

**Summary of Consolidated Financial Results**  
**for the Second Quarter of the Fiscal Year Ending May 31, 2023**  
**(From June 1, 2022 to November 30, 2022)**  
**[Japanese GAAP]**

December 28, 2022

Company Name: ERI Holdings Co., Ltd. Stock Exchange Listing: Tokyo  
 Securities Code: 6083 URL: <https://www.h-eri.co.jp/>  
 Representative: Toshihiko Umamo, President, CEO and COO  
 For Inquiries, Contact: Seiichiro Matsumura, Head of Finance and Accounting Group  
 TEL:(03)5770-1520  
 Planned Date for Submission of Quarterly Securities Report: December 28, 2022  
 Planned Starting Date for Dividend Payments: January 31, 2023  
 Supplementary documents for financial results: Yes  
 Financial Results briefing: Yes (for institutional investors and securities analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending May 31, 2023 (June 1, 2022 – November 30, 2022)

(1) Consolidated Financial Results (Cumulative)

(% indicates year-on-year change)

|              | Net Sales   |      | Operating Profit |      | Ordinary Profit |     | Profit Attributable to Owners of Parent |     |
|--------------|-------------|------|------------------|------|-----------------|-----|---|-----|
|              | million yen | %    | million yen      | %    | million yen     | %   | million yen                             | %   |
| FY 5/2023 Q2 | 8,391       | 5.8  | 1,062            | 14.0 | 1,069           | 8.2 | 645                                     | 7.3 |
| FY 5/2022 Q2 | 7,934       | 16.3 | 931              | –    | 988             | –   | 601                                     | –   |

(Note) Comprehensive Income FY 5/2023 Q2: 648 million yen (6.9%) FY 5/2022 Q2: 607 million yen (–)

|              | Profit per Share |  | Diluted Profit per Share |  |
|--------------|------------------|--|--------------------------|--|
|              | yen              |  | yen                      |  |
| FY 5/2023 Q2 | 82.84            |  | –                        |  |
| FY 5/2022 Q2 | 76.84            |  | –                        |  |

(2) Consolidated Financial Position

|              | Total Assets |  | Net Assets  |  | Shareholders' Equity Ratio |  |
|--------------|--------------|--|-------------|--|----------------------------|--|
|              | million yen  |  | million yen |  | %                          |  |
| FY 5/2023 Q2 | 9,844        |  | 4,343       |  | 43.7                       |  |
| FY 5/2022    | 8,574        |  | 4,024       |  | 46.5                       |  |

(Reference) Shareholders' Equity FY 5/2023 Q2: 4,304 million yen FY 5/2022: 3,983 million yen

2. Dividends

|                      | Dividends per Share |           |           |                 |        |
|----------------------|---------------------|-----------|-----------|-----------------|--------|
|                      | End of Q1           | End of Q2 | End of Q3 | Fiscal Year End | Annual |
|                      | yen                 | yen       | yen       | yen             | yen    |
| FY 5/2022            | –                   | 15.00     | –         | 25.00           | 40.00  |
| FY 5/2023            | –                   | 20.00     |           |                 |        |
| FY 5/2023 (Forecast) |                     |           | –         | 20.00           | 40.00  |

(Note) Revisions to dividend forecasts published most recently: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending May 31, 2023 (June 1, 2022– May 31, 2023)

(% indicates year-on-year change)

|           | Net Sales   |       | Operating Profit |        | Ordinary Profit |        | Profit Attributable to Owners of Parent |       | Profit per Share |  |
|-----------|-------------|-------|------------------|--------|-----------------|--------|---|-------|------------------|--|
|           | million yen | %     | million yen      | %      | million yen     | %      | million yen                             | %     | Yen              |  |
| FY 5/2023 | 16,069      | (0.5) | 1,673            | (13.1) | 1,682           | (15.3) | 1,106                                   | (9.9) | 141.26           |  |

(Note) Revisions to performance forecasts published most recently: None

\* Notes

(1) Changes in significant subsidiaries during the term under review (changes in subsidiaries via share exchange causing a change in the scope of consolidation): None

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements: None

(3) Accounting policies, changes in accounting estimates and errors

- (i) Changes in accounting policies associated with the revision of accounting standards, etc.: None
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatements: None

(4) Number of shares issued (common stock)

|  |              |                  |
|--|--------------|------------------|
| (i) Shares Outstanding (incl. treasury stock): | FY 5/2023 Q2 | 7,832,400 shares |
|  | FY 5/2022    | 7,832,400 shares |
| (ii) Treasury Stock:                           | FY 5/2023 Q2 | 118,682 shares   |
|  | FY 5/2022    | 122 shares       |
| (iii) Average Number of Shares Outstanding     | FY 5/2023 Q2 | 7,795,314 shares |
|  | FY 5/2022 Q2 | 7,832,306 shares |

\* This report is not subject to audit by certified public accountant or audit firm.

\* Cautionary statement with respect to forward-looking statements, and other information.

The performance projections in this report are based on information currently available and significantly include uncertainty. Actual result may differ materially from these projections due to various factors.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Unit: thousand yen)

|   | Previous fiscal year<br>(As of May 31, 2022) | The second quarter of<br>the reporting fiscal year<br>(As of November 30, 2022) |
|---|--|---|
| <b>Assets</b>                                 |  |   |
| Current assets                                |  |   |
| Cash and deposits                             | 4,910,038                                    | 5,766,954   |
| Accounts receivable-trade and contract assets | 1,061,643                                    | 1,171,095   |
| Work in process                               | 248,110                                      | 256,220   |
| Other   | 264,355                                      | 361,343   |
| Total current assets                          | 6,484,149                                    | 7,555,615   |
| Non-current assets                            |  |   |
| Property, plant and equipment                 | 479,423                                      | 769,933   |
| Intangible assets                             |  |   |
| Goodwill                                      | 357,136                                      | 408,263   |
| Other   | 297,750                                      | 286,703   |
| Total intangible assets                       | 654,886                                      | 694,966   |
| Investments and other assets                  |  |   |
| Investment securities                         | 1,026  | 1,087   |
| Guarantee deposits                            | 461,870                                      | 465,754   |
| Deferred tax assets                           | 470,661                                      | 328,105   |
| Other   | 22,895                                       | 29,328  |
| Total investments and other assets            | 956,454                                      | 824,276   |
| Total non-current assets                      | 2,090,764                                    | 2,289,176   |
| Total assets                                  | 8,574,913                                    | 9,844,791   |

Summary of Financial Results for Second Quarter of the Fiscal Year Ending May 31, 2023  
ERI Holdings Co., Ltd. (Securities Code 6083)

(Unit: thousand yen)

|   | Previous fiscal year<br>(As of May 31, 2022) | The second quarter of<br>the reporting fiscal year<br>(As of November 30, 2022) |
|---|--|---|
| <b>Liabilities</b>                                    |  |   |
| <b>Current liabilities</b>                            |  |   |
| Current portion of long-term borrowings               | 137,100                                      | 137,100   |
| Accounts payable - other                              | 253,515                                      | 271,325   |
| Accrued expenses                                      | 1,153,991                                    | 898,408   |
| Income taxes payable                                  | 715,255                                      | 303,436   |
| Contract liabilities                                  | 810,181                                      | 1,049,899   |
| Lease obligations                                     | 34,437                                       | 38,576  |
| Other   | 250,453                                      | 201,290   |
| <b>Total current liabilities</b>                      | <b>3,354,934</b>                             | <b>2,900,038</b>  |
| <b>Non-current liabilities</b>                        |  |   |
| Long-term borrowings                                  | 851,225                                      | 2,123,675   |
| Retirement benefit liability                          | 58,292                                       | 62,521  |
| Long-term accounts payable - other                    | 189,307                                      | 298,853   |
| Deferred tax liabilities                              | 619  | 23,328  |
| Lease obligations                                     | 43,492                                       | 41,152  |
| Other   | 52,045                                       | 52,045  |
| <b>Total non-current liabilities</b>                  | <b>1,194,983</b>                             | <b>2,601,576</b>  |
| <b>Total liabilities</b>                              | <b>4,549,918</b>                             | <b>5,501,614</b>  |
| <b>Net assets</b>                                     |  |   |
| <b>Shareholders' equity</b>                           |  |   |
| Share capital   | 992,784                                      | 992,784   |
| Capital surplus                                       | 42,236                                       | 42,236  |
| Retained earnings                                     | 2,948,718                                    | 3,398,654   |
| Treasury shares                                       | (127)  | (128,910)   |
| <b>Total shareholders' equity</b>                     | <b>3,983,611</b>                             | <b>4,304,764</b>  |
| <b>Accumulated other comprehensive income</b>         |  |   |
| Valuation difference on available-for-sale securities | -  | 38  |
| <b>Total accumulated other comprehensive income</b>   | <b>-</b>                                     | <b>38</b>   |
| Non-controlling interests                             | 41,383                                       | 38,373  |
| <b>Total net assets</b>                               | <b>4,024,995</b>                             | <b>4,343,176</b>  |
| <b>Total liabilities and net assets</b>               | <b>8,574,913</b>                             | <b>9,844,791</b>  |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statement of Income

(Unit: thousand yen)

|  | The second quarter of<br>the previous fiscal year<br>(From June 1, 2021<br>to November 30, 2021) | The second quarter of<br>the reporting fiscal year<br>(From June 1, 2022<br>to November 30, 2022) |
|--|--|---|
| Net sales  | 7,934,079  | 8,391,473   |
| Cost of sales                                    | 5,241,600  | 5,349,573   |
| Gross profit                                     | 2,692,478  | 3,041,899   |
| Selling, general and administrative expenses     | 1,760,577  | 1,979,366   |
| Operating profit                                 | 931,901  | 1,062,533   |
| Non-operating income                             |  |   |
| Interest income                                  | 126  | 139   |
| Dividend income of insurance                     | 4,694  | 7,185   |
| Commission income                                | 674  | 601   |
| Rent revenue                                     | 3,359  | 2,009   |
| Surrender value of insurance policies            | 25,911   | -   |
| Insurance claim income                           | 16,880   | -   |
| Subsidy income                                   | 7,504  | 1,866   |
| Miscellaneous income                             | 2,051  | 2,791   |
| Total non-operating income                       | 61,203   | 14,594  |
| Non-operating expenses                           |  |   |
| Interest expenses                                | 4,267  | 6,350   |
| Miscellaneous losses                             | 75   | 897   |
| Total non-operating expenses                     | 4,343  | 7,248   |
| Ordinary profit                                  | 988,761  | 1,069,879   |
| Extraordinary income                             |  |   |
| Gain on sale of non-current assets               | -  | 458   |
| Gain on bargain purchase                         | -  | 4,281   |
| Total extraordinary income                       | -  | 4,739   |
| Extraordinary losses                             |  |   |
| Retirement benefits for officers                 | -  | 554   |
| Total extraordinary losses                       | -  | 554   |
| Profit before income taxes                       | 988,761  | 1,074,064   |
| Income taxes - current                           | 342,323  | 286,575   |
| Income taxes - deferred                          | 39,376   | 138,563   |
| Total income taxes                               | 381,700  | 425,138   |
| Profit   | 607,060  | 648,925   |
| Profit attributable to non-controlling interests | 5,195  | 3,182   |
| Profit attributable to owners of parent          | 601,865  | 645,742   |

Quarterly Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

|  | The second quarter of<br>the previous fiscal year<br>(From June 1, 2021<br>to November 30, 2021) | The second quarter of<br>the reporting fiscal year<br>(From June 1, 2022<br>to November 30, 2022) |
|--|--|---|
| Profit   | 607,060  | 648,925   |
| Other comprehensive income                                     |  |   |
| Valuation difference on available-for-sale securities          | 87   | 39  |
| Total other comprehensive income                               | 87   | 39  |
| Comprehensive income   | 607,147  | 648,965   |
| Comprehensive income attributable to:                          |  |   |
| Comprehensive income attributable to owners of parent          | 601,950  | 645,781   |
| Comprehensive income attributable to non-controlling interests | 5,197  | 3,183   |

(3) Consolidated Statements of Cash Flows

(Unit: thousand yen)

|  | The second quarter of<br>the previous fiscal year<br>(From June 1, 2021<br>to November 30, 2021) | The second quarter of<br>the reporting fiscal year<br>(From June 1, 2022<br>to November 30, 2022) |
|--|--|---|
| <b>Cash flows from operating activities</b>  |  |   |
| Profit before income taxes   | 988,761  | 1,074,064   |
| Depreciation   | 100,705  | 106,041   |
| Amortization of goodwill   | 38,744   | 37,333  |
| Gain on bargain purchase   | -  | (4,281)   |
| Interest income  | (126)  | (139)   |
| Interest expenses  | 4,267  | 6,350   |
| Loss (gain) on sale of non-current assets  | -  | (458)   |
| Subsidy income   | (7,504)  | (1,866)   |
| Surrender value of insurance policies  | (25,911)   | -   |
| Decrease (increase) in trade receivables and contract assets                                   | (223,056)  | (32,188)  |
| Decrease (increase) in inventories   | 191,878  | (8,109)   |
| Increase (decrease) in accounts payable - other  | (43,954)   | 1,522   |
| Increase (decrease) in long-term accounts payable - other                                      | -  | (14,445)  |
| Increase (decrease) in accrued expenses  | 86,069   | (280,943)   |
| Increase (decrease) in contract liabilities  | 93,910   | 193,839   |
| Increase (decrease) in deposits received   | 3,528  | 25,206  |
| Other, net   | 6,651  | 30,354  |
| <b>Subtotal</b>  | <b>1,213,963</b>   | <b>1,132,280</b>  |
| Interest and dividends received  | 130  | 142   |
| Interest paid  | (4,286)  | (7,663)   |
| Proceeds from subsidy income   | 7,504  | 1,866   |
| Income taxes (paid) refund   | (59,546)   | (829,642)   |
| <b>Net cash provided by (used in) operating activities</b>                                     | <b>1,157,766</b>   | <b>296,983</b>  |
| <b>Cash flows from investing activities</b>  |  |   |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | -  | (332,175)   |
| Purchase of non-current assets   | (52,931)   | (81,209)  |
| Proceeds from sale of non-current assets   | -  | 29,856  |
| Payments of guarantee deposits   | (2,003)  | (12,298)  |
| Proceeds from refund of guarantee deposits   | 1,544  | 5,131   |
| Proceeds from cancellation of insurance funds  | 63,987   | -   |
| Other, net   | (14,537)   | (22,858)  |
| <b>Net cash provided by (used in) investing activities</b>                                     | <b>(3,941)</b>   | <b>(413,553)</b>  |
| <b>Cash flows from financing activities</b>  |  |   |
| Proceeds from long-term borrowings   | 200,000  | 1,374,000   |
| Repayments of long-term borrowings   | (68,550)   | (151,205)   |
| Dividends paid   | (116,995)  | (195,516)   |
| Dividends paid to non-controlling interests  | (2,700)  | (6,194)   |
| Purchase of treasury shares  | (54)   | (128,783)   |
| Other, net   | (18,464)   | (17,186)  |
| <b>Net cash provided by (used in) financing activities</b>                                     | <b>(6,764)</b>   | <b>875,113</b>  |
| Net increase (decrease) in cash and cash equivalents   | 1,147,060  | 758,543   |
| Cash and cash equivalents at beginning of period   | 2,626,384  | 4,883,224   |
| Cash and cash equivalents at end of period   | 3,773,444  | 5,641,767   |