



# Summary of Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022 [Consolidated] (From April 1, 2021 to September 30, 2021) [under IFRS]

November 11, 2021

Company name:	Reo Group, Inc.	Listed Exchange:	Tokyo Stock Exchange, First Section
Security code.:	8876	URL:	<a href="https://www.relo.jp/">https://www.relo.jp/</a>
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 15, 2021		
Scheduled Date to Start Distributing Dividends:	-		
Supplemental documents for the financial results provided:	Non		
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, 2022 (From April 1, 2021 to September 30, 2021)

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

	Revenue		Operating Profit		Profit before income taxes		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	76,262	0.9	8,614	45.5	9,356	41.7	6,537	63.1
Six months ended September 30, 2020	75,599	—	5,921	—	6,604	—	4,009	—

  

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	43.15	41.36
Six months ended September 30, 2020	26.52	25.42

### (2) Consolidated Financial Positions

	Total Assets	Total equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2021	285,827	43,995	43,589	15.3
As of March 31, 2021	287,628	38,437	38,506	13.4

## 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 ended March 31, 2021	—	0.00	—	19.00	19.00
Fiscal year ended March 31, 2022	—	0.00			
Fiscal year ending March 31, 2022 (forecast)			—	22.00	22.00

(Note) Correction from the dividend forecast, which is published in the most recent: None

## 3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2022 (From April 1, 2021 to March 31, 2022)

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

	Revenue		Operating Profit		Profit before income taxes		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2022	165,000	-	17,000	-	19,000	-	11,400	-	74.75

(Note) 1. Correction from the consolidated forecast, which is published in the most recent: None

2. The Company has optionally adopted International Financial Reporting Standards "IFRS" from the First Quarter of Fiscal Year Ending March 31, 2022, and the above forecast of consolidated financial results are made in accordance with IFRS. Therefore, the changes (%) from the results for the fiscal year ended March 31, 2021 when the Company was applying Japanese GAAP are not shown.

\*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) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements:

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies other than 1): None
3. Changes in accounting estimates: None

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

1. Number of shares issued at the end of period (including treasury stock)
2. Number of treasury stock at the end of period
3. Average number of shares during the period

As of September 30, 2021	152,951,200 shares	As of March 31, 2021	152,951,200 shares
As of September 30, 2021	128,937 shares	As of March 31, 2021	1,682,237 shares
2nd Quarter of FY2022/3	151,518,420 shares	2nd Quarter of FY2021/3	151,164,442 shares

\* 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.

\* Adoption of International Financial Reporting Standards (IFRS)

The Company has adopted International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2022. Presentation of figures in the consolidated financial statements for the period of the previous year also conforms to IFRS.

\* 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 Statements of Financial Position

(Millions of yen)

	IFRS transition date		
	As of April 1, 2020	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>			
Current assets			
Cash and cash equivalents	33,580	49,208	46,282
Trade and other receivables	91,149	87,410	84,983
Inventories	7,655	5,301	4,781
Other financial assets	6,157	6,533	5,642
Other current assets	5,754	6,167	4,957
Total current assets	144,296	154,620	146,647
Non-current assets			
Property, plant and equipment	20,776	22,524	22,853
Right-of-use assets	20,770	19,803	20,960
Goodwill	15,316	15,373	17,646
Intangible assets	17,280	18,292	18,238
Investment property	11,055	9,584	12,140
Investments accounted for using the equity method	12,234	13,352	13,736
Other financial assets	18,607	18,485	18,508
Deferred tax assets	14,302	14,772	14,297
Other non-current assets	915	818	797
Total non-current assets	131,260	133,008	139,179
Total assets	275,556	287,628	285,827

Consolidated Financial Statements  
 (1) Consolidated Statements of Financial Position

(Millions of yen)

	IFRS transition date		
	As of April 1, 2020	As of March 31, 2021	As of September 30, 2021
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11,020	11,601	9,750
Bonds and borrowings	55,652	25,271	22,183
Lease liabilities	37,849	41,311	42,463
Income taxes payable	3,484	3,097	2,466
Contract liabilities	6,545	6,721	5,563
Other financial liabilities	12,553	17,695	18,309
Provisions	349	297	5
Other current liabilities	12,273	8,675	7,852
<b>Total current liabilities</b>	<b>139,729</b>	<b>114,670</b>	<b>108,595</b>
<b>Non-current liabilities</b>			
Bonds and borrowings	50,247	78,043	75,547
Lease liabilities	17,718	17,053	17,410
Contract Liabilities	19,774	20,281	20,877
Other financial liabilities	7,786	7,972	8,255
Provisions	6,154	6,829	6,959
Deferred tax liabilities	3,462	3,451	3,485
Other current liabilities	719	888	700
<b>Total non-current liabilities</b>	<b>105,863</b>	<b>134,520</b>	<b>133,236</b>
<b>Total liabilities</b>	<b>245,592</b>	<b>249,191</b>	<b>241,831</b>
<b>Equity</b>			
Share capital	2,667	2,667	2,667
Capital surplus	565	428	-
Retained earnings	25,585	30,886	32,414
Treasury shares	(2,666)	(3,250)	(235)
Other components of equity	3,802	7,775	8,743
<b>Equity attributable to owners of parent</b>	<b>29,954</b>	<b>38,506</b>	<b>43,589</b>
Non-controlling interests	9	(69)	406
<b>Total equity</b>	<b>29,964</b>	<b>38,437</b>	<b>43,995</b>
<b>Total liabilities and equity</b>	<b>275,556</b>	<b>287,628</b>	<b>285,827</b>

## Consolidated Financial Statements

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

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Revenue	75,599	76,262
Cost of sales	46,849	43,531
Gross profit	28,749	32,730
Selling, general and administrative expenses	23,428	25,422
Other income	745	1,385
Other expenses	144	79
Operating profit	5,921	8,614
Finance income	48	17
Finance costs	561	366
Share of profit of investments accounted for using equity method	1,195	1,090
Profit before income taxes	6,604	9,356
income tax expense	2,300	2,551
Profit	4,304	6,804
Profit attributable to		
Owners of the parent	4,009	6,537
Non-controlling interests	295	266
Profit	4,304	6,804
Earnings per share		
Basic earnings per share (Yen)	26.52	43.15
Diluted earnings per share (Yen)	25.42	41.36

## Consolidated Financial Statements

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

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	4,304	6,804
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	71	8
Share of other comprehensive income of investments accounted for using the equity method	(1)	2
Total	70	10
Items that may be reclassified subsequently to profit or loss	59	472
Exchange differences on translation of foreign operations	(16)	61
Total	43	533
Other comprehensive income	113	544
Comprehensive income	4,417	7,349
Comprehensive income attributable to:		
Owners of the parent	4,117	7,078
Non-controlling interests	300	271
Comprehensive income	4,417	7,349

## Consolidated Financial Statements

(3) Consolidated Statements of Changes in Equity  
 (From April 1, 2020 to September 30, 2020)

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance at April 1, 2020	2,667	565	25,585	(2,666)	3,802	29,954	9	29,964
Profit	—	—	4,009	—	—	4,009	295	4,304
Other comprehensive income	—	—	—	—	107	107	5	113
Total comprehensive income	—	—	4,009	—	107	4,117	300	4,417
Acquisition of treasury shares	—	—	—	(1,439)	—	(1,439)	—	(1,439)
Disposal of treasury shares	—	(116)	—	485	—	368	—	368
Transfer of loss on disposal of treasury	—	116	(116)	—	—	—	—	—
Cash dividend paid	—	—	(4,393)	—	—	(4,393)	(49)	(4,443)
Share-based payment transactions	—	—	—	—	362	362	—	362
Cumulative effect of accounting change	—	(137)	—	—	(1)	(138)	(23)	(161)
Other	—	—	0	—	1	2	6	8
Total transactions with owners of the parent	—	(137)	(4,509)	(954)	362	(5,238)	(65)	(5,304)
Balance at September 30, 2020	2,667	428	25,086	(3,621)	4,273	28,833	244	29,077

## Consolidated Financial Statements

(3) Consolidated Statements of Changes in Equity  
 (From April 1, 2021 to September 30, 2021)

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance at April 1, 2021	2,667	428	30,886	(3,250)	7,775	38,506	(69)	38,437
Profit	—	—	6,537	—	—	6,537	266	6,804
Other comprehensive income	—	—	—	—	540	540	4	544
Total comprehensive income	—	—	6,537	—	540	7,078	271	7,349
Acquisition of treasury shares	—	—	—	—	—	—	—	—
Disposal of treasury shares	—	(2,360)	—	3,015	—	654	—	654
Transfer of loss on disposal of treasury	—	2,101	(2,101)	—	—	—	—	—
Cash dividend paid	—	—	(2,880)	—	—	(2,880)	(27)	(2,907)
Share-based payment transactions	—	—	—	—	411	411	—	411
Cumulative effect of accounting change	—	(160)	—	—	0	(159)	233	74
Other	—	(8)	(28)	—	14	(22)	(2)	(24)
Total transactions with owners of the parent	—	(428)	(5,010)	3,015	427	(1,995)	204	(1,791)
Balance at September 30, 2021	2,667	—	32,414	(235)	8,743	43,589	406	43,995