

ERI

Evaluation, Rating, Inspection

Holdings



Commitment to the sustainability-oriented business practices

Financial Results for the First Quarter

From June 1, 2024 to August 31, 2024

ERI Holdings Co., Ltd. (Security code : 6083)

September 30, 2024

Both sales and profits decreased due to a slow new construction starts

- Slow new construction starts continued to weigh on Building confirmation and Housing performance evaluation services, although solution and energy saving related services are expanding, sales decreased in total.
- Profit wise, upfront expenditures preparing for the large regulatory reform in 2025, in addition to transaction cost of M&As for business expansion, weigh on earnings.
- On Sep. 30th, MBO of Hokuyou equipment planning Co., Ltd. executed to avoid an operational risk by Building Code revision and pursue business opportunities without an anticipated regulatory restrictions.

Consolidated financial results

(Millions of yen)	1Q Previous fiscal year (Jun. 2023– Aug. 2023)	1Q Reporting fiscal year (Jun. 2024– Aug. 2024)	Change	
			Amounts	Ratio
Net Sales	4,200	4,107	▲93	▲2.2%
Operating Profit	391	133	▲258	▲65.9%
Operating Profit Ratio	9.3%	3.3%	-	-
Ordinary Profit	406	161	▲244	▲60.3%
Ordinary Profit Ratio	9.7%	3.9%	-	-
Profit Attributable to Owners of Parent	241	52	▲188	▲78.1%
Profit per Share (Yen)	31.24	6.83	▲24.41	▲78.1%

Consolidated financial results by segment

(Millions of yen)	1Q Previous fiscal year (Jun. 2023– Aug. 2023)	1Q Reporting fiscal year (Jun. 2024– Aug. 2024)	Change		Segment Profit	Change
			Amounts	Ratio		
Building Confirmation and Inspection and its related services	2,141 [51.0%]	2,053 [50.0%]	▲88	▲4.1%	104	▲148
Housing Performance Evaluation and its related services	930 [22.1%]	854 [20.8%]	▲76	▲8.2%	95	▲31
Solution Services	447 [10.7%]	482 [11.8%]	34	7.8%	▲123	▲28
Others	680 [16.2%]	716 [17.5%]	36	5.3%	73	▲49
Net Sales Total	4,200 [100.0%]	4,107 [100.0%]	▲93	▲2.2%	150	▲258

※ For more accurate segmentation purposes, we partly change a cost distribution procedure on the costs that straddle across segments on both 1Q Previous fiscal year and 1Q Reporting fiscal year.

Main operating figures | Consolidated

Segment	Business		1Q Previous fiscal year (Jun. 2023 – Aug. 2023)		1Q Reporting fiscal year (Jun. 2024 – Aug. 2024)		Change	
			Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Building Confirmation and Inspection and its related services	Building Confirmations		19,091	903	17,630	888	▲1,461	▲15
	Final Inspections		17,310	762	15,520	738	▲1,790	▲24
Housing Performance Evaluation and its related services	Housing Design Performance Evaluations	Detached Houses	8,991	306	8,441	292	▲550	▲14
		Collective Houses	9,834	113	7,012	100	▲2,822	▲12
	Housing Construction Performance Evaluations	Detached Houses	6,609	351	5,897	323	▲712	▲27
		Collective Houses	4,051	103	3,186	71	▲865	▲31
	Technical Assessments for Long-life Quality Housings*		1,308	56	1,233	58	▲75	1

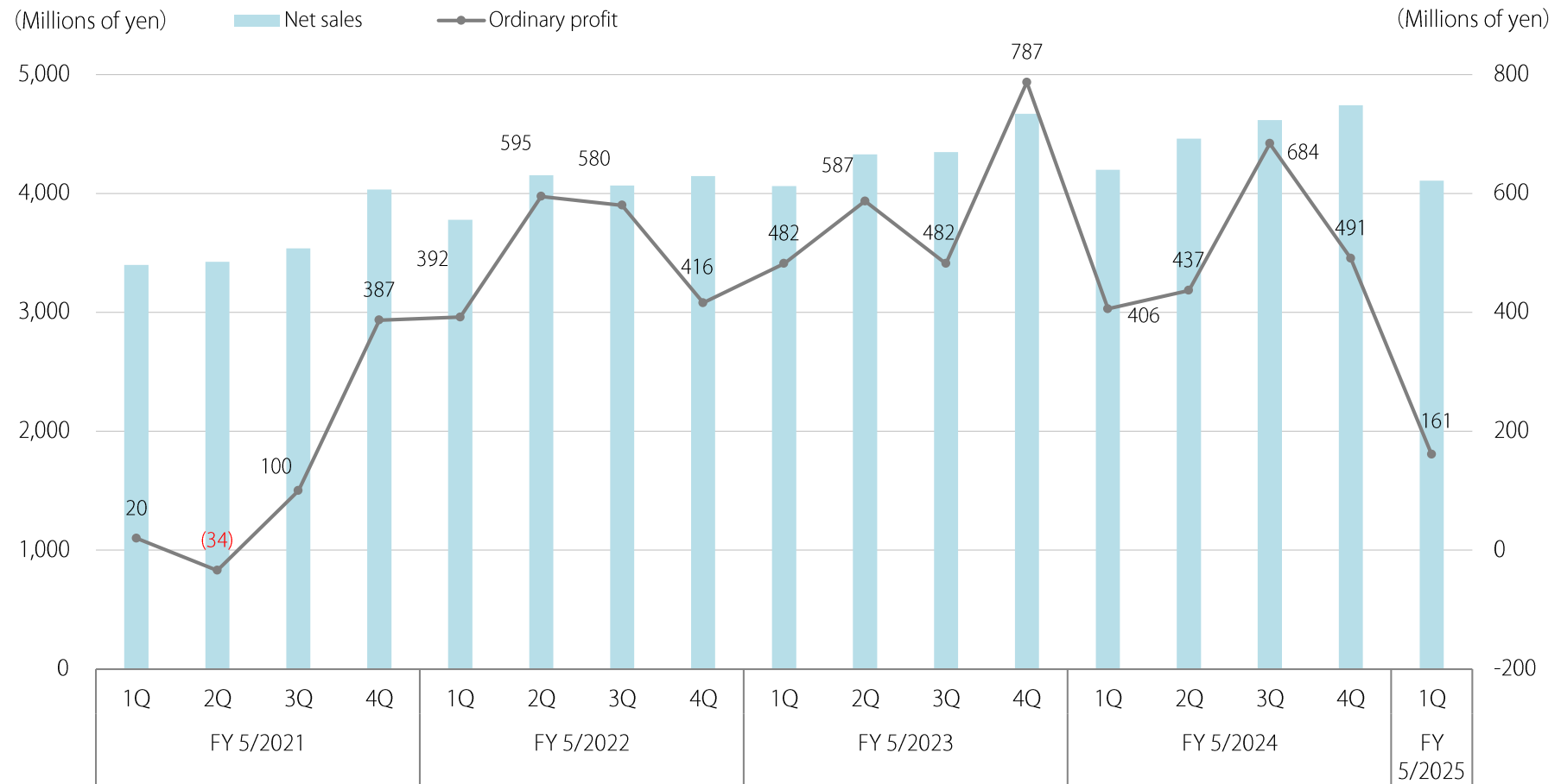
* "Technical Assessments for Long-life Quality Housings" represents the cases and amounts of "conformance certificate", which include the cases and amounts of extension and renovation.

Main operating figures | Consolidated

Segment	Business		1Q Previous fiscal year (Jun. 2023 – Aug. 2023)		1Q Reporting fiscal year (Jun. 2024 – Aug. 2024)		Change	
			Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Others	Evaluation for Building Energy Standards (incl. 300 ~ 2,000 sqm)		1,377 (930)	156	1,308 (893)	158	▲69 (▲37)	2
	BELS Certifications	Housings	18,399	204	21,706	231	3,307	27
		Non-housings	63	14	128	30	65	15
	Inspections for Housing Defect Liability Insurance*		7,999	81	7,098	69	▲901	▲11

* Counting rules of "Inspections for Housing Defect Liability Insurance" are as follows. 1) Include Defect Insurance but exclude inspection for insurance firm and Housing Performance Certification, 2) Include insurance brokerage, and 3) Include the data of all housing defect liability insurance companies. Note that, 1,703 missing cases of "Inspections for Housing Defect Liability Insurance" has been added on 1Q Previous fiscal year.

Changes of quarterly results | Consolidated



Forecasts for FY 5/2025

(Millions of yen)	FY 5/2024 (Jun. 2023 – May. 2024)	FY 5/2025 (Jun. 2024 – May. 2025)	Change	
			Amounts	Ratio
Net Sales	18,022	20,500	2,477	13.7%
Operating Profit	1,991	2,100	108	5.5%
Operating Profit Ratio	11.0%	10.2%	-	-
Ordinary Profit	2,020	2,100	79	4.0%
Ordinary Profit Ratio	11.2%	10.2%	-	-
Profit Attributable to Owners of Parent	1,233	1,300	66	5.4%
Profit per Share (Yen)	159.88	165.98	6.1	3.8%

The reason of MBO of Hokuyou equipment planning Co., Ltd.

To avoid an operational risk by Building Code revision and pursue business opportunities without regulatory restrictions, MBO is the best option for the group companies.

(MBO completed on Sep. 30th)

Current regulation			
		Building owner	
		Public (Plan-notification※)	Private (Building confirmation)
Admini- strator	Building- officials	○	○
	Building confirmation and inspection body	×	○

Building Planning
business of
Hokuyou

Confirmation and
inspection service
of our group

Hokuyou's business has been going on the premise of strict separation according to the regulation.

※ Plan-notification : Public building owner must notify the building plan to building-officials in advance to the construction starts, if the location of a planned building is in the jurisdiction of building-officials.



After the revision (effective in this year)			
		Building owner	
		Public (Plan-notification※)	Private (Building confirmation)
Admini- strator	Building- officials	○	○
	Building confirmation and inspection body	○	○

Building planning
business of
Hokuyou

Confirmation and
inspection service
of our group

Revision of the Building Code triggers an operational risk that should restrict our business commingle.

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