

Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending May 31, 2022
(From June 1, 2021 to August 31, 2021)
[Japanese GAAP]

September 30, 2021

Company Name: ERI Holdings Co., Ltd. Listing Exchanges: First section of the Tokyo Stock Exchange
 Securities Code: 6083 URL: <https://www.h-eri.co.jp/>
 Representative: Toshihiko Umamo, President, CEO and COO
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 Planned Date for Submission of Quarterly Securities Report: September 30, 2021
 Planned Starting Date for Dividend Payments: –
 Supplementary documents for financial results: Yes
 Financial Results briefing: None

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending May 31, 2022 (June 1, 2021 – August 31, 2021)

(1) Consolidated Financial Results (Cumulative)

(% indicates year-on-year change)

| | Net Sales | | Operating Profit | | Ordinary Profit | | Profit Attributable to Owners of Parent | |
|--------------|-------------|-------|------------------|---|-----------------|--------|---|--------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| FY 5/2022 Q1 | 3,779 | 11.2 | 355 | – | 392 | – | 247 | – |
| FY 5/2021 Q1 | 3,399 | (7.8) | (29) | – | 20 | (80.3) | 7 | (87.8) |

(Note) Comprehensive Income FY 5/2022 Q1: 250 million yen (–) FY 5/2021 Q1: 9 million yen (-86.3%)

| | Profit per Share | Diluted Profit per Share |
|--------------|------------------|--------------------------|
| | yen | yen |
| FY 5/2022 Q1 | 31.64 | – |
| FY 5/2021 Q1 | 1.01 | – |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Shareholders' Equity Ratio |
|--------------|--------------|-------------|----------------------------|
| | million yen | million yen | % |
| FY 5/2022 Q1 | 6,849 | 3,155 | 45.6 |
| FY 5/2021 | 6,477 | 3,024 | 46.1 |

(Reference) Shareholders' Equity FY 5/2022 Q1: 3,120 million yen FY 5/2021: 2,988 million yen

2. Dividends

| | Dividends per Share | | | | |
|----------------------|---------------------|-----------|-----------|-----------------|--------|
| | End of Q1 | End of Q2 | End of Q3 | Fiscal Year End | Annual |
| | yen | yen | yen | yen | yen |
| FY 5/2021 | – | 0.00 | – | 15.00 | 15.00 |
| FY 5/2022 | – | | | | |
| FY 5/2022 (Forecast) | | 15.00 | – | 15.00 | 30.00 |

(Note) Revisions to dividend forecasts published most recently: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending May 31, 2022 (June 1, 2021– May 31, 2022)

(% indicates year-on-year change)

| | Net Sales | | Operating Profit | | Ordinary Profit | | Profit Attributable to Owners of Parent | | Profit per Share |
|-----------|-------------|-----|------------------|------|-----------------|------|---|------|------------------|
| | million yen | % | million yen | % | million yen | % | million yen | % | Yen |
| FY 5/2022 | 15,232 | 5.8 | 789 | 95.9 | 825 | 74.1 | 492 | 85.9 | 62.84 |

(Note) Revisions to performance forecasts published most recently: None

* Notes

(1) Changes in significant subsidiaries during the term under review (changes in subsidiaries via share exchange causing a change in the scope of consolidation): None

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements: None

(3) Accounting policies, changes in accounting estimates and errors

- | | |
|--|------|
| (i) Changes in accounting policies associated with the revision of accounting standards, etc.: | Yes |
| (ii) Changes in accounting policies other than (i): | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Restatements: | None |

(4) Number of shares issued (common stock)

| | | |
|--|--------------|------------------|
| (i) Shares Outstanding (incl. treasury stock): | FY 5/2022 Q1 | 7,832,400 shares |
| | FY 5/2021 | 7,832,400 shares |
| (ii) Treasury Stock: | FY 5/2022 Q1 | 85 shares |
| | FY 5/2021 | 85 shares |
| (iii) Average Number of Shares Outstanding | FY 5/2022 Q1 | 7,823,315 shares |
| | FY 5/2021 Q1 | 7,752,538 shares |

* This report is not subject to audit by certified public accountant or audit firm.

* Cautionary statement with respect to forward-looking statements, and other information.

The performance projections in this report are based on information currently available and significantly include uncertainty. Actual result may differ materially from these projections due to various factors.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Unit: thousand yen)

| | Previous fiscal year (As of May 31, 2021) | The first quarter of the reporting fiscal year (As of August 31, 2021) |
|---|--|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,650,798 | 3,194,706 |
| Accounts receivable-trade | 902,549 | - |
| Accounts receivable-trade and contract assets | - | 1,061,367 |
| Work in process | 420,120 | 221,565 |
| Other | 287,865 | 325,110 |
| Total current assets | 4,261,334 | 4,802,750 |
| Non-current assets | | |
| Property, plant and equipment | 531,363 | 510,417 |
| Intangible assets | | |
| Goodwill | 432,680 | 413,308 |
| Other | 322,857 | 321,191 |
| Total intangible assets | 755,537 | 734,499 |
| Investments and other assets | | |
| Investment securities | 1,028 | 1,044 |
| Guarantee deposits | 469,228 | 467,316 |
| Deferred tax assets | 403,842 | 314,128 |
| Other | 55,483 | 19,080 |
| Total investments and other assets | 929,583 | 801,570 |
| Total non-current assets | 2,216,484 | 2,046,487 |
| Total assets | 6,477,818 | 6,849,237 |

Summary of Financial Results for First Quarter of the Fiscal Year Ending May 31, 2022
ERI Holdings Co., Ltd. (Securities Code 6083)

(Unit: thousand yen)

| | Previous fiscal year (As of May 31, 2021) | The first quarter of the reporting fiscal year (As of August 31, 2021) |
|---|--|--|
| Liabilities | | |
| Current liabilities | | |
| Short-term borrowings | - | 300,000 |
| Current portion of long-term borrowings | 137,100 | 137,100 |
| Accounts payable - other | 294,193 | 309,818 |
| Accrued expenses | 784,842 | 576,262 |
| Income taxes payable | 153,128 | 50,005 |
| Advances received | 769,391 | - |
| Contract liabilities | - | 773,081 |
| Lease obligations | 35,168 | 33,981 |
| Other | 187,401 | 262,780 |
| Total current liabilities | 2,361,225 | 2,443,029 |
| Non-current liabilities | | |
| Long-term borrowings | 788,325 | 954,050 |
| Retirement benefit liability | 56,133 | 57,159 |
| Long-term accounts payable - other | 105,283 | 105,283 |
| Lease obligations | 68,689 | 60,417 |
| Other | 73,790 | 73,790 |
| Total non-current liabilities | 1,092,222 | 1,250,701 |
| Total liabilities | 3,453,447 | 3,693,731 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 992,784 | 992,784 |
| Capital surplus | 42,236 | 42,236 |
| Retained earnings | 1,954,162 | 2,085,705 |
| Treasury shares | (72) | (72) |
| Total shareholders' equity | 2,989,110 | 3,120,654 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (428) | (417) |
| Total accumulated other comprehensive income | (428) | (417) |
| Non-controlling interests | 35,688 | 35,270 |
| Total net assets | 3,024,370 | 3,155,506 |
| Total liabilities and net assets | 6,477,818 | 6,849,237 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statement of Income

(Unit: thousand yen)

| | The first quarter of the previous fiscal year (From June 1, 2020 to August 31, 2020) | The first quarter of the reporting fiscal year (From June 1, 2021 to August 31, 2021) |
|--|---|--|
| Net sales | 3,399,526 | 3,779,651 |
| Cost of sales | 2,523,242 | 2,561,631 |
| Gross profit | 876,284 | 1,218,019 |
| Selling, general and administrative expenses | 905,880 | 862,266 |
| Operating profit (loss) | (29,595) | 355,753 |
| Non-operating income | | |
| Interest income | 8 | 25 |
| Dividend income of insurance | 6,956 | 4,694 |
| Commission income | 362 | 341 |
| Rent revenue | 1,679 | 1,679 |
| Guarantee commission received | 2,582 | - |
| Surrender value of insurance policies | 4,063 | 25,911 |
| Subsidy income | 59,514 | 5,779 |
| Miscellaneous income | 669 | 918 |
| Total non-operating income | 75,836 | 39,349 |
| Non-operating expenses | | |
| Interest expenses | 2,350 | 2,143 |
| Provision for loss on guarantees | 23,045 | - |
| Miscellaneous losses | 123 | 37 |
| Total non-operating expenses | 25,519 | 2,181 |
| Ordinary profit | 20,721 | 392,922 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 640 | - |
| Total extraordinary losses | 640 | - |
| Profit before income taxes | 20,080 | 392,922 |
| Income taxes - current | 3,894 | 53,678 |
| Income taxes - deferred | 6,913 | 89,112 |
| Total income taxes | 10,807 | 142,790 |
| Profit | 9,272 | 250,131 |
| Profit attributable to non-controlling interests | 1,472 | 2,282 |
| Profit attributable to owners of parent | 7,800 | 247,849 |

Quarterly Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

| | The first quarter of the previous fiscal year (From June 1, 2020 to August 31, 2020) | The first quarter of the reporting fiscal year (From June 1, 2021 to August 31, 2021) |
|--|---|--|
| Profit | 9,272 | 250,131 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (49) | 10 |
| Total other comprehensive income | (49) | 10 |
| Comprehensive income | 9,223 | 250,141 |
| Comprehensive income attributable to: | | |
| Comprehensive income attributable to owners of parent | 7,752 | 247,859 |
| Comprehensive income attributable to non-controlling interests | 1,471 | 2,282 |