

Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending May 31, 2019
(From June 1, 2018 to February 28, 2019)
[Japanese GAAP]

March 29, 2019

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 29, 2019
 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, 2019 (June 1, 2018 – February 28, 2019)

(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 5/2019 Q3	11,200	20.3	725	87.9	744	90.0	482	113.5
FY 5/2018 Q3	9,307	10.6	386	125.2	391	109.1	225	106.7

(Note) Comprehensive Income FY 5/2019 Q3: 488 million yen (115.5%) FY 5/2018 Q3: 226 million yen (107.1%)

	Profit per Share	Diluted Earnings per Share
	yen	yen
FY 5/2019 Q3	63.56	–
FY 5/2018 Q3	28.93	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	million yen	million yen	%
FY 5/2019 Q3	6,605	2,495	37.3
FY 5/2018	6,346	2,296	35.7

(Reference) Shareholders' Equity FY 5/2019 Q3: 2,464 million yen FY 5/2018: 2,267 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 5/2018	–	15.00	–	15.00	30.00
FY 5/2019	–	15.00	–		
FY 5/2019 (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, 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	14,916	13.9	757	9.7	765	9.0	488	13.6	64.01

(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 5/2019 Q3	7,832,400 shares
FY 5/2018	7,832,400 shares
(ii) Treasury Stock:	
FY 5/2019 Q3	253,285 shares
FY 5/2018	200,083 shares
(iii) Average Number of Shares Outstanding	
FY 5/2019 Q3	7,588,361 shares
FY 5/2018 Q3	7,809,606 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, 2018)	The third quarter of the reporting fiscal year (As of February 28, 2019)
Assets		
Current assets		
Cash and deposits	2,804,155	2,857,679
Accounts receivable-trade	713,282	804,486
Work in process	446,244	507,057
Other	176,366	248,733
Allowance for doubtful accounts	(92)	(247)
Total current assets	4,139,957	4,417,709
Non-current assets		
Property, plant and equipment	397,030	467,450
Intangible assets		
Goodwill	648,996	592,505
Other	295,251	319,625
Total intangible assets	944,248	912,131
Investments and other assets		
Investment securities	1,647	1,576
Guarantee deposits	441,929	520,040
Deferred tax assets	367,613	196,652
Other	54,525	90,495
Allowance for doubtful accounts	-	(365)
Total investments and other assets	865,716	808,399
Total non-current assets	2,206,994	2,187,982
Total assets	6,346,951	6,605,692

Summary of Financial Results for Third Quarter of the Fiscal Year Ending May 31, 2019
ERI Holdings Co., Ltd. (Securities Code 6083)

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2018)	The third quarter of the reporting fiscal year (As of February 28, 2019)
Liabilities		
Current liabilities		
Short-term borrowings	–	300,000
Current portion of long-term borrowings	137,100	137,100
Accounts payable - other	459,133	289,419
Accrued expenses	819,406	576,971
Income taxes payable	155,580	6,621
Advances received	827,219	931,593
Other	223,703	209,259
Total current liabilities	2,622,143	2,450,965
Non-current liabilities		
Long-term borrowings	1,199,625	1,439,800
Retirement benefit liability	100,077	69,387
Long-term accounts payable - other	90,323	90,323
Other	37,921	59,950
Total non-current liabilities	1,427,946	1,659,461
Total liabilities	4,050,090	4,110,426
Net assets		
Shareholders' equity		
Share capital	992,784	992,784
Capital surplus	7,677	42,236
Retained earnings	1,469,004	1,719,347
Treasury shares	(201,870)	(289,492)
Total shareholders' equity	2,267,596	2,464,874
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(35)	(80)
Total accumulated other comprehensive income	(35)	(80)
Non-controlling interests	29,300	30,471
Total net assets	2,296,861	2,495,265
Total liabilities and net assets	6,346,951	6,605,692

(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, 2017 to February 28, 2018)	The third quarter of the reporting fiscal year (From June 1, 2018 to February 28, 2019)
Net sales	9,307,828	11,200,440
Cost of sales	6,664,907	7,860,692
Gross profit	2,642,921	3,339,748
Selling, general and administrative expenses	2,256,824	2,614,101
Operating profit	386,096	725,646
Non-operating income		
Interest income	93	24
Dividend income of insurance	6,491	9,313
Commission income	1,402	1,194
Rent revenue	1,679	5,039
Compensation income	-	3,844
Miscellaneous income	2,032	6,284
Total non-operating income	11,698	25,700
Non-operating expenses		
Interest expenses	4,206	6,740
Loss on cancellation of leases	1,240	-
Miscellaneous loss	591	146
Total non-operating expenses	6,038	6,886
Ordinary profit	391,756	744,460
Extraordinary income		
Compensation for forced relocation	-	40,080
Total extraordinary income	-	40,080
Extraordinary losses		
Branch office transfer expenses	-	11,453
Total extraordinary losses	-	11,453
Profit before income taxes	391,756	773,087
Income taxes - current	59,824	114,015
Income taxes - deferred	105,572	170,985
Total income taxes	165,396	285,001
Profit	226,359	488,085
Profit attributable to non-controlling interests	450	5,774
Profit attributable to owners of parent	225,909	482,311

Quarterly Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	The third quarter of the previous fiscal year (From June 1, 2017 to February 28, 2018)	The third quarter of the reporting fiscal year (From June 1, 2018 to February 28, 2019)
Profit	226,359	488,085
Other comprehensive income		
Valuation difference on available-for-sale securities	116	(46)
Total other comprehensive income	116	(46)
Comprehensive income	226,476	488,039
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	226,022	482,266
Comprehensive income attributable to non-controlling interests	453	5,772