



December 7, 2021

Company Name: Iida Group Holdings Co., Ltd.

Representative: Masashi Kanei, President and Representative Director

Stock code: 3291, Tokyo Stock Exchange (First Section)

For inquiry: Hiroshi Nishino, Executive Board Director (Tel: +81-422-38-8828)

Notice: Establishment of the Mid-Term Management Plan

Iida Group Holdings Co., Ltd., (hereafter “the Company”) has established “the 3rd Mid-Term Management Plan (from the year ending March 2022 to the year ending March 2024).”

1. Overview of the 3rd Mid-Term Management Plan

For “the 100-year life,” further development of the on-going business model is the key to the 3rd Mid-Term Management Plan. For “the 100-year life”, people, who buy a house at the age of 30, are expected to live in the house for the rest of 70 years. Such a house needs to have the functions for safety, comfortability and health. In order to maintain those functions, the house has to have a high housing quality (earthquake resistance, wind resistance, and degradation prevention, etc.) when it is bought and have regular maintenance after it is delivered to the buyer. It is, therefore, obvious that providing the house equipped with such functions and the maintenance service is to lead to reduction of lifecycle cost and much better client value. In light of those circumstances, the Company is striving to provide such a house and service by applying its traditional standardization skills and then establish a better business model, the basic idea of which is high quality and cost competitiveness.

The Company will try to make the financial structure stronger and more sustainable by improving profitability of the detached house business, the Company’s mainstay, on the one hand and expanding the business such as condominium, contract construction, and maintenance & renovation, on the other hand. In addition, the Company will invest more for development of overseas business, for stock business such as revenue-generating real estate business, and for R&D of next-generation houses and 70-year houses. All this investment is for a sustainable growth of the group.

As a result, the goals for the year ending March 2024, the final year of the Mid-Term Management Plan, will be ¥1.72 trillion of revenue and ¥165 billion to 172 billion of operating profit, respectively.

In the meanwhile, for realization of a carbon-neutral society by 2050, many companies need to make effective use of forest resources with more responsibility. Therefore, the Company is contributing to realization of a sustainable society by tackling the climate change problem such as global warming, by promoting forest management, and by utilizing forest resources, while driving a sustainable growth of the group.

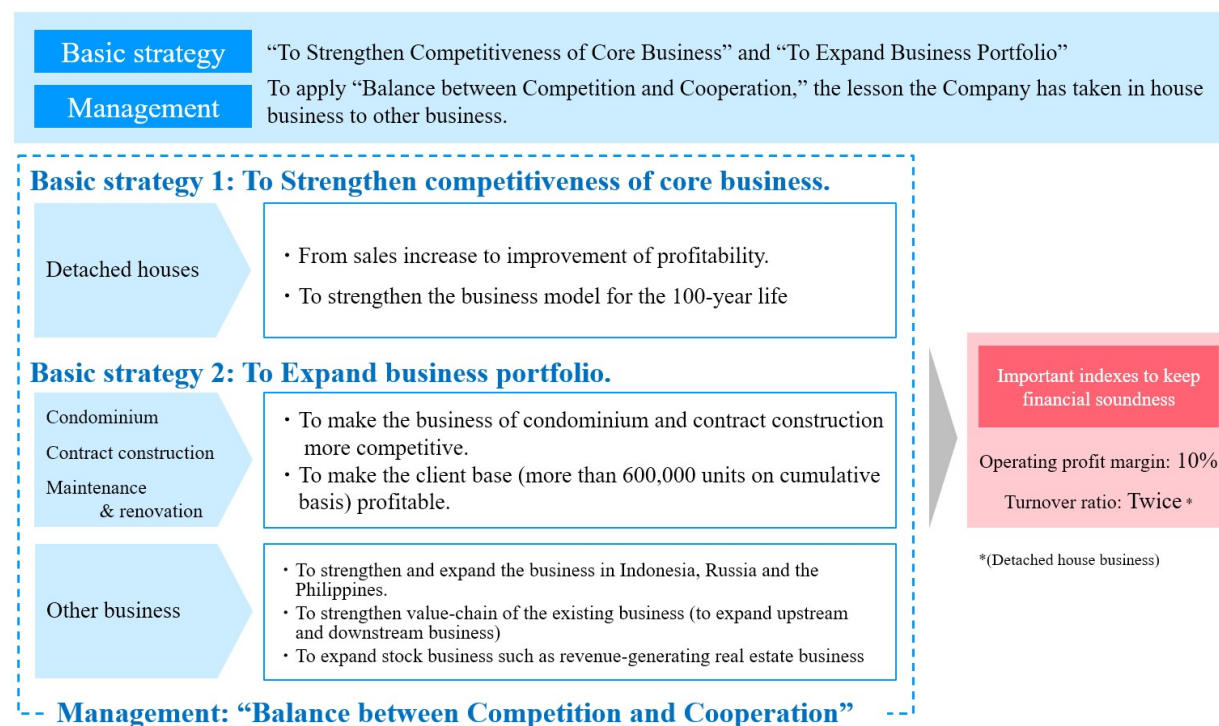
2. Performance targets

The performance targets for the year ending March 2024, the final year of the Mid-Term Management Plan, are shown below.

Revenue: ¥1.72 trillion
Operating profit: ¥165 billion to 172 billion

3. Basic strategy

The Company will promote “To Strengthen Competitiveness of Core Business” and “To Expand Business Portfolio” as the basic strategy. Also, the Company will apply “Balance between Competition and Cooperation,” the lesson the Company has taken in detached house business, to other business for further growth of the group.



4. Business plans

< Detached house business >

The company will try to maximize the performance by investigating the demand and the competitors in each business area. At the same time, the Company is getting into the virgin markets, where detached houses are not very popular or the Company has not started business yet. In addition, the Company will make itself different from others by providing high quality and price competitive houses. In order to improve the housing quality, the Company has obtained the highest grades in “Housing Performance Display Evaluation System” for all the detached houses. The system is from “the Housing Quality Assurance Act” formulated by the Ministry of Land, Infrastructure, Transport and Tourism.

< Condominium business >

The Company will expand the business not merely in the existing markets such as metropolitan areas, but also in the important regional areas, and increase the number of the units delivered. Also, the Company is improving the turnover ratio by concentrating on small- to medium-sized condominium projects, the construction period of which is short, and is improving the profitability by sharing construction materials and developing the original products.

< Contract construction business >

The Company will expand the business by focusing on the potential clients who have no land for house construction, making the best use of the land information, which the Company has affluently, and proposing housing arrangements in line with the clients' request.

< Maintenance and renovation business >

The company will make the business profitable by taking advantage of the client data of more than 600,000 units on cumulative basis. First, the Company is strengthening the business relationships with the clients through regular maintenance service in anticipation of sharp increase in the future in the number of the houses which will need renovation. Second, the Company will provide products and service related to health and amenity as well as proposals for maintenance and renovation, which are necessary regularly as time goes by after the house is delivered, and provide the service of brokerage, purchase and resale to meet the demand for the clients' relocating to a new house due to their necessity.

(Note)

All the forward-looking statements contained in this notice are based on the information available to the Company and certain assumptions judged to be reasonable on the date of announcement of the notice, and they do not constitute the Company's intention to promise the accomplishment of the Company's forecasts. In addition, the actual results may differ significantly from the forecast due to various factors.