

**Summary of Consolidated Financial Results for the Fiscal Year Ended May 31, 2018**  
**(From June 1, 2017 to May 31, 2018)**  
**[Japanese GAAP]**

July 10, 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  
 For Inquiries, Contact: Shigeru Kato, Executive Officer, Head of Finance and Accounting Group  
 TEL:(03)5570-1520  
 Planned Annual Shareholders' Meeting Date: August 30, 2018  
 Planned Date for Submission of Annual Securities Report: August 30, 2018  
 Planned Starting Date for Dividend Payments: July 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 Fiscal Year Ended May 31, 2018 (June 1, 2017 – May 31, 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	%	million yen	%
FY 5/2018	13,097	15.3	690	138.3	702	90.9	429	102.0
FY 5/2017	11,357	(1.0)	289	(49.2)	367	(41.3)	212	(48.6)

(NOTE) Comprehensive Income FY 5/2018: 432 million yen (103.1 %) FY 5/2017: 212 million yen (-48.6 %)

	Profit per Share	Diluted Profit per Share	Return on Equity (ROE)	Ordinary Profit / Total Assets	Operating Profit / Net Sales
	yen	yen	%	%	%
FY 5/2018	55.37	–	18.9	13.4	5.3
FY 5/2017	27.17	–	9.2	8.9	2.6

(Reference) Equity in profits(losses) of affiliates FY 5/2018: –million yen FY 5/2017: –million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	million yen	million yen	%	yen
FY 5/2018	6,346	2,296	35.7	297.10
FY 5/2017	4,109	2,298	55.8	292.77

(Reference) Shareholders' Equity FY 5/2018: 2,267 million yen FY 5/2017: 2,293 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 5/2018	675	(275)	299	2,803
FY 5/2017	168	(167)	(234)	2,103

## 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 5/2017	–	15.00	–	15.00	30.00	234	110.4	10.2
FY 5/2018	–	15.00	–	15.00	30.00	231	54.2	10.2
FY 5/2019 (Forecast)		15.00	–	15.00	30.00		46.9	

## 3. Consolidated Results Forecasts for the Fiscal Year Ending May 31, 2019 (June 1, 2018 – May 31, 2019)

(% 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 5/2019 Q2	7,475	28.5	461	123.0	465	116.8	288	139.0	37.83
FY 5/2019	14,916	13.9	757	9.7	765	9.0	488	13.6	64.01

### \* 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) 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 |

(3) Number of shares issued (common stock)

- (i) Shares Outstanding (incl. treasury stock):
- (ii) Treasury Stock:
- (iii) Average Number of Shares Outstanding

End of FY 5/2018	7,832,400 shares
End of FY 5/2017	7,832,400 shares
End of FY 5/2018	200,083 shares
End of FY 5/2017	83 shares
End of FY 5/2018	7,764,920 shares
End of FY 5/2017	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.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2017)	Reporting fiscal year (As of May 31, 2018)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,104,272	2,804,155
Accounts receivable-trade	500,153	713,282
Work in process	352,884	446,244
Deferred tax assets	182,216	315,025
Other	116,766	176,366
Allowance for doubtful accounts	(241)	(92)
<b>Total current assets</b>	<b>3,256,052</b>	<b>4,454,982</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	158,756	300,293
Accumulated depreciation	(76,209)	(86,221)
Buildings, net	82,547	214,071
Tools, furniture and fixtures	231,104	256,170
Accumulated depreciation	(160,405)	(185,010)
Tools, furniture and fixtures, net	70,698	71,159
Land	402	101,076
Other	-	12,009
Accumulated depreciation	-	(1,287)
Other, net	-	10,722
<b>Total property, plant and equipment</b>	<b>153,648</b>	<b>397,030</b>
<b>Intangible assets</b>		
Software	161,321	294,427
Goodwill	58,946	648,996
Other	434	824
<b>Total intangible assets</b>	<b>220,702</b>	<b>944,248</b>
<b>Investments and other assets</b>		
Investment securities	-	1,647
Guarantee deposits	417,843	441,929
Deferred taxes assets	34,066	52,587
Other	26,824	54,525
Allowance for doubtful accounts	(81)	-
<b>Total investments and other assets</b>	<b>478,653</b>	<b>550,690</b>
<b>Total non-current assets</b>	<b>853,004</b>	<b>1,891,968</b>
<b>Total assets</b>	<b>4,109,057</b>	<b>6,346,951</b>

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2017)	Reporting fiscal year (As of May 31, 2018)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Current portion of long-term loans payable	-	137,100
Accounts payable - other	186,417	459,133
Accrued expenses	598,547	819,406
Income taxes payable	61,685	155,580
Deferred tax liabilities	1,181	-
Advances received	656,522	827,219
Other	117,382	223,703
<b>Total current liabilities</b>	<b>1,621,736</b>	<b>2,622,143</b>
<b>Non-current liabilities</b>		
Long-term loans payable	-	1,199,625
Net defined benefit liability	86,076	100,077
Long-term accounts payable - other	72,273	90,323
Other	30,917	37,921
<b>Total non-current liabilities</b>	<b>189,266</b>	<b>1,427,946</b>
<b>Total liabilities</b>	<b>1,811,002</b>	<b>4,050,090</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	992,784	992,784
Capital surplus	26,304	7,677
Retained earnings	1,274,049	1,469,004
Treasury shares	(70)	(201,870)
<b>Total shareholders' equity</b>	<b>2,293,067</b>	<b>2,267,596</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	-	(35)
<b>Total accumulated other comprehensive income</b>	<b>-</b>	<b>(35)</b>
<b>Non-controlling interests</b>	<b>4,986</b>	<b>29,300</b>
<b>Total net assets</b>	<b>2,298,054</b>	<b>2,296,861</b>
<b>Total liabilities and net assets</b>	<b>4,109,057</b>	<b>6,346,951</b>

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

(Unit: thousand yen)

	Previous fiscal year (From June 1, 2016 to May 31, 2017)	Reporting fiscal year (From June 1, 2017 to May 31, 2018)
Net sales	11,357,421	13,097,494
Cost of sales	8,189,824	9,338,050
Gross profit	3,167,596	3,759,443
Selling, general and administrative expenses	2,877,800	3,068,787
Operating profit	289,795	690,655
Non-operating income		
Interest income	26	25
Dividend income of insurance	4,667	6,491
Commission fee	4,571	4,853
Insurance income	69,054	-
Rent revenue	-	3,359
Miscellaneous income	1,485	4,260
Total non-operating income	79,804	18,989
Non-operating expenses		
Interest expenses	1,764	5,775
Loss on cancellation of leases	-	1,240
Miscellaneous loss	139	608
Total non-operating expenses	1,903	7,624
Ordinary profit	367,696	702,020
Extraordinary losses		
Loss on sales of non-current assets	-	105
Loss on retirement of non-current assets	536	144
Total extraordinary losses	536	249
Profit before income taxes	367,160	701,771
Income taxes - current	155,376	268,597
Income taxes - deferred	(1,114)	756
Total income taxes	154,261	269,354
Profit	212,898	432,417
Profit attributable to non-controlling interests	104	2,493
Profit attributable to owners of parent	212,794	429,924

Consolidated Statements of Comprehensive income

(Unit: thousand yen)

	Previous fiscal year (From June 1, 2016 to May 31, 2017)	Reporting fiscal year (From June 1, 2017 to May 31, 2018)
Profit	212,898	432,417
Other comprehensive income		
Valuation difference on available-for-sale securities	-	(36)
Total other comprehensive income	-	(36)
Comprehensive income	212,898	432,380
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	212,794	429,888
Comprehensive income attributable to non-controlling interests	104	2,492

(3) Consolidated Statements of Cash Flows

(Unit: thousand yen)

	Previous fiscal year (From June 1, 2016 to May 31, 2017)	Reporting fiscal year (From June 1, 2017 to May 31, 2018)
Cash flows from operating activities		
Profit before income taxes	367,160	701,771
Depreciation	82,184	107,845
Amortization of goodwill	407	43,765
Interest income	(26)	(25)
Interest expenses	1,764	5,775
Insurance income	(69,054)	-
Loss (gain) on sales of non-current assets	-	105
Loss on retirement of non-current assets	536	144
Decrease (increase) in notes and accounts receivable - trade	(35,496)	(12,801)
Decrease (increase) in inventories	(50,128)	(24,465)
Increase (decrease) in accounts payable - other	13,888	(49,603)
Increase (decrease) in accrued expenses	15,426	60,501
Increase (decrease) in advances received	82,075	25,078
Other, net	(20,673)	51,942
Subtotal	388,064	910,033
Interest and dividend income received	27	26
Interest expenses paid	(1,764)	(6,681)
Proceeds from insurance income	69,054	-
Income taxes (paid) refund	(286,385)	(227,616)
Net cash provided by (used in) operating activities	168,997	675,762
Cash flows from investing activities		
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(44,702)	(120,690)
Purchase of non-current assets	(104,175)	(119,227)
Proceeds from sales of non-current assets	-	452
Payments for guarantee deposits	(21,599)	(9,480)
Proceeds from collection of guarantee deposits	8,158	1,913
Other, net	(5,539)	(28,041)
Net cash provided by (used in) investing activities	(167,858)	(275,074)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	-	(600,000)
Proceeds from long-term loans payable	-	1,371,000
Repayments of long-term loans payable	-	(34,275)
Cash dividends paid	(234,276)	(234,710)
Purchase of treasury shares	-	(201,800)
Other, net	-	(1,019)
Net cash provided by (used in) financing activities	(234,276)	299,195
Net increase (decrease) in cash and cash equivalents	(233,137)	699,883
Cash and cash equivalents at beginning of period	2,336,808	2,103,670
Cash and cash equivalents at end of period	2,103,670	2,803,553