



Financial Results for the Third Quarter

From June 1, 2018 to February 28, 2019

ERI Holdings Co., Ltd.

March 29, 2019

Listed on Tokyo Stock Exchange (Code 6083)

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

Summary

Continuous increase in revenue and earnings year-on-year

- New housing starts slightly decreased due to slowdown of new housing for rent by bank credit tightening targeting rental housing segment.
- Revenue increased continuously in all four segments.
- In Building Confirmation and Housing Performance Evaluation and its related services, revenue and earnings increased largely due to full fiscal period inclusion of revenue and earnings of Jyutaku Seinou Hyouka Center Co., Ltd.
- In Solution Services, revenue kept generally in good shape but its earnings was decreased by expanding outsourcing cost.
- In other segments, temporary increase in extra verification of structural safety strongly enhanced sales and earnings.

Consolidated results



(Millions of yen)

	FY2017 3Q (Jun. 2017 – Feb. 2018)	FY2018 3Q (Jun. 2018 – Feb. 2019)	Change	
			Amounts	Ratio
Net Sales	9,307	11,200	1,892	20.3%
Operating Profit	386	725	339	87.9%
Operating Profit Ratio	4.1%	6.5%	-	-
Ordinary Profit	391	744	352	90.0%
Ordinary Profit Ratio	4.2%	6.6%	-	-
Profit Attributable to Owners of Parent	225	482	256	113.5%
Profit per Share (Yen)	28.93	63.56	34.63	-

* In FY2018 3Q results, data of Jyutaku Seinou Hyouka Center co., Ltd. is the results of Apr. 2018 - Dec. 2018 period.

* In FY2017 3Q results, data of Jyutaku Seinou Hyouka Center co., Ltd. is the results of Oct. 2017 - Dec. 2017 period.

Consolidated results by segment



(Millions of yen)

	FY2017 3Q	FY2018 3Q	Change		Segment Profit	Change
			Amounts	Ratio		
Building Confirmation and Inspection	5,021 [54.0%]	5,842 [52.2%]	820	16.3%	579	144
Housing Performance Evaluation and its related services	2,300 [24.7%]	2,757 [24.6%]	456	19.9%	96	99
Solution Services	653 [7.0%]	858 [7.7%]	205	31.5%	42	▲1
Others	1,332 [14.3%]	1,741 [15.5%]	409	30.7%	55	129
Net Sales Total	9,307 [100.0%]	11,200 [100.0%]	1,892	20.3%	773	371

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* In FY2017 3Q results, data of Jyutaku Seinou Hyouka Center co., Ltd. is the results of Oct. 2017 - Dec. 2017 period.

Main operating figures | Consolidated

		FY2017 3Q (Jun. 2017 – Feb. 2018)		FY2018 3Q (Jun. 2018 – Feb. 2019)		Change	
		Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Building Confirmations		45,765	2,300	59,377	2,650	13,612	350
Final Inspections		41,625	1,843	52,868	2,221	11,243	378
Housing Design Performance Evaluations	Detached Houses	17,879	585	26,799	750	8,920	165
	Collective Houses	16,351	185	15,000	179	▲1,351	▲6
Housing Construction Performance Evaluations	Detached Houses	14,759	975	20,723	1,234	5,964	259
	Collective Houses	16,408	264	18,587	282	2,179	18

* FY2018 3Q includes Jun. 2018 - Feb. 2019 data of Japan ERI Co., Ltd. and Tokyo Bldg-Tech Center Co., Ltd., and Apr. 2018 - Dec. 2018 data of Jyutaku Seinou Hyouka Center Co., Ltd.

* FY2017 3Q includes Jun. 2017 - Feb. 2018 data of Japan ERI Co., Ltd. and Tokyo Bldg-Tech Center Co., Ltd., and Oct. 2017 - Dec. 2017 data of Jyutaku Seinou Hyouka Center Co., Ltd.

Key service figures | Consolidated



	FY2017 3Q (Jun. 2017 – Feb. 2018)		FY2018 3Q (Jun. 2018 – Feb. 2019)		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)	3,873	1,084	4,102	1,199	229	115	
Technical Assessments for Long-life Quality Housings	19,179	286	22,112	317	2,933	31	
Inspections for Housing Defect Liability Insurance	24,227	312	30,739	295	6,512	▲17	
Evaluation for Compliance with Energy Consumption Performance of Buildings	592	109	780	143	188	34	
BELS Certifications	Non-housings	132	19	158	31	26	12
	Housings	4,355	68	3,929	74	▲426	6

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* "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.

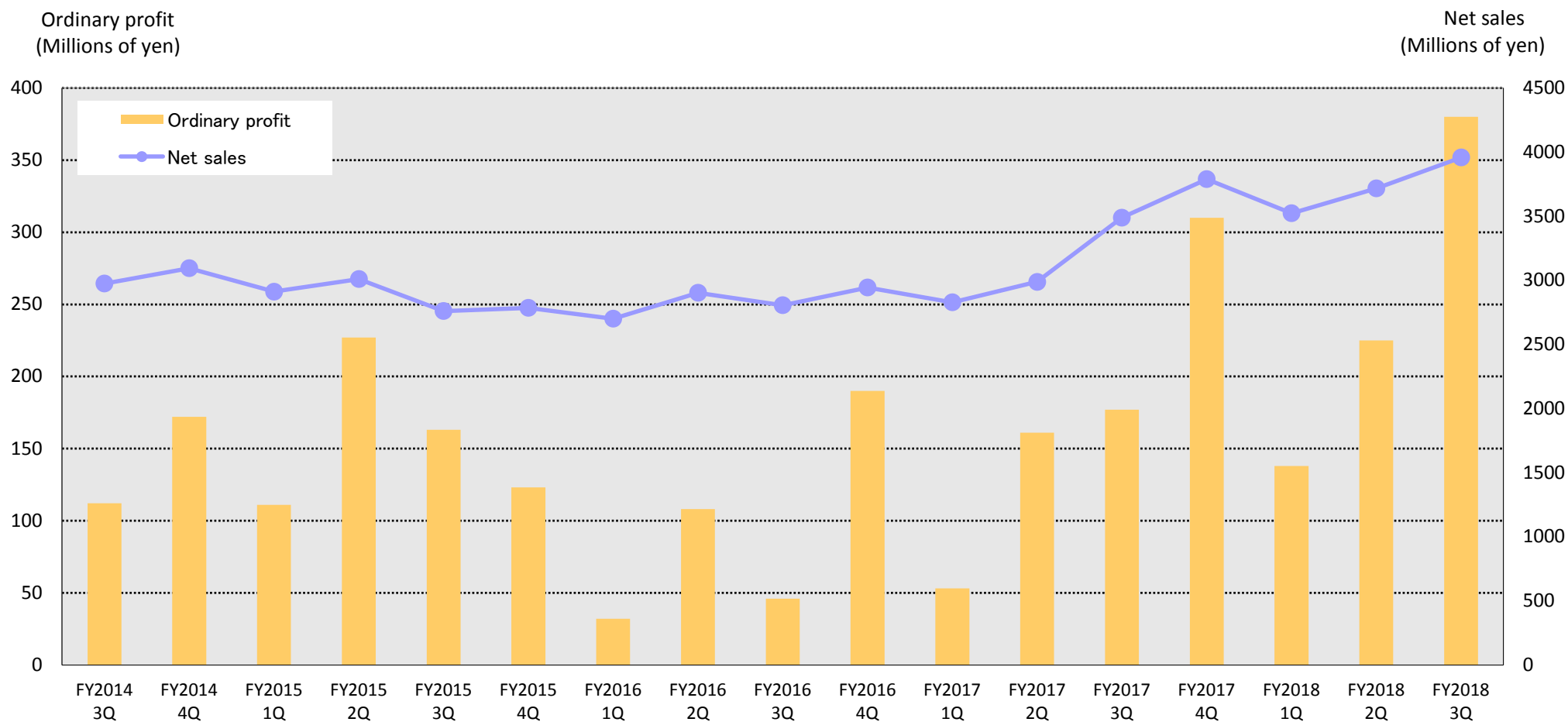
* Counting rules of "Inspections for Housing Defect Liability Insurance" is as follows. 1) Including Defect Insurance but excluding inspection for insurance firm and Housing Performance Certification, 2) Including insurance brokerage, and 3) Including the data of all housing defect liability insurance 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

Feb. 2019, the cabinet decided to enhance mandatory compliance with energy efficiency standards down to $\geq 300\text{sqm}$ non-housing.

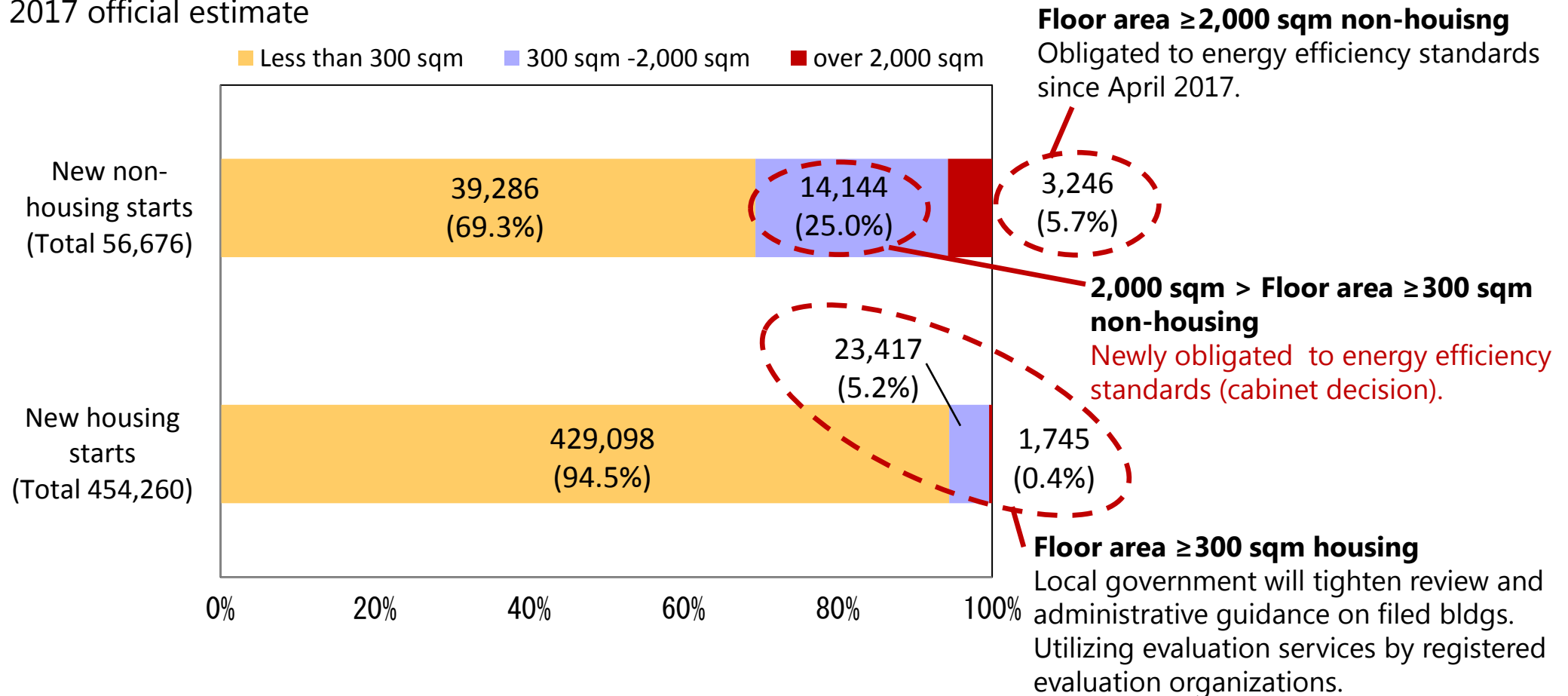
Three Designated Confirmation and Inspection Bodies in ERI group provide this new regulation related evaluation services.

		2017	At present	
Roadmap for implementation of mandatory compliance with energy efficiency standards (New build)	Large-bldgs. (floor area $\geq 2,000$ sqm)	(Non-housing) Filing required	(Non-housing) Mandatory compliance	
		(Housing) Filing required		
	Medium-bldgs. (floor area ≥ 300 sqm)	(Non-housing) Filing required	(Non-housing) Mandatory compliance	
		(Housing) Filing required		
	Small-bldgs. (floor area < 300 sqm)	(All type bldgs.) Accountability imposed		

Topics

Number of medium building of non-housing newly obligated to energy efficiency standards is expected roughly 14,000 per year.

[National new building starts by floor area]
2017 official estimate





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