



Summary of Financial Results

for the Second Quarter of the Fiscal Year Ending March 31, 2021 [Consolidated]

(From April 1, 2020 to September 30, 2020)

[Japan GAAP]

November 12, 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		
Scheduled Date to Submit the Quarterly Securities Report:	November 16, 2020		
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, 2021 (From April 1, 2020 to September 30, 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	%
Six months Ending September 30, 2020	163,850	10.3	5,361	(39.4)	6,628	(30.7)	4,053	(35.9)
Six months Ending September 30, 2019	148,568	21.1	8,846	1.8	9,560	2.2	6,321	1.5

(Note) Comprehensive Income: Six months Ending September 30, 2020 4,219 million yen (-28.9%) Six months Ending September 30, 2019 5,935 million yen (-13.2%)

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Six months Ending September 30, 2020	26.81		24.14	
Six months Ending September 30, 2019	42.15		38.33	

(2) Consolidated Financial Positions

	Total Assets		Net Assets		Equity Ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2020	225,376		50,758		21.2	
As of March 31, 2020	227,965		52,150		21.6	

(Reference) Shareholders' Equity: As of September 30, 2020 47,725 million yen As of March 31, 2020 49,223 million yen

2. Dividends

	Dividends per Share				
	1st quarter	2nd quarter	3rd quarter	Fiscal Year	Total
	End	End	End	End	
	Yen				
Fiscal year ending March 31, 2020	-	0.00	-	29.00	29.00
Fiscal year ending March 31, 2021	-	0.00	-	-	-
Fiscal year ending March 31, 2021 (Projected)	-	-	-	-	-

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

2. 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 owners of parent		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

(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, 2020	152,951,200 shares	As of March 31, 2020	152,951,200 shares
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2. Number of treasury stock at the end of period

As of September 30, 2020	1,842,096 shares	As of March 31, 2020	1,462,769 shares
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3. Average number of shares during the period

2nd Quarter of FY2021/3	151,164,442 shares	2nd Quarter of FY2020/3	149,986,712 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, 2020)	The second quarter of the reporting fiscal year (As of September 30, 2020)
Assets		
Current assets		
Cash and deposits	34,052	43,526
Notes and accounts receivable-trade	50,151	39,839
Real estate for sale	22,354	21,086
Supplies	953	1,011
Advance payments	18,409	17,828
Other	12,444	11,458
Allowance for doubtful accounts	(43)	(35)
Total current assets	138,323	134,714
Noncurrent assets		
Property, buildings and equipment		
Buildings and structures	15,325	16,266
Accumulated depreciation	(4,590)	(4,970)
Buildings and structures, net	10,734	11,296
Tools, furniture and fixtures	2,951	2,821
Accumulated depreciation	(1,984)	(2,089)
Tools, furniture and fixtures, net	967	731
Land	7,768	7,751
Other	4,844	5,348
Accumulated depreciation	(1,744)	(2,122)
Other, net	3,099	3,225
Total property, buildings and equipment	22,570	23,004
Intangible assets		
Goodwill	15,756	14,938
Customer related assets	11,543	10,922
Software	5,301	6,054
Other	28	27
Total intangible assets	32,628	31,943
Investments and other assets		
Investment securities	13,047	14,609
Lease and guarantee deposits	14,736	14,473
Other	6,743	6,737
Allowance for doubtful accounts	(176)	(181)
Total investments and other assets	34,349	35,638
Total noncurrent assets	89,548	90,587
Deferred assets		
Bond issuance expenses	15	6
Other	77	67
Total deferred assets	93	74
Total assets	227,965	225,376

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2020)	The second quarter of the reporting fiscal year (As of September 30, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	8,741	7,692
Short-term loans payable	19,819	8,887
Current portion of bonds with stock acquisition rights	25,572	25,260
Current portion of long-term loans payable	9,847	10,027
Income taxes payable	3,484	2,619
Advances received	21,172	21,892
Allowance for bonuses	1,001	832
Other	22,204	21,531
Total current liabilities	111,843	98,743
Noncurrent liabilities		
Corporate bond	827	591
Long-term loans payable	49,447	61,239
Long-term lease deposits	7,349	7,479
Other	6,346	6,562
Total noncurrent liabilities	63,971	75,873
Total liabilities	175,815	174,617
Net assets		
Shareholders' equity		
Capital stock	2,667	2,667
Capital surplus	2,722	2,584
Retained earnings	48,644	48,188
Treasury stock	(2,666)	(3,621)
Total shareholders' equity	51,368	49,818
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14	33
Foreign currency translation adjustment	(2,103)	(2,062)
Remeasurement of defined benefit plans	(56)	(63)
Total accumulated other comprehensive income	(2,145)	(2,093)
Subscription rights to shares	125	190
Non controlling interests	2,801	2,842
Total net assets	52,150	50,758
Total liabilities and net assets	227,965	225,376

Consolidated Financial Statements

(2) Consolidated Statements of Income

(Millions of yen)

	The second quarter of the previous fiscal year (From April 1, 2019 to September 30, 2019)	The second quarter of the reporting fiscal year (From April 1, 2020 to September 30, 2020)
Sales	148,568	163,850
Cost of Sales	124,044	134,576
Gross operating profit	24,524	29,274
Selling, general and administrative expenses	15,677	23,912
Operating profit	8,846	5,361
Non-operating income		
Interest income	320	319
Dividends income	10	30
Equity in earnings of affiliates	674	1,043
Other	212	470
Total non-operating income	1,216	1,863
Non-operating expenses		
Interest expenses	257	238
Foreign exchange losses	204	234
Other	40	124
Total non-operating expenses	503	596
Recurring profit	9,560	6,628
Extraordinary income		
Surrender value of insurance policies	—	104
Gain on sales of noncurrent assets	185	16
Gain on sales of investment securities	418	1
Other	0	7
Total extraordinary income	604	129
Extraordinary loss		
Loss on sales of noncurrent assets	13	0
Loss on valuation of shares of subsidiaries and associates	—	16
Other	15	53
Total extraordinary losses	29	69
Profit before income taxes	10,135	6,688
Income taxes-current	3,340	2,559
Income taxes-deferred	271	(33)
Total income taxes	3,611	2,525
Net income	6,524	4,163
Net income attributable to noncontrolling interests	202	109
Net income attributable to owners of parent	6,321	4,053

Consolidated Financial Statements

(3) Consolidated Cash Flow Statements

(Millions of yen)

	The second quarter of the previous fiscal year (From April 1, 2019 to September 30, 2019)	The second quarter of the reporting fiscal year (From April 1, 2020 to September 30, 2020)
Cash flows from operating activities		
Profit (loss) before income taxes	10,135	6,688
Depreciation	1,164	1,787
Amortization of goodwill	632	677
Increase (decrease) in allowance for doubtful accounts	9	(2)
Increase (decrease) in provision for bonuses	(150)	(166)
Interest and dividend income	(330)	(349)
Interest expenses	257	238
Share of loss (profit) of entities accounted for using equity method	(674)	(1,043)
Loss (gain) on sales of investment securities	(418)	(1)
Decrease (increase) in trade receivables	1,049	9,388
Decrease (increase) in inventories	(2,066)	1,292
Increase (decrease) in trade payables	(1,499)	(902)
Loss (gain) on sales of non-current assets	(170)	(16)
Surrender value of insurance policies	—	(104)
Increase (decrease) in accounts payable - other	(834)	250
Decrease (increase) in leasehold and guarantee deposits	(134)	262
Increase (decrease) in leasehold and guarantee deposits received	(9)	136
Other, net	407	1,033
Subtotal	7,369	19,170
Interest and dividends received	357	754
Interest paid	(257)	(235)
Income taxes paid	(2,868)	(2,604)
Cash flows from operating activities	4,600	17,084
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,037)	(1,320)
Proceeds from sales of property, plant and equipment	589	22
Purchase of software	(667)	(1,319)
Purchase of investment securities	(108)	(1,243)
Proceeds from sales of investment securities	507	31
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(49,463)	—
Other, net	49	(221)
Cash flows from investing activities	(50,130)	(4,051)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	51,075	(10,679)
Repayments of long-term borrowings	(1,796)	(5,656)
Proceeds from long-term borrowings	1,078	17,628
Purchase of treasury shares	(0)	(1,439)
Proceeds from disposal of treasury shares	1	326
Redemption of bonds	(300)	(435)
Dividends paid	(3,880)	(4,391)
Dividends paid to non-controlling interests	(49)	(49)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(173)	(161)
Other, net	(207)	(425)
Cash flows from financing activities	45,747	(5,285)
Effect of exchange rate change on cash and cash equivalents	(417)	1,311
Net increase (decrease) in cash and cash equivalents	(198)	9,058
Cash and cash equivalents at the beginning of the period	27,432	33,490
Cash and cash equivalents at the end of the period	27,233	42,549