

Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending May 31, 2021
(From June 1, 2020 to February 28, 2021)
[Japanese GAAP]

March 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: Akiyo Masuda, President 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: March 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 Third Quarter of the Fiscal Year Ending May 31, 2021 (June 1, 2020 – February 28, 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 Q3	10,363	(6.7)	22	(93.1)	86	(77.4)	29	(85.9)
FY 5/2020 Q3	11,102	(0.9)	320	(55.9)	382	(48.6)	211	(56.2)

(Note) Comprehensive Income FY 5/2021 Q3: 33 million yen (-85.1%) FY 5/2020 Q3: 220 million yen (-54.7%)

	Profit per Share	Diluted Profit per Share
	yen	yen
FY 5/2021 Q3	3.83	–
FY 5/2020 Q3	27.62	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	million yen	million yen	%
FY 5/2021 Q3	6,776	2,786	40.6
FY 5/2020	6,762	2,746	40.0

(Reference) Shareholders' Equity FY 5/2021 Q3: 2,752 million yen FY 5/2020: 2,705 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 5/2020	–	15.00	–	12.00	27.00
FY 5/2021	–	0.00	–		
FY 5/2021 (Forecast)				10.00	10.00

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

3. Consolidated Financial Forecasts for the Fiscal Year Ending May 31, 2021 (June 1, 2020– May 31, 2021)

(% 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 5/2021	14,546	(2.0)	273	(47.2)	300	(49.7)	157	(39.2)	20.31

(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 5/2021 Q3	7,832,400 shares
	FY 5/2020	7,832,400 shares
(ii) Treasury Stock:	FY 5/2021 Q3	85 shares
	FY 5/2020	98,085 shares
(iii) Average Number of Shares Outstanding	FY 5/2021 Q3	7,787,607 shares
	FY 5/2020 Q3	7,646,502 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, 2020)	The third quarter of the reporting fiscal year (As of February 28, 2021)
Assets		
Current assets		
Cash and deposits	2,725,761	2,728,025
Accounts receivable-trade	786,998	753,993
Work in process	439,345	564,098
Other	337,595	475,064
Allowance for doubtful accounts	(86)	-
Total current assets	4,289,615	4,521,181
Non-current assets		
Property, plant and equipment	570,366	554,929
Intangible assets		
Goodwill	496,750	452,052
Other	362,385	316,896
Total intangible assets	859,136	768,949
Investments and other assets		
Investment securities	1,055	910
Guarantee deposits	481,816	471,758
Deferred tax assets	405,025	398,137
Other	155,830	60,146
Allowance for doubtful accounts	(4)	-
Total investments and other assets	1,043,723	930,953
Total non-current assets	2,473,225	2,254,832
Total assets	6,762,841	6,776,014

(Unit: thousand yen)

	Previous fiscal year (As of May 31, 2020)	The third quarter of the reporting fiscal year (As of February 28, 2021)
Liabilities		
Current liabilities		
Short-term borrowings	-	300,000
Current portion of long-term borrowings	137,100	284,961
Accounts payable - other	280,617	416,101
Accrued expenses	646,760	629,560
Income taxes payable	248,514	52,256
Advances received	869,866	841,742
Lease obligations	33,881	36,173
Other	307,589	288,149
Total current liabilities	2,524,329	2,848,944
Non-current liabilities		
Long-term borrowings	1,118,062	822,600
Retirement benefit liability	64,512	55,559
Long-term accounts payable - other	104,313	105,283
Lease obligations	99,757	77,125
Provision for loss on guarantees	67,253	-
Other	37,714	79,967
Total non-current liabilities	1,491,614	1,140,536
Total liabilities	4,015,943	3,989,481
Net assets		
Shareholders' equity		
Share capital	992,784	992,784
Capital surplus	42,236	42,236
Retained earnings	1,783,390	1,717,996
Treasury shares	(112,091)	(72)
Total shareholders' equity	2,706,319	2,752,944
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(411)	(502)
Total accumulated other comprehensive income	(411)	(502)
Non-controlling interests	40,988	34,091
Total net assets	2,746,897	2,786,533
Total liabilities and net assets	6,762,841	6,776,014

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

(Unit: thousand yen)

	The third quarter of the previous fiscal year (From June 1, 2019 to February 29, 2020)	The third quarter of the reporting fiscal year (From June 1, 2020 to February 28, 2021)
Net sales	11,102,648	10,363,833
Cost of sales	8,084,168	7,665,974
Gross profit	3,018,479	2,697,859
Selling, general and administrative expenses	2,698,226	2,675,814
Operating profit	320,252	22,044
Non-operating income		
Interest income	33	22
Dividend income of insurance	8,038	6,956
Commission income	1,408	1,056
Rent revenue	5,807	5,039
Insurance claim income	18,739	-
Guarantee commission received	7,747	7,747
Surrender value of insurance policies	23,507	4,063
Subsidy income	-	92,778
Miscellaneous income	5,647	3,408
Total non-operating income	70,929	121,071
Non-operating expenses		
Interest expenses	7,390	6,477
Loss on guarantees	-	49,243
Miscellaneous loss	891	882
Total non-operating expenses	8,282	56,604
Ordinary profit	382,899	86,511
Extraordinary income		
Gain on sales of non-current assets	519	-
Total extraordinary income	519	-
Extraordinary losses		
Loss on sales of non-current assets	-	640
Total extraordinary losses	-	640
Profit before income taxes	383,419	85,871
Income taxes - current	205,296	31,170
Income taxes - deferred	(42,895)	21,592
Total income taxes	162,401	52,763
Profit	221,017	33,108
Profit attributable to non-controlling interests	9,857	3,274
Profit attributable to owners of parent	211,160	29,833

Quarterly Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	The third quarter of the previous fiscal year (From June 1, 2019 to February 29, 2020)	The third quarter of the reporting fiscal year (From June 1, 2020 to February 28, 2021)
Profit	221,017	33,108
Other comprehensive income		
Valuation difference on available-for-sale securities	(109)	(94)
Total other comprehensive income	(109)	(94)
Comprehensive income	220,908	33,013
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	211,054	29,741
Comprehensive income attributable to non-controlling interests	9,854	3,272