

Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending May 31, 2024
(From June 1, 2023 to November 30, 2023)
[Japanese GAAP]

December 28, 2023

Company Name: ERI Holdings Co., Ltd. Stock Exchange Listing: Tokyo
 Securities Code: 6083 URL: <https://www.h-eri.co.jp/>
 Representative: Toshihiko Umamo, President, CEO and COO
 For Inquiries, Contact: Seiichiro Matsumura, Head of Finance and Accounting Group
 TEL:(03)5770-1520
 Planned Date for Submission of Quarterly Securities Report: December 28, 2023
 Planned Starting Date for Dividend Payments: January 31, 2024
 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, 2024 (June 1, 2023 – November 30, 2023)

(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 5/2024 Q2	8,661	3.2	835	(21.4)	843	(21.1)	506	(21.6)
FY 5/2023 Q2	8,391	5.8	1,062	14.0	1,069	8.2	645	7.3

(Note) Comprehensive Income FY 5/2024 Q2: 510 million yen (-21.4%)

FY 5/2023 Q2: 648 million yen (6.9%)

	Profit per Share	Diluted Profit per Share
	yen	yen
FY 5/2024 Q2	65.60	–
FY 5/2023 Q2	82.84	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	million yen	million yen	%
FY 5/2024 Q2	11,105	5,275	47.2
FY 5/2023	10,860	5,078	46.4

(Reference) Shareholders' Equity

FY 5/2024 Q2: 5,236 million yen

FY 5/2023: 5,037 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 5/2023	–	20.00	–	40.00	60.00
FY 5/2024	–	30.00			
FY 5/2024 (Forecast)			–	30.00	60.00

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

3. Consolidated Financial Forecasts for the Fiscal Year Ending May 31, 2024 (June 1, 2023– May 31, 2024)

(% 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 5/2024	18,500	6.3	2,400	3.2	2,400	2.6	1,540	0.4	199.64

(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.: None
- (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 5/2024 Q2	7,832,400 shares
	FY 5/2023	7,832,400 shares
(ii) Treasury Stock:	FY 5/2024 Q2	118,746 shares
	FY 5/2023	118,682 shares
(iii) Average Number of Shares Outstanding	FY 5/2024 Q2	7,713,678 shares
	FY 5/2023 Q2	7,795,314 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, 2023)	The second quarter of the reporting fiscal year (As of November 30, 2023)
Assets		
Current assets		
Cash and deposits	6,408,686	6,650,576
Accounts receivable-trade and contract assets	1,344,333	1,305,162
Work in process	259,633	270,327
Other	313,980	394,167
Total current assets	8,326,633	8,620,233
Non-current assets		
Property, plant and equipment	770,054	878,311
Intangible assets		
Goodwill	368,962	364,433
Other	273,440	258,916
Total intangible assets	642,402	623,349
Investments and other assets		
Investment securities	124,670	87,063
Guarantee deposits	466,176	473,742
Deferred tax assets	355,956	379,481
Other	175,021	42,865
Total investments and other assets	1,121,825	983,153
Total non-current assets	2,534,282	2,484,813
Total assets	10,860,916	11,105,047

Summary of Financial Results for Second Quarter of the Fiscal Year Ending May 31, 2024
ERI Holdings Co., Ltd. (Securities Code 6083)

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2023)	The second quarter of the reporting fiscal year (As of November 30, 2023)
Liabilities		
Current liabilities		
Short-term borrowings	84,296	-
Current portion of long-term borrowings	269,100	581,397
Accounts payable - other	462,730	343,904
Accrued expenses	977,689	909,473
Income taxes payable	261,577	374,470
Contract liabilities	1,035,588	1,080,277
Lease obligations	41,287	27,813
Other	220,640	234,051
Total current liabilities	3,352,910	3,551,388
Non-current liabilities		
Long-term borrowings	1,961,537	1,825,075
Retirement benefit liability	65,675	59,523
Long-term accounts payable - other	300,974	320,239
Deferred tax liabilities	25,358	112
Lease obligations	24,369	20,678
Other	52,045	52,045
Total non-current liabilities	2,429,960	2,277,675
Total liabilities	5,782,870	5,829,063
Net assets		
Shareholders' equity		
Share capital	992,784	992,784
Capital surplus	42,236	42,236
Retained earnings	4,129,521	4,327,082
Treasury shares	(128,910)	(129,039)
Total shareholders' equity	5,035,631	5,233,063
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,487	3,201
Total accumulated other comprehensive income	1,487	3,201
Non-controlling interests	40,926	39,718
Total net assets	5,078,045	5,275,983
Total liabilities and net assets	10,860,916	11,105,047

(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, 2022 to November 30, 2022)	The second quarter of the reporting fiscal year (From June 1, 2023 to November 30, 2023)
Net sales	8,391,473	8,661,052
Cost of sales	5,349,573	5,749,610
Gross profit	3,041,899	2,911,442
Selling, general and administrative expenses	1,979,366	2,075,806
Operating profit	1,062,533	835,635
Non-operating income		
Interest income	139	79
Interest on securities	-	1,709
Dividend income of insurance	7,185	7,584
Commission income	601	933
Rent revenue	2,009	2,028
Surrender value of insurance policies	-	7,321
Insurance claim income	-	10,758
Subsidy income	1,866	595
Miscellaneous income	2,791	7,668
Total non-operating income	14,594	38,680
Non-operating expenses		
Interest expenses	6,350	9,075
Loss on cancellation of insurance policies	-	2,044
Compensation for damage	-	18,840
Miscellaneous losses	897	408
Total non-operating expenses	7,248	30,368
Ordinary profit	1,069,879	843,947
Extraordinary income		
Gain on sale of investment securities	-	2,966
Gain on sale of non-current assets	458	-
Gain on bargain purchase	4,281	-
Total extraordinary income	4,739	2,966
Extraordinary losses		
Loss on sale of non-current assets	-	2,410
Loss on sale of investment securities	-	178
Retirement benefits for officers	554	-
Total extraordinary losses	554	2,589
Profit before income taxes	1,074,064	844,324
Income taxes - current	286,575	383,019
Income taxes - deferred	138,563	(47,096)
Total income taxes	425,138	335,923
Profit	648,925	508,401
Profit attributable to non-controlling interests	3,182	2,374
Profit attributable to owners of parent	645,742	506,027

Quarterly Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2022 to November 30, 2022)	The second quarter of the reporting fiscal year (From June 1, 2023 to November 30, 2023)
Profit	648,925	508,401
Other comprehensive income		
Valuation difference on available-for-sale securities	39	1,716
Total other comprehensive income	39	1,716
Comprehensive income	648,965	510,117
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	645,781	507,741
Comprehensive income attributable to non-controlling interests	3,183	2,376

(3) Consolidated Statements of Cash Flows

(Unit: thousand yen)

	The second quarter of the previous fiscal year (From June 1, 2022 to November 30, 2022)	The second quarter of the reporting fiscal year (From June 1, 2023 to November 30, 2023)
Cash flows from operating activities		
Profit before income taxes	1,074,064	844,324
Depreciation	106,041	110,675
Amortization of goodwill	37,333	42,045
Gain on bargain purchase	(4,281)	-
Loss (gain) on sale of investment securities	-	(2,966)
Interest income	(139)	(79)
Interest income on securities	-	(1,709)
Interest expenses	6,350	9,075
Loss (gain) on sale of non-current assets	(458)	2,410
Compensation for damage	-	18,840
Subsidy income	(1,866)	(595)
Decrease (increase) in trade receivables and contract assets	(32,188)	81,527
Decrease (increase) in inventories	(8,109)	(10,694)
Increase (decrease) in accounts payable - other	1,522	(106,356)
Increase (decrease) in long-term accounts payable - other	(14,445)	(37,757)
Increase (decrease) in accrued expenses	(280,943)	(77,112)
Increase (decrease) in contract liabilities	193,839	44,689
Increase (decrease) in deposits received	25,206	52,816
Other, net	30,354	63,597
Subtotal	1,132,280	1,032,731
Interest and dividends received	142	1,882
Interest paid	(7,663)	(9,139)
Proceeds from subsidy income	1,866	595
Income taxes (paid) refund	(829,642)	(316,945)
Net cash provided by (used in) operating activities	296,983	709,124
Cash flows from investing activities		
Proceeds from sale of investment securities	-	44,647
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	(332,175)	(117,143)
Purchase of non-current assets	(81,209)	(102,068)
Proceeds from sale of non-current assets	29,856	9,908
Payments of guarantee deposits	(12,298)	(5,080)
Proceeds from refund of guarantee deposits	5,131	-
Other, net	(22,858)	21,923
Net cash provided by (used in) investing activities	(413,553)	(147,813)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(84,296)
Proceeds from long-term borrowings	1,374,000	400,000
Repayments of long-term borrowings	(151,205)	(258,962)
Dividends paid	(195,516)	(308,369)
Dividends paid to non-controlling interests	(6,194)	(3,584)
Purchase of treasury shares	(128,783)	(128)
Other, net	(17,186)	(19,307)
Net cash provided by (used in) financing activities	875,113	(274,648)
Net increase (decrease) in cash and cash equivalents	758,543	286,663
Cash and cash equivalents at beginning of period	4,883,224	6,279,408
Cash and cash equivalents at end of period	5,641,767	6,566,072