

Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending May 31, 2018
(From June 1, 2017 to February 28, 2018)
[Japanese GAAP]

March 30, 2018

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: March 30, 2018
 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 Results for the Third Quarter of the Fiscal Year Ending May 31, 2018 (June 1, 2017 – February 28, 2018)

(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 Q3	9,307	10.6	386	125.2	391	109.1	225	106.7
FY 5/2017 Q3	8,412	(3.1)	171	(65.1)	187	(62.7)	109	(67.8)

(Note) Comprehensive Income FY 5/2018 Q3: 226 million yen (107.1%) FY 5/2017 Q3: 109 million yen (-67.8%)

	Earnings per Share	Diluted Earnings per Share
	yen	yen
FY 5/2018 Q3	28.93	–
FY 5/2017 Q3	13.95	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	million yen	million yen	%
FY 5/2018 Q3	6,250	2,090	33.0
FY 5/2017	4,109	2,298	55.8

(Reference) Shareholders' Equity FY 5/2018 Q3: 2,063 million yen FY 5/2017: 2,293 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 5/2017	–	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 Q3	7,832,400 shares
	FY 5/2017	7,832,400 shares
(ii) Treasury Stock:	FY 5/2018 Q3	200,083 shares
	FY 5/2017	83 shares
(iii) Average Number of Shares Outstanding	FY 5/2018 Q3	7,809,606 shares
	FY 5/2017 Q3	7,832,317 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 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 third quarter of the reporting fiscal year (As of February 28, 2018)
Assets		
Current assets		
Cash and deposits	2,104,272	2,535,706
Accounts receivable-trade	500,153	771,734
Work in process	352,884	499,895
Deferred tax assets	182,216	208,407
Other	116,766	350,244
Allowance for doubtful accounts	(241)	(106)
Total current assets	3,256,052	4,365,882
Non-current assets		
Property, plant and equipment	153,648	393,104
Intangible assets		
Goodwill	58,946	667,860
Other	161,756	278,503
Total intangible assets	220,702	946,363
Investments and other assets		
Investment securities	–	1,882
Guarantee deposits	417,843	435,533
Deferred tax assets	34,066	54,308
Other	26,824	53,909
Allowance for doubtful accounts	(81)	(16)
Total investments and other assets	478,653	545,617
Total non-current assets	853,004	1,885,084
Total assets	4,109,057	6,250,967

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2017)	The third quarter of the reporting fiscal year (As of February 28, 2018)
Liabilities		
Current liabilities		
Short-term loans payable	–	300,000
Current portion of long-term loans payable	–	137,100
Accounts payable - other	186,417	577,425
Accrued expenses	598,547	552,943
Income taxes payable	61,685	18,492
Deferred tax liabilities	1,181	–
Advances received	656,522	935,071
Other	117,382	167,856
Total current liabilities	1,621,736	2,688,889
Non-current liabilities		
Long-term loans payable	–	1,233,900
Net defined benefit liability	86,076	107,454
Long-term accounts payable - other	72,273	90,323
Other	30,917	39,442
Total non-current liabilities	189,266	1,471,120
Total liabilities	1,811,002	4,160,009
Net assets		
Shareholders' equity		
Capital stock	992,784	992,784
Capital surplus	26,304	7,677
Retained earnings	1,274,049	1,264,989
Treasury shares	(70)	(201,870)
Total shareholders' equity	2,293,067	2,063,581
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	113
Total accumulated other comprehensive income	–	113
Non-controlling interests	4,986	27,262
Total net assets	2,298,054	2,090,957
Total liabilities and net assets	4,109,057	6,250,967

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

(Unit: thousand yen)

	The third quarter of the previous fiscal year (From June 1, 2016 to February 28, 2017)	The third quarter of the reporting fiscal year (From June 1, 2017 to February 28, 2018)
Net sales	8,412,502	9,307,828
Cost of sales	6,088,939	6,664,907
Gross profit	2,323,562	2,642,921
Selling, general and administrative expenses	2,152,111	2,256,824
Operating profit	171,451	386,096
Non-operating income		
Interest income	26	93
Dividend income of insurance	4,667	6,491
Commission fee	1,353	1,402
Insurance income	10,070	-
Miscellaneous income	1,425	3,711
Total non-operating income	17,543	11,698
Non-operating expenses		
Interest expenses	1,499	4,206
Loss on cancellation of leases	-	1,240
Miscellaneous loss	128	591
Total non-operating expenses	1,628	6,038
Ordinary profit	187,366	391,756
Extraordinary losses		
Loss on retirement of non-current assets	536	-
Total extraordinary losses	536	-
Profit before income taxes	186,830	391,756
Income taxes - current	46,482	59,824
Income taxes - deferred	30,978	105,572
Total income taxes	77,460	165,396
Profit	109,369	226,359
Profit attributable to non-controlling interests	83	450
Profit attributable to owners of parent	109,286	225,909

Quarterly Consolidated Statements of Comprehensive Income

(Unit: thousand yen)

	The third quarter of the previous fiscal year (From June 1, 2016 to February 28, 2017)	The third quarter of the reporting fiscal year (From June 1, 2017 to February 28, 2018)
Profit	109,369	226,359
Other comprehensive income		
Valuation difference on available-for-sale securities	-	116
Total other comprehensive income	-	116
Comprehensive income	109,369	226,476
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	109,286	226,022
Comprehensive income attributable to non-controlling interests	83	453