

Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending May 31, 2018
(From June 1, 2017 to November 30, 2017)
[Japanese GAAP]

December 28, 2017

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/>
 Representative: Akiyo Masuda, President and COO
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 Planned Date for Submission of Quarterly Securities Report: December 28, 2017
 Planned Starting Date for Dividend Payments: January 31, 2018
 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, 2018 (June 1, 2017 – November 30, 2017)

(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 5/2018 Q2	5,818	3.8	206	53.2	214	52.7	120	49.4
FY 5/2017 Q2	5,605	(5.4)	135	(58.7)	140	(58.5)	80	(60.7)

(Note) Comprehensive Income FY 5/2018 Q2: 120 million yen (48.9%) FY 5/2017 Q2: 80 million yen (-60.6%)

	Earnings per Share	Diluted Earnings per Share
	yen	yen
FY 5/2018 Q2	15.42	–
FY 5/2017 Q2	10.32	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	million yen	million yen	%
FY 5/2018 Q2	6,235	2,303	36.8
FY 5/2017	4,109	2,298	55.8

(Reference) Shareholders' Equity FY 5/2018 Q2: 2,296 million yen FY 5/2017: 2,293million 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 5/2017	–	15.00	–	15.00	30.00
FY 5/2018	–	15.00			
FY 5/2018 (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, 2018 (June 1, 2017– May 31, 2018)

(% indicates year-on-year change)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY 5/2018	13,144	15.7	595	105.3	601	63.7	360	69.2	45.98

(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): Yes

Newly added: 1(Name) Jyutaku Seinou Hyouka Center., Ltd.

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

(4) Number of shares issued (common stock)

(i) Shares Outstanding (incl. treasury stock):	FY 5/2018 Q2	7,832,400 shares
	FY 5/2017	7,832,400 shares
(ii) Treasury Stock:	FY 5/2018 Q2	83 shares
	FY 5/2017	83 shares
(iii) Average Number of Shares Outstanding	FY 5/2018 Q2	7,832,317 shares
	FY 5/2017 Q2	7,832,317 shares

*This report is not audited.

* Cautionary statement with respect to forward-looking statements, and other information.

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, 2017)	The second quarter of the reporting fiscal year (As of November 30, 2017)
Assets		
Current assets		
Cash and deposits	2,104,272	2,695,736
Accounts receivable-trade	500,153	767,046
Work in process	352,884	456,461
Deferred tax assets	182,216	311,615
Other	116,766	121,993
Allowance for doubtful accounts	(241)	(52)
Total current assets	3,256,052	4,352,801
Non-current assets		
Property, plant and equipment	153,648	398,263
Intangible assets		
Goodwill	58,946	686,724
Other	161,756	275,341
Total intangible assets	220,702	962,065
Investments and other assets		
Investment securities	-	1,703
Guarantee deposits	417,843	437,015
Deferred taxes assets	34,066	55,119
Other	26,824	28,406
Allowance for doubtful accounts	(81)	(97)
Total investments and other assets	478,653	522,147
Total non-current assets	853,004	1,882,476
Total assets	4,109,057	6,235,277

Summary of Financial Results for Second Quarter of the Fiscal Year Ending May 31, 2018
ERI Holdings Co., Ltd. (Securities Code 6083)

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2017)	The second quarter of the reporting fiscal year (As of November 30, 2017)
Liabilities		
Current liabilities		
Short-term loans payable	-	1,284,000
Accounts payable - other	186,417	503,018
Accrued expenses	598,547	759,431
Income taxes payable	61,685	104,203
Deferred tax liabilities	1,181	-
Advances received	656,522	884,669
Other	117,382	156,553
Total current liabilities	1,621,736	3,691,876
Non-current liabilities		
Net defined benefit liability	86,076	109,291
Long-term accounts payable - other	72,273	90,323
Other	30,917	39,956
Total non-current liabilities	189,266	239,570
Total liabilities	1,811,002	3,931,446
Net assets		
Shareholders' equity		
Capital stock	992,784	992,784
Capital surplus	26,304	26,304
Retained earnings	1,274,049	1,277,368
Treasury shares	(70)	(70)
Total shareholders' equity	2,293,067	2,296,386
Non-controlling interests	4,986	7,445
Total net assets	2,298,054	2,303,831
Total liabilities and net assets	4,109,057	6,235,277

(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, 2016 to November 30, 2016)	The second quarter of the reporting fiscal year (From June 1, 2017 to November 30, 2017)
Net sales	5,605,546	5,818,401
Cost of sales	4,025,078	4,146,204
Gross profit	1,580,467	1,672,197
Selling, general and administrative expenses	1,445,349	1,465,230
Operating profit	135,117	206,966
Non-operating income		
Interest income	14	41
Dividend income of insurance	4,667	6,491
Commission fee	901	829
Miscellaneous income	968	1,480
Total non-operating income	6,552	8,842
Non-operating expenses		
Interest expenses	888	987
Miscellaneous loss	128	70
Total non-operating expenses	1,017	1,058
Ordinary profit	140,652	214,751
Extraordinary losses		
Loss on retirement of non-current assets	536	-
Total extraordinary losses	536	-
Profit before income taxes	140,116	214,751
Income taxes - current	55,802	93,069
Income taxes - deferred	3,669	1,615
Total income taxes	59,471	94,684
Profit	80,645	120,066
Loss attributable to non-controlling interests	(210)	(736)
Profit attributable to owners of parent	80,855	120,803

Quarterly Consolidated Statements of Comprehensive Income

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2016 to November 30, 2016)	The second quarter of the reporting fiscal year (From June 1, 2017 to November 30, 2017)
Profit	80,645	120,066
Other comprehensive income		
Total other comprehensive income	-	-
Comprehensive income	80,645	120,066
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	80,855	120,803
Comprehensive income attributable to non-controlling interests	(210)	(736)

(3) Quarterly Consolidated Statements of Cash Flows

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2016 to November 30, 2016)	The second quarter of the reporting fiscal year (From June 1, 2017 to November 30, 2017)
Cash flows from operating activities		
Profit before income taxes	140,116	214,751
Depreciation	38,721	45,631
Interest income	(14)	(41)
Interest expenses	888	987
Loss on retirement of non-current assets	536	-
Decrease (increase) in notes and accounts receivable - trade	(96,728)	(66,761)
Decrease (increase) in inventories	(59,247)	(34,681)
Increase (decrease) in accounts payable - other	27,307	3,016
Increase (decrease) in accrued expenses	(7,187)	490
Increase (decrease) in advances received	130,037	82,528
Other	(32,560)	13,530
Subtotal	141,869	259,451
Interest and dividend income received	16	43
Interest expenses paid	(888)	(1,099)
Income taxes paid	(174,754)	(63,835)
Net cash provided by (used in) operating activities	(33,757)	194,559
Cash flows from investing activities		
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(120,690)
Purchase of non-current assets	(85,468)	(46,713)
Payments for guarantee deposits	(16,489)	(841)
Other	(1,603)	(1,557)
Net cash provided by (used in) investing activities	(103,561)	(169,802)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	-	684,000
Cash dividends paid	(116,950)	(117,293)
Net cash provided by (used in) financing activities	(116,950)	566,706
Net increase (decrease) in cash and cash equivalents	(254,269)	591,464
Cash and cash equivalents at beginning of period	2,336,808	2,103,670
Cash and cash equivalents at end of period	2,082,538	2,695,135