



# Summary of Financial Results

## for the Third Quarter of the Fiscal Year Ending March 31, 2018 [Consolidated]

### (From April 1, 2017 to December 31, 2017)

#### [Japan GAAP]

February 8, 2018

Company name:	Relo Group, Inc.	Listed Exchange:	Tokyo Stock Exchange, First Section
Security code.:	8876	URL:	<a href="http://www.relo.jp">http://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:	February 14, 2018		
Scheduled Date to Start Distributing Dividends:	-		
Supplemental documents for the financial results provided:	Non		
Results briefing for the period under review provided:	Non		

(Millions of yen, rounded down)

1. Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2018 (From April 1, 2017 to December 31, 2017)

(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	%
Nine months Ending December 31, 2017	165,405	11.4	10,291	20.9	11,151	23.7	7,333	20.6
Nine months Ending December 31, 2016	148,519	9.2	8,513	13.8	9,015	10.5	6,082	14.3

(Note) Comprehensive Income: Nine months Ending December 31, 2017 7,655 million yen (17.2%) Nine months Ending December 31, 2016 6,530 million yen (22.1%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Nine months Ending December 31, 2017	48.90	48.60
Nine months Ending December 31, 2016	40.97	40.38

(Note) The company conducted a 1-for-10 stock split of common shares with an effective date of 1st April, 2017.

Net income per share and diluted net income per share are calculated based on the assumption that such stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	106,852	44,720	41.4
As of March 31, 2017	99,347	39,742	39.6

(Reference) Shareholders' Equity: As of December 31, 2017 44,186 million yen As of March 31, 2017 39,312 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, 2017	-	0.00	-	184.00	184.00
Fiscal year ending March 31, 2018	-	0.00	-		
Fiscal year ending March 31, 2018 (Projected)				21.00	21.00

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

2. The company conducted a 1-for-10 stock split of common shares with an effective date of 1st April, 2017.

For the fiscal year ended March 31, 2017, actual amount of dividends before the stock split is presented.

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2018

(From April 1, 2017 to March 31, 2018)

(% 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	226,000	10.2	15,500	16.9	16,500	15.9	10,500	14.7	70.50

(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 December 31, 2017	152,951,200 shares	As of March 31, 2017	152,951,200 shares
2. Number of treasury stock at the end of period	As of December 31, 2017	2,862,362 shares	As of March 31, 2017	3,027,220 shares
3. Average number of shares during the period	3rd Quarter of FY2018/3	149,977,544 shares	3rd Quarter of FY2017/3	148,460,173 shares

(Note) The company conducted a 1-for-10 stock split of common shares with an effective date of 1st April, 2017.

Total number of issued shares (common shares) are calculated based on the assumption that such stock split was implemented at the beginning of the previous fiscal year.

\* 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, 2017)	The third quarter of the reporting fiscal year (As of December 31, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	13,309	15,506
Notes and accounts receivable-trade	12,094	8,844
Real estate for sale	6,729	9,624
Supplies	501	626
Advance payments	13,291	13,345
Other	10,693	9,535
Allowance for doubtful accounts	(40)	(48)
Total current assets	56,580	57,433
Noncurrent assets		
Property, buildings and equipment		
Buildings and structures	6,749	8,069
Accumulated depreciation	(2,503)	(2,684)
Buildings and structures, net	4,246	5,385
Tools, furniture and fixtures	1,794	1,803
Accumulated depreciation	(1,312)	(1,381)
Tools, furniture and fixtures, net	482	422
Land	2,340	2,676
Other	783	1,011
Accumulated depreciation	(365)	(438)
Other, net	417	572
Total property, buildings and equipment	7,486	9,057
Intangible assets		
Software	1,485	2,113
Goodwill	8,862	9,579
Other	176	187
Total intangible assets	10,524	11,881
Investments and other assets		
Investment securities	10,585	13,878
Lease and guarantee deposits	11,627	11,595
Other	2,603	3,072
Allowance for doubtful accounts	(72)	(78)
Total investments and other assets	24,744	28,468
Total noncurrent assets	42,754	49,406
Deferred assets		
Bond issuance expenses	12	9
Other	-	-
Total deferred assets	12	12
Total assets	99,347	106,852

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2017)	The third quarter of the reporting fiscal year (As of December 31, 2017)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	3,425	3,076
Short-term loans payable	12,663	16,158
Current portion of long-term loans payable	1,695	1,757
Income taxes payable	2,490	1,214
Advances received	16,067	16,906
Allowance for bonuses	761	305
Other	8,616	8,616
<b>Total current liabilities</b>	<b>45,720</b>	<b>48,035</b>
Noncurrent liabilities		
Corporate bond	1,800	1,200
Long-term loans payable	5,440	5,881
Long-term lease deposits	5,867	5,873
Allowance for loss on guarantees	60	-
Net defined benefit liability	326	430
Negative goodwill	2	1
Other	386	710
<b>Total noncurrent liabilities</b>	<b>13,883</b>	<b>14,096</b>
<b>Total liabilities</b>	<b>59,604</b>	<b>62,131</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,667	2,667
Capital surplus	2,871	2,871
Retained earnings	36,342	40,787
Treasury stock	(3,246)	(3,069)
<b>Total shareholders' equity</b>	<b>38,634</b>	<b>43,256</b>
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	459	700
Foreign currency translation adjustment	222	228
Remeasurement of defined benefit plans	(4)	0
<b>Total accumulated other comprehensive income</b>	<b>677</b>	<b>929</b>
Subscription rights to shares	39	39
Non controlling interests	390	494
<b>Total net assets</b>	<b>39,742</b>	<b>44,720</b>
<b>Total liabilities and net assets</b>	<b>99,347</b>	<b>106,852</b>

## Consolidated Financial Statements

### (2) Consolidated Statements of Income

(Millions of yen)

	The third quarter of the previous fiscal year (From April 1, 2016 to December 31, 2016)	The third quarter of the reporting fiscal year (From April 1, 2017 to December 31, 2017)
Sales	148,519	165,405
Cost of Sales	126,101	138,215
Gross operating profit	22,418	27,190
Selling, general and administrative expenses	13,904	16,898
Operating profit	8,513	10,291
Non-operating income		
Interest income	10	7
Dividends income	5	6
Equity in earnings of affiliates	551	773
Foreign exchange gains	-	59
Reversal of provision for loss on guarantees	-	63
Other	203	144
Total non-operating income	770	1,055
Non-operating expenses		
Interest expenses	109	137
Foreign exchange losses	105	-
Other	52	58
Total non-operating expenses	268	195
Recurring profit	9,015	11,151
Extraordinary loss		
Office relocation expenses	8	20
Other	25	44
Total extraordinary losses	33	64
Profit before income taxes	8,981	11,086
Income taxes-current	2,599	3,435
Income taxes-deferred	237	248
Total income taxes	2,836	3,683
Net income	6,145	7,402
Net income attributable to noncontrolling interests	62	69
Net income attributable to owners of parent	6,082	7,333