

Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending May 31, 2020
(From June 1, 2019 to August 31, 2019)
[Japanese GAAP]

September 30, 2019

Company Name: ERI Holdings Co., Ltd. Listing Exchanges: First section of the Tokyo Stock Exchange
 Securities Code: 6083 URL: <https://www.h-eri.co.jp/>
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 Planned Date for Submission of Quarterly Securities Report: September 30, 2019
 Planned Starting Date for Dividend Payments: –
 Supplementary documents for financial results: Yes
 Financial Results briefing: None

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending May 31, 2020 (June 1, 2019 – August 31, 2019)

(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	%	millions yen	%
FY 5/2020 Q1	3,687	4.7	50	(59.7)	105	(24.0)	63	(12.2)
FY 5/2019 Q1	3,523	24.5	125	169.8	138	158.2	72	173.2

(Note) Comprehensive Income FY 5/2020 Q1: 67 million yen (-9.2%) FY 5/2019 Q1: 73 million yen (185.2%)

	Profit per Share	Diluted Profit per Share
	yen	yen
FY 5/2020 Q1	8.38	–
FY 5/2019 Q1	9.52	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	million yen	million yen	%
FY 5/2020 Q1	7,112	2,551	35.4
FY 5/2019	6,896	2,561	36.7

(Reference) Shareholders' Equity FY 5/2020 Q1: 2,519million yen FY 5/2019: 2,529million 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 5/2019	–	15.00	–	15.00	30.00
FY 5/2020	–				
FY 5/2020 (Forecast)		15.00	–	15.00	30.00

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

3. Consolidated Financial Forecasts for the Fiscal Year Ending May 31, 2020 (June 1, 2019– May 31, 2020)

(% 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 5/2020 Q2	7,513	3.8	205	(40.9)	229	(36.9)	124	(46.5)	16.33
FY 5/2020	15,119	0.3	495	(39.6)	530	(37.2)	286	(45.2)	37.72

(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 5/2020 Q1	7,832,400 shares
FY 5/2019	7,832,400 shares

(ii) Treasury Stock:

FY 5/2020 Q1	193,885 shares
FY 5/2019	231,985 shares

(iii) Average Number of Shares Outstanding

FY 5/2020 Q1	7,614,870 shares
FY 5/2019 Q1	7,632,317 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 (As of May 31, 2019)	The first quarter of the reporting fiscal year (As of August 31, 2019)
Assets		
Current assets		
Cash and deposits	2,989,915	3,014,437
Accounts receivable-trade	790,457	839,882
Work in process	500,246	516,707
Other	221,219	306,499
Allowance for doubtful accounts	(251)	(102)
Total current assets	4,501,586	4,677,423
Non-current assets		
Property, plant and equipment	501,346	571,367
Intangible assets		
Goodwill	573,743	553,037
Other	340,555	342,832
Total intangible assets	914,299	895,869
Investments and other assets		
Investment securities	1,783	1,427
Guarantee deposits	488,304	487,979
Deferred tax assets	345,925	361,022
Other	143,805	118,112
Allowance for doubtful accounts	(365)	(365)
Total investments and other assets	979,454	968,176
Total non-current assets	2,395,100	2,435,413
Total assets	6,896,687	7,112,837

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2019)	The first quarter of the reporting fiscal year (As of August 31, 2019)
Liabilities		
Current liabilities		
Short-term borrowings	–	320,000
Current portion of long-term borrowings	154,920	154,920
Accounts payable - other	369,259	340,544
Accrued expenses	842,325	634,692
Income taxes payable	170,223	69,397
Advances received	908,619	908,704
Other	219,363	433,470
Total current liabilities	2,664,712	2,861,731
Non-current liabilities		
Long-term borrowings	1,411,176	1,372,446
Retirement benefit liability	69,232	69,815
Long-term accounts payable - other	104,254	104,254
Other	85,376	152,859
Total non-current liabilities	1,670,040	1,699,376
Total liabilities	4,334,752	4,561,107
Net assets		
Shareholders' equity		
Share capital	992,784	992,784
Capital surplus	42,236	42,236
Retained earnings	1,760,133	1,706,487
Treasury shares	(265,145)	(221,595)
Total shareholders' equity	2,530,008	2,519,912
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(50)	(175)
Total accumulated other comprehensive income	(50)	(175)
Non-controlling interests	31,977	31,992
Total net assets	2,561,934	2,551,729
Total liabilities and net assets	6,896,687	7,112,837

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

(Unit: thousand yen)

	The first quarter of the previous fiscal year (From June 1, 2018 to August 31, 2018)	The first quarter of the reporting fiscal year (From June 1, 2019 to August 31, 2019)
Net sales	3,523,597	3,687,805
Cost of sales	2,526,675	2,707,990
Gross profit	996,922	979,814
Selling, general and administrative expenses	871,467	929,212
Operating profit	125,455	50,602
Non-operating income		
Interest income	10	19
Dividend income of insurance	9,313	8,038
Commission income	399	488
Rent revenue	1,679	2,093
Insurance claim income	-	18,739
Guarantee commission received	-	2,582
Compensation income	3,844	-
Surrender value of insurance policies	-	23,507
Miscellaneous income	370	2,387
Total non-operating income	15,618	57,855
Non-operating expenses		
Interest expenses	2,205	2,710
Miscellaneous loss	125	325
Total non-operating expenses	2,330	3,035
Ordinary profit	138,743	105,422
Extraordinary income		
Gain on sales of non-current assets	-	519
Total extraordinary income	-	519
Profit before income taxes	138,743	105,942
Income taxes - current	18,023	53,738
Income taxes - deferred	46,774	(15,028)
Total income taxes	64,798	38,709
Profit	73,944	67,232
Profit attributable to non-controlling interests	1,273	3,393
Profit attributable to owners of parent	72,671	63,839

Quarterly Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	The first quarter of the previous fiscal year (From June 1, 2018 to August 31, 2018)	The first quarter of the reporting fiscal year (From June 1, 2019 to August 31, 2019)
Profit	73,944	67,232
Other comprehensive income		
Valuation difference on available-for-sale securities	(12)	(128)
Total other comprehensive income	(12)	(128)
Comprehensive income	73,931	67,104
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	72,659	63,714
Comprehensive income attributable to non-controlling interests	1,272	3,389