



# Financial Results for the Third Quarter

From June 1, 2017 to February 28, 2018

**ERI Holdings Co., Ltd.**

**March 30, 2018**

Listed on Tokyo Stock Exchange (Code 6083)

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



# Summary

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

- New housing starts slightly decreased partly due to weakening demand for rental houses.
- Building Confirmation, Housing Performance Evaluation and its related services and other segments are increased by the sales of Jyutaku Seinou Hyouka Center Co., Ltd.
- In Building Confirmation and Inspection services, earnings increased significantly by the benefit from the fee schedule revision of Japan ERI Co., Ltd.
- In Solution Services, Due Diligence service is performing well.
- In other segments, BELS service kept good sales and Evaluation for Compliance with Energy Consumption Performance of Buildings recovered from slow startup.
- ERI Solution Co., Ltd. entered into business alliance with Iemamori Holdings Co., Ltd. in home inspection services, released on Mar. 20.

# Consolidated results



(Millions of yen)

	FY2016 3Q (Jun. 2016 – Feb. 2017)	FY2017 3Q (Jun. 2017 – Feb. 2018)	Change	
			Amounts	Ratio
Net Sales	8,412	<b>9,307</b>	895	10.6%
Operating Profit	171	<b>386</b>	214	125.2%
Operating Profit Ratio	2.0%	<b>4.1%</b>	-	-
Ordinary Profit	187	<b>391</b>	204	109.1%
Ordinary Profit Ratio	2.2%	<b>4.2%</b>	-	-
Profit Attributable to Owners of Parent	109	<b>225</b>	116	106.7%
Earnings per Share (Yen)	13.95	<b>28.93</b>	14.98	-

\* Consolidated result of the fiscal year ending May 2018 includes the third quarter (Oct.2017-Dec.2017) data of Jyutaku Seinou Hyouka Center Co., Ltd.

# Consolidated results by segment



(Millions of yen)

	FY2016 3Q	FY2017 3Q	Change		Segment Operating Profit	Change
			Amounts	Ratio		
Building Confirmation and Inspection	4,552 [54.1%]	<b>5,021</b> [54.0%]	469	10.3%	434	235
Housing Performance Evaluation and its related services	2,146 [25.5%]	<b>2,300</b> [24.7%]	154	7.2%	▲3	7
Solution Services*	654 [7.8%]	<b>653</b> [7.0%]	▲1	▲0.2%	44	14
Others	1,058 [12.6%]	<b>1,332</b> [14.3%]	273	25.8%	▲74	▲27
Net Sales Total	8,412 [100.0%]	<b>9,307</b> [100.0%]	895	10.6%	402	230

\* Consolidated result by segment of the fiscal year ending May 2018 includes the third quarter (Oct.2017-Dec.2017) data of Jyutaku Seinou Hyouka Center Co., Ltd.



# Main operating figures | Consolidated

(Cases)

	FY2016 3Q (Jun. 2016 – Feb. 2017)	FY2017 3Q (Jun. 2017 – Feb. 2018)	Change	
			Amounts	Ratio
Building Confirmations	40,437	<b>45,765</b>	5,328	13.2%
Final Inspections	36,112	<b>41,625</b>	5,513	15.3%
Housing Design Performance Evaluations of Detached House	15,328	<b>17,879</b>	2,551	16.6%
Housing Design Performance Evaluations of Collective House	17,761	<b>16,351</b>	▲1,410	▲7.9%

\* Consolidated result of the fiscal year ending May 2018 includes the cases of the third quarter (Oct.2017-Dec.2017) of Jyutaku Seinou Hyouka Center Co., Ltd.

\* All data represents the number of issuance.

\* From this report, the numbers of plan change by Japan ERI Co., Ltd. exclude from "Building Confirmations" and "Final Inspections".

\* From this report, the number of auxiliary structures and elevators by Japan ERI Co., Ltd. includes in "Building Confirmations" and "Final Inspections".

# Key service figures | Consolidated

	FY2016 3Q		FY2017 3Q		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)	3,959	1,009	<b>3,800</b>	<b>1,078</b>	▲159	69
Housing Performance Evaluations of detached houses	15,328	542	<b>17,879</b>	<b>578</b>	2,551	36
Technical Assessments for Long-life Quality Housings	17,569	267	<b>18,405</b>	<b>276</b>	836	8
Inspections for Housing Defect Liability Insurance	22,480	283	<b>21,800</b>	<b>270</b>	▲680	▲13
Evaluations of Seismic Capacity and Seismic Retrofitting Plans	138	44	<b>152</b>	<b>47</b>	14	3
Structural Evaluations of High-rise Buildings (Skyscraper and/or Base isolation)	106	148	<b>90</b>	<b>111</b>	▲16	▲37

\* "Building Confirmations for medium to large size buildings (over 500 sqm)" includes the numbers of plan change and excludes the data of Jyutaku Seinou Hyouka Center Co., Ltd.

\* "Housing Performance Evaluations of detached houses" represents the cases and amounts of issuance of Housing Design Performance Evaluation, which includes the third quarter (Oct.2017-Dec.2017) data of Jyutaku Seinou Hyouka Center Co., Ltd.

\* "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. It includes the third quarter (Oct.2017-Dec.2017) data of Jyutaku Seinou Hyouka Center Co., Ltd.

\* From this report, counting rules of "Inspections for Housing Defect Liability Insurance" is changed. New rules are the following: 1) including Defect Insurance but excluding inspection for insurance firm and Housing Performance Certification, 2) including insurance brokerage numbers and amounts, and 3) including the data of all housing defect liability insurance companies. The data of Jyutaku Seinou Hyouka Center Co., Ltd. is excluded.

\* From this report, the numbers and amounts of plan change by Tokyo Bldg-Tech Center Co., Ltd. exclude from "Structural Evaluations of High-rise Buildings (Skyscraper and/or Base isolation)".

# New services operating figures | Consolidated



(Cases)

	FY2016 3Q	FY2017 3Q	Change	
			Amounts	Ratio
Route-2 Structural Examination	636	<b>603</b>	▲33	▲5.2%
Pre-completion Tentative Approval	111	<b>107</b>	▲4	▲3.6%
Assessment of Compliance with the Building Standard Law services	64	<b>57</b>	▲7	▲10.9%
BELS certification (Non-housings)	138	<b>132</b>	▲6	▲4.3%
BELS certification (Housings)	1,964	<b>4,355</b>	2,391	121.7%
Energy Pass certification	211	<b>99</b>	▲112	▲53.1%

\* Consolidated result of the fiscal year ending May 2018 includes the cases of the third quarter (Oct.2017-Dec.2017) of Jyutaku Seinou Hyouka Center Co., Ltd.

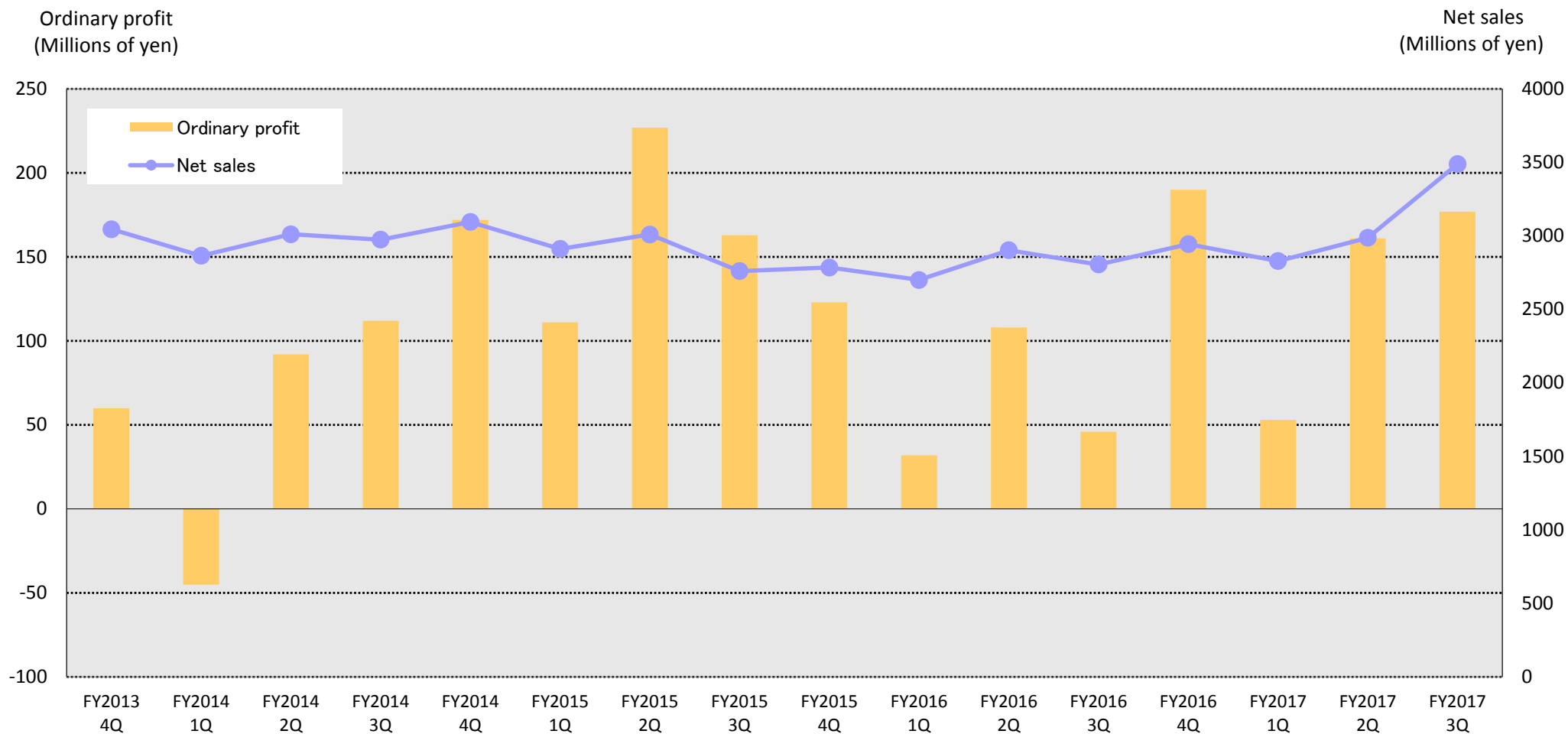
\* From this report, the numbers of plan change by Japan ERI Co., Ltd. exclude from "Pre-completion Tentative Approval".

\* "Route-2 Structural Examination", "Pre-completion Tentative Approval" and "Assessment of Compliance with the Building Standard Law services" exclude the numbers of plan change.

# Changes of quarterly results | Consolidated



## Quarterly net sales and ordinary profit





# Forecasts for FY2016



(Millions of yen)

	FY2016 (Jun. 2016 – May 2017)	FY2017* (Jun. 2017 – May 2018)	Change
Net Sales	11,357	<b>13,144</b>	1,787
Operating Profit	289	<b>595</b>	305
Vs. Net Sales	2.6%	<b>4.5%</b>	—
Ordinary Profit	367	<b>601</b>	234
Vs. Net Sales	3.2%	<b>4.6%</b>	—
Profit Attributable to Owners of Parent	212	<b>360</b>	147
Earnings per Share (Yen)	27.17	<b>45.98</b>	18.81
Dividends per Share (Yen)	30	<b>30</b>	0

\* We announced "Notice on Revision of Earnings Forecast for the Fiscal Year Ending May 2018" on December 19, 2017.

# Topics

**Mar. 20, 2018, ERI Solution Co., Ltd. entered into business alliance with Iemamori Holdings Co., Ltd. in home inspection service.**

## 【Outline of the alliance】

- Tie-up of nation wide network of home inspection service
- Tie-up of education for home inspectors

Company Outline	
Company name	Iemamori Holdings Co., Ltd.
Head office	Chiyoda-ku, Tokyo
Business contents	Inspection of new and existing houses, liability insurance for exiting house transaction and other housing related services
Capital	¥50million
Establishment	November 2011



# ERI Holdings Co., Ltd.

Investor Relations and Public Relations Group

[info@j-eri.co.jp](mailto:info@j-eri.co.jp)

This release contains forward-looking statements about ERI Holdings Co., Ltd.'s future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the company's assumptions and risks, uncertainties and assumptions that, without limitation, relate to economic conditions. Accordingly, ERI Holdings Co., Ltd. wishes to caution readers that actual results may differ materially from those projected in this release and ERI Holdings Co., Ltd. bear no responsibility for any negative impact caused by the use of this release.