



Summary of Financial Results for the Fiscal Year Ending March 31, 2018 [Consolidated] (From April 1, 2017 to March 31, 2018) [Japan GAAP]

May 11, 2018

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 26, 2018		
Scheduled Date to Start Distributing Dividends:	June 27, 2018		
Scheduled Date to Submit the Securities Report:	June 27, 2018		
Supplemental documents for the financial results provided:	Yes		
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 Year Ended March 31, 2018

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

(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, 2018	225,437	9.9	15,359	15.8	16,943	19.0	10,782	17.8
Fiscal year ending March 31, 2017	205,117	11.9	13,264	22.4	14,238	20.1	9,151	27.8

(Note) Comprehensive Income: Fiscal year ending March 31, 2018 10,616 million yen (10.7%) Fiscal year ending March 31, 2017 9,587 million yen (34.9%)

	Net Income per Share	Diluted Net Income per Share	Return on Equity (ROE)	Return on Assets (ROA)	Operating Profit Margin
	Yen	Yen	%	%	%
Fiscal year ending March 31, 2018	71.91	71.16	26.4	15.0	6.8
Fiscal year ending March 31, 2017	61.47	60.65	25.3	15.6	6.5

(Reference) Equity in Net Income of Affiliated Companies: Fiscal year ending March 31, 2018 1,292 million yen Fiscal year ending March 31, 2017 941 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, 2018	126,228	42,808	33.5	283.54
As of March 31, 2017	99,347	39,742	39.6	262.22

(Reference) Shareholders' Equity: As of March 31, 2018 42,277 million yen As of March 31, 2017 39,312 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, 2018	8,756	(7,483)	13,066	27,833
Fiscal year ending March 31, 2017	1,023	(4,158)	3,613	13,309

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, 2017	-	0.00	-	184.00	184.00	2,758	29.9	7.6
Fiscal year ending March 31, 2018	-	0.00	-	22.00	22.00	3,280	30.6	8.1
Fiscal year ending March 31, 2019 (Projected)	-	0.00	-	25.00	25.00	-	29.8	-

(Note) 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, 2019

(From April 1, 2018 to March 31, 2019)

(% 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	
2nd quarter (Accumulated)	121,000	9.8	8,200	14.1	9,000	16.7	5,900	16.4	39.50
Full year	250,000	10.9	18,400	19.8	20,000	18.0	12,500	15.9	83.80

*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, 2018	152,951,200 shares	As of March 31, 2017	152,951,200 shares
As of March 31, 2018	3,842,662 shares	As of March 31, 2017	3,027,220 shares
Year ending March 31, 2018	149,951,431 shares	Year ending March 31, 2017	148,879,460 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)	Reporting fiscal year (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	13,309	27,933
Notes and accounts receivable-trade	12,094	14,892
Real estate for sale	6,729	9,894
Supplies	501	838
Advance payments	13,291	14,372
Deferred tax assets	763	894
Income taxes receivable	-	1,333
Other	9,929	7,332
Allowance for doubtful accounts	(40)	(24)
Total current assets	56,580	77,466
Noncurrent assets		
Property, buildings and equipment		
Buildings and structures	6,749	7,702
Accumulated depreciation	(2,503)	(2,651)
Buildings and structures, net	4,246	5,050
Tools, furniture and fixtures	1,794	1,762
Accumulated depreciation	(1,312)	(1,335)
Tools, furniture and fixtures, net	482	427
Land	2,340	1,953
Other	783	1,272
Accumulated depreciation	(365)	(449)
Other, net	417	822
Total property, buildings and equipment	7,486	8,254
Intangible assets		
Software	1,485	2,255
Goodwill	8,862	8,521
Other	176	182
Total intangible assets	10,524	10,960
Investments and other assets		
Investment securities	10,585	14,148
Lease and guarantee deposits	11,627	12,545
Deferred tax assets	471	326
Other	2,131	2,553
Allowance for doubtful accounts	(72)	(79)
Total investments and other assets	24,744	29,493
Total noncurrent assets	42,754	48,708
Deferred assets		
Bond issuance expenses	12	50
Other	-	2
Total deferred assets	12	52
Total assets	99,347	126,228

(Millions of yen)

	Previous fiscal year (As of March 31, 2017)	Reporting fiscal year (As of March 31, 2018)
Liabilities		
Current liabilities		
Accounts payable-trade	3,425	3,866
Short-term loans payable	12,663	7,014
Current portion of long-term loans payable	1,695	1,737
Income taxes payable	2,490	2,837
Advances received	16,067	17,370
Deferred tax liabilities	52	35
Allowance for bonuses	761	873
Other	8,564	9,474
Total current liabilities	45,720	43,210
Noncurrent liabilities		
Corporate bond	1,800	28,022
Long-term loans payable	5,440	5,384
Long-term lease deposits	5,867	6,071
Deferred tax liabilities	226	235
Allowance for loss on guarantees	60	0
Net defined benefit liability	326	344
Negative goodwill	2	1
Other	159	147
Total noncurrent liabilities	13,883	40,209
Total liabilities	59,604	83,419
Net assets		
Shareholders' equity		
Capital stock	2,667	2,667
Capital surplus	2,871	2,871
Retained earnings	36,342	43,369
Treasury stock	(3,246)	(7,056)
Total shareholders' equity	38,634	41,852
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	459	529
Foreign currency translation adjustment	222	(117)
Remeasurement of defined benefit plans	(4)	13
Total accumulated other comprehensive income	677	425
Subscription rights to shares	39	22
Non controlling interests	390	508
Total net assets	39,742	42,808
Total liabilities and net assets	99,347	126,228

Consolidated Financial Statements

(2) Consolidated Statements of Income

(Millions of yen)

	Previous fiscal year (From April 1, 2016 to March 31, 2017)	Reporting fiscal year (From April 1, 2017 to March 31, 2018)
Sales	205,117	225,437
Cost of Sales	172,435	186,437
Gross operating profit	32,681	38,999
Selling, general and administrative expenses		
Advertising expenses	1,139	1,556
Employees' salaries and allowances	6,854	8,172
Provision of allowance for doubtful accounts	(11)	(2)
Provision for bonuses	619	625
Depreciation	422	410
Other	10,392	12,877
Total selling, general and administrative expenses	19,417	23,640
Operating profit	13,264	15,359
Non-operating income		
Interest income	9	63
Dividends income	15	17
Equity in earnings of affiliates	941	1,292
Foreign exchange gains	-	69
Other	278	390
Total non-operating income	1,244	1,834
Non-operating expenses		
Interest expenses	151	167
Foreign exchange losses	52	-
Other	66	82
Total non-operating expenses	269	250
Recurring profit	14,238	16,943
Extraordinary income		
Gain on sales of investment securities	-	92
Other	-	1
Total extraordinary income	-	94
Extraordinary loss		
Impairment loss	511	718
Other	139	237
Total extraordinary losses	650	955
Profit before income taxes	13,587	16,081
Income taxes-current	4,254	5,198
Income taxes-deferred	109	15
Total income taxes	4,363	5,214
Net income	9,224	10,867
Net income attributable to noncontrolling interests	73	84
Net income attributable to owners of parent	9,151	10,782