



Summary of Financial Results for the Fiscal Year Ending March 31, 2020 [Consolidated] (From April 1, 2019 to March 31, 2020) [Japan GAAP]

May 22, 2020

Company name:	Relo Group, Inc.	Listed Exchange:	Tokyo Stock Exchange, First Section
Security code.:	8876	URL:	https://www.relo.jp/
Representative:	Kenichi Nakamura, President and Representative Director		
Contact:	Yasushi Kadota, Senior Managing Director	TEL:	03-5312-8704
Scheduled Date of Ordinary General Meeting of Shareholders:	June 25, 2020		
Scheduled Date to Start Distributing Dividends:	June 26, 2020		
Scheduled Date to Submit the Securities Report:	June 26, 2020		
Supplemental documents for the financial results provided:	No		
Results briefing for the period under review provided:	Yes (conference call for institutional investors and securities analysts)		

(Millions of yen, rounded down)

I. Consolidated Financial Results for the Year Ended March 31, 2020

(From April 1, 2019 to March 31, 2020)

(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	%
Fiscal year ending March 31, 2020	313,019	24.8	17,874	0.0	20,149	0.4	3,818	(70.6)
Fiscal year ending March 31, 2019	250,864	11.3	17,867	16.3	20,072	18.5	13,005	20.6

(Note) Comprehensive Income: Fiscal year ending March 31, 2020 1,511 million yen (-88.8%) Fiscal year ending March 31, 2019 13,439 million yen (26.6%)

	Net Income per Share	Diluted Net Income per Share	Return on Equity	Recurring Profit to Total Asset Ratio	Operating Profit Margin
	Yen	Yen	%	%	%
Fiscal year ending March 31, 2020	25.35	21.25	7.5	10.7	5.7
Fiscal year ending March 31, 2019	87.20	78.90	27.5	14.6	7.1

(Reference) Equity in Net Income of Affiliated Companies: Fiscal year ending March 31, 2020 1,744 million yen Fiscal year ending March 31, 2019 1,273 million yen

(2) Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	227,965	52,150	21.6	324.93
As of March 31, 2019	148,477	54,507	35.2	349.82

(Reference) Shareholders' Equity: As of March 31, 2020 49,223 million yen As of March 31, 2019 52,230 million yen

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ending March 31, 2020	14,982	(55,437)	48,755	33,490
Fiscal year ending March 31, 2019	11,611	(3,779)	(8,190)	27,432

2. Dividends

	Dividends per Share					Total Dividends	Dividend Payout Ratio (Consolidated)	Dividend / Net Assets Ratio (Consolidated)
	1st quarter	2nd quarter	3rd quarter	Fiscal Year	Total			
	End	End	End	End				
Fiscal year ending March 31, 2019	-	0.00	-	26.00	26.00	3,881	29.8	8.2
Fiscal year ending March 31, 2020	-	0.00	-	29.00	29.00	4,393	114.4	8.6
Fiscal year ending March 31, 2021 (Projected)	-	-	-	-	-	-	-	-

Although the Company's dividend record date is specified in the Articles of Incorporation as the end dates of the second quarter and the fiscal year, the forecast dividend amount for the fiscal year ending March 31, 2021 has not been determined at present.

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2021

(From April 1, 2020 to March 31, 2021)

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

	Operating Revenue		Operating profit		Profit before income taxes		Net Income attributable to parent shareholders		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	290,000	(7.4)	9,800	(45.2)	11,300	0.6	5,500	44.0	36.43

*Notes

(1) Changes in significant subsidiaries during the Fiscal Year (Changes in specified subsidiaries associated with changes in the scope of consolidation): Yes

Newly consolidated: One company
BGRS Limited

Excluded: -

(2) 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

(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 March 31, 2020	152,951,200 shares	As of March 31, 2019	152,951,200 shares
As of March 31, 2020	1,462,769 shares	As of March 31, 2019	3,644,737 shares
Year ending March 31, 2020	150,617,066 shares	Year ending March 31, 2019	149,136,557 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.

* 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, 2019)	Reporting fiscal year (As of March 31, 2020)
Assets		
Current assets		
Cash and deposits	27,320	34,052
Notes and accounts receivable-trade	16,333	50,151
Real estate for sale	17,136	22,354
Supplies	773	953
Advance payments	16,227	18,409
Other	9,595	12,444
Allowance for doubtful accounts	(40)	(43)
Total current assets	87,347	138,323
Noncurrent assets		
Property, buildings and equipment		
Buildings and structures	13,522	15,325
Accumulated depreciation	(3,748)	(4,590)
Buildings and structures, net	9,773	10,734
Tools, furniture and fixtures	2,083	2,951
Accumulated depreciation	(1,678)	(1,984)
Tools, furniture and fixtures, net	404	967
Land	6,291	7,768
Other	1,755	4,844
Accumulated depreciation	(951)	(1,744)
Other, net	804	3,099
Total property, buildings and equipment	17,274	22,570
Intangible assets		
Goodwill	9,152	15,756
Customer related assets	—	11,543
Software	3,133	5,301
Other	26	28
Total intangible assets	12,312	32,628
Investments and other assets		
Investment securities	13,086	13,047
Lease and guarantee deposits	13,611	14,736
Deferred tax assets	1,479	3,062
Other	3,388	3,681
Allowance for doubtful accounts	(58)	(176)
Total investments and other assets	31,507	34,349
Total noncurrent assets	61,094	89,548
Deferred assets		
Bond issuance expenses	33	15
Other	1	77
Total deferred assets	34	93
Total assets	148,477	227,965

(Millions of yen)

	Previous fiscal year (As of March 31, 2019)	Reporting fiscal year (As of March 31, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	3,842	8,741
Short-term loans payable	5,568	19,819
Current portion of bonds with stock acquisition rights	—	25,572
Current portion of long-term loans payable	1,950	9,847
Income taxes payable	3,599	3,484
Advances received	19,247	21,172
Allowance for bonuses	943	1,001
Other	11,032	22,204
Total current liabilities	46,184	111,843
Noncurrent liabilities		
Bonds with stock acquisition rights	26,197	—
Corporate bond	1,100	827
Long-term loans payable	12,238	49,447
Long-term lease deposits	6,932	7,349
Deferred tax liabilities	39	3,345
Negative goodwill	0	—
Other	1,275	3,001
Total noncurrent liabilities	47,785	63,971
Total liabilities	93,969	175,815
Net assets		
Shareholders' equity		
Capital stock	2,667	2,667
Capital surplus	2,869	2,722
Retained earnings	52,730	48,644
Treasury stock	(6,691)	(2,666)
Total shareholders' equity	51,575	51,368
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	523	14
Foreign currency translation adjustment	124	(2,103)
Remeasurement of defined benefit plans	6	(56)
Total accumulated other comprehensive income	654	(2,145)
Subscription rights to shares	12	125
Non controlling interests	2,265	2,801
Total net assets	54,507	52,150
Total liabilities and net assets	148,477	227,965

Consolidated Financial Statements

(2) Consolidated Statements of Income

(Millions of yen)

	Previous fiscal year (From April 1, 2018 to March 31, 2019)	Reporting fiscal year (From April 1, 2019 to March 31, 2020)
Sales	250,864	313,019
Cost of Sales	205,450	250,910
Gross operating profit	45,413	62,108
Selling, general and administrative expenses		
Advertising expenses	2,050	2,222
Employees' salaries and allowances	9,389	16,379
Provision of allowance for doubtful accounts	5	59
Provision for bonuses	607	820
Depreciation	503	2,032
Other	14,989	22,720
Total selling, general and administrative expenses	27,546	44,234
Operating profit	17,867	17,874
Non-operating income		
Interest income	641	640
Dividends income	263	35
Equity in earnings of affiliates	1,273	1,744
Foreign exchange gains	—	59
Other	344	448
Total non-operating income	2,522	2,929
Non-operating expenses		
Interest expenses	172	531
Foreign exchange losses	34	—
Other	110	122
Total non-operating expenses	317	654
Recurring profit	20,072	20,149
Extraordinary income		
Gain on sales of noncurrent assets	59	184
Gain on step acquisitions	33	—
Gain on sales of investment securities	—	1,117
Other	0	147
Total extraordinary income	93	1,449
Extraordinary loss		
Loss on sales of noncurrent assets	48	13
Impairment loss	574	9,504
Loss on valuation of investment securities	294	767
Other	171	77
Total extraordinary losses	1,089	10,363
Profit before income taxes	19,076	11,235
Income taxes-current	6,213	7,279
Income taxes-deferred	(348)	(359)
Total income taxes	5,864	6,919
Net income	13,211	4,316
Net income attributable to noncontrolling interests	206	497
Net income attributable to owners of parent	13,005	3,818