

ERI

Evaluation, Rating, Inspection

Holdings



Commitment to the sustainability-oriented business practices

Financial Results for the First Quarter

From June 1, 2023 to August 31, 2023

ERI Holdings Co., Ltd. (Security code : 6083)

September 29, 2023

Revenue grow but earnings decline in Q1

- Both new housing and non-housing starts shrunk and the number of applications for our core business decreased.
- In Building Confirmation and Inspection and its related services, both revenue and earnings decreased due to a slow down of application of Building Confirmation.
- In Housing Performance Evaluation and its related services, both revenue and earnings increased largely due to a growth of residential complex construction.
- In Solution services, revenue increased by M&As during the previous fiscal year, but earnings decreased because it will be posted in second half.
- In Others, both revenue and earnings increased due to a steady growth of energy-saving related services.
- Due to the construction-consulting service growth, a gap between posting of sales and earnings stretched. That is the major factor of the earnings decline of Q1. All in all, however, business has been on track in Q1 .

Consolidated financial results

(Millions of yen)	1Q Previous fiscal year (Jun. 2022– Aug. 2022)	1Q Reporting fiscal year (Jun. 2023– Aug. 2023)	Change	
			Amounts	Ratio
Net Sales	4,063	4,200	137	3.4%
Operating Profit	474	391	▲82	▲17.5%
Operating Profit Ratio	11.7%	9.3%	-	-
Ordinary Profit	482	406	▲76	▲15.8%
Ordinary Profit Ratio	11.9%	9.7%	-	-
Profit Attributable to Owners of Parent	276	241	▲35	▲12.8%
Profit per Share (Yen)	35.30	31.24	▲4.06	▲11.5%

Consolidated financial results by segment

(Millions of yen)	1Q Previous fiscal year (Jun. 2022 – Aug. 2022)	1Q Reporting fiscal year (Jun. 2023– Aug. 2023)	Change		Segment Profit	Change
			Amounts	Ratio		
Building Confirmation and Inspection and its related services	2,228 [54.8%]	2,141 [51.0%]	▲86	▲3.9%	214	▲73
Housing Performance Evaluation and its related services	883 [21.7%]	930 [22.1%]	47	5.3%	122	7
Solution Services	371 [9.1%]	447 [10.7%]	76	20.5%	▲94	▲117
Others	579 [14.3%]	680 [16.2%]	100	17.4%	165	100
Net Sales Total	4,063 [100.0%]	4,200 [100.0%]	137	3.4%	408	▲82

Main operating figures | Consolidated

Segment	Business		1Q Previous fiscal year (Jun. 2022 – Aug. 2022)		1Q Reporting fiscal year (Jun. 2023 – Aug. 2023)		Change	
			Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Building Confirmation and Inspection and its related services	Building Confirmations		20,526	1,016	19,091	903	▲1,435	▲112
	Final Inspections		16,999	739	17,310	762	311	23
Housing Performance Evaluation and its related services	Housing Design Performance Evaluations	Detached Houses	9,593	311	8,991	306	▲602	▲4
		Collective Houses	6,738	94	9,834	113	3,096	18
	Housing Construction Performance Evaluations	Detached Houses	6,427	352	6,609	351	182	▲1
		Collective Houses	3,162	67	4,051	103	889	36
	Technical Assessments for Long-life Quality Housings*		1,419	54	1,308	56	▲111	1

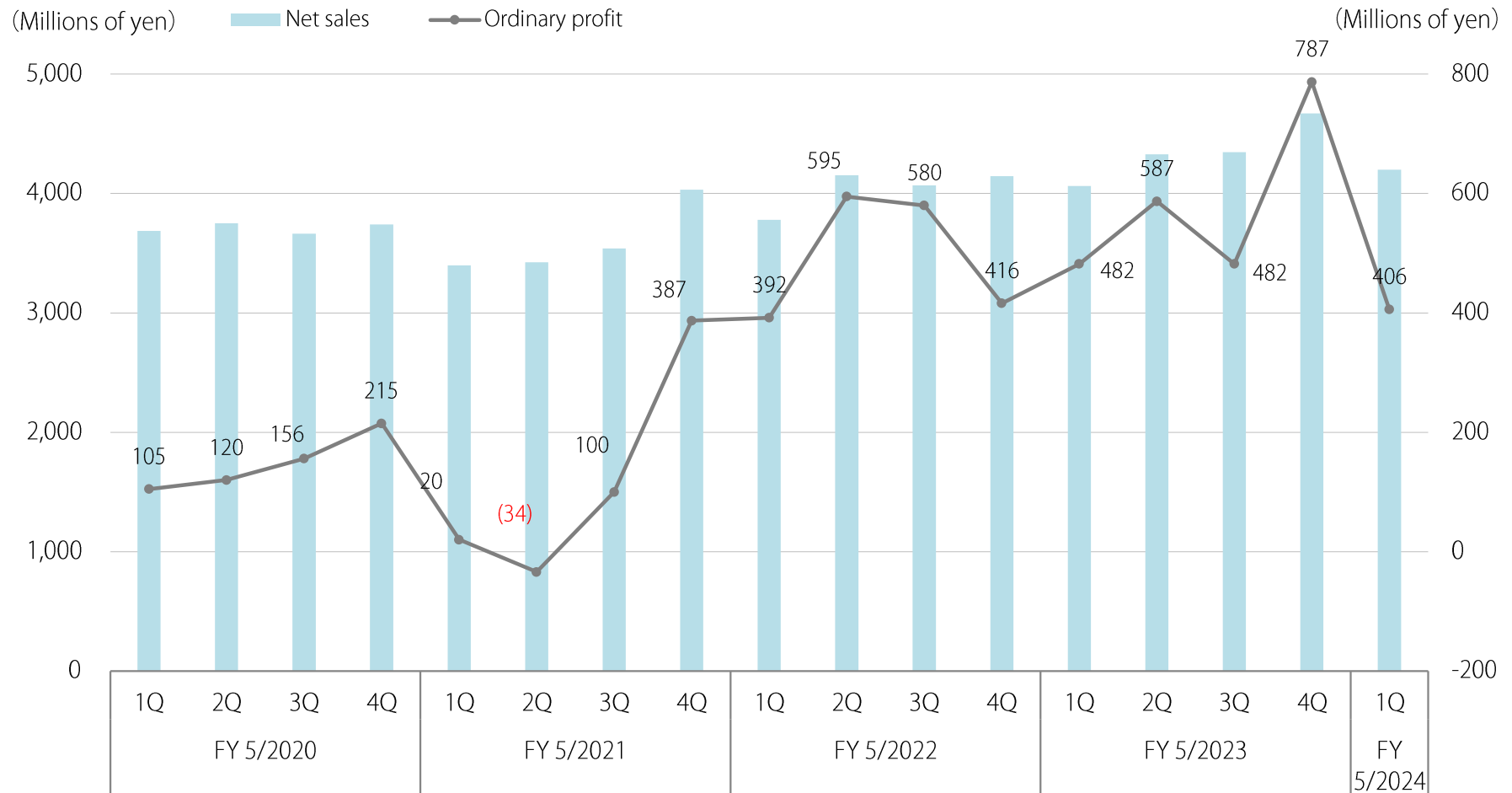
* "Technical Assessments for Long-life Quality Housings" represents the cases and amounts of "conformance certificate", which include the cases and amounts of extension and renovation.

Main operating figures | Consolidated

Segment	Business		1Q Previous fiscal year (Jun. 2022 – Aug. 2022)		1Q Reporting fiscal year (Jun. 2023 – Aug. 2023)		Change	
			Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)	Cases	Amounts (Millions of Yen)
Others	Evaluation for Building Energy Standards (incl. 300 ~ 2,000 sqm)		1,543 (1,087)	175	1,377 (930)	156	▲166 (▲157)	▲18
	BELS Certifications	Housings	8,328	112	18,399	204	10,071	92
		Non-housings	70	12	63	14	▲7	2
	Inspections for Housing Defect Liability Insurance*		6,751	86	6,296	81	▲455	▲5

* 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.

Changes of quarterly results | Consolidated



Forecasts for FY 5/2024

(Millions of yen)	FY 5/2023 (Jun. 2022 – May. 2023)	FY 5/2024 (Jun. 2023 – May. 2024)	Change	
			Amounts	Ratio
Net Sales	17,410	18,500	1,089	6.3%
Operating Profit	2,326	2,400	73	3.2%
Operating Profit Ratio	13.4%	13.0%	-	-
Ordinary Profit	2,340	2,400	59	2.6%
Ordinary Profit Ratio	13.4%	13.0%	-	-
Profit Attributable to Owners of Parent	1,533	1,540	6	0.4%
Profit per Share (Yen)	197.80	199.64	1.84	0.9%

“Guideline of Energy Saving Labeling System” is published by MLIT, Sep. 25, 2023

Major property portal website operators start to upload “Energy Saving Labeling”
on their portal-site

Label for housings



As of Sep. 2023

Label for non-housings



As of Sep. 2023

Labeling design of third party's evaluation - BELS - (from Apr. 2024)

Source : MLIT, “Guidance Energy saving labeling system for sale/lease operators,” the 1st edition Sep. 2023

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