

Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending May 31, 2021
(From June 1, 2020 to August 31, 2020)
[Japanese GAAP]

September 30, 2020

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/>
 Representative: Akiyo Masuda, President and COO
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 Planned Date for Submission of Quarterly Securities Report: September 30, 2020
 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, 2021 (June 1, 2020 – August 31, 2020)

(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 5/2021 Q1	3,399	(7.8)	(29)	–	20	(80.3)	7	(87.8)
FY 5/2020 Q1	3,687	4.7	50	(59.7)	105	(24.0)	63	(12.2)

(Note) Comprehensive Income FY 5/2021 Q1: 9 million yen (-86.3%) FY 5/2020 Q1: 67 million yen (-9.2%)

	Profit per Share	Diluted Profit per Share
	yen	yen
FY 5/2021 Q1	1.01	–
FY 5/2020 Q1	8.38	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	million yen	million yen	%
FY 5/2021 Q1	6,564	2,702	40.7
FY 5/2020	6,762	2,746	40.0

(Reference) Shareholders' Equity FY 5/2021 Q1: 2,670 million yen FY 5/2020: 2,705 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 5/2020	–	15.00	–	12.00	27.00
FY 5/2021	–				
FY 5/2021 (Forecast)		–	–	–	–

(Note) 1. Revisions to dividend forecasts published most recently: None

2. The dividend forecast for the fiscal year ending May 31, 2021 is not yet determined.

3. Consolidated Financial Forecasts for the Fiscal Year Ending May 31, 2021 (June 1, 2020– May 31, 2021)

(% 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 5/2021	14,546	(2.0)	273	(47.2)	300	(49.7)	157	(39.2)	20.31

(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

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| (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 5/2021 Q1	7,832,400 shares
	FY 5/2020	7,832,400 shares
(ii) Treasury Stock:	FY 5/2021 Q1	52,385 shares
	FY 5/2020	98,085 shares
(iii) Average Number of Shares Outstanding	FY 5/2021 Q1	7,752,538 shares
	FY 5/2020 Q1	7,614,870 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, 2020)	The first quarter of the reporting fiscal year (As of August 31, 2020)
Assets		
Current assets		
Cash and deposits	2,725,761	2,506,962
Accounts receivable-trade	786,998	737,830
Work in process	439,345	477,824
Other	337,595	432,853
Allowance for doubtful accounts	(86)	-
Total current assets	4,289,615	4,155,470
Non-current assets		
Property, plant and equipment	570,366	550,398
Intangible assets		
Goodwill	496,750	477,988
Other	362,385	348,261
Total intangible assets	859,136	826,250
Investments and other assets		
Investment securities	1,055	980
Guarantee deposits	481,816	488,902
Deferred tax assets	405,025	398,765
Other	155,830	143,404
Allowance for doubtful accounts	(4)	-
Total investments and other assets	1,043,723	1,032,052
Total non-current assets	2,473,225	2,408,701
Total assets	6,762,841	6,564,171

Summary of Financial Results for First Quarter of the Fiscal Year Ending May 31, 2021
ERI Holdings Co., Ltd. (Securities Code 6083)

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2020)	The first quarter of the reporting fiscal year (As of August 31, 2020)
Liabilities		
Current liabilities		
Short-term borrowings	-	300,000
Current portion of long-term borrowings	137,100	137,100
Accounts payable - other	280,617	299,583
Accrued expenses	646,760	438,095
Income taxes payable	248,514	18,984
Advances received	869,866	857,623
Lease obligations	33,881	33,807
Other	307,589	318,663
Total current liabilities	2,524,329	2,403,857
Non-current liabilities		
Long-term borrowings	1,118,062	1,083,787
Retirement benefit liability	64,512	68,217
Long-term accounts payable - other	104,313	88,623
Lease obligations	99,757	91,291
Provision for loss on guarantees	67,253	90,299
Other	37,714	35,132
Total non-current liabilities	1,491,614	1,457,352
Total liabilities	4,015,943	3,861,210
Net assets		
Shareholders' equity		
Share capital	992,784	992,784
Capital surplus	42,236	42,236
Retained earnings	1,783,390	1,695,963
Treasury shares	(112,091)	(59,854)
Total shareholders' equity	2,706,319	2,671,130
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(411)	(458)
Total accumulated other comprehensive income	(411)	(458)
Non-controlling interests	40,988	32,290
Total net assets	2,746,897	2,702,961
Total liabilities and net assets	6,762,841	6,564,171

(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, 2019 to August 31, 2019)	The first quarter of the reporting fiscal year (From June 1, 2020 to August 31, 2020)
Net sales	3,687,805	3,399,526
Cost of sales	2,707,990	2,523,242
Gross profit	979,814	876,284
Selling, general and administrative expenses	929,212	905,880
Operating profit (loss)	50,602	(29,595)
Non-operating income		
Interest income	19	8
Dividend income of insurance	8,038	6,956
Commission income	488	362
Rent revenue	2,093	1,679
Insurance claim income	18,739	-
Guarantee commission received	2,582	2,582
Surrender value of insurance policies	23,507	4,063
Subsidy income	-	59,514
Miscellaneous income	2,387	669
Total non-operating income	57,855	75,836
Non-operating expenses		
Interest expenses	2,710	2,350
Provision for loss on guarantees	-	23,045
Miscellaneous loss	325	123
Total non-operating expenses	3,035	25,519
Ordinary profit	105,422	20,721
Extraordinary income		
Gain on sales of non-current assets	519	-
Total extraordinary income	519	-
Extraordinary losses		
Loss on sales of non-current assets	-	640
Total extraordinary losses	-	640
Profit before income taxes	105,942	20,080
Income taxes - current	53,738	3,894
Income taxes - deferred	(15,028)	6,913
Total income taxes	38,709	10,807
Profit	67,232	9,272
Profit attributable to non-controlling interests	3,393	1,472
Profit attributable to owners of parent	63,839	7,800

Quarterly Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	The first quarter of the previous fiscal year (From June 1, 2019 to August 31, 2019)	The first quarter of the reporting fiscal year (From June 1, 2020 to August 31, 2020)
Profit	67,232	9,272
Other comprehensive income		
Valuation difference on available-for-sale securities	(128)	(49)
Total other comprehensive income	(128)	(49)
Comprehensive income	67,104	9,223
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	63,714	7,752
Comprehensive income attributable to non-controlling interests	3,389	1,471