

**Summary of Consolidated Financial Results for the Fiscal Year Ended May 31, 2017**  
**(From June 1, 2016 to May 31, 2017)**  
**[Japanese GAAP]**

July 11, 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  
 For Inquiries, Contact: Shigeru Kato, Executive Officer, Head of Finance and Accounting Group  
 TEL:(03)5570-1520  
 Planned Annual Shareholders' Meeting Date: August 30, 2017  
 Planned Date for Submission of Annual Securities Report: August 30, 2017  
 Planned Starting Date for Dividend Payments: July 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 Fiscal Year Ended May 31, 2017 (June 1, 2016 – May 31, 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	%	million yen	%
FY 5/2017	11,357	(1.0)	289	(49.2)	367	(41.3)	212	(48.6)
FY 5/2016	11,470	(4.0)	569	95.1	625	88.8	414	–

(NOTE) Comprehensive Income FY 5/2017: 212 million yen (-48.6 %) FY 5/2016: 414 million yen (– %)

	Profit per Share	Diluted Profit per Share	Return on Equity (ROE)	Ordinary Profit / Total Assets	Operating Profit / Net Sales
	yen	yen	%	%	%
FY 5/2017	27.17	–	9.2	8.9	2.6
FY 5/2016	52.96	–	18.9	14.9	5.0

(Reference) Equity in profits(losses) of affiliates FY 5/2017: –million yen FY 5/2016: –million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	million yen	million yen	%	yen
FY 5/2017	4,109	2,298	55.8	292.77
FY 5/2016	4,110	2,320	56.3	295.60

(Reference) Shareholders' Equity FY 5/2017: 2,293 million yen FY 5/2016: 2,315 million yen

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents, End of Year
	million yen	million yen	million yen	million yen
FY 5/2017	168	(167)	(234)	2,103
FY 5/2016	252	13	(270)	2,336

## 2. Dividends

	Dividends per Share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Dividend / Net Assets (Consolidated)
	End of Q1	End of Q2	End of Q3	Fiscal Year End	Annual			
	yen	yen	yen	yen	yen	million yen	%	%
FY 5/2016	–	15.00	–	15.00	30.00	234	56.6	10.7
FY 5/2017	–	15.00	–	15.00	30.00	234	110.4	10.2
FY 5/2018 (Forecast)		15.00	–	15.00	30.00		57.2	

## 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		Profit per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY 5/2018 Q2	6,069	8.3	355	163.0	359	155.8	227	180.8	28.99
FY 5/2018	12,187	7.3	635	119.4	643	74.9	410	93.1	52.45

### \* 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) 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 |

(3) Number of shares issued (common stock)

(i) Shares Outstanding (incl. treasury stock):

End of FY 5/2017	7,832,400 shares
End of FY 5/2016	7,832,400 shares
End of FY 5/2017	83 shares
End of FY 5/2016	83 shares
End of FY 5/2017	7,832,317 shares
End of FY 5/2016	7,823,806 shares

(ii) Treasury Stock:

(iii) Average Number of Shares Outstanding

\*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.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2016)	Reporting fiscal year (As of May 31, 2017)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,337,409	2,104,272
Accounts receivable-trade	453,119	500,153
Work in process	298,917	352,884
Deferred tax assets	173,076	182,216
Other	93,272	116,766
Allowance for doubtful accounts	(271)	(241)
<b>Total current assets</b>	<b>3,355,524</b>	<b>3,256,052</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	133,495	158,756
Accumulated depreciation	(67,847)	(76,209)
Buildings, net	65,647	82,547
Tools, furniture and fixtures	197,341	231,104
Accumulated depreciation	(150,734)	(160,405)
Tools, furniture and fixtures, net	46,606	70,698
Land	-	402
<b>Total property, plant and equipment</b>	<b>112,254</b>	<b>153,648</b>
<b>Intangible assets</b>		
Software	174,248	161,321
Goodwill	1,019	58,946
Other	434	434
<b>Total intangible assets</b>	<b>175,702</b>	<b>220,702</b>
<b>Investments and other assets</b>		
Guarantee deposits	407,689	417,843
Deferred taxes assets	35,321	34,066
Other	23,909	26,824
Allowance for doubtful accounts	(31)	(81)
<b>Total investments and other assets</b>	<b>466,888</b>	<b>478,653</b>
<b>Total non-current assets</b>	<b>754,845</b>	<b>853,004</b>
<b>Total assets</b>	<b>4,110,369</b>	<b>4,109,057</b>

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2016)	Reporting fiscal year (As of May 31, 2017)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	171,833	186,417
Accrued expenses	578,133	598,547
Income taxes payable	164,579	61,685
Deferred tax liabilities	-	1,181
Advances received	572,408	656,522
Other	143,035	117,382
Total current liabilities	1,629,989	1,621,736
Non-current liabilities		
Net defined benefit liability	92,475	86,076
Long-term accounts payable - other	67,780	72,273
Other	-	30,917
Total non-current liabilities	160,255	189,266
Total liabilities	1,790,244	1,811,002
Net assets		
Shareholders' equity		
Capital stock	992,784	992,784
Capital surplus	26,304	26,304
Retained earnings	1,296,225	1,274,049
Treasury shares	(70)	(70)
Total shareholders' equity	2,315,243	2,293,067
Non-controlling interests	4,882	4,986
Total net assets	2,320,125	2,298,054
Total liabilities and net assets	4,110,369	4,109,057

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

(Unit: thousand yen)

	Previous fiscal year (From June 1, 2015 to May 31, 2016)	Reporting fiscal year (From June 1, 2016 to May 31, 2017)
Net sales	11,470,660	11,357,421
Cost of sales	8,212,174	8,189,824
Gross profit	3,258,486	3,167,596
Selling, general and administrative expenses	2,688,515	2,877,800
Operating profit	569,970	289,795
Non-operating income		
Interest income	1,579	26
Dividend income of insurance	5,865	4,667
Commission fee	4,658	4,571
Insurance income	41,478	69,054
Insurance premiums refunded cancellation	20,891	-
Miscellaneous income	1,568	1,485
Total non-operating income	76,043	79,804
Non-operating expenses		
Interest expenses	2,608	1,764
Loss on guarantees	17,202	-
Miscellaneous loss	236	139
Total non-operating expenses	20,047	1,903
Ordinary profit	625,966	367,696
Extraordinary losses		
Loss on retirement of non-current assets	2,771	536
Total extraordinary losses	2,771	536
Profit before income taxes	623,195	367,160
Income taxes - current	204,463	155,376
Income taxes - deferred	4,512	(1,114)
Total income taxes	208,976	154,261
Profit	414,218	212,898
Profit (loss) attributable to non-controlling interests	(126)	104
Profit attributable to owners of parent	414,345	212,794

Consolidated Statements of Comprehensive income

(Unit: thousand yen)

	Previous fiscal year (From June 1, 2015 to May 31, 2016)	Reporting fiscal year (From June 1, 2016 to May 31, 2017)
Profit	414,218	212,898
Other comprehensive income		
Total other comprehensive income	-	-
Comprehensive income	414,218	212,898
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	414,345	212,794
Comprehensive income attributable to non-controlling interests	(126)	104

(3) Consolidated Statements of Cash Flows

(Unit: thousand yen)

	Previous fiscal year (From June 1, 2015 to May 31, 2016)	Reporting fiscal year (From June 1, 2016 to May 31, 2017)
<b>Cash flows from operating activities</b>		
Profit before income taxes	623,195	367,160
Depreciation	66,472	82,184
Increase (decrease) in provision for loss on guarantees	(24,403)	-
Interest income	(1,579)	(26)
Interest expenses	2,608	1,764
Insurance income	(41,478)	(69,054)
Loss on retirement of non-current assets	2,771	536
Decrease (increase) in notes and accounts receivable - trade	29,047	(35,496)
Decrease (increase) in inventories	52,015	(50,128)
Increase (decrease) in accounts payable - other	(68,973)	13,888
Increase (decrease) in accrued expenses	(31,436)	15,426
Increase (decrease) in advances received	(94,199)	82,075
Other, net	(155,347)	(20,265)
<b>Subtotal</b>	<b>358,689</b>	<b>388,064</b>
Interest and dividend income received	1,587	27
Interest expenses paid	(3,030)	(1,764)
Payments for loss on litigation	(17,000)	-
Proceeds from insurance income	41,478	69,054
Income taxes (paid) refund	(129,372)	(286,385)
<b>Net cash provided by (used in) operating activities</b>	<b>252,352</b>	<b>168,997</b>
<b>Cash flows from investing activities</b>		
Proceeds from redemption of securities	100,000	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(44,702)
Purchase of non-current assets	(106,112)	(104,175)
Payments for guarantee deposits	(19,219)	(21,599)
Proceeds from collection of guarantee deposits	7,711	8,158
Other, net	30,854	(5,539)
<b>Net cash provided by (used in) investing activities</b>	<b>13,232</b>	<b>(167,858)</b>
<b>Cash flows from financing activities</b>		
Repayments of long-term loans payable	(86,998)	-
Cash dividends paid	(218,693)	(234,276)
Proceeds from disposal of treasury shares	35,596	-
<b>Net cash provided by (used in) financing activities</b>	<b>(270,095)</b>	<b>(234,276)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4,510)</b>	<b>(233,137)</b>
Cash and cash equivalents at beginning of period	2,341,318	2,336,808
<b>Cash and cash equivalents at end of period</b>	<b>2,336,808</b>	<b>2,103,670</b>