

**Summary of Consolidated Financial Results**  
**for the Second Quarter of the Fiscal Year Ending May 31, 2021**  
**(From June 1, 2020 to November 30, 2020)**  
**[Japanese GAAP]**

December 28, 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  
 For Inquiries, Contact: Seiichiro Matsumura, Head of Finance and Accounting Group  
 TEL:(03)5770-1520  
 Planned Date for Submission of Quarterly Securities Report: December 28, 2020  
 Planned Starting Date for Dividend Payments: –  
 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 Financial Results for the Second Quarter of the Fiscal Year Ending May 31, 2021 (June 1, 2020 – November 30, 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 Q2	6,824	(8.2)	(78)	–	(14)	–	(33)	–
FY 5/2020 Q2	7,438	2.7	167	(51.9)	226	(37.9)	125	(45.9)

(Note) Comprehensive Income FY 5/2021 Q2: -30 million yen (-%) FY 5/2020 Q2: 132 million yen (-43.7%)

	Profit per Share	Diluted Profit per Share
	yen	yen
FY 5/2021 Q2	(4.27)	–
FY 5/2020 Q2	16.47	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	million yen	million yen	%
FY 5/2021 Q2	6,425	2,691	41.4
FY 5/2020	6,762	2,746	40.0

(Reference) Shareholders' Equity FY 5/2021 Q2: 2,658 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	–	0.00			
FY 5/2021 (Forecast)			–	10.00	10.00

(Note) Revisions to dividend forecasts published most recently: Yes

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

(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 Q2	7,832,400 shares
FY 5/2020	7,832,400 shares
(ii) Treasury Stock:	
FY 5/2021 Q2	60,964 shares
FY 5/2020	98,085 shares
(iii) Average Number of Shares Outstanding	
FY 5/2021 Q2	7,771,436 shares
FY 5/2020 Q2	7,631,320 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 second quarter of the reporting fiscal year (As of November 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	2,725,761	2,434,695
Accounts receivable-trade	786,998	757,712
Work in process	439,345	506,521
Other	337,595	270,218
Allowance for doubtful accounts	(86)	-
Total current assets	4,289,615	3,969,147
Non-current assets		
Property, plant and equipment	570,366	574,626
Intangible assets		
Goodwill	496,750	471,424
Other	362,385	338,172
Total intangible assets	859,136	809,596
Investments and other assets		
Investment securities	1,055	972
Guarantee deposits	481,816	472,797
Deferred tax assets	405,025	441,435
Other	155,830	157,307
Allowance for doubtful accounts	(4)	-
Total investments and other assets	1,043,723	1,072,512
Total non-current assets	2,473,225	2,456,735
Total assets	6,762,841	6,425,883

Summary of Financial Results for Second 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 second quarter of the reporting fiscal year (As of November 30, 2020)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Current portion of long-term borrowings	137,100	138,136
Accounts payable - other	280,617	286,807
Accrued expenses	646,760	699,188
Income taxes payable	248,514	84,066
Advances received	869,866	860,707
Lease obligations	33,881	36,999
Other	307,589	168,151
<b>Total current liabilities</b>	<b>2,524,329</b>	<b>2,274,056</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,118,062	1,018,698
Retirement benefit liability	64,512	65,027
Long-term accounts payable - other	104,313	105,283
Lease obligations	99,757	85,725
Provision for loss on guarantees	67,253	102,812
Other	37,714	82,549
<b>Total non-current liabilities</b>	<b>1,491,614</b>	<b>1,460,097</b>
<b>Total liabilities</b>	<b>4,015,943</b>	<b>3,734,153</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	992,784	992,784
Capital surplus	42,236	42,236
Retained earnings	1,783,390	1,654,947
Treasury shares	(112,091)	(31,049)
<b>Total shareholders' equity</b>	<b>2,706,319</b>	<b>2,658,918</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(411)	(464)
<b>Total accumulated other comprehensive income</b>	<b>(411)</b>	<b>(464)</b>
Non-controlling interests	40,988	33,275
<b>Total net assets</b>	<b>2,746,897</b>	<b>2,691,729</b>
<b>Total liabilities and net assets</b>	<b>6,762,841</b>	<b>6,425,883</b>

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

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2019 to November 30, 2019)	The second quarter of the reporting fiscal year (From June 1, 2020 to November 30, 2020)
Net sales	7,438,148	6,824,793
Cost of sales	5,422,508	5,103,646
Gross profit	2,015,639	1,721,147
Selling, general and administrative expenses	1,848,214	1,799,911
Operating profit (loss)	167,425	(78,763)
Non-operating income		
Interest income	23	13
Dividend income of insurance	8,038	6,956
Commission income	988	711
Surrender value of insurance policies	23,507	4,063
Insurance claim income	18,739	-
Rent revenue	4,127	3,359
Guarantee commission received	5,164	5,164
Subsidy income	-	82,391
Miscellaneous income	3,796	1,865
Total non-operating income	64,386	104,525
Non-operating expenses		
Interest expenses	4,993	4,255
Provision for loss on guarantees	-	35,559
Miscellaneous loss	715	123
Total non-operating expenses	5,709	39,938
Ordinary profit (loss)	226,102	(14,176)
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 (loss) before income taxes	226,622	(14,816)
Income taxes - current	161,832	37,667
Income taxes - deferred	(67,448)	(21,726)
Total income taxes	94,383	15,941
Profit (loss)	132,239	(30,758)
Profit attributable to non-controlling interests	6,562	2,457
Profit (loss) attributable to owners of parent	125,676	(33,216)

Quarterly Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2019 to November 30, 2019)	The second quarter of the reporting fiscal year (From June 1, 2020 to November 30, 2020)
Profit (loss)	132,239	(30,758)
Other comprehensive income		
Valuation difference on available-for-sale securities	(111)	(54)
Total other comprehensive income	(111)	(54)
Comprehensive income	132,127	(30,812)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	125,568	(33,269)
Comprehensive income attributable to non-controlling interests	6,559	2,456

(3) Consolidated Statements of Cash Flows

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2019 to November 30, 2019)	The second quarter of the reporting fiscal year (From June 1, 2020 to November 30, 2020)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	226,622	(14,816)
Depreciation	97,166	105,235
Amortization of goodwill	39,468	37,524
Interest income	(23)	(13)
Interest expenses	4,993	4,255
Loss (gain) on sales of non-current assets	(519)	640
Subsidy income	-	(82,391)
Increase (decrease) in provision for loss on guarantees	-	35,559
Decrease (increase) in trade receivables	(11,864)	51,402
Decrease (increase) in inventories	(21,086)	(56,790)
Increase (decrease) in accounts payable - other	(85,781)	6,673
Increase (decrease) in accrued expenses	(83,852)	(2,382)
Increase (decrease) in advances received	26,890	(15,801)
Increase (decrease) in deposits received	51,183	(77,063)
Other, net	106,386	(141,504)
<b>Subtotal</b>	<b>349,583</b>	<b>(149,472)</b>
Interest and dividends received	60	17
Interest paid	(4,946)	(4,175)
Proceeds from subsidy income	-	80,862
Income taxes (paid) refund	(205,361)	(144,008)
<b>Net cash provided by (used in) operating activities</b>	<b>139,336</b>	<b>(216,776)</b>
<b>Cash flows from investing activities</b>		
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	95,645
Purchase of non-current assets	(138,612)	(63,955)
Proceeds from sales of non-current assets	17,417	24,280
Payments of guarantee deposits	(43,474)	(13,863)
Proceeds from refund of guarantee deposits	46,781	23,364
Other, net	64,515	27,578
<b>Net cash provided by (used in) investing activities</b>	<b>(53,372)</b>	<b>93,048</b>
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(192,135)	(113,864)
Dividends paid	(116,999)	(93,870)
Dividends paid to non-controlling interests	(3,375)	(10,170)
Proceeds from disposal of treasury shares	49,318	44,927
Other, net	(10,939)	(16,971)
<b>Net cash provided by (used in) financing activities</b>	<b>(274,130)</b>	<b>(189,950)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(188,165)</b>	<b>(313,678)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,953,325</b>	<b>2,725,159</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,765,159</b>	<b>2,411,481</b>