

Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending May 31, 2022
(From June 1, 2021 to November 30, 2021)
[Japanese GAAP]

December 28, 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/>
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 Planned Date for Submission of Quarterly Securities Report: December 28, 2021
 Planned Starting Date for Dividend Payments: January 31, 2022
 Supplementary documents for financial results: Yes
 Financial Results briefing: Yes (for institutional investors and securities analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending May 31, 2022 (June 1, 2021 – November 30, 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 5/2021 Q2	7,934	16.3	931	–	988	–	601	–
FY 5/2020 Q2	6,824	(8.2)	(78)	–	(14)	–	(33)	–

(Note) Comprehensive Income FY 5/2022 Q2: 607 million yen (–%) FY 5/2021 Q2: -30 million yen (–)

	Profit per Share	Diluted Profit per Share
	yen	yen
FY 5/2022 Q2	76.84	–
FY 5/2021 Q2	(4.27)	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	million yen	million yen	%
FY 5/2022 Q2	7,403	3,512	46.9
FY 5/2021	6,477	3,024	46.1

(Reference) Shareholders' Equity FY 5/2022 Q2: 3,474 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	–	15.00			
FY 5/2022 (Forecast)			–	25.00	40.00

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

(Note) The 25.00 yen of year-end dividend for FY 5/2022 (forecast) includes 10.00 yen special dividend.

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	15,810	9.8	1,600	297.2	1,660	250.0	1,031	289.7	131.73

(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

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| (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 Q2	7,832,400 shares
	FY 5/2021	7,832,400 shares
(ii) Treasury Stock:	FY 5/2022 Q2	122shares
	FY 5/2021	85 shares
(iii) Average Number of Shares Outstanding	FY 5/2022 Q2	7,832,306 shares
	FY 5/2021 Q2	7,771,436 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 second quarter of the reporting fiscal year (As of November 30, 2021)
Assets		
Current assets		
Cash and deposits	2,650,798	3,799,058
Accounts receivable-trade	902,549	-
Accounts receivable-trade and contract assets	-	1,125,606
Work in process	420,120	228,242
Other	287,865	191,369
Total current assets	4,261,334	5,344,276
Non-current assets		
Property, plant and equipment	531,363	502,038
Intangible assets		
Goodwill	432,680	393,936
Other	322,857	312,541
Total intangible assets	755,537	706,478
Investments and other assets		
Investment securities	1,028	1,162
Guarantee deposits	469,228	466,123
Deferred tax assets	403,842	363,823
Other	55,483	19,520
Total investments and other assets	929,583	850,630
Total non-current assets	2,216,484	2,059,146
Total assets	6,477,818	7,403,422

Summary of Financial Results for Second 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 second quarter of the reporting fiscal year (As of November 30, 2021)
Liabilities		
Current liabilities		
Current portion of long-term borrowings	137,100	137,100
Accounts payable - other	294,193	238,579
Accrued expenses	784,842	870,912
Income taxes payable	153,128	331,937
Advances received	769,391	-
Contract liabilities	-	863,302
Lease obligations	35,168	35,275
Other	187,401	197,403
Total current liabilities	2,361,225	2,674,511
Non-current liabilities		
Long-term borrowings	788,325	919,775
Retirement benefit liability	56,133	56,900
Long-term accounts payable - other	105,283	105,283
Lease obligations	68,689	60,703
Other	73,790	73,790
Total non-current liabilities	1,092,222	1,216,453
Total liabilities	3,453,447	3,890,965
Net assets		
Shareholders' equity		
Share capital	992,784	992,784
Capital surplus	42,236	42,236
Retained earnings	1,954,162	2,439,722
Treasury shares	(72)	(127)
Total shareholders' equity	2,989,110	3,474,615
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(428)	(343)
Total accumulated other comprehensive income	(428)	(343)
Non-controlling interests	35,688	38,185
Total net assets	3,024,370	3,512,457
Total liabilities and net assets	6,477,818	7,403,422

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

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2020 to November 30, 2020)	The second quarter of the reporting fiscal year (From June 1, 2021 to November 30, 2021)
Net sales	6,824,793	7,934,079
Cost of sales	5,103,646	5,241,600
Gross profit	1,721,147	2,692,478
Selling, general and administrative expenses	1,799,911	1,760,577
Operating profit (loss)	(78,763)	931,901
Non-operating income		
Interest income	13	126
Dividend income of insurance	6,956	4,694
Commission income	711	674
Rent revenue	3,359	3,359
Guarantee commission received	5,164	-
Surrender value of insurance policies	4,063	25,911
Insurance claim income	-	16,880
Subsidy income	82,391	7,504
Miscellaneous income	1,865	2,051
Total non-operating income	104,525	61,203
Non-operating expenses		
Interest expenses	4,255	4,267
Provision for loss on guarantees	35,559	-
Miscellaneous losses	123	75
Total non-operating expenses	39,938	4,343
Ordinary profit (loss)	(14,176)	988,761
Extraordinary losses		
Loss on sale of non-current assets	640	-
Total extraordinary losses	640	-
Profit (loss) before income taxes	(14,816)	988,761
Income taxes - current	37,667	342,323
Income taxes - deferred	(21,726)	39,376
Total income taxes	15,941	381,700
Profit (loss)	(30,758)	607,060
Profit attributable to non-controlling interests	2,457	5,195
Profit (loss) attributable to owners of parent	(33,216)	601,685

Quarterly Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2020 to November 30, 2020)	The second quarter of the reporting fiscal year (From June 1, 2021 to November 30, 2021)
Profit (loss)	(30,758)	607,060
Other comprehensive income		
Valuation difference on available-for-sale securities	(54)	87
Total other comprehensive income	(54)	87
Comprehensive income	(30,812)	607,147
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(33,269)	601,950
Comprehensive income attributable to non-controlling interests	2,456	5,197

(3) Consolidated Statements of Cash Flows

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2020 to November 30, 2020)	The second quarter of the reporting fiscal year (From June 1, 2021 to November 30, 2021)
Cash flows from operating activities		
Profit (loss) before income taxes	(14,816)	988,761
Depreciation	105,235	100,705
Amortization of goodwill	37,524	38,744
Interest income	(13)	(126)
Interest expenses	4,255	4,267
Loss (gain) on sale of non-current assets	640	-
Subsidy income	(82,391)	(7,504)
Surrender value of insurance policies	-	(25,911)
Increase (decrease) in provision for loss on guarantees	35,559	-
Decrease (increase) in trade receivables	51,402	-
Decrease (increase) in trade receivables and contract assets	-	(223,056)
Decrease (increase) in inventories	(56,790)	191,878
Increase (decrease) in accounts payable - other	6,673	(43,954)
Increase (decrease) in accrued expenses	(2,382)	86,069
Increase (decrease) in advances received	(15,801)	-
Increase (decrease) in contract liabilities	-	93,910
Increase (decrease) in deposits received	(77,063)	3,528
Other, net	(141,504)	6,651
Subtotal	(149,472)	1,213,963
Interest and dividends received	17	130
Interest paid	(4,175)	(4,286)
Proceeds from subsidy income	80,862	7,504
Income taxes (paid) refund	(144,008)	(59,546)
Net cash provided by (used in) operating activities	(216,776)	1,157,766
Cash flows from investing activities		
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	95,645	-
Purchase of non-current assets	(63,955)	(52,931)
Proceeds from sale of non-current assets	24,280	-
Payments of guarantee deposits	(13,863)	(2,003)
Proceeds from refund of guarantee deposits	23,364	1,544
Proceeds from cancellation of insurance funds	16,951	63,987
Other, net	10,626	(14,537)
Net cash provided by (used in) investing activities	93,048	(3,941)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	200,000
Repayments of long-term borrowings	(113,864)	(68,550)
Dividends paid	(93,870)	(116,995)
Dividends paid to non-controlling interests	(10,170)	(2,700)
Proceeds from disposal of treasury shares	44,927	-
Purchase of treasury shares	-	(54)
Other, net	(16,971)	(18,464)
Net cash provided by (used in) financing activities	(189,950)	(6,764)
Net increase (decrease) in cash and cash equivalents	(313,678)	1,147,060
Cash and cash equivalents at beginning of period	2,725,159	2,626,384
Cash and cash equivalents at end of period	2,411,481	3,773,444