



September 14, 2022

Company name: Iida Group Holdings Co., Ltd.

Representative: Masashi Kanei, President and Representative Director

Stock code: 3291, Tokyo Stock Exchange (Prime Market)

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

Notice: Regarding voluntary cancellation and reapplication of the license certificate number of real estate broker and the construction license by one of the consolidated subsidiaries.

ID HOME Co., Ltd. (hereafter “the Subsidiary”, one of the consolidated subsidiaries of Iida Group Holdings Co., Ltd. (hereafter “the Company”), found that the Subsidiary fell under a reason for disqualification of the license certificate number of real estate broker and the construction license. Therefore, it decided to cancel the two licenses voluntarily, and try to apply for them again after reviewing the incident and reestablishing the administrative and compliance structure.

The Subsidiary and the Company express the deepest and sincere apologies for any trouble and inconvenience caused to the customers and the stakeholders.

1 . Details of the incident

A director of the Subsidiary, who was found guilty of violating Road Traffic Act (speeding) with a stay of execution, failed to inform the Subsidiary of the incident without delay. When the incident came to light, the Subsidiary found that it fell under a reason for disqualification of the license certificate number of real estate broker and the construction license. The director resigned on the day when the incident came to light. The Subsidiary informed the relevant authorities of the incident on the next operating day. Then the Subsidiary came to a conclusion as a result of studying the incident and understanding its significance that it should voluntarily cancel the two licenses. Today the Company agreed at the Board of Directors’ meeting with the Subsidiary’s conclusion, and the Subsidiary reported the cancellation of the two licenses to the relevant authorities.

2 . Business performance and financial positions of the Subsidiary, ID HOME Co., Ltd. (as of March 2022)

Total net assets	29,517 million yen
Total assets	78,327 million yen
Revenue	84,450 million yen
Operating profit	8,470 million yen
Ordinary profit	8,315 million yen
Net profit	5,743 million yen

3 . Impact of the incident on the business

After the voluntary cancellation of the license certificate number of real estate broker and the construction license, the Subsidiary is not allowed to newly purchase the land properties and newly sell the properties it holds. But it is possible for the Subsidiary to make settlement operations of the contracts it has already concluded. Also, it is possible to continue to construct the detached houses, main operation of the Subsidiary, without the license certificate number of real estate broker and the construction license.

The reason is that in the case of general building works, when the total contract amount is less than ¥15 million (tax included), it is not necessary to hold the construction license. Or when wooden houses of the total areas of less than 150 square meters are constructed, it is not necessary to hold the construction license, either, even though the total contract amount is ¥15 million and more than that. Therefore, it is possible for the Subsidiary to be engaged in this type of general building works.

4 . On the future countermeasures

The Subsidiary will prepare for the reapplication for the license certificate number of real estate broker and the construction license as soon as it establishes the structure to prevent recurrence of such an incident.

Information on this incident and the countermeasures will be posted on the site mentioned below. The Company will help the Subsidiary to manage this situation together with other group companies.

The Subsidiary considers taking an option to take a civil legal action against the director.

https://www.idhome.co.jp/wp/wp-content/uploads/2022/09/20220914_info.pdf

5 . Impact on the business performance

The Company thinks, at this moment, that the impact of the incident on the consolidated business performance for March 2023 will be limited.