



Summary of Financial Results

for the Second Quarter of the Fiscal Year Ending March 31, 2018 [Consolidated]

(From April 1, 2017 to September 30, 2017)

[Japan GAAP]

November 9, 2017

Company name:	Relo Group, Inc.	Listed Exchange:	Tokyo Stock Exchange, First Section
Security code.:	8876	URL:	http://www.relo.jp
Representative:	Kenichi Nakamura, President and Representative Director		
Contact:	Yasushi Kadota, Senior Managing Director	TEL:	03-5312-8704
Scheduled Date to Submit the Quarterly Securities Report:	November 14, 2017		
Scheduled Date to Start Distributing Dividends:	-		
Supplemental documents for the financial results provided:	Yes		
Results briefing for the period under review provided:	Yes (for institutional investors and securities analysts)		

(Millions of yen, rounded down)

1. Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2018 (From April 1, 2017 to September 30, 2017)

(1) Consolidated Operating Results (% figures represent change from the same period of the previous fiscal year)

	Sales		Operating Profit		Recurring Profit		Net Income attributable to parent shareholders	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months Ending September 30, 2017	110,218	11.9	7,188	22.0	7,711	24.7	5,070	19.6
Six months Ending September 30, 2016	98,499	8.1	5,891	20.0	6,182	18.0	4,238	23.8

(Note) Comprehensive Income: Six months Ending September 30, 2017 5,341 million yen (30.2%) Six months Ending September 30, 2016 4,102 million yen (19.9%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Six months Ending September 30, 2017	33.81	33.61
Six months Ending September 30, 2016	28.67	28.23

(Note) The company conducted a 1-for-10 stock split of common shares with an effective date of 1st April, 2017.

Net income per share and diluted net income per share are calculated based on the assumption that such stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	101,151	42,319	41.4
As of March 31, 2017	99,347	39,742	39.6

(Reference) Shareholders' Equity: As of September 30, 2017 41,860 million yen As of March 31, 2017 39,312 million yen

2. Dividends

	Dividends per Share				
	1st quarter End	2nd quarter End	3rd quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending March 31, 2017	-	0.00	-	184.00	184.00
Fiscal year ending March 31, 2018	-	0.00	-	-	-
Fiscal year ending March 31, 2018 (Projected)	-	-	-	21.00	21.00

(Note) 1. Revisions to the latest result projection announced: None

2. The company conducted a 1-for-10 stock split of common shares with an effective date of 1st April, 2017.

For the fiscal year ended March 31, 2017, actual amount of dividends before the stock split is presented.

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2018

(From April 1, 2017 to March 31, 2018)

(% figures represent change from the same period of the previous fiscal year)

	Operating Revenue		Operating Profit		Recurring Profit		Net Income attributable to parent shareholders		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	%	Yen	
Full year	226,000	10.2	15,500	16.9	16,500	15.9	10,500	14.7	70.50

(Note) Revisions to the latest result projection announced: None

*Notes

(1) Changes in significant subsidiaries during the Fiscal Year (Changes in specified subsidiaries associated with changes in the scope of consolidation): None

Newly consolidated: -
Excluded: -

(2) Adoption of Special Accounting Treatment for preparing Quarterly Consolidate Financial Statement: None

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements:

1. Changes in accounting policies associated with the revisions of accounting standards: None
2. Changes in accounting principles other than above 1: None
3. Changes in accounting estimates: None
4. Restatements: None

(4) Number of Shares Issued and Outstanding (Common stock)

1. Number of shares issued at the end of period (including treasury stock)	As of September 30, 2017	152,951,200 shares	As of March 31, 2017	152,951,200 shares
2. Number of treasury stock at the end of period	As of September 30, 2017	2,983,362 shares	As of March 31, 2017	3,027,220 shares
3. Average number of shares during the period	2nd Quarter of FY2018/3	149,947,085 shares	2nd Quarter of FY2017/3	147,835,520 shares

(Note) The company conducted a 1-for-10 stock split of common shares with an effective date of 1st April, 2017.

Total number of issued shares (common shares) are calculated based on the assumption that such stock split was implemented at the beginning of the previous fiscal year.

* Statement concerning the Status of Financial Audit Procedures

This Summary of Consolidated Financial Results is not subject to audit procedures under the Financial Instruments and Exchange Act. At the time of disclosing this document, audit procedures specified in the Financial Instruments and Exchange Act have not been completed.

* Statement regarding the proper use of financial forecasts and other specific remarks

The forward-looking statements such as forecasts contained in this document are based on the information currently available to the company and certain assumptions which are regarded as reasonable. Actual results may differ from these forecasts due to various factors.

This translation is to be used solely as a reference and the consolidated financial statements in this release are unaudited.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2017)	The second quarter of the reporting fiscal year (As of September 30, 2017)
Assets		
Current assets		
Cash and deposits	13,309	12,886
Notes and accounts receivable-trade	12,094	9,791
Real estate for sale	6,729	7,978
Supplies	501	533
Advance payments	13,291	13,450
Other	10,693	9,476
Allowance for doubtful accounts	(40)	(42)
Total current assets	56,580	54,075
Noncurrent assets		
Property, buildings and equipment		
Buildings and structures	6,749	7,557
Accumulated depreciation	(2,503)	(2,652)
Buildings and structures, net	4,246	4,904
Tools, furniture and fixtures	1,794	1,843
Accumulated depreciation	(1,312)	(1,395)
Tools, furniture and fixtures, net	482	448
Land	2,340	2,475
Other	783	1,082
Accumulated depreciation	(365)	(388)
Other, net	417	693
Total property, buildings and equipment	7,486	8,522
Intangible assets		
Software	1,485	1,920
Goodwill	8,862	9,002
Other	176	188
Total intangible assets	10,524	11,111
Investments and other assets		
Investment securities	10,585	13,144
Lease and guarantee deposits	11,627	11,534
Other	2,603	2,821
Allowance for doubtful accounts	(72)	(72)
Total investments and other assets	24,744	27,427
Total noncurrent assets	42,754	47,062
Deferred assets		
Bond issuance expenses	12	10
Other	-	2
Total deferred assets	12	13
Total assets	99,347	101,151

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2017)	The second quarter of the reporting fiscal year (As of September 30, 2017)
Liabilities		
Current liabilities		
Accounts payable-trade	3,425	2,709
Short-term loans payable	12,663	10,145
Current portion of long-term loans payable	1,695	1,729
Income taxes payable	2,490	2,272
Advances received	16,067	16,892
Allowance for bonuses	761	534
Other	8,616	10,024
Total current liabilities	45,720	44,307
Noncurrent liabilities		
Corporate bond	1,800	1,500
Long-term loans payable	5,440	6,240
Long-term lease deposits	5,867	5,944
Allowance for loss on guarantees	60	-
Net defined benefit liability	326	332
Negative goodwill	2	1
Other	386	506
Total noncurrent liabilities	13,883	14,524
Total liabilities	59,604	58,831
Net assets		
Shareholders' equity		
Capital stock	2,667	2,667
Capital surplus	2,871	2,871
Retained earnings	36,342	38,626
Treasury stock	(3,246)	(3,199)
Total shareholders' equity	38,634	40,966
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	459	702
Foreign currency translation adjustment	222	193
Remeasurement of defined benefit plans	(4)	(1)
Total accumulated other comprehensive income	677	894
Subscription rights to shares	39	39
Non controlling interests	390	419
Total net assets	39,742	42,319
Total liabilities and net assets	99,347	101,151

Consolidated Financial Statements

(2) Consolidated Statements of Income

(Millions of yen)

	The second quarter of the previous fiscal year (From April 1, 2016 to September 30, 2016)	The second quarter of the reporting fiscal year (From April 1, 2017 to September 30, 2017)
Sales	98,499	110,218
Cost of Sales	83,602	92,135
Gross operating profit	14,896	18,082
Selling, general and administrative expenses	9,005	10,894
Operating profit	5,891	7,188
Non-operating income		
Interest income	8	10
Dividends income	5	6
Equity in earnings of affiliates	302	409
Foreign exchange gains	-	52
Reversal of provision for loss on guarantees	-	63
Other	127	99
Total non-operating income	443	641
Non-operating expenses		
Interest expenses	66	84
Foreign exchange losses	53	-
Other	31	34
Total non-operating expenses	151	118
Recurring profit	6,182	7,711
Extraordinary loss		
Office relocation expenses	8	20
Other	8	25
Total extraordinary losses	17	45
Profit before income taxes	6,165	7,666
Income taxes-current	1,846	2,457
Income taxes-deferred	26	83
Total income taxes	1,872	2,541
Net income	4,292	5,124
Net income attributable to noncontrolling interests	53	54
Net income attributable to owners of parent	4,238	5,070