



Summary of Financial Results for the Fiscal Year Ending March 31, 2021 [Consolidated] (From April 1, 2020 to March 31, 2021) [Japan GAAP]

May 13, 2021

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 24, 2021		
Scheduled Date to Start Distributing Dividends:	June 25, 2021		
Scheduled Date to Submit the Securities Report:	June 25, 2021		
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)

1. Consolidated Financial Results for the Year Ended March 31, 2021

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

(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, 2021	333,603	6.6	12,496	(30.1)	16,129	(19.9)	9,354	145.0
Fiscal year ending March 31, 2020	313,019	24.8	17,871	0.0	20,146	0.4	3,818	(70.6)

(Note) Comprehensive Income: Fiscal year ending March 31, 2021 12,974 million yen (758.6%) Fiscal year ending March 31, 2020 1,511 million yen (-88.8%)

	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, 2021	61.88	55.37	17.7	6.9	3.7
Fiscal year ending March 31, 2020	25.35	21.25	7.5	10.7	5.7

(Reference) Equity in Net Income of Affiliated Companies: Fiscal year ending March 31, 2021 2,512 million yen Fiscal year ending March 31, 2020 1,744 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, 2021	236,259	59,916	24.0	374.35
As of March 31, 2020	228,102	52,150	21.6	324.93

(Reference) Shareholders' Equity: As of March 31, 2021 56,627 million yen As of March 31, 2020 49,223 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, 2021	24,029	(5,441)	(5,534)	49,219
Fiscal year ending March 31, 2020	15,311	(55,275)	48,327	33,490

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	End			
Fiscal year ending March 31, 2020	-	0.00	-	29.00	29.00	4,393	114.4	8.6
Fiscal year ending March 31, 2021	-	0.00	-	19.00	19.00	2,874	30.7	5.4
Fiscal year ending March 31, 2022 (Projected)	-	-	-	22.00	22.00		29.4	

(Note) "Total Dividends" in the above table excludes dividends of 0 million yen for the fiscal year ended March 31, 2020 to shares held by the Stock Granting Trust (J-ESOP trust). "Total Dividends" in the above table excludes and dividends of 0 million yen for the fiscal year ended March 31, 2021 to shares held by the Stock Granting Trust (J-ESOP trust) and dividends of 5 million yen for the fiscal year ended March 31, 2021 to the Stock Grant ESOP Trust account.

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)

	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	350,000	4.9	17,000	36.0	19,000	20.8	11,400	21.9	74.75

*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 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, 2021	152,951,200 shares	As of March 31, 2020	152,951,200 shares
As of March 31, 2021	1,682,237 shares	As of March 31, 2020	1,462,769 shares
Year ending March 31, 2021	151,170,328 shares	Year ending March 31, 2020	150,617,066 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, 2020)	Reporting fiscal year (As of March 31, 2021)
Assets		
Current assets		
Cash and deposits	34,052	50,198
Notes and accounts receivable-trade	50,151	42,983
Real estate for sale	22,354	19,778
Supplies	953	1,210
Advance payments	18,409	18,403
Other	12,444	13,217
Allowance for doubtful accounts	(43)	(55)
Total current assets	138,323	145,736
Noncurrent assets		
Property, buildings and equipment		
Buildings and structures	15,325	16,514
Accumulated depreciation	(4,590)	(5,255)
Buildings and structures, net	10,734	11,259
Tools, furniture and fixtures	2,951	2,953
Accumulated depreciation	(1,984)	(2,169)
Tools, furniture and fixtures, net	967	784
Land	7,768	7,835
Other	4,844	5,684
Accumulated depreciation	(1,744)	(3,101)
Other, net	3,099	2,582
Total property, buildings and equipment	22,570	22,462
Intangible assets		
Goodwill	15,496	14,219
Customer related assets	11,940	11,433
Software	5,301	6,823
Other	28	25
Total intangible assets	32,766	32,501
Investments and other assets		
Investment securities	13,047	14,221
Lease and guarantee deposits	14,736	14,828
Deferred tax assets	3,062	3,103
Other	3,681	3,497
Allowance for doubtful accounts	(176)	(211)
Total investments and other assets	34,349	35,439
Total noncurrent assets	89,686	90,403
Deferred assets		
Bond issuance expenses	15	62
Other	77	57
Total deferred assets	93	120
Total assets	228,102	236,259

(Millions of yen)

	Previous fiscal year (As of March 31, 2020)	Reporting fiscal year (As of March 31, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	8,741	8,443
Short-term loans payable	19,819	12,591
Current portion of bonds with stock acquisition rights	25,572	—
Current portion of long-term loans payable	9,847	12,369
Income taxes payable	3,484	3,097
Advances received	21,172	21,588
Allowance for bonuses	1,001	1,030
Other	22,204	22,997
Total current liabilities	111,843	82,119
Noncurrent liabilities		
Bonds with stock acquisition rights	—	24,752
Corporate bond	827	1,016
Long-term loans payable	49,447	54,295
Long-term lease deposits	7,349	7,476
Deferred tax liabilities	3,482	3,468
Other	3,001	3,214
Total noncurrent liabilities	64,109	94,223
Total liabilities	175,952	176,342
Net assets		
Shareholders' equity		
Capital stock	2,667	2,667
Capital surplus	2,722	2,584
Retained earnings	48,645	53,437
Treasury stock	(2,666)	(3,250)
Total shareholders' equity	51,368	55,439
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14	82
Foreign currency translation adjustment	(2,103)	1,094
Remeasurement of defined benefit plans	(56)	11
Total accumulated other comprehensive income	(2,145)	1,188
Subscription rights to shares	125	273
Non controlling interests	2,801	3,015
Total net assets	52,150	59,916
Total liabilities and net assets	228,102	236,259

Consolidated Financial Statements

(2) Consolidated Statements of Income

(Millions of yen)

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Reporting fiscal year (From April 1, 2020 to March 31, 2021)
Sales	313,019	333,603
Cost of Sales	250,910	271,448
Gross operating profit	62,108	62,155
Selling, general and administrative expenses		
Advertising expenses	2,222	2,460
Employees' salaries and allowances	16,379	19,055
Provision of allowance for doubtful accounts	59	135
Provision for bonuses	820	990
Depreciation	2,040	2,803
Other	22,714	24,213
Total selling, general and administrative expenses	44,237	49,658
Operating profit	17,871	12,496
Non-operating income		
Interest income	640	692
Dividends income	35	34
Equity in earnings of affiliates	1,744	2,512
Foreign exchange gains	59	—
Subsidy income	—	671
Other	448	791
Total non-operating income	2,929	4,702
Non-operating expenses		
Interest expenses	531	491
Foreign exchange losses	—	258
Other	122	319
Total non-operating expenses	654	1,069
Recurring profit	20,146	16,129
Extraordinary income		
Gain on sales of noncurrent assets	184	58
Gain on sales of investment securities	1,117	78
Surrender value of insurance policies	80	139
Other	66	27
Total extraordinary income	1,449	304
Extraordinary loss		
Loss on sales of noncurrent assets	13	8
Impairment loss	9,504	583
Loss on valuation of investment securities	767	—
Other	77	111
Total extraordinary losses	10,363	703
Profit before income taxes	11,233	15,730
Income taxes-current	7,279	6,165
Income taxes-deferred	(362)	(65)
Total income taxes	6,916	6,100
Net income	4,316	9,630
Net income attributable to noncontrolling interests	497	276
Net income attributable to owners of parent	3,818	9,354

Consolidated Financial Statements

(3) Consolidated Cash Flow Statements

(Millions of yen)

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Reporting fiscal year (From April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Profit (loss) before income taxes	11,233	15,730
Depreciation	3,001	3,672
Impairment loss	9,504	583
Amortization of goodwill	1,510	1,324
Increase (decrease) in allowance for doubtful accounts	27	47
Increase (decrease) in provision for bonuses	34	30
Loss (gain) on valuation of investment securities	767	—
Share of loss (profit) of entities accounted for using equity method	(1,744)	(2,512)
Loss (gain) on sales of investment securities	(1,136)	(78)
Interest and dividend income	(676)	(726)
Interest expenses	531	491
Surrender value of insurance policies	—	(139)
Decrease (increase) in trade receivables	5,988	7,443
Decrease (increase) in inventories	(111)	2,485
Increase (decrease) in trade payables	(2,557)	(357)
Increase (decrease) in accounts payable - other	(937)	765
Decrease (increase) in leasehold and guarantee deposits	(1,074)	(92)
Increase (decrease) in leasehold and guarantee deposits received	273	124
Other, net	(1,782)	1,684
Subtotal	22,852	30,474
Interest and dividends received	818	1,557
Interest paid	(534)	(485)
Income taxes paid	(7,825)	(7,517)
Cash flows from operating activities	15,311	24,029
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,615)	(1,696)
Proceeds from sales of property, plant and equipment	662	127
Purchase of software	(2,099)	(2,657)
Purchase of investment securities	(168)	(1,273)
Proceeds from sales of investment securities	1,305	199
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(53,452)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	128	—
Other, net	(34)	(142)
Cash flows from investing activities	(55,275)	(5,441)

(Millions of yen)

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Reporting fiscal year (From April 1, 2020 to March 31, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	10,615	(7,138)
Proceeds from long-term borrowings	46,118	18,687
Repayments of long-term borrowings	(3,343)	(11,313)
Proceeds from issuance of convertible bonds with stock acquisition rights	—	24,840
Redemption of the convertible bonds with stock acquisition rights	—	(23,819)
Proceeds from issuance of bonds	300	500
Redemption of bonds	(600)	(1,070)
Purchase of treasury shares	(0)	(1,440)
Proceeds from disposal of treasury shares	2	662
Dividends paid	(3,882)	(4,392)
Dividends paid to non-controlling interests	(49)	(49)
Other, net	(833)	(999)
Cash flows from financing activities	48,327	(5,534)
Effect of exchange rate change on cash and cash equivalents	(2,304)	2,675
Net increase (decrease) in cash and cash equivalents	6,057	15,728
Cash and cash equivalents at the beginning of the period	27,432	33,490
Cash and cash equivalents at the end of the period	33,490	49,219