

# Financial Results for the First Quarter

From June 1, 2019 to August 31, 2019



ERI Holdings Co., Ltd.  
September 30, 2019

# ERI

Evaluation, Rating, Inspection

# Holdings

## Increase in revenue and decrease in earnings year-on-year

- New housing starts decreased mostly due to slowdown in housing for rent
- In Building Confirmation and Inspection services, revenue decreased largely due to shrink of housing for rent
- In Housing Performance Evaluation and its related services, revenue increased due to rise in housings for owner-occupation and sale
- Brisk due diligence service drove a revenue of Solution Services
- In other segments, Evaluation for Compliance with Energy Consumption Performance of Buildings and Structural Evaluation service pushed up revenue growth.
- Increase in upfront investment, such as investment in human resources and replacement of PC/OS (Windows10), put pressure on operating profit
- Temporary insurance proceeds enhanced ordinary profit

# Consolidated financial results

(Millions of yen)	FY2018 1Q (Jun. 2018 – Aug. 2018)	FY2019 1Q (Jun. 2019– Aug. 2019)	Change	
			Amounts	Ratio
Net Sales	3,523	<b>3,687</b>	164	4.7%
Operating Profit	125	<b>50</b>	▲74	▲59.7%
Operating Profit Ratio	3.6%	<b>1.4%</b>	-	-
Ordinary Profit	138	<b>105</b>	▲33	▲24.0%
Ordinary Profit Ratio	3.9%	<b>2.9%</b>	-	-
Profit Attributable to Owners of Parent	72	<b>63</b>	▲8	▲12.2%
Profit per Share (Yen)	9.52	<b>8.38</b>	▲1.14	▲12.0%

# Consolidated financial results by segment

(Millions of yen)	FY2018 1Q (Jun. 2018 – Aug. 2018)	FY2019 1Q (Jun. 2019– Aug. 2019)	Change		Segment Profit	Change
			Amounts	Ratio		
Building Confirmation and Inspection	1,937 [55.0%]	<b>1,915</b> [51.9%]	▲22	▲1.1%	76	▲102
Housing Performance Evaluation and its related services	871 [24.7%]	<b>969</b> [26.3%]	97	11.2%	20	15
Solution Services	226 [6.4%]	<b>296</b> [8.0%]	69	30.5%	19	30
Others	488 [13.9%]	<b>507</b> [13.8%]	19	3.9%	▲50	▲19
Net Sales Total	3,523 [100.0%]	<b>3,687</b> [100.0%]	164	4.7%	66	▲74

# Main operating figures | Consolidated

		FY2018 1Q (Jun. 2018 – Aug. 2018)		FY2019 1Q (Jun. 2019 – Aug. 2019)		Change	
		Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Building Confirmations		20,176	935	<b>20,224</b>	<b>871</b>	48	▲64
Final Inspections		16,482	666	<b>17,349</b>	<b>699</b>	867	33
Housing Design Performance Evaluations	Detached Houses	9,011	254	<b>9,855</b>	<b>266</b>	844	12
	Collective Houses	5,409	60	<b>6,316</b>	<b>71</b>	907	11
Housing Construction Performance Evaluations	Detached Houses	6,223	372	<b>7,748</b>	<b>435</b>	1,525	63
	Collective Houses	4,441	64	<b>6,081</b>	<b>83</b>	1,640	19

# Key service figures | Consolidated

		FY2018 1Q (Jun. 2018 – Aug. 2018)		FY2019 1Q (Jun. 2019 – Aug. 2019)		Change	
		Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Building Confirmations for medium to large size buildings (over 500 sqm)		1,498	436	<b>1,395</b>	<b>401</b>	▲103	▲35
Technical Assessments for Long-life Quality Housings		7,797	112	<b>7,740</b>	<b>105</b>	▲57	▲7
Inspections for Housing Defect Liability Insurance		10,757	99	<b>10,011</b>	<b>94</b>	▲772	▲6
Evaluation for Compliance with Energy Consumption Performance of Buildings		287	51	<b>256</b>	<b>49</b>	▲31	▲2
BELS certifications	Non-housings	51	8	<b>28</b>	<b>4</b>	▲23	▲4
	Housings	1,617	24	<b>1,295</b>	<b>21</b>	▲322	▲3

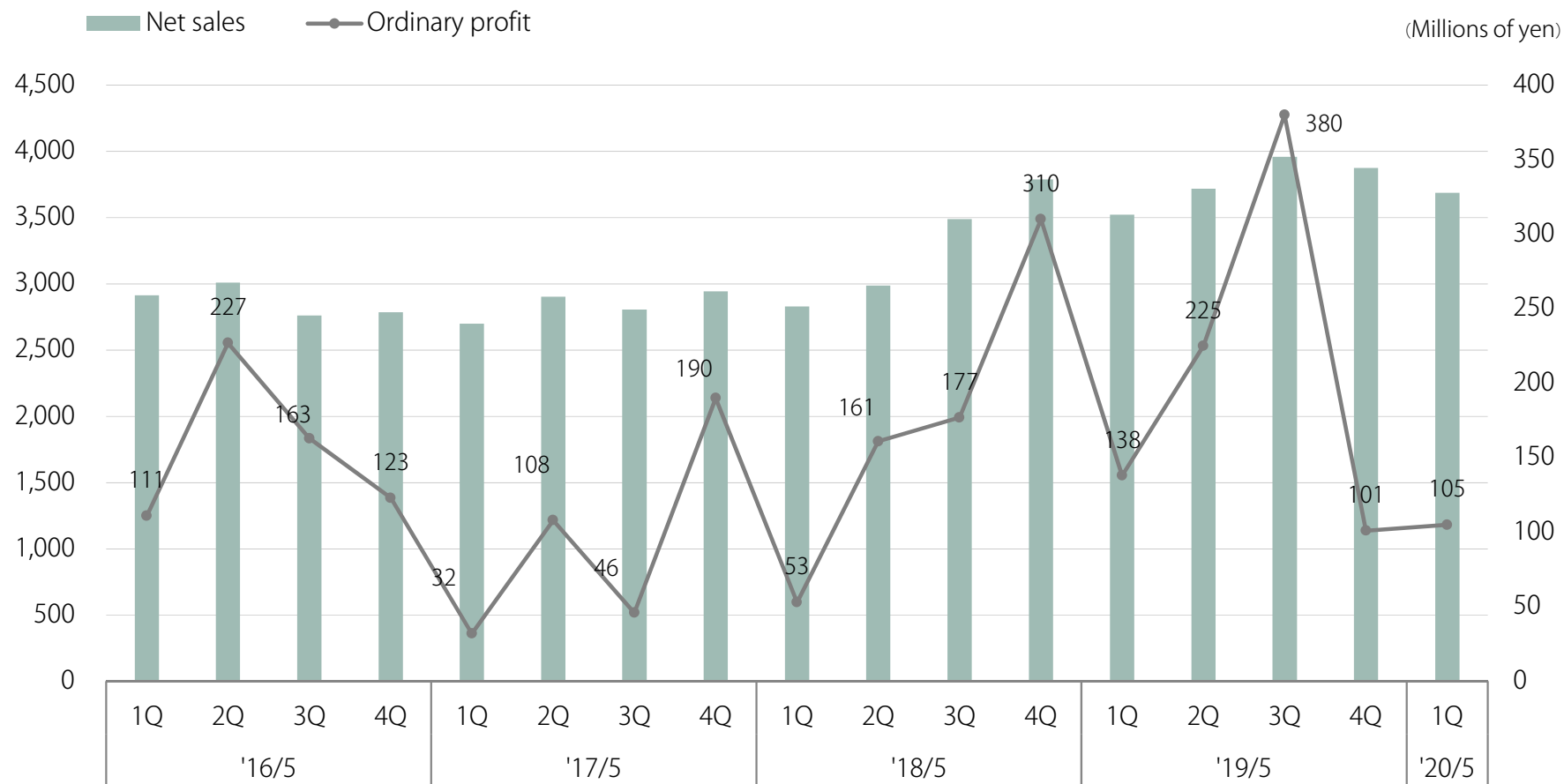
\* "Building Confirmations for medium to large size buildings (over 500 sqm)" includes the numbers of plan change.

\* "Technical Assessments for Long-life Quality Housings" represents the numbers and amounts of conformance certificate, which includes the numbers and amounts of extension and renovation. The numbers of plan change is included.

\* Counting rules of "Inspections for Housing Defect Liability Insurance" is as follows. 1) Including Defect Insurance but excluding inspection for insurance firm and Housing Performance Certification, 2) Including insurance brokerage, and 3) Including the data of all housing defect liability insurance companies.

• "Evaluation for Compliance with Energy Consumption Performance of Buildings" excludes the numbers of plan change.

# Changes of quarterly results | Consolidated



# Forecasts for FY2019

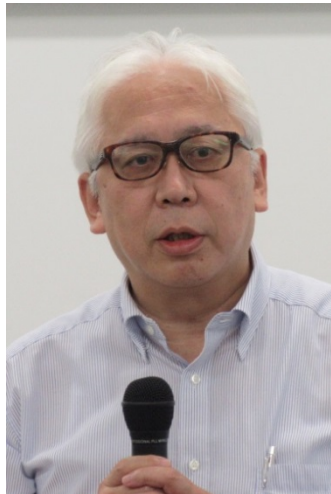
(Millions of yen)	FY2018 (Jun. 2018 – May 2019)	FY2019 (Jun. 2019 – May 2020)	Change	
			Amounts	Ratio
Net Sales	15,076	<b>15,119</b>	42	0.3%
Operating Profit	820	<b>495</b>	▲324	▲39.6%
Operating Profit Ratio	5.4%	<b>3.3%</b>	-	-
Ordinary Profit	845	<b>530</b>	▲314	▲37.2%
Ordinary Profit Ratio	5.6%	<b>3.5%</b>	-	-
Profit Attributable to Owners of Parent	523	<b>286</b>	▲236	▲45.2%
Profit per Share (Yen)	68.94	<b>37.72</b>	▲31.22	▲45.3%



## July 2019, “Consultative Body of BIM Promotion for Building Confirmation” was established by academic, business, and governmental circles

### 【Action plan】

- Setting up standard descriptions on drawings for Building Confirmation
- Making guide book to incorporate standard descriptions in BIM software
- Setting up specifications for viewer software of BIM etc.



Chair: Prof Shuichi Matsumura  
of Tokyo University



Opening remarks by Jun Manabe of Director of Housing Bureau MILT

# Contact

ERI Holdings Co., Ltd.

Investor Relations and Public Relations Group

E – Mail | [info@h-eri.co.jp](mailto:info@h-eri.co.jp)

<https://www.h-eri.co.jp/>



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