

ERI

Evaluation, Rating, Inspection

Holdings



Commitment to the sustainability-oriented business practices

Financial Results for the Third Quarter

From June 1, 2022 to February 28, 2023

ERI Holdings Co., Ltd. (Security code : 6083)

March 30, 2023

We revised annual financial forecasts upward

- Overall business has kept on growing successfully and we revised up the forecasts of annual earnings and dividend.
- In Building Confirmation/Inspection and its related services segment, the number of confirmation decreased but the number of inspection increased, then sales and profits increased.
- In Housing Performance Evaluation (HPE) and its related services segment, the number of HPEs increased but sales and profit decreased due to an expire of Green Housing Point subsidy.
- In Solution Services segment, sales increased by M&A effect. The profit, however, decreased due to a lag of profit contribution that will be posted in Q4.
- In Others, energy saving related services such as BELS, etc. successfully expanding and sales and profits increased.

Consolidated financial results

(Millions of yen)	Q3 Previous fiscal year (Jun. 2021– Feb. 2022)	Q3 Reporting fiscal year (Jun. 2022– Feb. 2023)	Change	
			Amounts	Ratio
Net Sales	12,001	12,739	737	6.1%
Operating Profit	1,511	1,542	30	2.0%
Operating Profit Ratio	12.6%	12.1%	-	-
Ordinary Profit	1,569	1,552	▲16	▲1.1%
Ordinary Profit Ratio	13.1%	12.2%	-	-
Profit Attributable to Owners of Parent	973	950	▲22	▲2.4%
Profit per Share (Yen)	124.33	122.41	▲1.92	▲1.5%

Consolidated financial results by segment

(Millions of yen)	Q3 Previous fiscal year (Jun. 2021 – Feb. 2022)	Q3 Reporting fiscal year (Jun. 2022– Feb. 2023)	Change		Segment Profit	Change
			Amounts	Ratio		
Building Confirmation and Inspection and its related services	6,494 [54.1%]	6,774 [53.2%]	280	4.3%	882	86
Housing Performance Evaluation and its related services	2,852 [23.8%]	2,756 [21.6%]	▲95	▲3.4%	345	▲49
Solution Services	1,081 [9.0%]	1,396 [11.0%]	314	29.1%	36	▲31
Others	1,573 [13.1%]	1,811 [14.2%]	238	15.1%	326	25
Net Sales Total	12,001 [100.0%]	12,739 [100.0%]	737	6.1%	1,591	30

Main operating figures | Consolidated

Segment	Business		Q3 Previous fiscal year (Jun. 2021 – Feb. 2022)		Q3 Reporting fiscal year (Jun. 2022 – Feb. 2023)		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		61,062	2,789	59,821	2,855	▲1,241	65
	Final Inspections		53,598	2,313	55,047	2,466	1,449	152
Housing Performance Evaluation and its related services	Housing Design Performance Evaluations	Detached Houses	26,128	791	27,527	890	1,399	99
		Collective Houses	17,550	198	20,321	267	2,771	69
	Housing Construction Performance Evaluations	Detached Houses	20,796	1,180	20,475	1,115	▲321	▲65
		Collective Houses	14,425	233	18,063	301	3,638	68
	Technical Assessments for Long-life Quality Housings*		20,518	307	4,142	168	▲16,376	▲139

* "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

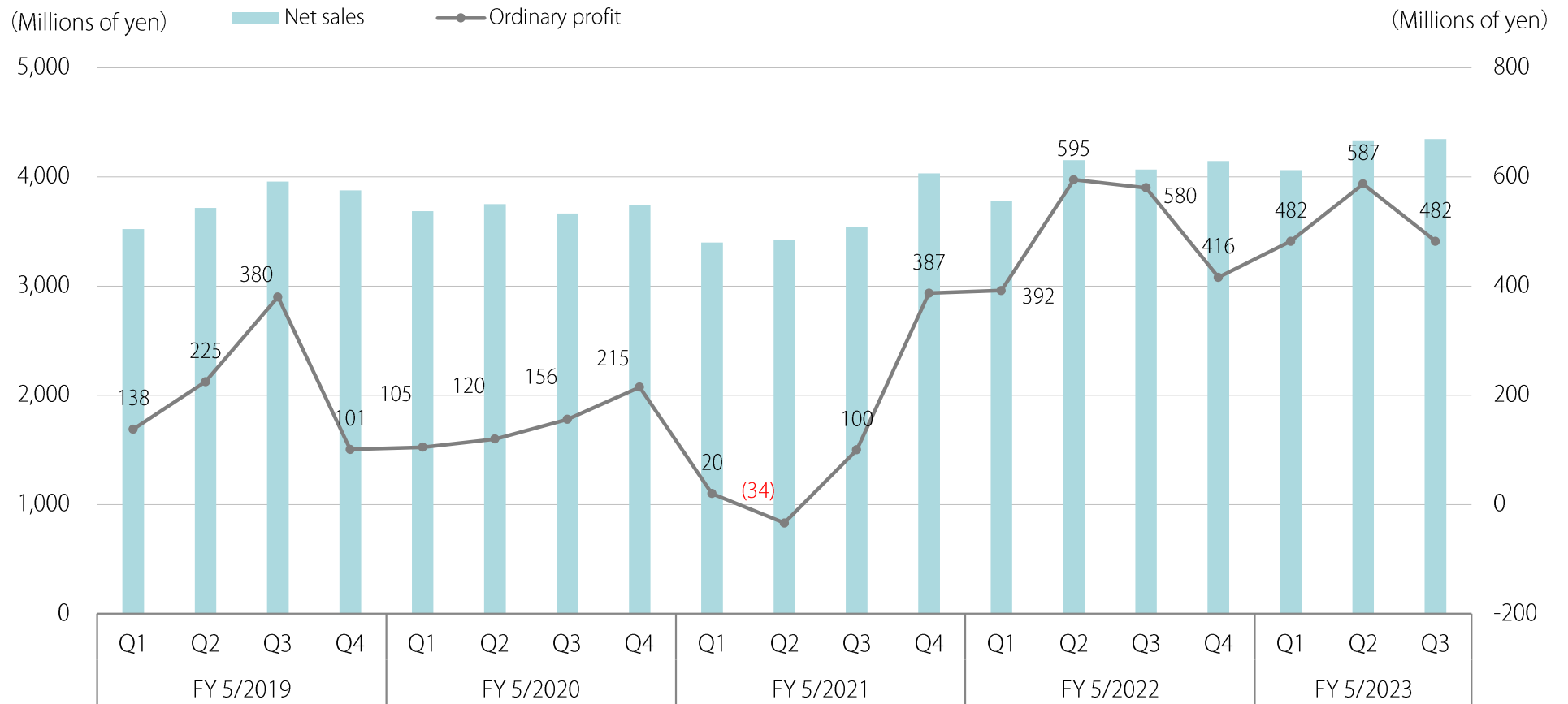
Segment	Business		Q3 Previous fiscal year (Jun. 2021 – Feb. 2022)		Q3 Previous fiscal year (Jun. 2022 – Feb. 2023)		Change	
			Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Others	Evaluation for Building Energy Standards*1 (incl. 300 ~ 2,000 sqm)		3,392 (2,081)	415	4,442 (3,045)	498	1,050 (964)	83
	BELS Certifications	Housings*2	8,512	187	34,773	427	26,261	239
		Non-housings	261	58	267	57	6	▲1
	Inspections for Housing Defect Liability Insurance*3		25,034	268	20,248	259	▲4,786	▲9

*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



Revised forecasts for FY 5/2023

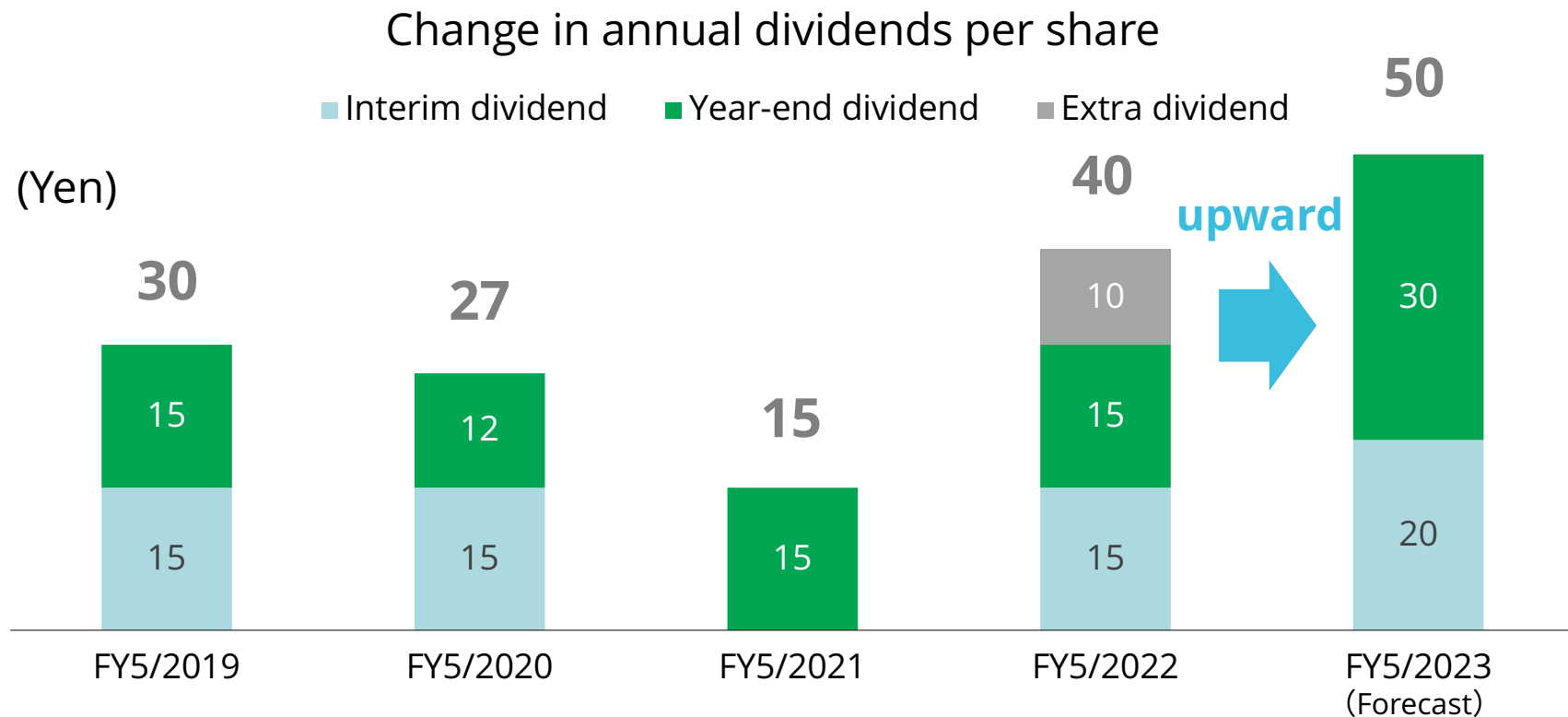
(Millions of yen)	Initial forecast (A)	Revised forecast (B)	Change (B-A)	Rate of change (%)	FY 5/2022 Results
Net Sales	16,069	17,100	1,031	6.4%	16,148
Operating Profit	1,673	2,050	377	22.5%	1,924
Operating Profit Ratio	10.4%	12.0%	-	-	11.9%
Ordinary Profit	1,682	2,060	378	22.5%	1,986
Ordinary Profit Ratio	10.5%	12.0%	-	-	12.3%
Profit Attributable to Owners of Parent	1,106	1,300	194	17.5%	1,228
Profit per Share (Yen)	141.26	167.64	26.38	18.7%	156.83

Revise of annual earnings forecast

- We revised up the forecasts of annual earnings, revenue and profit growth, which will successfully reach record-high.
- Based on the current business conditions such as limited shrink of housing and stable non-housing new construction, expanding energy saving related services and effect of M&A, we revised up the forecast of annual revenue to ¥17,100 million, which is ¥951 million year-on-year growth.
- Annual operating expenses will increase to ¥15,050 million, which is ¥826 million year-on-year growth, due to a cost increase associated with service expansion, M&A and special “inflation allowance” payment for all the employees.
- Accordingly, we anticipate annual ¥2,050 million operating profit, ¥2,060 million annual ordinary profit, and ¥1,300 million annual profit attributable to owners of parent, which are ¥125 million, ¥73 million and ¥71 million year-on-year growth, respectively.

Revise of year-end dividend

- We are pleased to revise up the forecast of year-end dividend from ¥20 to ¥30 responding to the upward revision of annual earnings forecasts.
- Accordingly, total annual dividend will be ¥50, including ¥20 of interim dividend.



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