

Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending May 31, 2020
(From June 1, 2019 to February 29, 2020)
[Japanese GAAP]

March 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/>
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 Planned Date for Submission of Quarterly Securities Report: March 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 Third Quarter of the Fiscal Year Ending May 31, 2020 (June 1, 2019 – February 29, 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 5/2020 Q3	11,102	(0.9)	320	(55.9)	382	(48.6)	211	(56.2)
FY 5/2019 Q3	11,200	20.3	725	87.9	744	90.0	482	113.5

(Note) Comprehensive Income FY 5/2020 Q3: 220 million yen (-54.7%)

FY 5/2019 Q3: 488 million yen (115.5%)

	Profit per Share	Diluted Profit per Share
	yen	yen
FY 5/2020 Q3	27.62	–
FY 5/2019 Q3	63.56	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	million yen	million yen	%
FY 5/2020 Q3	6,870	2,661	38.2
FY 5/2019	6,896	2,561	36.7

(Reference) Shareholders' Equity

FY 5/2020 Q3: 2,623 million yen

FY 5/2019: 2,529 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 5/2019	–	15.00	–	15.00	30.00
FY 5/2020	–	15.00	–		
FY 5/2020 (Forecast)				15.00	30.00

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

3. Consolidated Financial Forecasts for the Fiscal Year Ending May 31, 2020 (June 1, 2019– May 31, 2020)

(% 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 5/2020	15,119	0.3	495	(39.6)	530	(37.2)	286	(45.2)	37.72

(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 5/2020 Q3	7,832,400 shares
	FY 5/2019	7,832,400 shares
(ii) Treasury Stock:	FY 5/2020 Q3	129,585 shares
	FY 5/2019	231,985 shares
(iii) Average Number of Shares Outstanding	FY 5/2020 Q3	7,646,502 shares
	FY 5/2019 Q3	7,588,361 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, 2019)	The third quarter of the reporting fiscal year (As of February 29, 2020)
Assets		
Current assets		
Cash and deposits	2,989,915	2,698,925
Accounts receivable-trade	790,457	843,454
Work in process	500,246	523,126
Other	221,219	340,696
Allowance for doubtful accounts	(251)	(100)
Total current assets	4,501,586	4,406,102
Non-current assets		
Property, plant and equipment	501,346	604,154
Intangible assets		
Goodwill	573,743	515,512
Other	340,555	333,846
Total intangible assets	914,299	849,359
Investments and other assets		
Investment securities	1,783	1,434
Guarantee deposits	488,304	481,644
Deferred tax assets	345,925	388,886
Other	143,805	138,928
Allowance for doubtful accounts	(365)	-
Total investments and other assets	979,454	1,010,893
Total non-current assets	2,395,100	2,464,407
Total assets	6,896,687	6,870,509

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2019)	The third quarter of the reporting fiscal year (As of February 29, 2020)
Liabilities		
Current liabilities		
Short-term borrowings	–	300,000
Current portion of long-term borrowings	154,920	137,100
Accounts payable - other	369,259	309,036
Accrued expenses	842,325	526,819
Income taxes payable	170,223	162,966
Advances received	908,619	910,836
Other	219,363	334,520
Total current liabilities	2,664,712	2,681,280
Non-current liabilities		
Long-term borrowings	1,411,176	1,202,585
Retirement benefit liability	69,232	68,947
Long-term accounts payable - other	104,254	104,672
Other	85,376	151,490
Total non-current liabilities	1,670,040	1,527,697
Total liabilities	4,334,752	4,208,977
Net assets		
Shareholders' equity		
Share capital	992,784	992,784
Capital surplus	42,236	42,236
Retained earnings	1,760,133	1,736,323
Treasury shares	(265,145)	(148,097)
Total shareholders' equity	2,530,008	2,623,247
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(50)	(171)
Total accumulated other comprehensive income	(50)	(171)
Non-controlling interests	31,977	38,456
Total net assets	2,561,934	2,661,532
Total liabilities and net assets	6,896,687	6,870,509

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

(Unit: thousand yen)

	The third quarter of the previous fiscal year (From June 1, 2018 to February 28, 2019)	The third quarter of the reporting fiscal year (From June 1, 2019 to February 29, 2020)
Net sales	11,200,440	11,102,648
Cost of sales	7,860,692	8,084,168
Gross profit	3,339,748	3,018,479
Selling, general and administrative expenses	2,614,101	2,698,226
Operating profit	725,646	320,252
Non-operating income		
Interest income	24	33
Dividend income of insurance	9,313	8,038
Commission income	1,194	1,408
Surrender value of insurance policies	-	23,507
Insurance claim income	-	18,739
Rent revenue	5,039	5,807
Guarantee commission received	-	7,747
Compensation income	3,844	-
Miscellaneous income	6,284	5,647
Total non-operating income	25,700	70,929
Non-operating expenses		
Interest expenses	6,740	7,390
Miscellaneous loss	146	891
Total non-operating expenses	6,886	8,282
Ordinary profit	744,460	382,899
Extraordinary income		
Gain on sales of non-current assets	-	519
Compensation for forced relocation	40,080	-
Total extraordinary income	40,080	519
Extraordinary losses		
Branch office transfer expenses	11,453	-
Total extraordinary losses	11,453	-
Profit before income taxes	773,087	383,419
Income taxes - current	114,015	205,296
Income taxes - deferred	170,985	(42,895)
Total income taxes	285,001	162,401
Profit	488,085	221,017
Profit attributable to non-controlling interests	5,774	9,857
Profit attributable to owners of parent	482,311	211,160

Quarterly Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	The third quarter of the previous fiscal year (From June 1, 2018 to February 28, 2019)	The third quarter of the reporting fiscal year (From June 1, 2019 to February 29, 2020)
Profit	488,085	221,017
Other comprehensive income		
Valuation difference on available-for-sale securities	(46)	(109)
Total other comprehensive income	(46)	(109)
Comprehensive income	488,039	220,908
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	482,266	211,054
Comprehensive income attributable to non-controlling interests	5,772	9,854