

Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending May 31, 2017
(From June 1, 2016 to November 30, 2016)
[Japanese GAAP]

December 28, 2016

Company Name: ERI Holdings Co., Ltd. Listing Exchanges: First section of the Tokyo Stock Exchange
 Securities Code: 6083 URL: <http://www.h-eri.co.jp/>
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 TEL:(03)5770-1520
 Planned Date for Submission of Quarterly Securities Report: December 28, 2016
 Planned Starting Date for Dividend Payments: January 31, 2017
 Supplementary documents for financial results: Yes
 Financial Results briefing: Yes (for institutional investors and securities analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Results for the Second Quarter of the Fiscal Year Ending May 31, 2017 (June 1, 2016 – November 30, 2016)

(1) Consolidated Financial Results (Cumulative)

(% indicates year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	million yen	%	million yen	%	million yen	%	millions yen	%
FY 5/2017 Q2	5,605	(5.4)	135	(58.7)	140	(58.5)	80	(60.7)
FY 5/2016 Q2	5,923	0.8	327	–	338	626.3	205	–

(Note) Comprehensive Income FY 5/2017 Q2: 80 million yen (-60.6%) FY 5/2016 Q2: 204 million yen (–%)

	Net Income per Share	Diluted Net Income per Share
	yen	yen
FY 5/2017 Q2	10.32	–
FY 5/2016 Q2	26.36	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	million yen	million yen	%
FY 5/2017 Q2	4,059	2,283	56.1
FY 5/2016	4,110	2,320	56.3

(Reference) Shareholders' Equity FY 5/2017 Q2: 2,278 million yen FY 5/2016: 2,315 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 5/2016	–	15.00	–	15.00	30.00
FY 5/2017	–	15.00			
FY 5/2017 (Forecast)			–	15.00	30.00

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

3. Consolidated Results Forecasts for the Fiscal Year Ending May 31, 2017 (June 1, 2016 – May 31, 2017)

(% indicates year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Net Income per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY 5/2017	11,492	0.2	421	(26.1)	425	(32.1)	256	(38.0)	32.78

(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) Changes in accounting policies and changes or restatement of accounting estimates

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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): | Yes |
| (iii) Changes in accounting estimates: | Yes |
| (iv) Restatement: | None |

(4) Number of shares issued (common stock)

(i) Shares Outstanding (incl. treasury stock):	FY 5/2017 Q2	7,832,400 shares
	FY 5/2016	7,832,400 shares
(ii) Treasury Stock:	FY 5/2017 Q2	83 shares
	FY 5/2016	83 shares
(iii) Average Number of Shares Outstanding	FY 5/2017 Q2	7,832,317 shares
	FY 5/2016 Q2	7,815,296 shares

*Presentation of the implementation status of audit procedures

This summary of Consolidated Financial Results is not subject to audit procedure under the Financial Institutions and Exchange Act. At the time of disclosure of this report, however, the audit procedures for the financial statement are still in progress.

* Notes on appropriate use of performance projection and other special remarks

The performance projections in this report are the forecast based on currently available information and significantly includes uncertainty. Actual result may differ materially from these projections due to various reasons.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2016)	The second quarter of the reporting fiscal year (As of November 30, 2016)
Assets		
Current assets		
Cash and deposits	2,337,409	2,083,140
Accounts receivable-trade	453,119	549,777
Work in process	298,917	358,165
Deferred tax assets	173,076	172,601
Other	93,272	95,000
Allowance for doubtful accounts	(271)	(305)
Total current assets	3,355,524	3,258,379
Non-current assets		
Property, plant and equipment	112,254	148,657
Intangible assets	175,702	173,971
Investments and other assets		
Guarantee deposits	407,689	421,141
Deferred taxes assets	35,321	32,126
Other	23,909	25,376
Allowance for doubtful accounts	(31)	(149)
Total investments and other assets	466,888	478,495
Total non-current assets	754,845	801,124
Total assets	4,110,369	4,059,504

Summary of Financial Results for Second Quarter of the Fiscal Year Ending May 31, 2017
ERI Holdings Co., Ltd. (Securities Code 6083)

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2016)	The second quarter of the reporting fiscal year (As of November 30, 2016)
Liabilities		
Current liabilities		
Accounts payable - other	171,833	189,972
Accrued expenses	578,133	570,945
Income taxes payable	164,579	58,495
Advances received	572,408	702,446
Other	143,035	103,322
Total current liabilities	1,629,989	1,625,181
Non-current liabilities		
Net defined benefit liability	92,475	83,257
Long-term accounts payable - other	67,780	67,780
Total non-current liabilities	160,255	151,037
Total liabilities	1,790,244	1,776,218
Net assets		
Shareholders' equity		
Capital stock	992,784	992,784
Capital surplus	26,304	26,304
Retained earnings	1,296,225	1,259,595
Treasury shares	(70)	(70)
Total shareholders' equity	2,315,243	2,278,613
Non-controlling interests	4,882	4,671
Total net assets	2,320,125	2,283,285
Total liabilities and net assets	4,110,369	4,059,504

(2) Quarterly Consolidated Statements of Income and comprehensive income
Quarterly Consolidated Statements of Income

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2015 to November 30, 2015)	The second quarter of the reporting fiscal year (From June 1, 2016 to November 30, 2016)
Net sales	5,923,650	5,605,546
Cost of sales	4,203,566	4,025,078
Gross profit	1,720,083	1,580,467
Selling, general and administrative expenses	1,392,537	1,445,349
Operating income	327,546	135,117
Non-operating income		
Interest income	1,335	14
Dividend income of insurance	5,865	4,667
Commission fee	1,141	901
Insurance premiums refunded cancellation	20,880	-
Miscellaneous income	766	968
Total non-operating income	29,989	6,552
Non-operating expenses		
Interest expenses	1,320	888
Loss on guarantees	17,202	-
Miscellaneous loss	86	128
Total non-operating expenses	18,610	1,017
Ordinary income	338,925	140,652
Extraordinary losses		
Loss on retirement of non-current assets	2,771	536
Total extraordinary losses	2,771	536
Profit before income taxes	336,154	140,116
Income taxes - current	137,523	55,802
Income taxes - deferred	(5,905)	3,669
Total income taxes	131,618	59,471
Profit	204,536	80,645
Loss attributable to non-controlling interests	(1,445)	(210)
Profit attributable to owners of parent	205,982	80,855

Quarterly Consolidated Statements of Comprehensive income

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2015 to November 30, 2015)	The second quarter of the reporting fiscal year (From June 1, 2016 to November 30, 2016)
Profit	204,536	80,645
Other comprehensive income		
Total other comprehensive income	-	-
Comprehensive income	204,536	80,645
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	205,982	80,855
Comprehensive income attributable to non-controlling interests	(1,445)	(210)

(3) Quarterly Consolidated Statements of Cash Flows

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2015 to November 30, 2015)	The second quarter of the reporting fiscal year (From June 1, 2016 to November 30, 2016)
Cash flows from operating activities		
Profit before income taxes	336,154	140,116
Depreciation	31,014	38,721
Increase (decrease) in provision for loss on guarantees	(24,403)	-
Interest income	(1,335)	(14)
Interest expenses	1,320	888
Loss on retirement of non-current assets	2,771	536
Decrease (increase) in notes and accounts receivable - trade	(45,137)	(96,728)
Decrease (increase) in inventories	34,726	(59,247)
Increase (decrease) in accounts payable - other	(13,988)	27,307
Increase (decrease) in accrued expenses	(55,527)	(7,187)
Increase (decrease) in advances received	(35,298)	130,037
Other	(118,527)	(32,560)
Subtotal	111,768	141,869
Interest and dividend income received	1,342	16
Interest expenses paid	(1,742)	(888)
Payments for loss on litigation	(17,000)	-
Income taxes paid	(99,667)	(174,754)
Net cash provided by (used in) operating activities	(5,298)	(33,757)
Cash flows from investing activities		
Proceeds from redemption of securities	100,000	-
Purchase of non-current assets	(28,393)	(85,468)
Payments for guarantee deposits	(16,759)	(16,489)
Proceeds from collection of guarantee deposits	7,501	-
Other	33,233	(1,603)
Net cash provided by (used in) investing activities	95,582	(103,561)
Cash flows from financing activities		
Repayments of long-term loans payable	(86,998)	-
Cash dividends paid	(101,481)	(116,950)
Proceeds from disposal of treasury shares	35,596	-
Net cash provided by (used in) financing activities	(152,883)	(116,950)
Net increase (decrease) in cash and cash equivalents	(62,599)	(254,269)
Cash and cash equivalents at beginning of period	2,341,318	2,336,808
Cash and cash equivalents at end of period	2,278,719	2,082,538