

Financial Results for the Third Quarter

From June 1, 2021 to February 28, 2022



ERI Holdings Co., Ltd.

March 30, 2022

ERI

Evaluation, Rating, Inspection

Holdings

Recovery have kept on going in good shape

- In the third quarter, our business have been on track to recovery as we expected.
- Both new housing starts and GFA of new build non-housing have been increasing on a year-on-year comparison.
- All the segments turned around to increase in revenue and earnings on a year-on-year comparison.
- Action on decarbonization about buildings and housings satisfactorily enhanced revenue of energy-saving related services.
- Solution services revenue increased partly due to a few large contracts.
- In addition to the coronavirus crisis condition, we should keep an eye on every possible impact by the critical situation in Russia-Ukraine.

Consolidated financial results

(Millions of yen)	3Q previous fiscal year (Jun. 2020– Feb. 2021)	3Q reporting fiscal year (Jun. 2021– Feb. 2022)	Change	
			Amounts	Ratio
Net Sales	10,363	12,001	1,638	15.8%
Operating Profit	22	1,511	1,489	-
Operating Profit Ratio	0.2%	12.6%	-	-
Ordinary Profit	86	1,569	1,482	-
Ordinary Profit Ratio	0.8%	13.1%	-	-
Profit Attributable to Owners of Parent	29	973	943	-
Profit per Share (Yen)	3.83	124.33	120.5	-

Consolidated financial results by segment

(Millions of yen)	3Q previous fiscal year (Jun. 2020– Feb. 2021)	3Q reporting fiscal year (Jun. 2021– Feb. 2022)	Change		Segment Profit	Change
			Amounts	Ratio		
Building Confirmation and Inspection and its related services	5,741 [55.4%]	6,494 [54.1%]	752	13.1%	796	690
Housing Performance Evaluation and its related services	2,608 [25.2%]	2,852 [23.8%]	244	9.4%	395	347
Solution Services	837 [8.1%]	1,081 [9.0%]	244	29.2%	68	105
Others	1,177 [11.3%]	1,573 [13.1%]	396	33.7%	301	347
Net Sales Total	10,363 [100.0%]	12,001 [100.0%]	1,638	15.8%	1,561	1,490

Main operating figures | Consolidated

		3Q previous fiscal year (Jun. 2020 – Feb. 2021)		3Q reporting fiscal year (Jun. 2021 – Feb. 2022)		Change	
		Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Building Confirmations		51,154	2,286	61,062	2,789	9,908	503
Final Inspections		51,642	2,217	53,598	2,313	1,956	96
Housing Design Performance Evaluations	Detached Houses	22,964	698	26,128	791	3,164	93
	Collective Houses	16,228	183	17,550	198	1,322	15
Housing Construction Performance Evaluations	Detached Houses	22,372	1,212	20,796	1,180	▲1,576	▲32
	Collective Houses	15,302	238	14,425	233	▲877	▲5

Key service figures | Consolidated

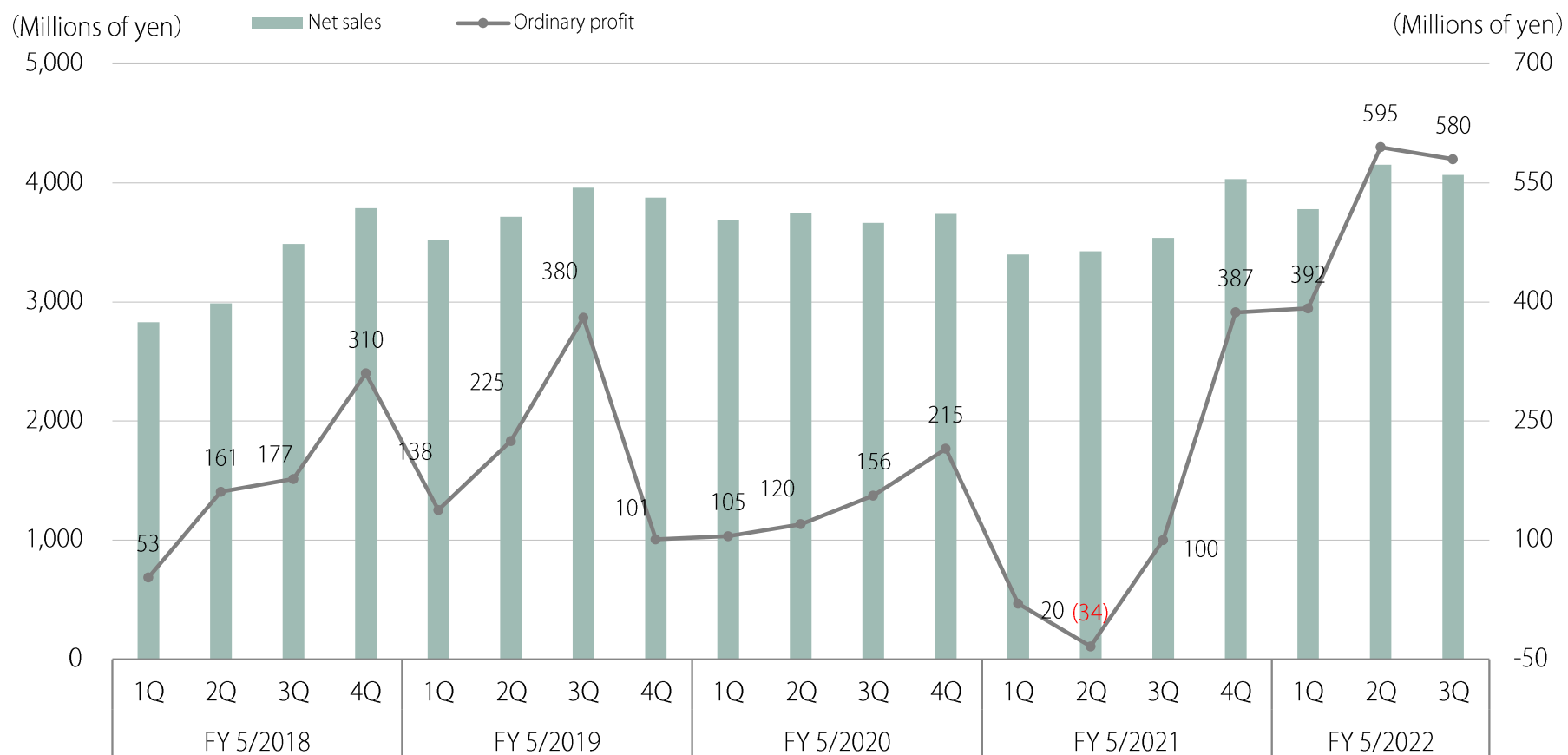
		3Q previous fiscal year (Jun. 2020 – Feb. 2021)		3Q reporting fiscal year (Jun. 2021 – Feb. 2022)		Change	
		Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Technical Assessments for Long-life Quality Housings		18,068	254	20,518	307	2,450	53
Inspections for Housing Defect Liability Insurance		28,177	247	25,034	268	▲3,143	21
Evaluation for Building Energy Standards (incl. 300 ~ 2,000 sqm)		1,166 (-)	183	3,392 (2,081)	415	2,226 (2,081)	232
BELS Certifications	Housings	5,838	103	8,512	187	2,674	84
	Non-housings	160	33	261	58	101	25

* "Technical Assessments for Long-life Quality Housings" represents the cases and amounts of "conformance certificate", which include the cases and amounts of extension and renovation. The numbers of plan change are included. From February 20, 2022, the numbers of integrated application combined with "Housing Performance Evaluations" are excluded.

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

* From FY 5/2020 report, "Evaluation for Compliance with Energy Consumption Performance of Buildings" includes the numbers of plan change.

Changes of quarterly results | Consolidated



Forecasts for FY 5/2021

(Millions of yen)	FY 5/2021 (Jun. 2020 – May 2021)	FY 5/2022 (Jun. 2021 – May 2022)	Change	
			Amounts	Ratio
Net Sales	14,397	15,810	1,412	9.8%
Operating Profit	402	1,600	1,197	297.2%
Operating Profit Ratio	2.8%	10.1%	-	-
Ordinary Profit	474	1,660	1,185	250.0%
Ordinary Profit Ratio	3.3%	10.5%	-	-
Profit Attributable to Owners of Parent	264	1,031	766	289.7%
Profit per Share (Yen)	33.95	131.73	97.78	-

Measures for enhancement of housing/buildings energy saving performance ①

Involving energy saving standard in requirements of subsidy system
 Children Future Housing Subsidy (Mar 28, 2022~Oct 31, 2022)

- ERI group provide various certifications for applications of the subsidy

Housing support for child-rearing generation and young couples※	Required energy saving performance	Serveries by ERI group for the subsidy requirement
ZEH housing (1 million yen)	ZEH, Nearly ZEH, ZEH Ready, ZEH Oriented	- BELS (ZEH or ZEH-M labeled) - Housing performance certification (Class-5 thermal insulation and Class-6 primary energy consumption)
High energy saving housing (0.8 million yen)	Long-life quality housing	- Certification of long-life quality housing - Acceptance letter of long-life structure - Housing performance evaluation including long-life structure description
	Low-carbon building	- Certification of low carbon building plan
	Performance improvement plan housing	- Certification of performance improvement plan
Eligible energy saving housing (0.6 million yen)	Class-4 thermal insulation and Class-4 primary energy consumption	- Certification form for Children Future Housing Subsidy - Housing performance certification (Class-4 thermal insulation and Class-4 primary energy consumption) - BELS certification - Flat 35S eligible certification (borrowing rate plan-B) - Flat 35S eligible plan notice (borrowing rate plan-B)

※ Supplementary budget 54.2 billion yen

Measures for enhancement of housing/buildings energy saving performance ②

Japan Housing Finance Agency (JHF) revise energy saving requirement

- Flat35※ requirement involve energy saving standard and Flat35S (ZEH) is released, which will inspire energy saving labeling such as BELS

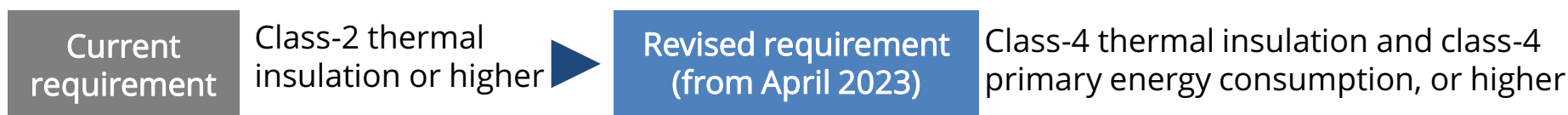
From
October
2022

Energy saving requirement of Flat35S is revised

	Category	Required energy saving performance (revised)
New housing	ZEH (new)	ZEH level performance
	Borrowing rate plan-A	Class-5 thermal insulation & Class-6 primary energy consumption
	Borrowing rate plan-B	Class-4 thermal insulation & Class-6 primary energy consumption or Class-5 thermal insulation & Class-4/5 primary energy consumption

From
April
2024

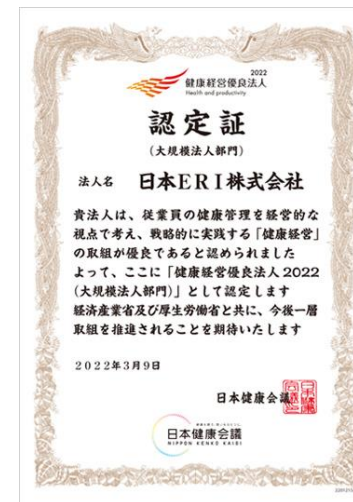
Toward decarbonized society, energy saving requirement of Flat35 is revised



※ Flat35: Brand name of the popular residential mortgage securitized by JHF
Source: Japan Housing Finance Agency brochure, April 2022

Certified as a “Health and Productivity Management Organization 2022”

March 9, 2022, Japan ERI was certified as a “Health and Productivity Management Organization 2022 (large corporate category)” in the Health and Productivity Management Organization Certification System, which has established by METI as a way to commend companies that carry out particularly excellent health and productivity management.



Certification by Nippon Kenko Kaigi (Japan Health Council)

December 2019, under the philosophy of “employees and their family health is the core of sustainable business growth”, Japan ERI declared “Health Management Manifesto”, and developed a health management promotion plan to make employees and their family life vibrant through their daily work. In the plan, we set quantitative targets against major health concerns and have been proactively engaged in promotion of employees’ health awareness, prevention of lifestyle-related diseases, constant review of work style, etc.

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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.