

# ERI

Evaluation, Rating, Inspection

# Holdings

A stylized illustration of a tree with a dark grey trunk and branches, and a dense canopy of dark grey leaves. The tree is positioned in the lower right quadrant of the page. Behind the tree and extending across the bottom of the page is a city skyline composed of various green and blue rectangular blocks of different heights, representing buildings. The text 'Commitment to the sustainability-oriented business practices' is written in a blue, sans-serif font, centered below the tree and above the city skyline.

Commitment to the sustainability-oriented business practices

Financial Results for the Second Quarter

From June 1, 2024 to November 30, 2024

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

December 27, 2024

## Increase in revenue but decline in earnings in Q2

- Both sales of Building Confirmation and Housing Performance Evaluation, including its related services, decreased compared to the last Q2 results, due to shrinking new housing and non-housing starts.
- In Solution services, both sales and earnings improved by several M&As.
- In Others, Shrinking new construction starts also affected energy-saving related services but BELS shows a steady growth due to the reform and enhancement of the Energy Labeling System.
- In such circumstances, anticipatory investments preparing for the large regulation reform that will start coming spring weigh on and resulted in increase in revenue but decline in earnings. However, we expect the last half earnings weight more and more and, all in all, business in Q2 has been going within our expectation.

# Consolidated financial results

(Millions of yen)	2Q Previous fiscal year (Jun. 2023– Nov. 2023)	2Q Reporting fiscal year (Jun. 2024– Nov. 2024)	Change	
			Amounts	Ratio
Net Sales	8,661	<b>8,976</b>	315	3.6%
Operating Profit	835	<b>565</b>	▲270	▲32.4%
Operating Profit Ratio	9.6%	<b>6.3%</b>	-	-
Ordinary Profit	843	<b>601</b>	▲242	▲28.8%
Ordinary Profit Ratio	9.7%	<b>6.7%</b>	-	-
Profit Attributable to Owners of Parent	506	<b>339</b>	▲166	▲33.0%
Profit per Share (Yen)	65.60	<b>44.17</b>	▲21.43	▲32.7%

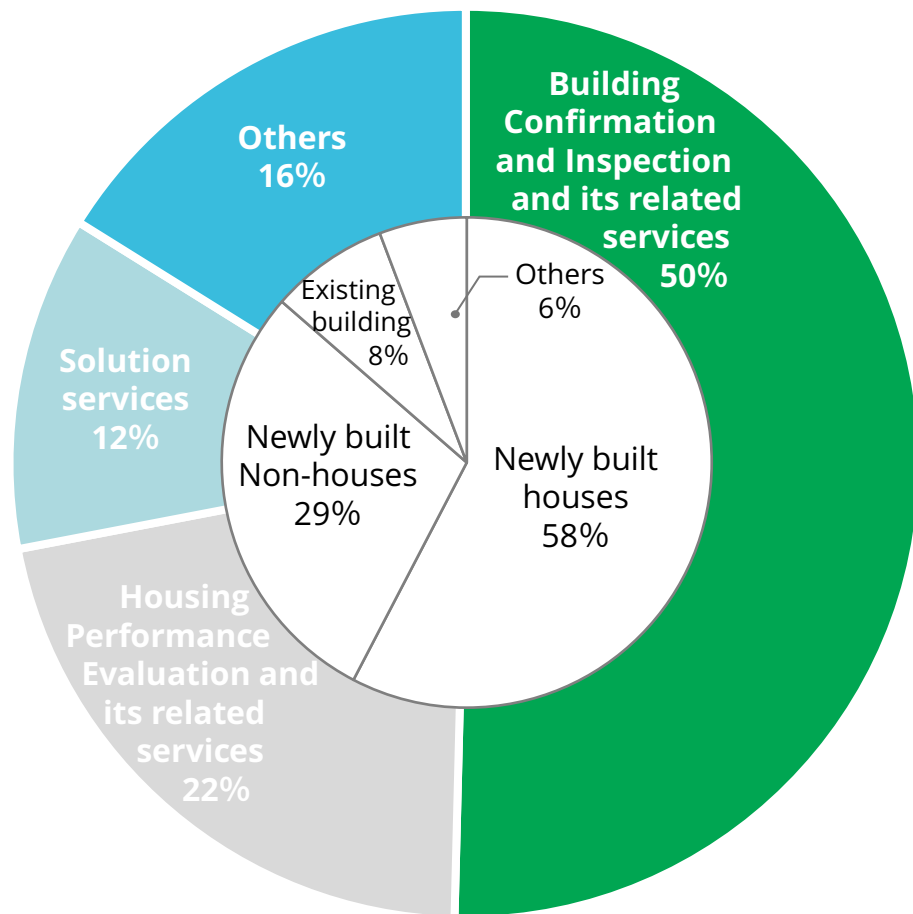
# Consolidated financial results by segment

(Millions of yen)	2Q Previous fiscal year (Jun. 2023– Nov. 2023)	2Q Reporting fiscal year (Jun. 2024– Nov. 2024)	Change		Segment Profit	Change
			Amounts	Ratio		
Building Confirmation and Inspection and its related services	4,364 [50.4%]	<b>4,219</b> [47.0%]	▲145	▲3.3%	295	▲243
Housing Performance Evaluation and its related services	1,870 [21.6%]	<b>1,722</b> [19.2%]	▲147	▲7.9%	197	▲58
Solution Services	1,028 [11.9%]	<b>1,561</b> [17.4%]	532	51.8%	▲22	111
Others	1,397 [16.1%]	<b>1,473</b> [16.4%]	76	5.4%	127	▲79
Net Sales Total	8,661 [100.0%]	<b>8,976</b> [100.0%]	315	3.6%	597	▲270

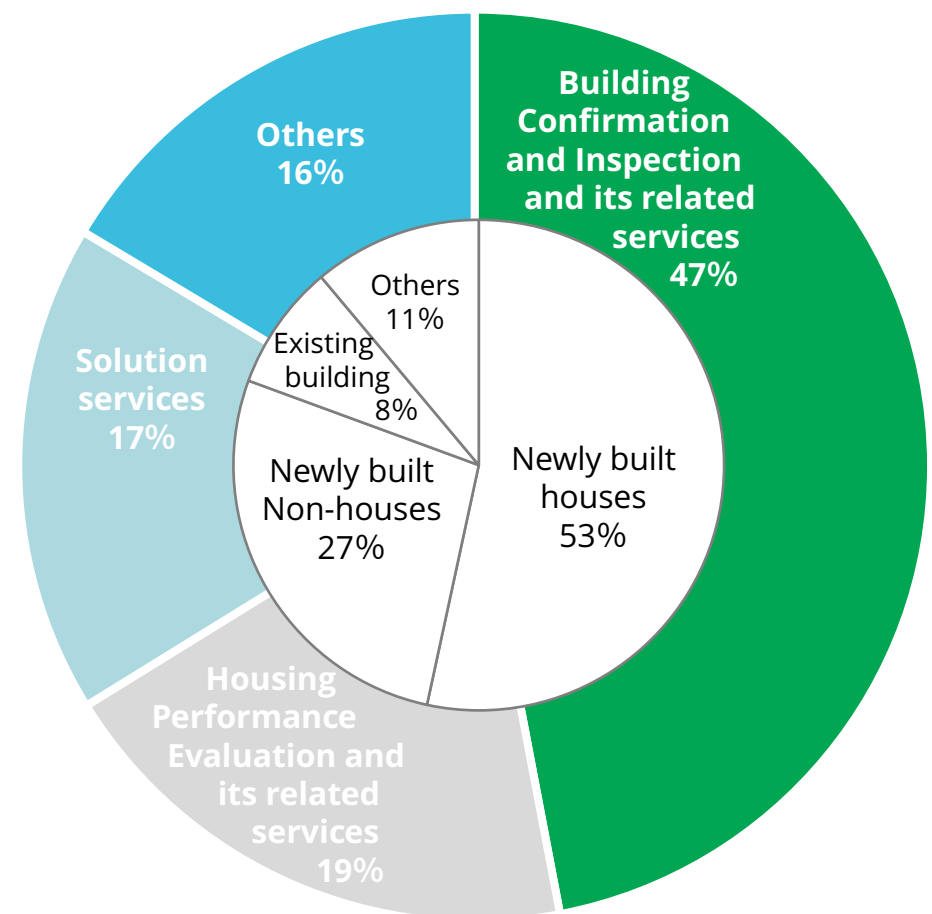
※ For more accurate segmentation purposes, we partly change a cost distribution procedure on the costs that straddle across segments on both 2Q Previous fiscal year and 2Q Reporting fiscal year.

# Sales breakdown | Consolidated

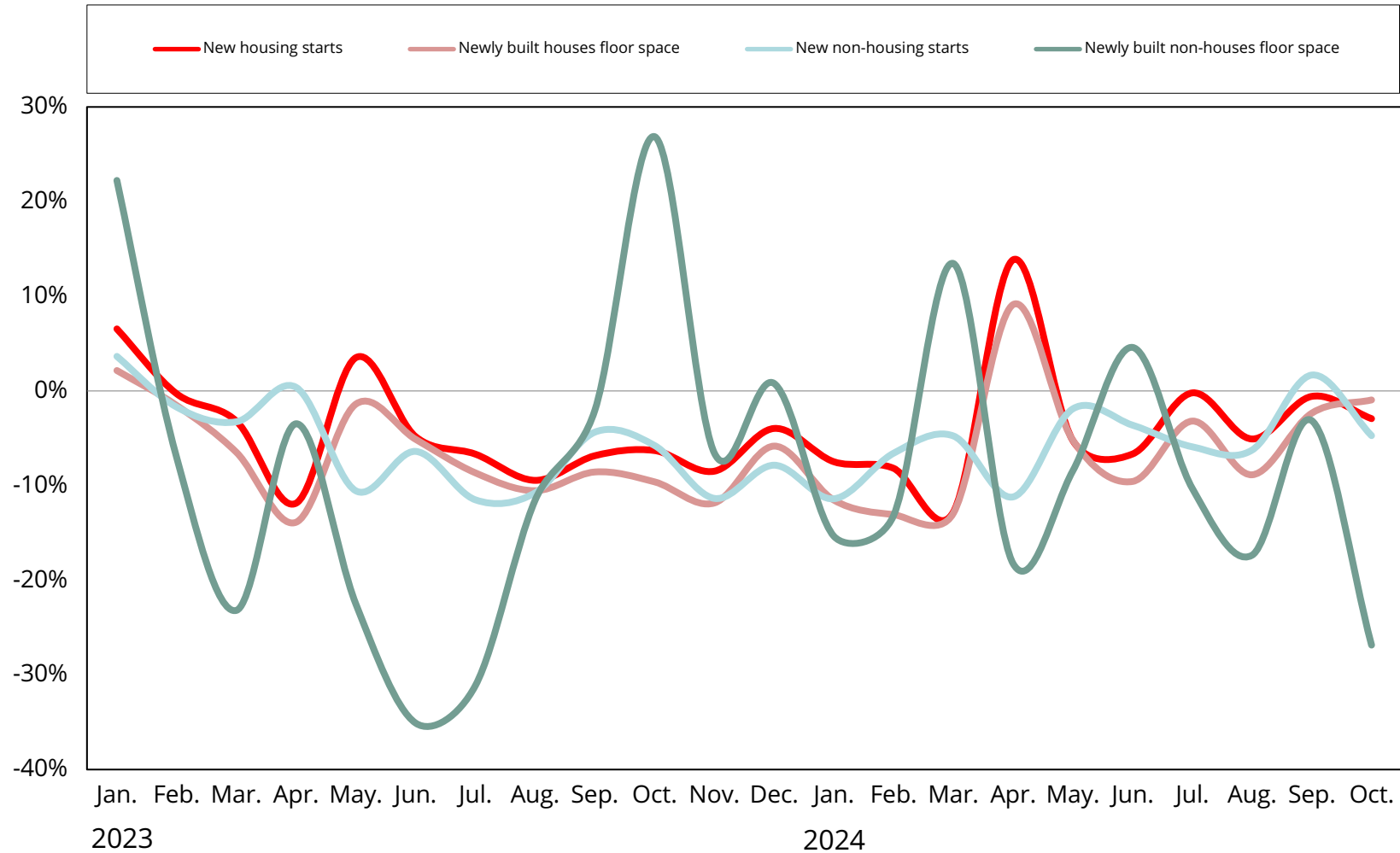
FY 5/2024 2Q



FY 5/2025 2Q

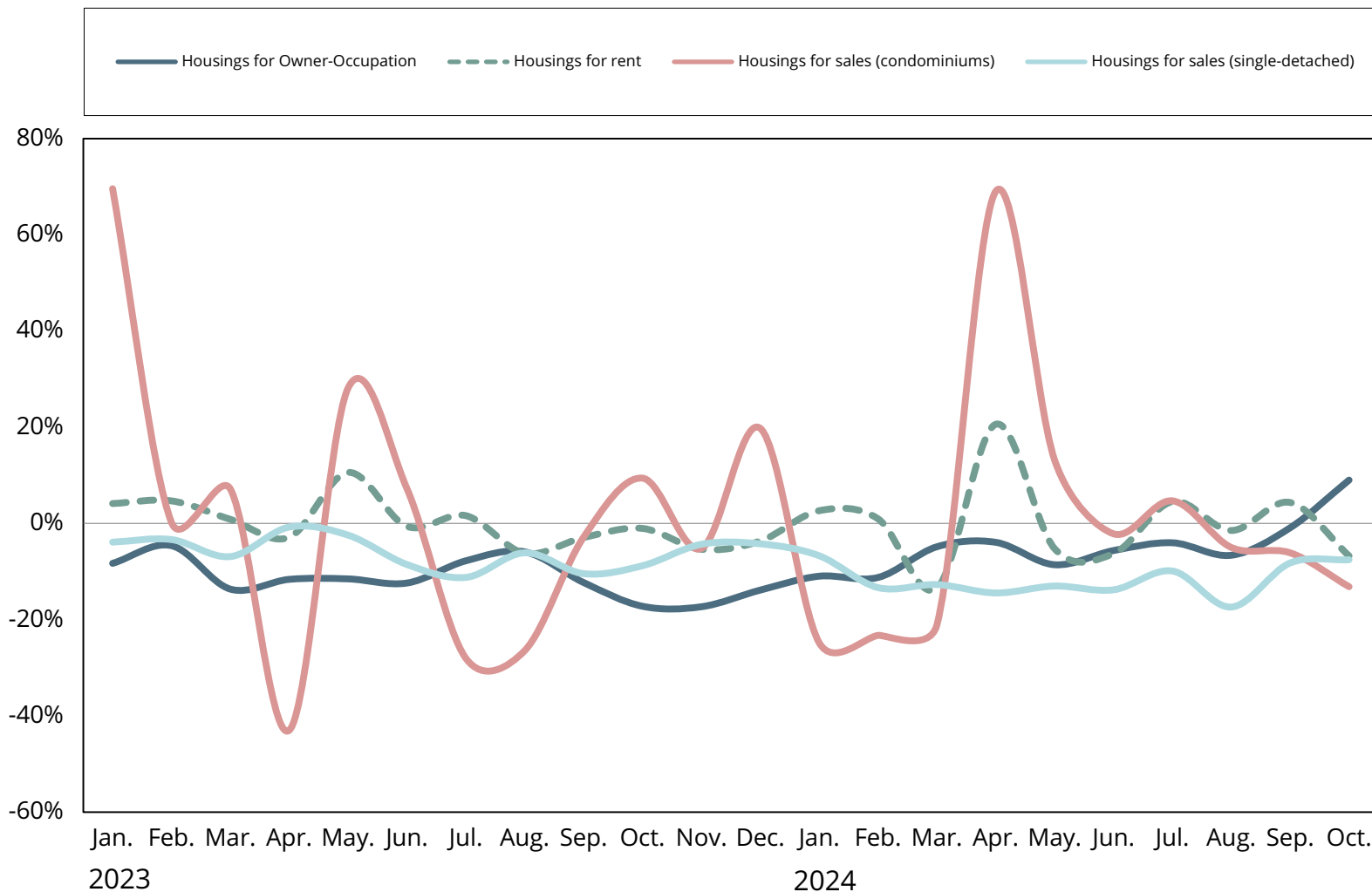


## Changes in Housing/Non-housing starts (year-on-year rate)



# Market trend

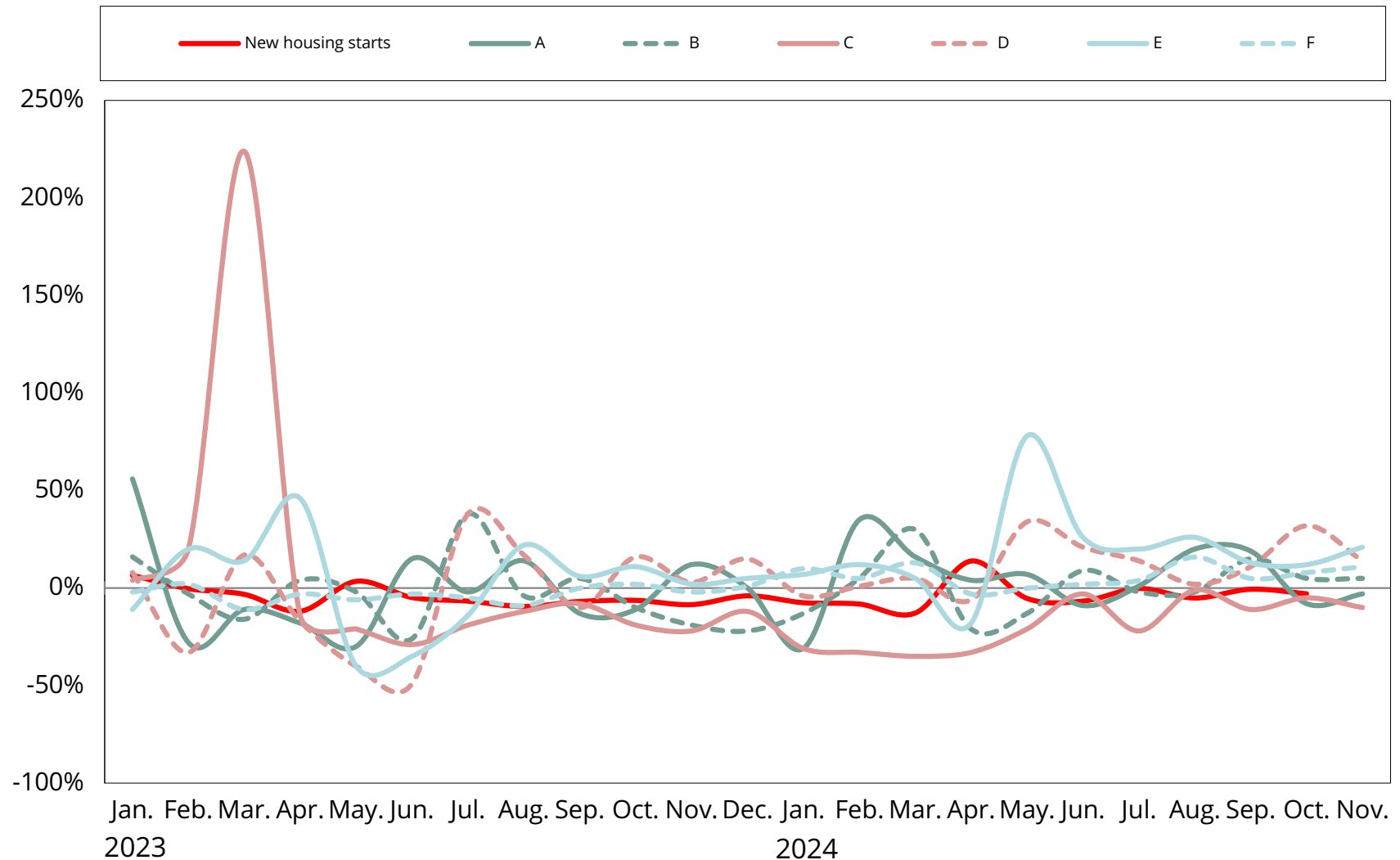
## Changes in new housing starts by categories of housing (year-on-year rate)



Changes  
in the cumulative total  
(from Jun. to Oct.)

New housing starts	▲3.1%
Housings for Owner-Occupation	▲1.9%
Housings for rent	▲1.2%
Housings for sales (condominiums)	▲5.3%
Housings for sales (single-detached)	▲11.4%

## Changes in new orders of detached houses by major house builders



\* New housing starts are on the basis of the number of houses , and the results of major house builders are on the basis of amounts of money which was disclose on each company's website.



# Market trend

## Stats of new construction starts in FY 5/2025 2Q (June 2024 ~ October 2024)

### Housing sector

	Detached Houses	Terrace Houses	Collective Houses	Total
New Housing Starts (Unit)	<b>150,309</b>	<b>33,864</b>	<b>155,162</b>	<b>339,335</b>
Year-on-Year	▲5.2%	▲0.1%	▲1.7%	▲3.1%
Proportion	44.3%	10.0%	45.7%	100.0%
Newly Built Floor Space of Construction Starts (Thousand sqm)	<b>16,447</b>	<b>1,749</b>	<b>7,847</b>	<b>26,042</b>
Year-on-Year	▲5.5%	▲0.9%	▲5.1%	▲5.0%
Proportion	63.2%	6.7%	30.1%	100.0%

# Market trend

## Stats of new construction starts in FY 5/2025 2Q (June 2024 ~ October 2024)

### Non-housing sector

	Offices	Stores	Factories	Warehouses	Medical and Welfare	Others (educational, lodging and etc.)	Total
New Housing Starts (Unit)	3,810	2,118	2,330	5,535	2,229	8,926	24,948
Year-on-Year	0.5%	▲5.4%	▲8.3%	6.8%	▲16.6%	▲5.9%	▲3.7%
Proportion	15.3%	8.5%	9.3%	22.2%	8.9%	35.8%	100.0%
Newly Built Floor Space of Construction Starts (Thousand sqm)	1,955	1,492	3,085	4,266	1,296	2,698	14,793
Year-on-Year	4.3%	▲8.7%	8.2%	▲21.6%	▲20.8%	▲18.7%	▲11.7%
Proportion	13.2%	10.1%	20.9%	28.8%	8.8%	18.2%	100.0%

# Main operating figures | Consolidated

Segment	Business		2Q Previous fiscal year (Jun. 2023 – Nov. 2023)		2Q Reporting fiscal year (Jun. 2024 – Nov. 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		37,619	1,792	<b>36,133</b>	<b>1,788</b>	▲1,486	▲3
	Final Inspections		35,435	1,624	<b>31,755</b>	<b>1,520</b>	▲3,680	▲104
Housing Performance Evaluation and its related services	Housing Design Performance Evaluations	Detached Houses	17,405	589	<b>16,925</b>	<b>582</b>	▲480	▲6
		Collective Houses	18,621	223	<b>12,760</b>	<b>192</b>	▲5,861	▲30
	Housing Construction Performance Evaluations	Detached Houses	13,447	724	<b>12,086</b>	<b>658</b>	▲1,361	▲65
		Collective Houses	10,294	208	<b>7,033</b>	<b>142</b>	▲3,261	▲66
	Technical Assessments for Long-life Quality Housings*		2,493	108	<b>2,636</b>	<b>123</b>	143	14

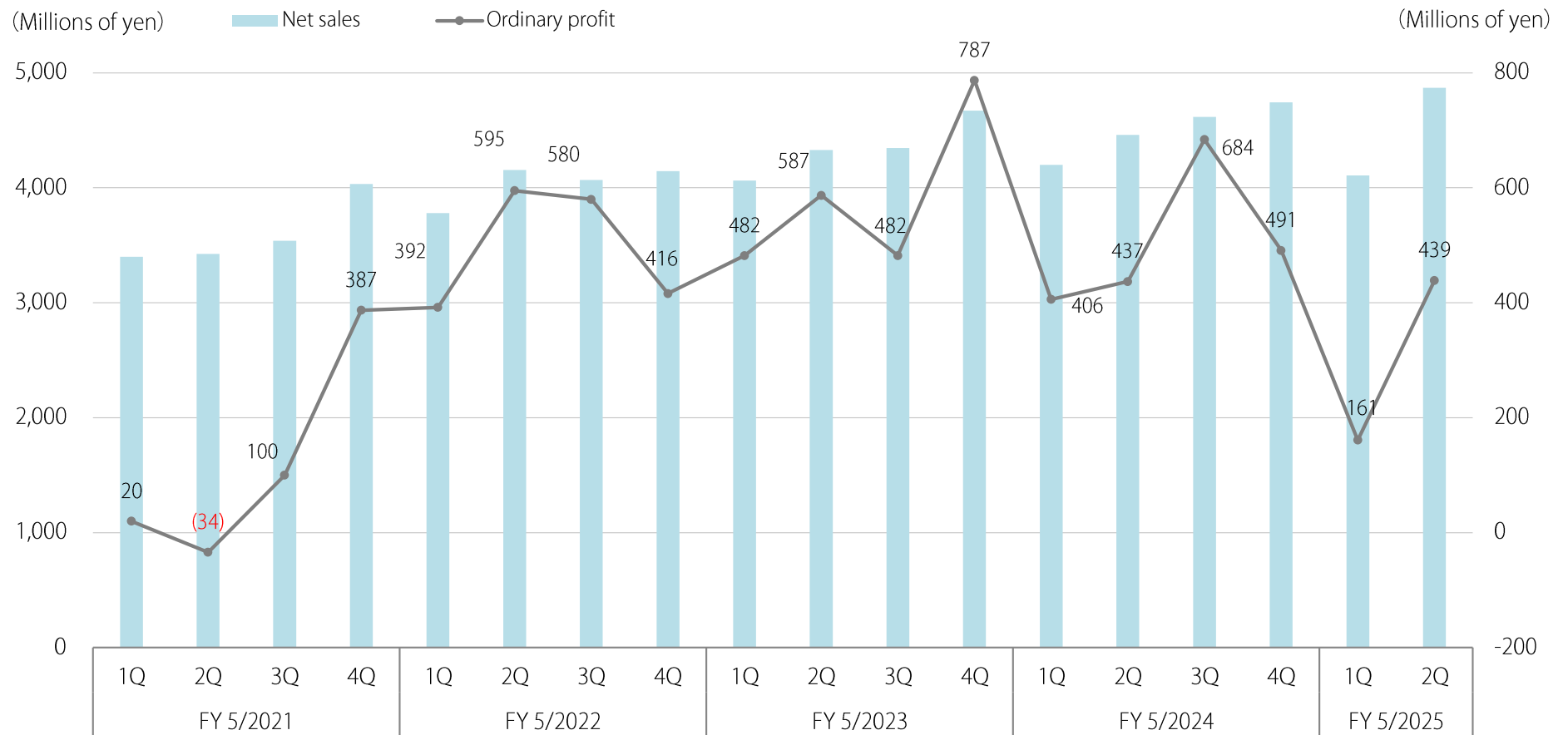
\* "Technical Assessments for Long-life Quality Housings" represents the cases and amounts of "conformance certificate", which include the cases and amounts of extension and renovation.

# Main operating figures | Consolidated

Segment	Business		2Q Previous fiscal year (Jun. 2023 – Nov. 2023)		2Q Reporting fiscal year (Jun. 2024 – Nov. 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)		2,770 (1,852)	318	2,592 (1,748)	310	▲178 (▲104)	▲8
	BELS Certifications	Housings	38,293	424	44,025	539	5,732	115
		Non-housings	148	31	267	63	119	32
	Inspections for Housing Defect Liability Insurance*		16,736	165	14,776	145	▲1,960	▲20

\* 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 2Q Previous fiscal year.

# Changes of quarterly results | Consolidated




# Forecasts for FY 5/2025

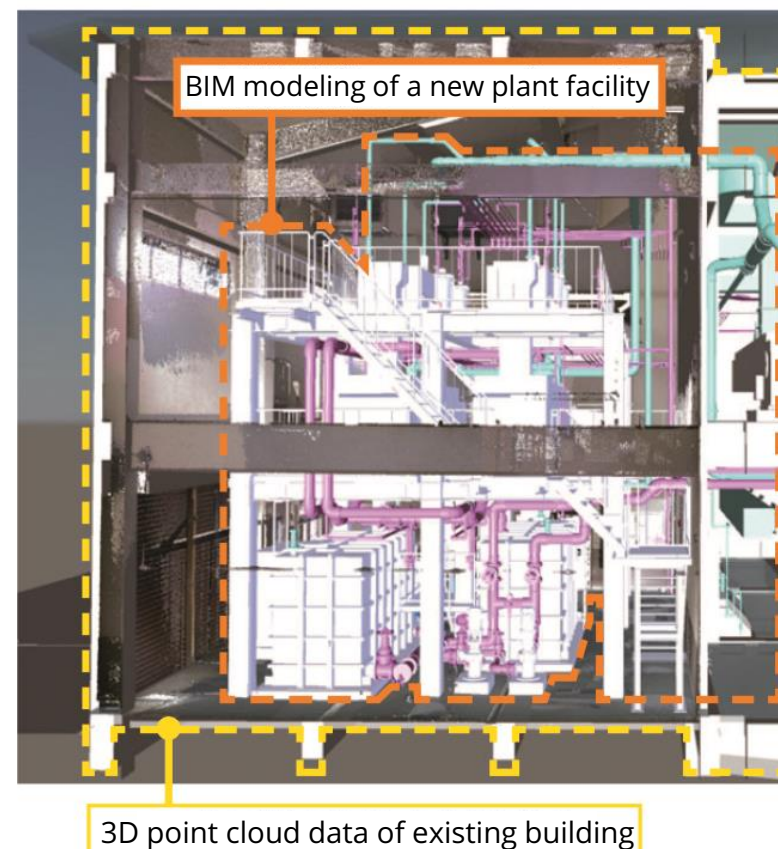
(Millions of yen)	FY 5/2024 (Jun. 2023 – May. 2024)	FY 5/2025 (Jun. 2024 – May. 2025)	Change	
			Amounts	Ratio
Net Sales	18,022	<b>20,500</b>	2,477	13.7%
Operating Profit	1,991	<b>2,100</b>	108	5.5%
Operating Profit Ratio	11.0%	<b>10.2%</b>	-	-
Ordinary Profit	2,020	<b>2,100</b>	79	4.0%
Ordinary Profit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

## Acquisition of advanced BIM consulting firm

- ERI Holdings Co., Ltd. and Hanada Sekkei Corporation signed an agreement regarding 100% ownership acquisition on November 17<sup>th</sup>, 2024.
- We enhance and provide various modeling consultation by digital twin technology with a collaboration of BIM/CIM and advanced 3D-measuring technology.

EX : Integration of 3D point cloud data of existing building and BIM data

 HANADA The pursuit of innovations	<b>Hanada Sekkei Corporation</b>
Head office	Ashiya-shi, Hyogo Prefecture
Business	BIM modeling of plant facility, 3D measuring, etc.
Established	December 1984
Paid-in capital	JPY 10 million
Sales	JPY 158 million (FY ended 12/2023)



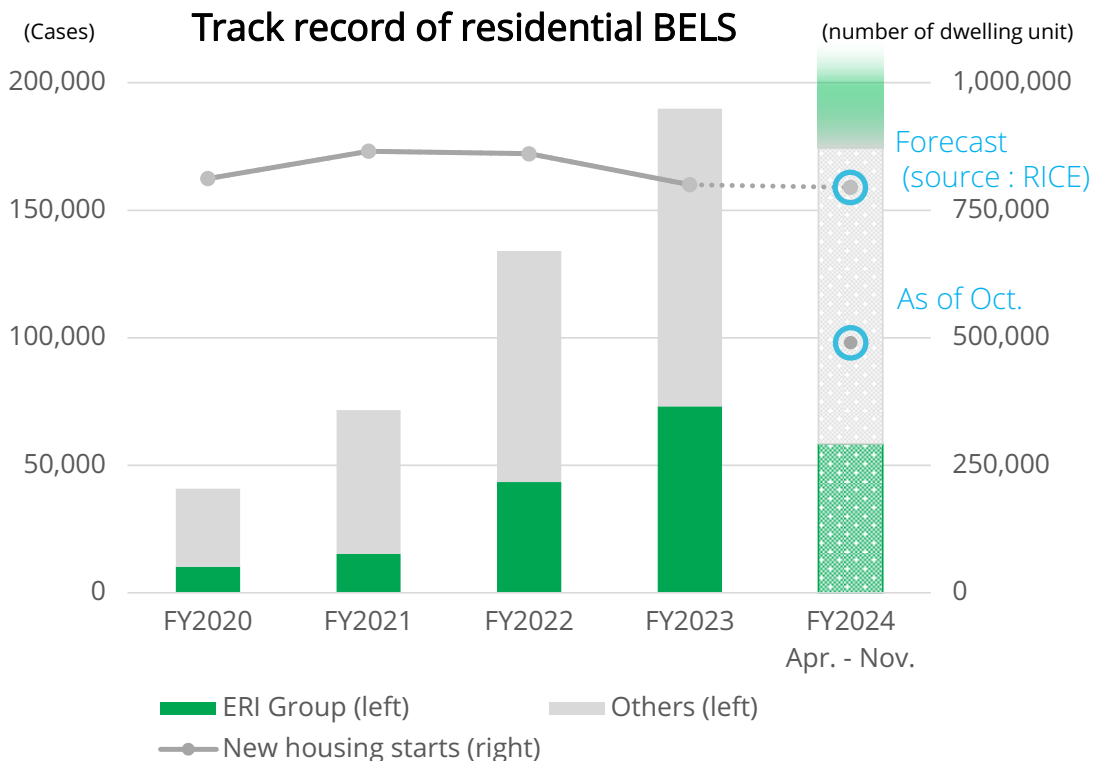
## Expanding market penetration of BELS

(Building-Housing Energy-efficiency Labeling System)

- BELS is expanding accelerated by the best effort obligation started April 2024.
- Budgeting new subsidy system for “GX oriented housing” that exceed ZEH energy saving performance.
- New construction starts has been shrinking but residential BELS is expanding, and the number of labeling will be over 200,000 in FY2024.

### New subsidy system for GX oriented residentials

Applicable household	Qualification		Subsidy (thousand yen)
All households	“GX oriented housing” ie. Rank-6 or upper insulation or Sufficient primary energy consumption		1,600
Child-rearing household	Long-life quality housing	Scrap and build	1,000
		Others	800
	ZEH	Scrap and build	600
		Others	400





# Contact

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