



# Summary of Financial Results

## for the Second Quarter of the Fiscal Year Ending March 31, 2019 [Consolidated]

### (From April 1, 2018 to September 30, 2018)

#### [Japan GAAP]

November 8, 2018

Company name:	Relo 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 14, 2018		
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, 2019 (From April 1, 2018 to September 30, 2018)

(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, 2018	122,642	11.3	8,687	20.9	9,355	21.3	6,225	22.8
Six months Ending September 30, 2017	110,218	11.9	7,188	22.0	7,711	24.7	5,070	19.6

(Note) Comprehensive Income: Six months Ending September 30, 2018 6,835 million yen (28.0%) Six months Ending September 30, 2017 5,341 million yen (30.2%)

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Six months Ending September 30, 2018	41.75		38.31	
Six months Ending September 30, 2017	33.81		33.61	

(2) Consolidated Financial Positions

	Total Assets		Net Assets		Equity Ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2018	125,568		46,274		36.4	
As of March 31, 2018	125,998		42,808		33.6	

(Reference) Shareholders' Equity: As of September 30, 2018 45,730 million yen As of March 31, 2018 42,277 million yen

2. Dividends

	Dividends per Share				
	1st quarter	2nd quarter	3rd quarter	Fiscal Year	Total
	End	End	End	End	
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending March 31, 2018	-	0.00	-	22.00	22.00
Fiscal year ending March 31, 2019	-	0.00	-	-	-
Fiscal year ending March 31, 2019 (Projected)	-	-	-	25.00	25.00

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

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2019

(From April 1, 2018 to March 31, 2019)

(% 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	250,000	10.9	18,400	19.8	20,000	18.0	12,500	15.9	83.80

(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: 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)

As of September 30, 2018	152,951,200 shares	As of March 31, 2018	152,951,200 shares
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2. Number of treasury stock at the end of period

As of September 30, 2018	3,836,737 shares	As of March 31, 2018	3,842,662 shares
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3. Average number of shares during the period

2nd Quarter of FY2019/3	149,113,919 shares	2nd Quarter of FY2018/3	149,947,085 shares
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\* 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, 2018)	The second quarter of the reporting fiscal year (As of September 30, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	27,933	28,510
Notes and accounts receivable-trade	14,892	11,189
Real estate for sale	9,894	9,281
Supplies	838	702
Advance payments	14,372	14,740
Other	8,665	8,119
Allowance for doubtful accounts	(24)	(33)
Total current assets	76,572	72,508
Noncurrent assets		
Property, buildings and equipment		
Buildings and structures	7,702	9,403
Accumulated depreciation	(2,651)	(2,873)
Buildings and structures, net	5,050	6,530
Tools, furniture and fixtures	1,762	1,852
Accumulated depreciation	(1,335)	(1,434)
Tools, furniture and fixtures, net	427	417
Land	1,953	2,542
Other	1,272	1,069
Accumulated depreciation	(449)	(409)
Other, net	822	660
Total property, buildings and equipment	8,254	10,150
Intangible assets		
Software	2,255	2,775
Goodwill	8,521	8,796
Other	182	181
Total intangible assets	10,960	11,754
Investments and other assets		
Investment securities	14,148	14,672
Lease and guarantee deposits	12,545	12,852
Other	3,544	3,662
Allowance for doubtful accounts	(79)	(75)
Total investments and other assets	30,158	31,111
Total noncurrent assets	49,372	53,016
Deferred assets		
Bond issuance expenses	50	41
Other	2	2
Total deferred assets	52	43
Total assets	125,998	125,568

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2018)	The second quarter of the reporting fiscal year (As of September 30, 2018)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	3,866	2,996
Short-term loans payable	7,013	4,973
Current portion of long-term loans payable	1,738	1,227
Income taxes payable	2,837	2,715
Advances received	17,370	18,478
Allowance for bonuses	873	701
Other	9,474	9,183
Total current liabilities	43,174	40,277
Noncurrent liabilities		
Bonds with stock acquisition rights	26,822	26,510
Corporate bond	1,200	900
Long-term loans payable	5,384	4,821
Long-term lease deposits	6,071	6,111
Net defined benefit liability	344	285
Negative goodwill	1	0
Other	190	386
Total noncurrent liabilities	40,015	39,016
Total liabilities	83,189	79,293
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,667	2,667
Capital surplus	2,871	2,869
Retained earnings	43,369	46,262
Treasury stock	(7,056)	(7,045)
Total shareholders' equity	41,852	44,753
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	529	626
Foreign currency translation adjustment	(117)	338
Remeasurement of defined benefit plans	13	11
Total accumulated other comprehensive income	425	976
Subscription rights to shares	22	21
Non controlling interests	508	522
Total net assets	42,808	46,274
Total liabilities and net assets	125,998	125,568

## Consolidated Financial Statements

### (2) Consolidated Statements of Income

(Millions of yen)

	The second quarter of the previous fiscal year (From April 1, 2017 to September 30, 2017)	The second quarter of the reporting fiscal year (From April 1, 2018 to September 30, 2018)
Sales	110,218	122,642
Cost of Sales	92,135	100,743
Gross operating profit	18,082	21,899
Selling, general and administrative expenses	10,894	13,212
Operating profit	7,188	8,687
Non-operating income		
Interest income	10	320
Dividends income	6	5
Equity in earnings of affiliates	409	382
Foreign exchange gains	52	-
Reversal of provision for loss on guarantees	63	-
Other	99	104
Total non-operating income	641	812
Non-operating expenses		
Interest expenses	84	78
Foreign exchange losses	-	31
Other	34	34
Total non-operating expenses	118	144
Recurring profit	7,711	9,355
Extraordinary income		
Gain on sales of noncurrent assets	-	54
Total extraordinary income	-	54
Extraordinary loss		
Loss on sales of noncurrent assets	-	47
Other	45	42
Total extraordinary losses	45	89
Profit before income taxes	7,666	9,320
Income taxes-current	2,457	2,855
Income taxes-deferred	83	178
Total income taxes	2,541	3,034
Net income	5,124	6,286
Net income attributable to noncontrolling interests	54	60
Net income attributable to owners of parent	5,070	6,225