



Summary of Financial Results

for the Second Quarter of the Fiscal Year Ending March 31, 2020 [Consolidated]

(From April 1, 2019 to September 30, 2019)

[Japan GAAP]

November 7, 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:	November 14, 2019		
Scheduled Date to Start Distributing Dividends:	-		
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 Second Quarter of Fiscal Year Ending March 31, 2020

(From April 1, 2019 to September 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	%
Six months Ending September 30, 2019	148,568	21.1	8,878	2.2	9,592	2.5	6,312	1.4
Six months Ending September 30, 2018	122,642	11.3	8,687	20.9	9,355	21.3	6,225	22.8

(Note) Comprehensive Income: Six months Ending September 30, 2019 5,926 million yen (-13.3%) Six months Ending September 30, 2018 6,835 million yen (28.0%)

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Six months Ending September 30, 2019	42.09		38.27	
Six months Ending September 30, 2018	41.75		38.31	

(2) Consolidated Financial Positions

	Total Assets		Net Assets		Equity Ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2019	218,538		56,377		24.7	
As of March 31, 2019	148,477		54,507		35.2	

(Reference) Shareholders' Equity: As of September 30, 2019 53,930 million yen As of March 31, 2019 52,230 million yen

2. Dividends

	Dividends per Share				
	1st quarter	2nd quarter	3rd quarter	Fiscal Year	Total
	End	End	End	End	
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending March 31, 2019	-	0.00	-	26.00	26.00
Fiscal year ending March 31, 2020	-	0.00	-	-	-
Fiscal year ending March 31, 2020 (Projected)	-	-	-	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
BGRS 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)	As of September 30, 2019	152,951,200 shares	As of March 31, 2019	152,951,200 shares
2. Number of treasury stock at the end of period	As of September 30, 2019	1,942,769 shares	As of March 31, 2019	3,644,737 shares
3. Average number of shares during the period	2nd Quarter of FY2020/3	149,986,712 shares	2nd Quarter of FY2019/3	149,113,919 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 second quarter of the reporting fiscal year (As of September 30, 2019)
Assets		
Current assets		
Cash and deposits	27,320	28,101
Notes and accounts receivable-trade	16,333	54,477
Real estate for sale	17,136	21,112
Supplies	773	718
Advance payments	16,227	16,506
Other	9,595	9,829
Allowance for doubtful accounts	(40)	(30)
Total current assets	87,347	130,714
Noncurrent assets		
Property, buildings and equipment		
Buildings and structures	13,522	13,549
Accumulated depreciation	(3,748)	(3,932)
Buildings and structures, net	9,773	9,617
Tools, furniture and fixtures	2,083	2,751
Accumulated depreciation	(1,678)	(1,764)
Tools, furniture and fixtures, net	404	987
Land	6,291	6,329
Other	1,755	3,485
Accumulated depreciation	(951)	(1,132)
Other, net	804	2,353
Total property, buildings and equipment	17,274	19,287
Intangible assets		
Software	3,133	3,447
Goodwill	9,152	30,244
Other	26	1,103
Total intangible assets	12,312	34,794
Investments and other assets		
Investment securities	13,086	14,059
Lease and guarantee deposits	13,611	13,745
Other	4,868	5,988
Allowance for doubtful accounts	(58)	(78)
Total investments and other assets	31,507	33,715
Total noncurrent assets	61,094	87,797
Deferred assets		
Bond issuance expenses	33	24
Other	1	1
Total deferred assets	34	25
Total assets	148,477	218,538

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2019)	The second quarter of the reporting fiscal year (As of September 30, 2019)
Liabilities		
Current liabilities		
Accounts payable-trade	3,842	7,841
Short-term loans payable	5,568	56,622
Current portion of long-term loans payable	1,950	1,962
Income taxes payable	3,599	3,076
Advances received	19,247	20,272
Allowance for bonuses	943	789
Other	11,032	23,530
Total current liabilities	46,184	114,094
Noncurrent liabilities		
Bonds with stock acquisition rights	26,197	25,885
Corporate bond	1,100	800
Long-term loans payable	12,238	11,507
Long-term lease deposits	6,932	6,939
Net defined benefit liability	276	271
Other	1,039	2,662
Total noncurrent liabilities	47,785	48,065
Total liabilities	93,969	162,160
Net assets		
Shareholders' equity		
Capital stock	2,667	2,667
Capital surplus	2,869	2,722
Retained earnings	52,730	52,024
Capital surplus	(6,691)	(3,551)
Total shareholders' equity	51,575	53,862
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	523	573
Foreign currency translation adjustment	124	(511)
Remeasurement of defined benefit plans	6	6
Total accumulated other comprehensive income	654	68
Subscription rights to shares	12	59
Non controlling interests	2,265	2,387
Total net assets	54,507	56,377
Total liabilities and net assets	148,477	218,538

Consolidated Financial Statements

(2) Consolidated Statements of Income

(Millions of yen)

	The second quarter of the previous fiscal year (From April 1, 2018 to September 30, 2018)	The second quarter of the reporting fiscal year (From April 1, 2019 to September 30, 2019)
Sales	122,642	148,568
Cost of Sales	100,743	124,044
Gross operating profit	21,899	24,524
Selling, general and administrative expenses	13,212	15,645
Operating profit	8,687	8,878
Non-operating income		
Interest income	320	320
Dividends income	5	10
Equity in earnings of affiliates	382	674
Other	104	212
Total non-operating income	812	1,216
Non-operating expenses		
Interest expenses	78	257
Foreign exchange losses	31	204
Other	34	40
Total non-operating expenses	144	503
Recurring profit	9,355	9,592
Extraordinary income		
Gain on sales of noncurrent assets	54	185
Gain on sales of investment securities	-	418
Other	-	0
Total extraordinary income	54	604
Extraordinary loss		
Loss on sales of noncurrent assets	47	13
Other	42	15
Total extraordinary losses	89	29
Profit before income taxes	9,320	10,167
Income taxes-current	2,855	3,340
Income taxes-deferred	178	311
Total income taxes	3,034	3,652
Net income	6,286	6,515
Net income attributable to noncontrolling interests	60	202
Net income attributable to owners of parent	6,225	6,312