46,568	45,126
Income tax expenses	△ 14,657	△ 14,502
Net Profit	31,910	30,623
Attributable to		
Owners of the parent company	31,914	30,454
Non-controlling interests	△ 3	169
Net Profit	31,910	30,623
Earnings per share		
Basic (Unit: Yen)	110.67	105.60
Diluted (Unit: Yen)	-	-

Consolidated Statements of Comprehensive Income (Cumulative) (IFRS)

(Unit: Millions of yen)

	Six Months Ended September 30, 2018	Six Months Ended September 30, 2019
Profit	31,190	30,623
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	△ 2,941
Total items that will not be reclassified subsequently to profit or loss	527	△ 2,941
Items that may be reclassified to profit or loss		
Cash flow hedges	0	-
Total items that may be reclassified to profit or loss	0	-
Other comprehensive income (loss) after income taxes	528	△ 2,941
Comprehensive income	32,439	27,682
Attributable to		
Owners of the parent company	32,443	27,512
Non-controlling interests	△ 3	169
Comprehensive income	32,439	27,682

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						
	Capital stock	Capital surplus	Retained earnings	Treasury Stock	Other components of equity		
					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			Non-controlling interests	Total equity
	Other components of equity		Owners of the parent company		
	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 Changes in Equity (From April 1, 2019 to September 30, 2019) (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, 2019	10,000	418,913	341,567	△ 13,201	△ 434	1,344
Changes in accounting policies	-	-	△ 261	-	-	-
Revised as of April 1, 2019	10,000	418,913	341,306	△ 13,201	△ 434	1,344
Profit	-	-	30,454	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	△ 2,941
Comprehensive income	-	-	30,454	-	-	△ 2,941
Dividends	-	-	△ 8,939	-	-	-
Change of treasury stock	-	-	-	△ 0	-	-
other	-	27	1,913	-	-	-
Total transactions with owners	-	27	△ 7,026	△ 0	-	-
As of September 30, 2019	10,000	418,941	364,734	△ 13,202	△ 434	△ 1,596

	(Unit: Millions of yen)			
	Equity attributable to owners of the parent company		Non-controlling interests	Total equity
	Other components of equity Total	Owners of the parent company		
As of April 1, 2019	910	758,190	30	758,220
Changes in accounting policies	-	△ 261	-	△ 261
Revised as of April 1, 2019	910	757,929	30	757,959
Profit	-	30,454	169	30,623
Other comprehensive income (loss)	△ 2,941	△ 2,941	-	△ 2,941
Comprehensive income	△ 2,941	27,512	169	27,682
Dividends	-	△ 8,939	△ 44	△ 8,984
Change of treasury stock	-	△ 0	-	△ 0
Other	-	1,941	1,233	3,175
Total transactions with owners	-	△ 6,999	1,189	△ 5,810
As of September 30, 2019	△ 2,030	778,442	1,389	779,831

Consolidated Statement of Cash flows (IFRS)

(Unit: Millions of yen)

	Six Months ended September 30, 2018	Six Months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	46,568	45,126
Depreciation	1,515	3,810
Financial incomes	△ 416	△ 214
Financial costs	1,660	2,108
Decrease (increase) in inventories	△ 38,253	△ 81,523
Decrease (increase) in loans and receivables	3,595	△ 2,350
Increase(decrease) in trade payables and other liabilities	△ 5,469	△ 7,030
Other	129	164
Subtotal	9,331	△ 39,909
Proceeds from subsidy income	166	2,677
Interest and dividend income received	107	114
Interest expenses paid	△ 1,628	△ 1,807
Income taxes paid	△ 22,484	△ 24,603
Income taxes refund	11,359	9,630
Net cash provided by (used in) operating activities	△ 3,148	△ 53,898
Cash flows from investing activities		
Payments into time deposits	△ 7,312	△ 871
Proceeds from withdrawal of time deposits	7,320	6,200
Purchase of property, plant and equipment	△ 8,837	△ 6,464
Proceeds from sales of property, plant and equipment	118	120
Purchase of intangible assets	△ 165	△ 343
Purchase of investment securities	△ 56	△ 588
Proceeds from sale of investments, redemption	3,317	0
Payments of loans receivable	△ 3,379	△ 3,458
Proceeds from collection of loans	645	281
Other	△ 62	27
Net cash provided by (used in) investing activities	△ 8,411	△ 5,096
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△ 16,309	35,989
Proceeds from long-term loans payable	-	34
Repayments of long-term loans payable	△ 1,780	△ 2,187
Repayments of lease liabilities	-	△ 1,960
Cash dividends paid	△ 8,647	△ 8,940
Other	44	23
Net cash provided by (used in) financing activities	△ 26,692	22,958
Effect of exchange rate change on cash and cash equivalents	0	△ 2
Net increase (decrease) in cash and cash equivalents	△ 38,251	△ 36,038
Cash and cash equivalents at beginning of period	288,768	337,110
Cash and cash equivalents at the end of period	250,516	301,071