

ERI

Evaluation, Rating, Inspection

Holdings



Commitment to the sustainability-oriented business practices

Financial Results for the First Quarter

From June 1, 2022 to August 31, 2022

ERI Holdings Co., Ltd.

September 30, 2022

Business growth continuing since last fiscal year

- Overall business has kept on expanding, except detached house related services slowdown due to a shrinking new housing starts, and revenue and earnings continued to increase.
- In Building Confirmation and Inspection and its related services, revenue increased but earnings decreased due to increase in personnel costs to enhance capacities.
- In Housing Performance Evaluation and its related services, expire of Green Housing Point subsidy pushed down revenue but earnings increased due to decrease in personnel cost by slimming down.
- Solution services increased both revenue and earnings, and energy-saving related services have been steadily growing in other services.
- Pushing forward business expansion by M&A, especially, we conducted concentrated investment in construction consulting firms in Hokkaido.

Consolidated financial results

(Millions of yen)	1Q Previous fiscal year (Jun. 2021– Aug. 2021)	1Q Reporting fiscal year (Jun. 2022– Aug. 2022)	Change	
			Amounts	Ratio
Net Sales	3,779	4,063	283	7.5%
Operating Profit	335	474	118	33.4%
Operating Profit Ratio	9.4%	11.7%	-	-
Ordinary Profit	392	482	89	22.8%
Ordinary Profit Ratio	10.4%	11.9%	-	-
Profit Attributable to Owners of Parent	247	276	28	11.6%
Profit per Share (Yen)	31.64	35.30	3.66	11.6%

Consolidated financial results by segment

(Millions of yen)	1Q Previous fiscal year (Jun. 2021 – Aug. 2021)	1Q Reporting fiscal year (Jun. 2022– Aug. 2022)	Change		Segment Profit	Change
			Amounts	Ratio		
Building Confirmation and Inspection and its related services	2,058 [54.5%]	2,228 [54.8%]	169	8.2%	288	▲3
Housing Performance Evaluation and its related services	928 [24.6%]	883 [21.7%]	▲44	▲4.8%	115	46
Solution Services	327 [8.7%]	371 [9.1%]	43	13.4%	22	38
Others	464 [12.3%]	579 [14.3%]	115	24.8%	65	37
Net Sales Total	3,779 [100.0%]	4,063 [100.0%]	283	7.5%	491	118

Main operating figures | Consolidated

Segment	Business		1Q Previous fiscal year (Jun. 2021 – Aug. 2021)		1Q Reporting fiscal year (Jun. 2022 – Aug. 2022)		Change	
			Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Building Confirmation and Inspection and its related services	Building Confirmations		20,608	923	20,526	1,016	▲82	93
	Final Inspections		16,301	675	16,999	739	698	64
Housing Performance Evaluation and its related services	Housing Design Performance Evaluations	Detached Houses	9,081	282	9,593	311	512	29
		Collective Houses	5,978	68	6,738	94	760	26
	Housing Construction Performance Evaluations	Detached Houses	6,318	359	6,427	352	109	▲7
		Collective Houses	3,027	51	3,162	67	135	16
	Technical Assessments for Long-life Quality Housings*		7,553	109	1,419	54	▲6,134	▲55

* "Technical Assessments for Long-life Quality Housings" represents the cases and amounts of "conformance certificate", which include the cases and amounts of extension and renovation. The numbers of plan change are included. From February 20, 2022, the numbers of integrated application combined with "Housing Performance Evaluations" are excluded.

Main operating figures | Consolidated

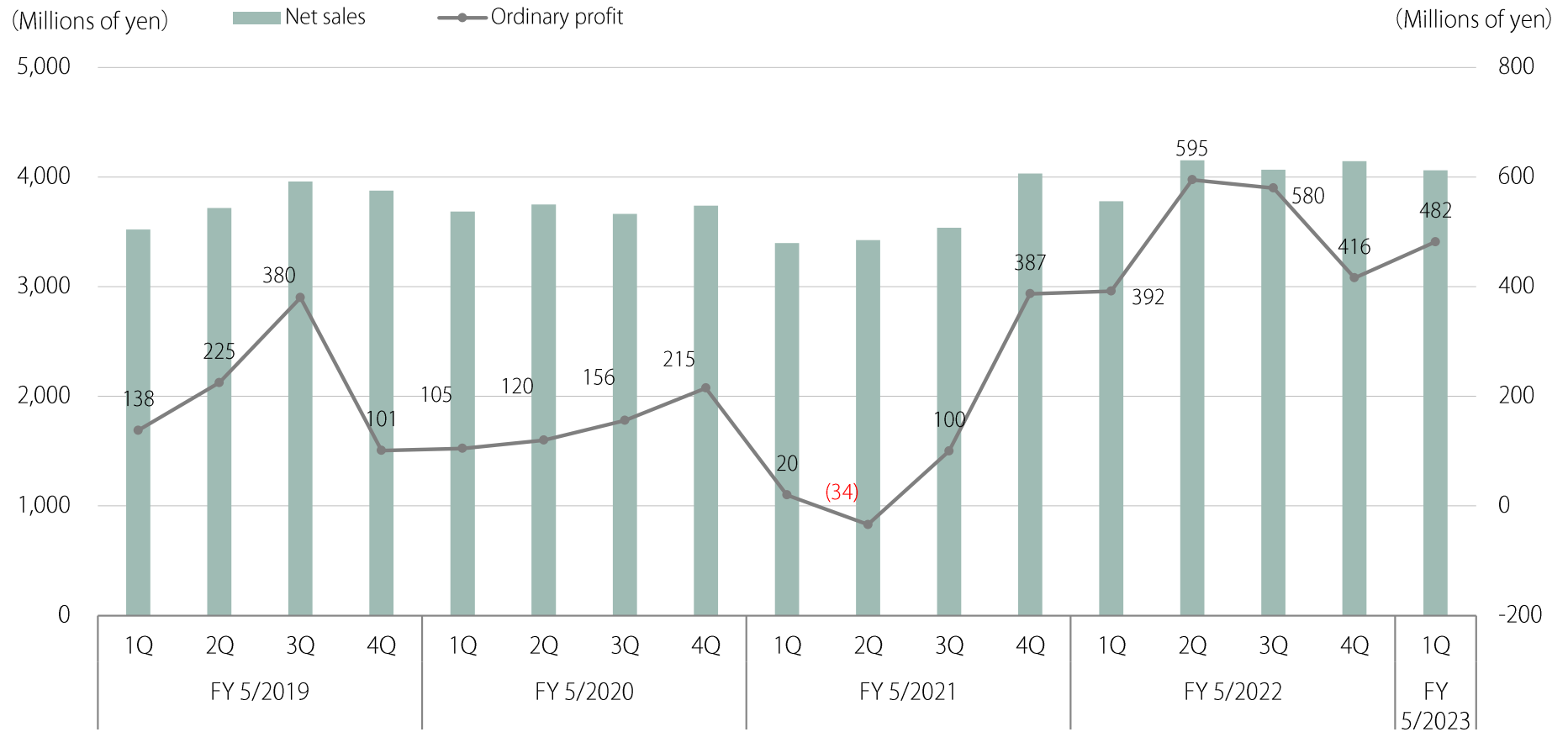
Segment	Business		1Q Previous fiscal year (Jun. 2021 – Aug. 2021)		1Q Previous fiscal year (Jun. 2022 – Aug. 2022)		Change	
			Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Others	Evaluation for Building Energy Standards*1 (incl. 300 ~ 2,000 sqm)		993 (583)	121	1,543 (1,087)	175	550 (504)	54
	BELS Certifications	Housings*2	2,497	48	8,328	112	5,831	64
		Non-housings	36	7	70	12	34	5
	Inspections for Housing Defect Liability Insurance*3		8,234	88	6,751	86	▲1,483	▲2

*1 From FY 5/2020 report, "Evaluation for Compliance with Energy Consumption Performance of Buildings" includes the numbers of plan change.

*2 From FY 5/2023 report, "BELS Certifications(Housings)" includes the number of certifications of dwelling unit of collective houses.

*3 Counting rules of "Inspections for Housing Defect Liability Insurance" are as follows. 1) Include Defect Insurance but exclude inspection for insurance firm and Housing Performance Certification, 2) Include insurance brokerage, and 3) Include the data of all housing defect liability insurance companies.

Changes of quarterly results | Consolidated



Forecasts for FY 5/2023

(Millions of yen)	FY 5/2022 (Jun. 2021 – May. 2022)	FY 5/2023 (Jun. 2022 – May. 2023)	Change	
			Amounts	Ratio
Net Sales	16,148	16,069	▲79	▲0.5%
Operating Profit	1,924	1,673	▲251	▲13.1%
Operating Profit Ratio	11.9%	10.4%	-	-
Ordinary Profit	1,986	1,682	▲303	▲15.3%
Ordinary Profit Ratio	12.3%	10.5%	-	-
Profit Attributable to Owners of Parent	1,228	1,106	▲121	▲9.9%
Profit per Share (Yen)	156.83	141.26	▲15.57	▲9.9%

Acquisition of three construction consulting firms

- Acquired 100% ownership : July 2022, DOUKEN Consultant Corporation
August 2022, Forest Realize Co., Ltd.
September 2022, Nikken Consultant Co., Ltd
- Expanding business lines and enhancing ERI group business operations in Hokkaido

	 DOUKEN Consultant Corporation	 Forest Realize Co., Ltd.	 Nikken Consultant Co., Ltd
Head office	Date-shi, Hokkaido	Sapporo-shi, Hokkaido	Sapporo-shi, Hokkaido
Business	Construction consulting, Surveying, etc.	Construction consulting (forest), Surveying, etc.	Construction consulting, Surveying, etc.
Established	May 1971	November 2003	January 1972
Paid-in capital	JPY 12 million	JPY 20 million	JPY 30 million
Sales	JPY 271 million (FY ended 3/2022)	JPY 351 million (FY ended 6/2021)	JPY 112 million (FY ended 8/2021)

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