



Summary of Financial Results for the Fiscal Year Ending March 31, 2019 [Consolidated] (From April 1, 2018 to March 31, 2019) [Japan GAAP]

May 14, 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 of Ordinary General Meeting of Shareholders:	June 25, 2019		
Scheduled Date to Start Distributing Dividends:	June 26, 2019		
Scheduled Date to Submit the Securities Report:	June 26, 2019		
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, 2019

(From April 1, 2018 to March 31, 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	%
Fiscal year ending March 31, 2019	250,864	11.3	17,867	16.3	20,072	18.5	13,005	20.6
Fiscal year ending March 31, 2018	225,437	9.9	15,359	15.8	16,943	19.0	10,782	17.8

(Note) Comprehensive Income: Fiscal year ending March 31, 2019 13,439 million yen (26.6%) Fiscal year ending March 31, 2018 10,616 million yen (10.7%)

	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, 2019	87.20	78.90	27.5	14.6	7.1
Fiscal year ending March 31, 2018	71.91	71.16	26.4	15.0	6.8

(Reference) Equity in Net Income of Affiliated Companies: Fiscal year ending March 31, 2019 1,273 million yen Fiscal year ending March 31, 2018 1,292 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, 2019	148,477	54,507	35.2	349.82
As of March 31, 2018	125,998	42,808	33.6	283.54

(Reference) Shareholders' Equity: As of March 31, 2019 52,230 million yen As of March 31, 2018 42,277 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, 2019	11,677	(3,846)	(8,190)	27,432
Fiscal year ending March 31, 2018	8,856	(7,458)	13,042	27,933

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, 2018	-	0.00	-	22.00	22.00	3,280	30.6	8.1
Fiscal year ending March 31, 2019	-	0.00	-	26.00	26.00	3,881	29.8	8.2
Fiscal year ending March 31, 2020 (Projected)	-	0.00	-	29.00	29.00		30.9	

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

*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: Yes
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)

As of March 31, 2019	152,951,200 shares	As of March 31, 2018	152,951,200 shares
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2. Number of treasury stock at the end of period

As of March 31, 2019	3,644,737 shares	As of March 31, 2018	3,842,662 shares
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3. Average number of shares during the period

Year ending March 31, 2019	149,136,557 shares	Year ending March 31, 2018	149,951,431 shares
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(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, 2018)	Reporting fiscal year (As of March 31, 2019)
Assets		
Current assets		
Cash and deposits	27,933	27,320
Notes and accounts receivable-trade	14,892	16,333
Real estate for sale	9,894	17,136
Supplies	838	773
Advance payments	14,372	16,227
Other	8,665	9,595
Allowance for doubtful accounts	(24)	(40)
Total current assets	76,572	87,347
Noncurrent assets		
Property, buildings and equipment		
Buildings and structures	7,702	13,522
Accumulated depreciation	(2,651)	(3,748)
Buildings and structures, net	5,050	9,773
Tools, furniture and fixtures	1,762	2,083
Accumulated depreciation	(1,335)	(1,678)
Tools, furniture and fixtures, net	427	404
Land	1,953	6,291
Other	1,272	1,755
Accumulated depreciation	(449)	(951)
Other, net	822	804
Total property, buildings and equipment	8,254	17,274
Intangible assets		
Software	2,255	3,133
Goodwill	8,521	9,152
Other	182	26
Total intangible assets	10,960	12,312
Investments and other assets		
Investment securities	14,148	13,086
Lease and guarantee deposits	12,545	13,611
Deferred tax assets	991	1,479
Other	2,553	3,388
Allowance for doubtful accounts	(79)	(58)
Total investments and other assets	30,158	31,507
Total noncurrent assets	49,372	61,094
Deferred assets		
Bond issuance expenses	50	33
Other	2	1
Total deferred assets	52	34
Total assets	125,998	148,477

(Millions of yen)

	Previous fiscal year (As of March 31, 2018)	Reporting fiscal year (As of March 31, 2019)
Liabilities		
Current liabilities		
Accounts payable-trade	3,866	3,842
Short-term loans payable	7,013	5,568
Current portion of long-term loans payable	1,738	1,950
Income taxes payable	2,837	3,599
Advances received	17,370	19,247
Allowance for bonuses	873	943
Other	9,474	11,032
Total current liabilities	43,174	46,184
Noncurrent liabilities		
Bonds with stock acquisition rights	26,822	26,197
Corporate bond	1,200	1,100
Long-term loans payable	5,384	12,238
Long-term lease deposits	6,071	6,932
Deferred tax liabilities	42	39
Net defined benefit liability	344	276
Negative goodwill	1	0
Other	148	999
Total noncurrent liabilities	40,015	47,785
Total liabilities	83,189	93,969
Net assets		
Shareholders' equity		
Capital stock	2,667	2,667
Capital surplus	2,871	2,869
Retained earnings	43,369	52,730
Treasury stock	(7,056)	(6,691)
Total shareholders' equity	41,852	51,575
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	529	523
Foreign currency translation adjustment	(117)	124
Remeasurement of defined benefit plans	13	6
Total accumulated other comprehensive income	425	654
Subscription rights to shares	22	12
Non controlling interests	508	2,265
Total net assets	42,808	54,507
Total liabilities and net assets	125,998	148,477

Consolidated Financial Statements

(2) Consolidated Statements of Income

(Millions of yen)

	Previous fiscal year (From April 1, 2017 to March 31, 2018)	Reporting fiscal year (From April 1, 2018 to March 31, 2019)
Sales	225,437	250,864
Cost of Sales	186,437	205,450
Gross operating profit	38,999	45,413
Selling, general and administrative expenses		
Advertising expenses	1,556	2,050
Employees' salaries and allowances	8,172	9,389
Provision of allowance for doubtful accounts	(2)	5
Provision for bonuses	625	607
Depreciation	410	503
Other	12,877	14,989
Total selling, general and administrative expenses	23,640	27,546
Operating profit	15,539	17,867
Non-operating income		
Interest income	63	641
Dividends income	17	263
Equity in earnings of affiliates	1,292	1,273
Foreign exchange gains	69	-
Other	390	344
Total non-operating income	1,834	2,522
Non-operating expenses		
Interest expenses	167	172
Foreign exchange losses	-	34
Other	82	110
Total non-operating expenses	250	317
Recurring profit	16,943	20,072
Extraordinary income		
Gain on step acquisitions	-	33
Gain on sales of noncurrent assets	1	59
Gain on sales of investment securities	92	-
Other	0	0
Total extraordinary income	94	93
Extraordinary loss		
Loss on sales of noncurrent assets	5	48
Impairment loss	718	574
Loss on valuation of investment securities	-	294
Other	232	171
Total extraordinary losses	955	1,089
Profit before income taxes	16,081	19,076
Income taxes-current	5,198	6,213
Income taxes-deferred	15	(348)
Total income taxes	5,214	5,864
Net income	10,867	13,211
Net income attributable to noncontrolling interests	84	206
Net income attributable to owners of parent	10,782	13,005