



Financial Results for the First Quarter

From June 1, 2018 to August 31, 2018

ERI Holdings Co., Ltd.

September 28, 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 slowdown in large condominium development.
- Revenue increased in all four segments.
- In Building Confirmation and Housing Performance Evaluation and its related services, revenue increased largely due to inclusion of revenue of Jyutaku Seinou Hyouka Center Co., Ltd.
- Inspection service drove a revenue of Solution Services.
- In other segments, Evaluation for Compliance with Energy Consumption Performance of Buildings kept good sales but cost increase shrank the earnings.

Consolidated results



(Millions of yen)

	FY2017 1Q (Jun. 2017 – Aug. 2017)	FY2018 1Q (Jun. 2018 – Aug. 2018)	Change	
			Amounts	Ratio
Net Sales	2,829	3,523	694	24.5%
Operating Profit	46	125	78	169.8%
Operating Profit Ratio	1.6%	3.6%	-	-
Ordinary Profit	53	138	85	158.2%
Ordinary Profit Ratio	1.9%	3.9%	-	-
Profit Attributable to Owners of Parent	26	72	46	173.2%
Profit per Share (Yen)	3.40	9.52	6.12	-

* FY2018 1Q includes FY2018 1Q (Jun. 2018 - Aug. 2018) data of Japan ERI Co., Ltd. and Tokyo Bldg-Tech Center Co., Ltd., and FY2018 1Q (Apr. 2018 - Jun. 2018) data of Jyutaku Seinou Hyouka Center Co., Ltd.

Consolidated results by segment



(Millions of yen)

	FY2017 1Q	FY2018 1Q	Change		Segment Profit	Change
			Amounts	Ratio		
Building Confirmation and Inspection	1,554 [54.9%]	1,937 [55.0%]	383	24.6%	178	78
Housing Performance Evaluation and its related services	690 [24.4%]	871 [24.7%]	180	26.1%	4	23
Solution Services	191 [6.8%]	226 [6.4%]	35	18.4%	▲10	1
Others	392 [13.9%]	488 [13.9%]	95	24.2%	▲31	▲9
Net Sales Total	2,829 [100.0%]	3,523 [100.0%]	694	24.5%	141	94

* FY2018 1Q includes FY2018 1Q (Jun. 2018 - Aug. 2018) data of Japan ERI Co., Ltd. and Tokyo Bldg-Tech Center Co., Ltd., and FY2018 1Q (Apr. 2018 - Jun. 2018) data of Jyutaku Seinou Hyouka Center Co., Ltd.

Main operating figures | Consolidated

		FY2017 1Q (Jun. 2017 – Aug. 2017)		FY2018 1Q (Jun. 2018 – Aug. 2018)		Change	
		Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Building Confirmations		13,594	763	20,176	935	6,582	172
Final Inspections		11,150	546	16,482	666	5,332	120
Housing Design Performance Evaluations	Detached Houses	5,068	181	9,011	254	3,943	73
	Collective Houses	4,682	57	5,409	60	727	3
Housing Construction Performance Evaluations	Detached Houses	4,051	290	6,223	372	2,172	82
	Collective Houses	4,599	62	4,441	64	▲158	2

* FY2018 1Q includes FY2018 1Q (Jun. 2018 - Aug. 2018) data of Japan ERI Co., Ltd. and Tokyo Bldg-Tech Center Co., Ltd., FY2018 1Q (Apr. 2018 - Jun. 2018) data of Jyutaku Seinou Hyouka Center Co., Ltd.

* From FY2017 3Q report, the numbers of plan change by Japan ERI Co., Ltd. exclude from "Building Confirmations" and "Final Inspections".

* From FY2017 3Q report, the number of auxiliary structures and elevators by Japan ERI Co., Ltd. includes in "Building Confirmations" and "Final Inspections".

Key service figures | Consolidated

		FY2017 1Q (Jun. 2017 – Aug. 2017)		FY2018 1Q (Jun. 2018 – Aug. 2018)		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)		1,399	389	1,498	436	99	47
Technical Assessments for Long-life Quality Housings		6,285	97	7,797	112	1,512	15
Inspections for Housing Defect Liability Insurance		6,681	79	10,757	80	4,076	1
Evaluation for Compliance with Energy Consumption Performance of Buildings		160	28	287	51	127	23
BELS certifications	Non-housings	19	2	51	8	32	6
	Housings	1,889	30	1,617	24	▲272	▲6

* FY2018 1Q includes FY2018 1Q (Jun. 2018 - Aug. 2018) data of Japan ERI Co., Ltd. and Tokyo Bldg-Tech Center Co., Ltd., and FY2018 1Q (Apr. 2018 - Jun. 2018) data of Jyutaku Seinou Hyouka Center Co., Ltd.

* "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. From FY2017 4Q report, the numbers of plan change is included.

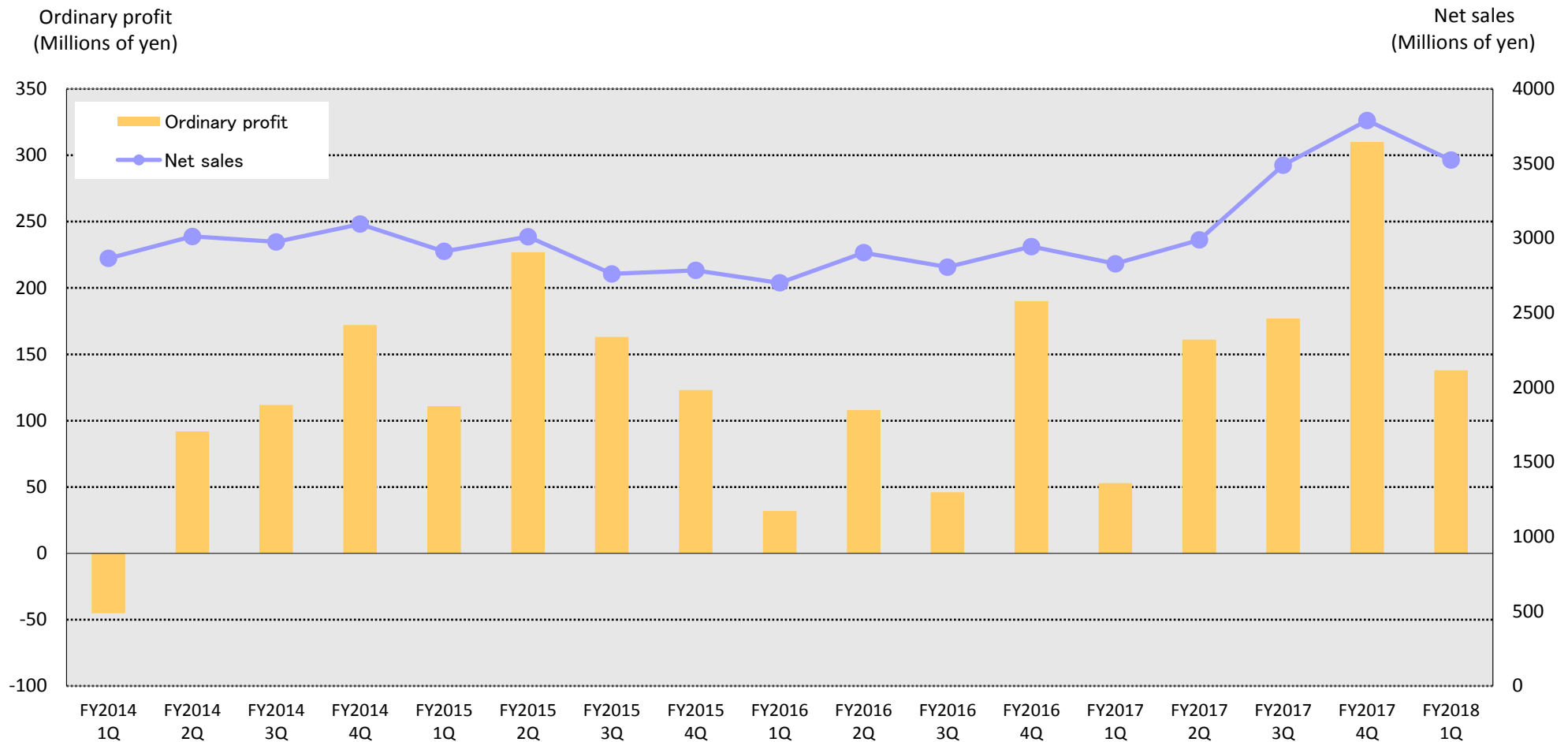
* From FY2018 3Q, counting rules of "Inspections for Housing Defect Liability Insurance" is changed. New rules are the following: 1) Including Defect Insurance but excluding inspection for insurance firm and Housing Performance Certification, 2) Including insurance brokerage numbers and amounts, and 3) Including the data of all housing defect liability insurance companies.

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

Changes of quarterly results | Consolidated



Quarterly net sales and ordinary profit



Forecasts for FY2018



(Millions of yen)

	FY2017 (Jun. 2017 – May 2018)	FY2018 (Jun. 2018 – May 2019)	Change
Net Sales	13,097	14,916	1,818
Operating Profit	690	757	66
Vs. Net Sales	5.3%	5.1%	—
Ordinary Profit	702	765	63
Vs. Net Sales	5.4%	5.1%	—
Profit Attributable to Owners of Parent	429	488	58
Profit per Share (Yen)	55.37	64.01	8.64
Dividends per Share (Yen)	30	30	0

Topics

Japan ERI Co., Ltd. set up a committee for discussing a solution of BIM utilization in Building Confirmation, released on Sep. 14.

【Member of the committee】

Academic experts / Building Research Institute, National Research and Development Agency (BRI) / Designated Confirmation and Inspection Bodies / Ministry of Land, Infrastructure and Transport / BIM software vendors, etc.



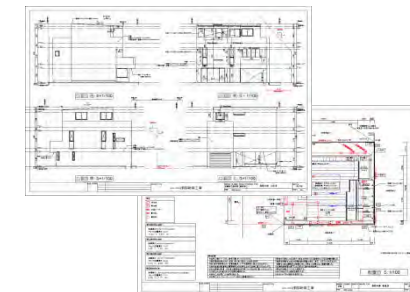
BIM model

Source: BRI “えびすとら”, Vol.73

(Name, area and finish of rooms and specification and performance of materials, components and MEPs)

Attribute information

Discussion on the guideline to establish attribute information list for a template of Building Confirmation drawings



Source: Autodesk, Inc.

Template for Building Confirmation drawings

3D information

Discussion for facilitating BIM utilized Building Confirmation (appropriate BIM viewer, etc.)



Source: FUKUICOMPUTER ARCHITECT, Inc.

BIM viewer for plan review



ERI Holdings Co., Ltd.

Investor Relations and Public Relations Group

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.