

evaluation, rating, inspection

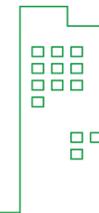


# Financial Results for the First Quarter

From June 1, 2015 to August 31, 2015

**ERI Holdings Co., Ltd.**  
**September 30, 2015**

Listed on Tokyo Stock Exchange  
Code 6083



# Summary

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## Growing net sales and profits compared to the year-ago quarter

- New Housing starts mildly recovered and housing-related sales bounced back.
- In mid-to-large-sized buildings (over 500sqm), building confirmation and inspection sales have been steady.
- Point System for Energy-Saving Homes related services record strong sales.
- Existing building related services have kept good sales shape.
- Energy-saving related services, such as BELS (Building Energy-Efficiency Labeling System) and Energy Pass, have been successfully expanding.
- After the revision of Building Standards Law in June 2015, as an alternative route of structural calculation review, relatively simple ALLOWABLE STRESS CALCULATION option (Route-2) is growing in building confirmation applicants. Such additional fees by choosing Route-2 contributed to sales growth.

# Summary (continued)

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## Impact of reformed structural calculation review system

- Previously, building confirmation and structural calculation review were one non-divisible application to designated confirmation and inspection bodies that delegated structural calculation review to external designated structural calculation review bodies.
- After the revision of Building Standard Law in June, building confirmation and structural calculation review applications were separated and applicants directly go to designated structural calculation review bodies.
- Structural calculation review fees are deducted from both income and expense of designated confirmation and inspection bodies, and no impact for bottom line.

## Impact of matching TBTC's account closing date with ERI's.

- Tokyo Bldg-Tech Center Co., Ltd (TBTC) changes account closing date from end of March to end of May. Due to the change, TBTC's first quarter is consolidated 5 months financial statements from April 1, 2015 to August 31, 2015.
- As a result, extended period boosted net sales of Other Service Segment but TBTC's low profit results in July and August dragged down operating income.

# Consolidated results



(Millions of Yen)

	FY2014 1Q (Jun. 2014 – Aug. 2014)	FY2015 1Q (Jun. 2015 – Aug. 2015)	Change	
			Amounts	Ratio
Gross Sales (Net Sales *)	2,865 (2,593)	<b>2,912</b> <b>(2,806)</b>	47 (212)	1.7% (8.2%)
Operating Income	▲54	<b>95</b>	149	-
Operating Income Ratio	▲1.9%	<b>3.3%</b>	-	-
Ordinary Income	▲45	<b>111</b>	157	-
Ordinary Income Ratio	▲1.6%	<b>3.8%</b>	-	-
Net Income	▲40	<b>74</b>	114	-
Net Income per Share (Yen)	▲5.24	<b>9.50</b>	14.74	-

\* Net sales is subtracted peer check fee from gross sales. (Peer check fee is paid to the other bodies through ERI group.) After the revision of Building Standard Law in June 2015, applicants directly go to the other bodies for peer check, and, from FY 2016, our group sales result in the same number that was previously net sales. Although in this 1Q, peer check fees due to the applications prior to the revision were included.

# Consolidated results by segment



(Millions of Yen)

	FY2014 1Q	FY2015 1Q	Change		Operating Income	Change
			Amounts	Ratio		
Building Confirmation and Inspection (Net Sales*1)	1,736 (1,465) [56.5%]	<b>1,580</b> <b>(1,473)</b> [52.5%]	▲156 (8)	▲9.0% (0.6%)	32	115
Housing Performance Evaluation and its related services	640 [24.7%]	<b>739</b> [26.4%]	99	15.5%	60	53
Others	487 [18.8%]	<b>592</b> [21.1%]	105	21.6%	1	▲19
Gross Sales Total	2,865 [100.0%]*2	<b>2,912</b> [100.0%]*2	47	1.7%	95	149

\*1 Net sales is subtracted peer check fee from gross sales. (Peer check fee is paid to the other bodies through ERI group.) After the revision of Building Standard Law in June 2015, applicants directly go to the other bodies for peer check, and, from FY 2016, our group sales result in the same number that was previously net sales. Although in this 1Q, peer check fees due to the applications prior to the revision were included.

\*2 Structural ratio【 】 is calculated using Net sales. (FY2014 1Q ¥2,593million, FY2015 1Q ¥2,806million)

# Key service figures | Consolidated



(Cases)

	FY2014 1Q (Jun. 2014 – Aug. 2014)	FY2015 1Q (Jun. 2015 – Aug. 2015)	Change	
			Amounts	Ratio
Building confirmations	14,767	<b>15,224</b>	457	3.1%
Final inspections	11,548	<b>10,674</b>	▲874	▲7.6%
Housing design performance evaluations of detached house	4,851	<b>5,239</b>	388	8.0%
Housing design performance evaluations of collective house	4,388	<b>5,601</b>	1,213	27.6%

\* All the data on this page, 3months (from June to August) result of Tokyo Bldg-Tech Center Co., Ltd is consolidated for comparison.

# Key service figures | Consolidated (continued)



	FY2014 1Q		Change	
	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Building confirmations for medium to large size buildings (over 500 sqm)	<b>1,466</b>	<b>359</b>	130	12
Housing performance evaluations of detached houses* <sup>1</sup>	<b>5,239</b>	<b>203</b>	388	13
Technical assessments for Long-Life Quality Housings* <sup>2</sup>	<b>6,050</b>	<b>65</b>	538	▲20
Inspections for housing defect liability insurance* <sup>3</sup>	<b>6,179</b>	<b>76</b>	527	0
Evaluations of seismic capacity and seismic retrofitting plans	<b>47</b>	<b>17</b>	▲15	▲2
Structural evaluations of high-rise buildings (Skyscraper and/or Base isolation)	<b>19</b>	<b>23</b>	▲19	▲31

\*1 Cases and amounts by housing design performance evaluation.

\*2 The number of cases which the certification of Long-Life Quality Housing were issued.

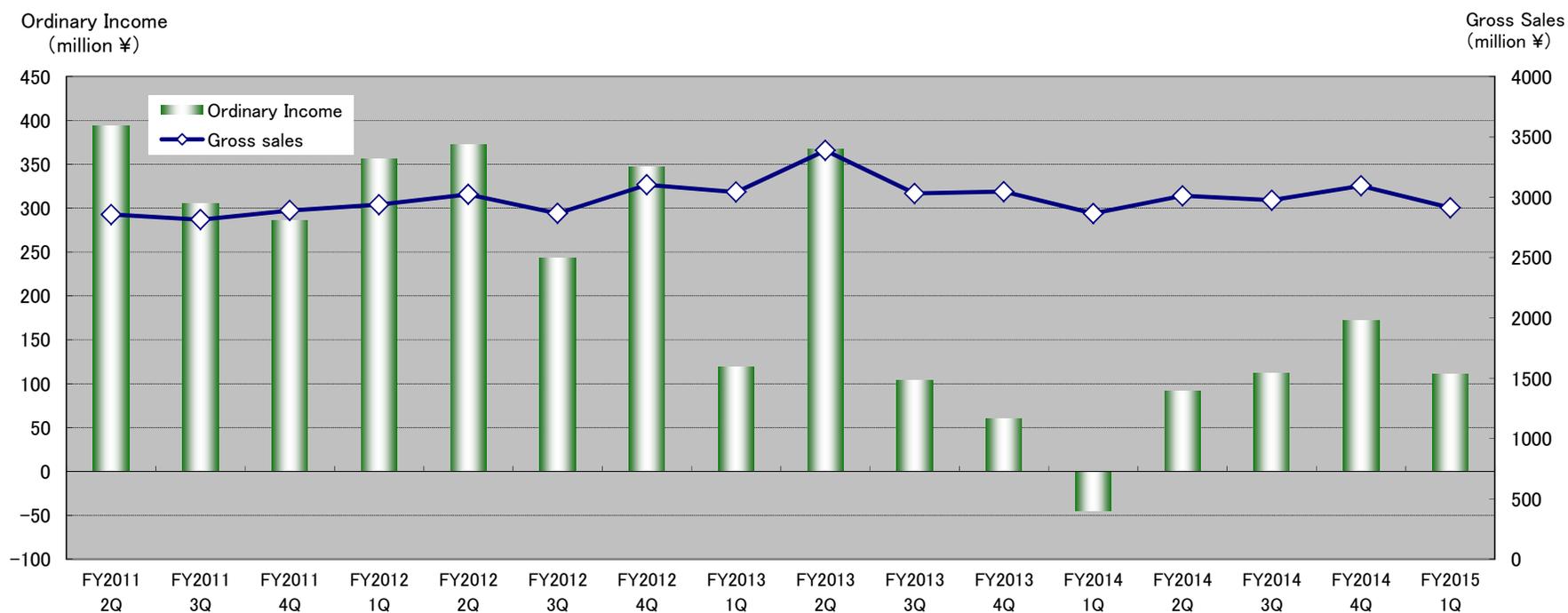
\*3 Jutaku Anshin Hoso's cases and amounts.

\*4 All the data on this page, 3months (from June to August) result of Tokyo Bldg-Tech Center Co., Ltd is consolidated for comparison.

# Change in quarterly results | Consolidated



## Quarterly gross sales and ordinary income



\* Before FY 2013, data is financial results announced by JAPAN ERI CO.,LTD.

# Forecasts for FY2015



(Millions of Yen)

	FY2014 (Jun. 2014 – May 2015)	FY2015 (Jun. 2015 – May 2016)	Change
Gross Sales (Net Sales *)	11,949 (10,917)	<b>11,741</b>	823
Operating Income	292	<b>649</b>	357
Vs. Gross Sales	2.4%	<b>5.5%</b>	—
Ordinary Income	331	<b>643</b>	312
Vs. Gross Sales	2.8%	<b>5.5%</b>	—
Net Profits attributable to owners of parent	18	<b>378</b>	360
Net Income per Share (Yen)	2.37	<b>48.39</b>	46.01
Dividend per Share (Yen)	30	<b>30</b>	0

- Net sales is subtracted peer check fee from gross sales. (Peer check fee is paid to the other bodies through ERI group.) After the revision of Building Standard Law in June 2015, applicants directly go to the other bodies for peer check, and, from FY 2016, our group sales result in the same number that was previously net sales.