



Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2020 [Consolidated] (From April 1, 2019 to June 30, 2019) [Japan GAAP]

August 9, 2019

| | | | |
|--|---|------------------|-------------------------------------|
| 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 to Submit the Quarterly Securities Report: | August 14, 2019 | | |
| 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 First Quarter of Fiscal Year Ending March 31, 2020 (From April 1, 2019 to June 30, 2019)

(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 | % |
| Three months ending June 30, 2019 | 65,873 | 9.3 | 3,523 | (11.0) | 3,855 | (5.7) | 2,414 | (10.2) |
| Three months ending June 30, 2018 | 60,271 | 8.7 | 3,961 | 12.5 | 4,088 | 10.4 | 2,689 | 10.9 |
| (Note) Comprehensive Income: | Three months ending June 30, 2019 | | 2,223 million yen (-27.7%) | | Three months ending June 30, 2018 | | 3,075 million yen (26.2%) | |

| | Net Income per Share | Diluted Net Income per Share |
|-----------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Three months ending June 30, 2019 | 16.17 | 14.48 |
| Three months ending June 30, 2018 | 18.04 | 16.46 |

(2) Consolidated Financial Positions

| | Total Assets | Net Assets | Equity Ratio | |
|-----------------------------------|---------------------|--------------------|----------------------|--------------------|
| | Millions of yen | Millions of yen | % | |
| As of June 30, 2019 | 216,249 | 52,625 | 23.3 | |
| As of March 31, 2019 | 148,477 | 54,507 | 35.2 | |
| (Reference) Shareholders' Equity: | As of June 30, 2019 | 50,370 million yen | As of March 31, 2019 | 52,230 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, 2019 | - | 0.00 | - | 26.00 | 26.00 |
| Fiscal year ending March 31, 2020 | - | | | | |
| Fiscal year ending March 31, 2020 (Projected) | | 0.00 | - | 29.00 | 29.00 |

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

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

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

| | Operating Revenue | | 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 |
| Full year | 280,000 | 11.6 | 22,500 | 17.9 | 14,100 | 8.4 | 93.50 |

(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): Yes

Newly consolidated: One company
Brookfield RPS Limited
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)
2. Number of treasury stock at the end of period
3. Average number of shares during the period

| | | | |
|-------------------------|--------------------|-------------------------|--------------------|
| As of June 30, 2019 | 152,951,200 shares | As of March 31, 2019 | 152,951,200 shares |
| As of June 30, 2019 | 3,644,737 shares | As of March 31, 2019 | 3,644,737 shares |
| 1st Quarter of FY2020/3 | 149,306,463 shares | 1st Quarter of FY2019/3 | 149,113,351 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) | The first quarter of the reporting fiscal year (As of June 30, 2019) |
|---|--|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 27,320 | 27,016 |
| Notes and accounts receivable-trade | 16,333 | 51,152 |
| Real estate for sale | 17,136 | 20,914 |
| Supplies | 773 | 835 |
| Advance payments | 16,227 | 16,511 |
| Other | 9,595 | 10,999 |
| Allowance for doubtful accounts | (40) | (36) |
| Total current assets | 87,347 | 127,393 |
| Noncurrent assets | | |
| Property, buildings and equipment | | |
| Buildings and structures | 13,522 | 13,715 |
| Accumulated depreciation | (3,748) | (3,872) |
| Buildings and structures, net | 9,773 | 9,842 |
| Tools, furniture and fixtures | 2,083 | 2,101 |
| Accumulated depreciation | (1,678) | (1,707) |
| Tools, furniture and fixtures, net | 404 | 393 |
| Land | 6,291 | 6,342 |
| Other | 1,755 | 5,997 |
| Accumulated depreciation | (951) | (2,995) |
| Other, net | 804 | 3,002 |
| Total property, buildings and equipment | 17,274 | 19,581 |
| Intangible assets | | |
| Software | 3,133 | 3,198 |
| Goodwill | 9,152 | 32,486 |
| Other | 26 | 1,019 |
| Total intangible assets | 12,312 | 36,704 |
| Investments and other assets | | |
| Investment securities | 13,086 | 13,925 |
| Lease and guarantee deposits | 13,611 | 13,658 |
| Other | 4,868 | 5,032 |
| Allowance for doubtful accounts | (58) | (77) |
| Total investments and other assets | 31,507 | 32,539 |
| Total noncurrent assets | 61,094 | 88,824 |
| Deferred assets | | |
| Bond issuance expenses | 33 | 28 |
| Other | 1 | 1 |
| Total deferred assets | 34 | 30 |
| Total assets | 148,477 | 216,249 |

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

| | Previous fiscal year (As of March 31, 2019) | The first quarter of the reporting fiscal year (As of June 30, 2019) |
|---|--|--|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 3,842 | 4,895 |
| Short-term loans payable | 5,568 | 56,395 |
| Current portion of long-term loans payable | 1,950 | 1,982 |
| Income taxes payable | 3,599 | 1,565 |
| Advances received | 19,247 | 20,592 |
| Allowance for bonuses | 943 | 467 |
| Other | 11,032 | 28,799 |
| Total current liabilities | 46,184 | 114,697 |
| Noncurrent liabilities | | |
| Bonds with stock acquisition rights | 26,197 | 26,041 |
| Corporate bond | 1,100 | 800 |
| Long-term loans payable | 12,238 | 12,024 |
| Long-term lease deposits | 6,932 | 6,872 |
| Net defined benefit liability | 276 | 272 |
| Other | 1,039 | 2,915 |
| Total noncurrent liabilities | 47,785 | 48,926 |
| Total liabilities | 93,969 | 163,624 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,667 | 2,667 |
| Capital surplus | 2,869 | 2,722 |
| Retained earnings | 52,730 | 51,262 |
| Treasury stock | (6,691) | (6,691) |
| Total shareholders' equity | 51,575 | 49,961 |
| Total accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 523 | 695 |
| Foreign currency translation adjustment | 124 | (291) |
| Remeasurement of defined benefit plans | 6 | 4 |
| Total accumulated other comprehensive income | 654 | 409 |
| Subscription rights to shares | 12 | 12 |
| Non controlling interests | 2,265 | 2,242 |
| Total net assets | 54,507 | 52,625 |
| Total liabilities and net assets | 148,477 | 216,249 |

Consolidated Financial Statements

(2) Consolidated Statements of Income

(Millions of yen)

| | The first quarter of the previous fiscal year (From April 1, 2018 to June 30, 2018) | The first quarter of the reporting fiscal year (From April 1, 2019 to June 30, 2019) |
|---|--|---|
| Sales | 60,271 | 65,873 |
| Cost of Sales | 49,886 | 54,671 |
| Gross operating profit | 10,384 | 11,201 |
| Selling, general and administrative expenses | 6,423 | 7,678 |
| Operating profit | 3,961 | 3,523 |
| Non-operating income | | |
| Interest income | 160 | 160 |
| Dividends income | 0 | 4 |
| Equity in earnings of affiliates | - | 152 |
| Other | 67 | 155 |
| Total non-operating income | 228 | 472 |
| Non-operating expenses | | |
| Interest expenses | 36 | 77 |
| Equity in losses of affiliates | 16 | - |
| Foreign exchange losses | 34 | 3 |
| Other | 13 | 59 |
| Total non-operating expenses | 101 | 140 |
| Recurring profit | 4,088 | 3,855 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 54 | 7 |
| Gain on sales of investment securities | - | 151 |
| Total extraordinary income | 54 | 158 |
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | 47 | - |
| Other | 21 | 11 |
| Total extraordinary losses | 68 | 11 |
| Profit before income taxes | 4,073 | 4,002 |
| Income taxes-current | 1,044 | 1,166 |
| Income taxes-deferred | 300 | 364 |
| Total income taxes | 1,345 | 1,530 |
| Net income | 2,728 | 2,471 |
| Net income attributable to noncontrolling interests | 38 | 56 |
| Net income attributable to owners of parent | 2,689 | 2,414 |