



Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2017 [Consolidated] (From April 1, 2016 to June 30, 2016) [Japan GAAP]

August 9, 2016

| | | | |
|--|---|------------------|---|
| 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 | TEL: | 03-5312-8704 |
| Contact: | Yasushi Kadota, Senior Managing Director | | |
| Scheduled Date of Filing Securities Report: | August 12, 2016 | | |
| Scheduled Date of Commencement of Dividend Payment: | - | | |
| Supplemental documents for the financial results provided: | None | | |
| Results briefing for the period under review provided: | None | | |

(Millions of yen, rounded down)

1. Consolidated Results of Operation for the First Quarter of the Fiscal Year Ending March 31, 2017 (From April 1, 2016 to June 30, 2016)

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

| | Operating Revenue | | Operating Profit | | Recurring Profit | | Net Income attributable to parent shareholders | |
|-----------------------------------|-------------------|------|------------------|------|------------------|------|--|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ending June 30, 2016 | 49,683 | 9.4 | 3,154 | 23.4 | 3,240 | 23.8 | 2,158 | 30.9 |
| Three months ending June 30, 2015 | 45,420 | 20.0 | 2,555 | 39.6 | 2,618 | 35.4 | 1,648 | 36.7 |

(Note) Comprehensive Income: Three months ending June 30, 2016 2,030 million yen (15.9%) Three months ending June 30, 2015 1,752 million yen (37.6%)

| | Net Income per Share | | Diluted Net Income per Share | |
|-----------------------------------|----------------------|--|------------------------------|--|
| | Yen | | Yen | |
| Three months ending June 30, 2016 | 146.89 | | 144.49 | |
| Three months ending June 30, 2015 | 112.17 | | 108.30 | |

(2) Consolidated Financial Positions

| | Total Assets | Net Assets | Equity Ratio | Net Assets per Share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2016 | 84,309 | 33,340 | 39.1 | 2,235.08 |
| As of March 31, 2016 | 83,410 | 33,475 | 39.6 | 2,253.26 |

(Reference) Shareholders' Equity: As of June 30, 2016 32,953 million yen As of March 31, 2016 33,070 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, 2016 | - | 0.00 | - | 150.00 | 150.00 |
| Fiscal year ending March 31, 2017 | - | - | - | - | - |
| Fiscal year ending March 31, 2017 (Projected) | - | 0.00 | - | 170.00 | 170.00 |

Note: Revisions to the latest dividend projection announced: None

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2017 (From April 1, 2016 to March 31, 2017)

(% 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 | |
| 2nd quarter (Accumulated) | 97,000 | 6.4 | 5,500 | 12.1 | 5,800 | 10.7 | 3,800 | 11.0 | 255.30 |
| Full year | 202,000 | 10.2 | 13,000 | 19.9 | 13,800 | 16.4 | 8,200 | 14.6 | 550.30 |

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

(2) Application of Special Accounting Methods for Quarterly Consolidated Financial Statements: None

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

1. Changes due to revisions to accounting principles: Yes
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)
2. Number of treasury stock at the end of period
3. Average number of shares during the period

| | | | |
|-------------------------|-------------------|-------------------------|-------------------|
| As of June 30, 2016 | 15,295,120 shares | As of March 31, 2016 | 15,295,120 shares |
| As of June 30, 2016 | 551,422 shares | As of March 31, 2016 | 618,622 shares |
| 1st Quarter of FY2017/3 | 14,691,254 shares | 1st Quarter of FY2016/3 | 14,698,307 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.

* Explanation on the Appropriate Usage of Performance Projections and Other Specific Matters

The forward-looking statements such as projections 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 projections 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, 2016) | The first quarter of the reporting fiscal year (As of June 30, 2016) |
|---|--|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 12,928 | 12,921 |
| Notes and accounts receivable-trade | 10,479 | 7,892 |
| Real estate for sale | 5,321 | 5,955 |
| Supplies | 393 | 377 |
| Advance payments | 10,647 | 10,836 |
| Other | 6,697 | 8,786 |
| Allowance for doubtful accounts | (25) | (29) |
| Total current assets | 46,442 | 46,741 |
| Noncurrent assets | | |
| Property, buildings and equipment | | |
| Buildings and structures | 5,675 | 5,736 |
| Accumulated depreciation | (2,229) | (2,307) |
| Buildings and structures, net | 3,446 | 3,428 |
| Tools, furniture and fixtures | 1,471 | 1,494 |
| Accumulated depreciation | (1,062) | (1,077) |
| Tools, furniture and fixtures, net | 408 | 417 |
| Land | 2,103 | 2,116 |
| Other | 567 | 1,275 |
| Accumulated depreciation | (343) | (394) |
| Other, net | 224 | 880 |
| Total property, buildings and equipment | 6,183 | 6,842 |
| Intangible assets | | |
| Software | 1,173 | 1,188 |
| Goodwill | 7,070 | 7,121 |
| Other | 224 | 201 |
| Total intangible assets | 8,468 | 8,511 |
| Investments and other assets | | |
| Investment securities | 9,644 | 9,529 |
| Lease and guarantee deposits | 10,543 | 10,494 |
| Other | 2,264 | 2,293 |
| Allowance for doubtful accounts | (151) | (118) |
| Total investments and other assets | 22,301 | 22,199 |
| Total noncurrent assets | 36,953 | 37,553 |
| Deferred assets | | |
| Bond issuance expenses | 15 | 14 |
| Total deferred assets | 15 | 14 |
| Total assets | 83,410 | 84,309 |

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

| | Previous fiscal year (As of March 31, 2016) | The first quarter of the reporting fiscal year (As of June 30, 2016) |
|---|--|--|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 3,295 | 2,763 |
| Short-term loans payable | 7,468 | 7,338 |
| Current portion of long-term loans payable | 1,584 | 1,240 |
| Income taxes payable | 2,096 | 867 |
| Advances received | 13,808 | 14,982 |
| Allowance for bonuses | 645 | 326 |
| Other | 7,009 | 9,673 |
| Total current liabilities | 35,907 | 37,191 |
| Noncurrent liabilities | | |
| Corporate bond | 2,400 | 2,100 |
| Long-term loans payable | 5,472 | 5,524 |
| Long-term lease deposits | 5,608 | 5,614 |
| Allowance for loss on guarantees | 62 | 62 |
| Liabilities for retirement benefits | 265 | 257 |
| Negative goodwill | 2 | 2 |
| Other | 215 | 215 |
| Total noncurrent liabilities | 14,028 | 13,777 |
| Total liabilities | 49,935 | 50,968 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,667 | 2,667 |
| Capital surplus | 2,871 | 2,871 |
| Retained earnings | 30,421 | 30,158 |
| Treasury stock | (3,278) | (2,970) |
| Total shareholders' equity | 32,682 | 32,726 |
| Total accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 282 | 272 |
| Foreign currency translation adjustment | 112 | (38) |
| Adjustment for retirement benefits | (7) | (7) |
| Total accumulated other comprehensive income | 387 | 226 |
| Subscription rights to shares | 71 | 66 |
| Non controlling interests | 334 | 321 |
| Total net assets | 33,475 | 33,340 |
| Total liabilities and net assets | 83,410 | 84,309 |

Consolidated Financial Statements

(2) Consolidated Statements of Income

(Millions of yen)

| | The first quarter of the previous fiscal year (From April 1, 2015 to June 30, 2015) | The first quarter of the reporting fiscal year (From April 1, 2016 to June 30, 2016) |
|---|--|---|
| Operating revenue | 45,420 | 49,683 |
| Operating expenses | 38,900 | 42,131 |
| Gross operating profit | 6,519 | 7,552 |
| Selling, general and administrative expenses | 3,964 | 4,397 |
| Operating profit | 2,555 | 3,154 |
| Non-operating income | | |
| Interest income | 2 | 2 |
| Dividends income | 1 | 0 |
| Equity in earnings of affiliates | 102 | 115 |
| Other | 25 | 38 |
| Total non-operating income | 131 | 156 |
| Non-operating expenses | | |
| Interest expenses | 16 | 31 |
| Foreign exchange losses | 8 | 23 |
| Treasury stock repurchase expenses | 20 | - |
| Other | 22 | 15 |
| Total non-operating expenses | 68 | 70 |
| Recurring profit | 2,618 | 3,240 |
| Extraordinary loss | | |
| Other | 3 | 6 |
| Total extraordinary losses | 3 | 6 |
| Income before income taxes | 2,614 | 3,233 |
| Income taxes-current | 760 | 927 |
| Income taxes-deferred | 182 | 111 |
| Total income taxes | 942 | 1,039 |
| Net income | 1,672 | 2,194 |
| Net income attributable to noncontrolling interests | 23 | 36 |
| Net income attributable to parent shareholders | 1,648 | 2,158 |