

ERI

Evaluation, Rating, Inspection

Holdings



Commitment to the sustainability-oriented business practices

Financial Results for the Third Quarter

From June 1, 2023 to February 29, 2024

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

March 29, 2024

Q3 results catch up on roughly a same earnings of the year-earlier period

- New construction starts shrunk and the number of Building Confirmation have been decreasing.
- Sales increase largely by M&As and expanding energy-saving labeling.
- Second half weighted revenue recognition cyclicity is growing and earnings catch up with the year-earlier level.
- In Building Confirmation and Inspection and its related services, both revenue and earnings decrease due to a slow down of applications.
- In Housing Performance Evaluation and its related services, both revenue and earnings increase largely due to brisk residential complex construction.
- In Solution services, revenue increased but earnings decreased largely due to a cyclicity of revenue recognition.
- In Others, both revenue and earnings increased due to a steady growth of energy-saving labeling (BELS).

Consolidated financial results

(Millions of yen)	3Q Previous fiscal year (Jun. 2022– Feb. 2023)	3Q Reporting fiscal year (Jun. 2023– Feb. 2024)	Change	
			Amounts	Ratio
Net Sales	12,739	13,278	539	4.2%
Operating Profit	1,542	1,504	▲37	▲2.4%
Operating Profit Ratio	12.1%	11.3%	-	-
Ordinary Profit	1,552	1,528	▲24	▲1.6%
Ordinary Profit Ratio	12.2%	11.5%	-	-
Profit Attributable to Owners of Parent	950	938	▲12	▲1.3%
Profit per Share (Yen)	122.41	121.65	▲0.76	▲0.6%

Consolidated financial results by segment

(Millions of yen)	3Q Previous fiscal year (Jun. 2022 – Feb. 2023)	3Q Reporting fiscal year (Jun. 2023– Feb. 2024)	Change		Segment Profit	Change
			Amounts	Ratio		
Building Confirmation and Inspection and its related services	6,774 [53.2%]	6,570 [49.5%]	▲203	▲3.0%	709	▲173
Housing Performance Evaluation and its related services	2,756 [21.6%]	2,778 [20.9%]	21	0.8%	364	18
Solution Services	1,396 [11.0%]	1,810 [13.6%]	414	29.7%	▲6	▲43
Others	1,811 [14.2%]	2,119 [16.0%]	307	17.0%	486	160
Net Sales Total	12,739 [100.0%]	13,278 [100.0%]	539	4.2%	1,554	▲37

Main operating figures | Consolidated

Segment	Business		3Q Previous fiscal year (Jun. 2022 – Feb. 2023)		3Q Reporting fiscal year (Jun. 2023 – Feb. 2024)		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		59,821	2,855	54,946	2,639	▲4,875	▲215
	Final Inspections		55,047	2,466	53,461	2,513	▲1,586	47
Housing Performance Evaluation and its related services	Housing Design Performance Evaluations	Detached Houses	27,527	890	25,285	858	▲2,242	▲31
		Collective Houses	20,321	267	22,826	302	2,505	35
	Housing Construction Performance Evaluations	Detached Houses	20,475	1,115	19,916	1,087	▲559	▲27
		Collective Houses	18,063	301	20,561	362	2,498	61
	Technical Assessments for Long-life Quality Housings*		4,142	168	3,645	159	▲497	▲8

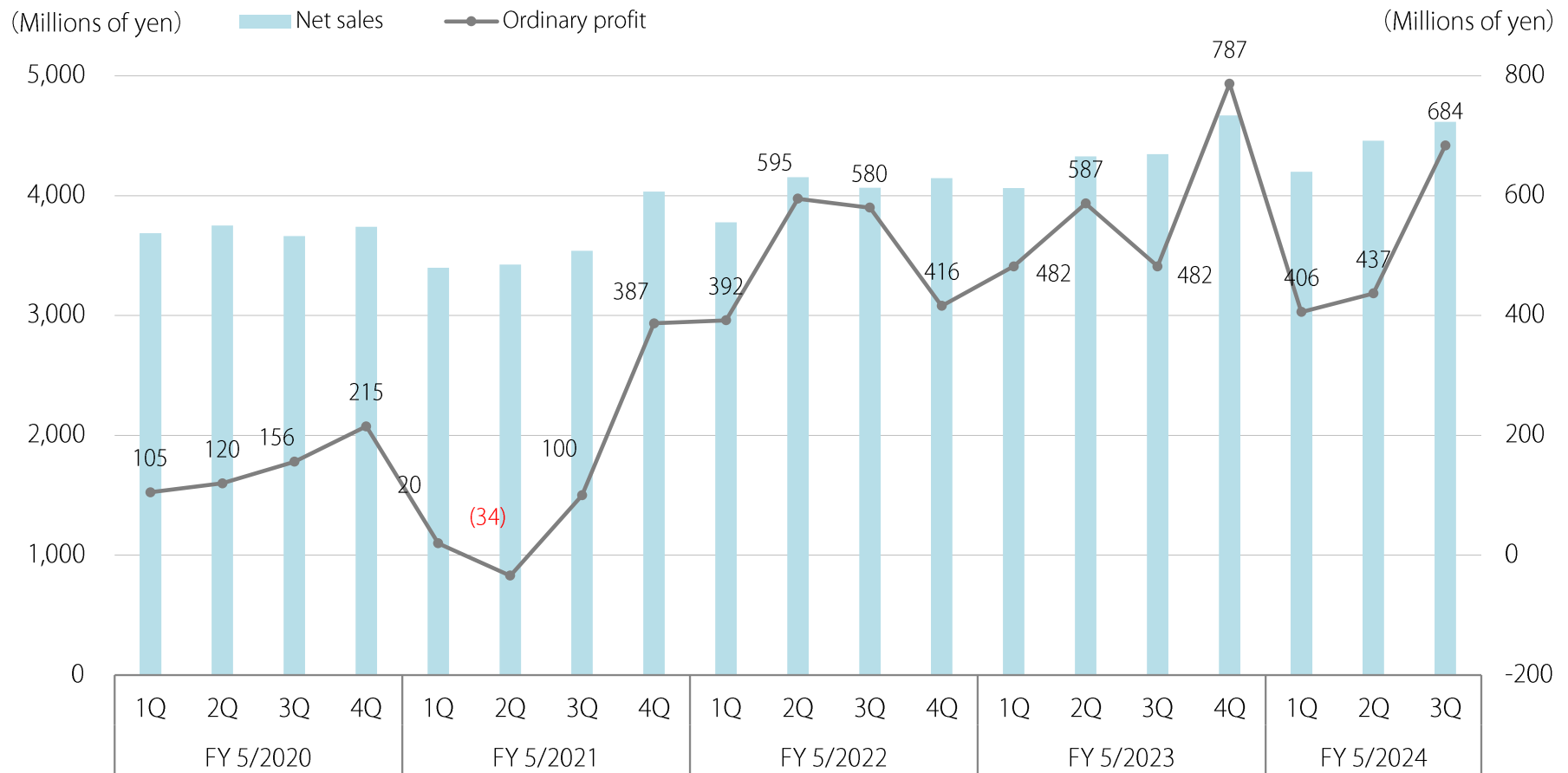
* "Technical Assessments for Long-life Quality Housings" represents the cases and amounts of "conformance certificate", which include the cases and amounts of extension and renovation.

Main operating figures | Consolidated

Segment	Business		3Q Previous fiscal year (Jun. 2022 – Feb. 2023)		3Q Previous fiscal year (Jun. 2023 – Feb. 2024)		Change	
			Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Others	Evaluation for Building Energy Standards (incl. 300 ~ 2,000 sqm)		4,442 (3,045)	498	4,093 (2,723)	476	▲349 (▲322)	▲22
	BELS Certifications	Housings	34,773	427	57,182	615	22,409	187
		Non-housings	267	57	357	79	90	22
	Inspections for Housing Defect Liability Insurance*		26,785	259	24,549	239	▲2,236	▲20

* 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. Note that, 6,537 missing cases of "Inspections for Housing Defect Liability Insurance" has been added on 3Q Previous fiscal year.

Changes of quarterly results | Consolidated



Forecasts for FY 5/2024

(Millions of yen)	FY 5/2023 (Jun. 2022 – May. 2023)	FY 5/2024 (Jun. 2023 – May. 2024)	Change	
			Amounts	Ratio
Net Sales	17,410	18,500	1,089	6.3%
Operating Profit	2,326	2,400	73	3.2%
Operating Profit Ratio	13.4%	13.0%	-	-
Ordinary Profit	2,340	2,400	59	2.6%
Ordinary Profit Ratio	13.4%	13.0%	-	-
Profit Attributable to Owners of Parent	1,533	1,540	6	0.4%
Profit per Share (Yen)	197.80	199.64	1.84	0.9%

Various ministry-committees are kick-off responding to the analysis of 2024 Noto Peninsula Earthquake disaster

- Committee of structural damage investigation and cause analysis of 2024 Noto Peninsula Earthquake

In reaction to a disastrous structural damage, MLIT and NILIM set the committee consist of relevant experts. The committee investigate causes of building damage and discuss a direction of countermeasure.

(1st committee held on Feb. 2, 2024)

Schedule Summarize a studying result in fall 2024

- Committee of fire and disaster prevention measures discussion against the large-scale fire in Wajima city

Based on the investigation of the cause of the large-scale fire disaster caused by the 2024 Noto Peninsula Earthquake, MLIT and FDMA set the committee consist of relevant experts and discuss a direction of countermeasure.

(1st committee held on Mar. 18, 2024)

Schedule Summarize a studying result in summer 2024

⇒ Paying attention to the committee discussion, if it will lead to any revision of the seismic standards.

Contact

ERI Holdings Co., Ltd.

Investor Relations and Public Relations Group

E – Mail | info@h-eri.co.jp

<https://www.h-eri.co.jp/>



This release contains forward-looking statements about ERI Holdings Co., Ltd.'s future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the company's assumptions and risks, uncertainties and assumptions that, without limitation, relate to economic conditions. Accordingly, ERI Holdings Co., Ltd. wishes to caution readers that actual results may differ materially from those projected in this release and ERI Holdings Co., Ltd. bear no responsibility for any negative impact caused by the use of this release.