

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2016
(Based on Japanese GAAP)**

May 13, 2016

Company name: Relia, Inc.
 Stock exchange listing: Tokyo
 Stock code: 4708 URL <http://www.relia-group.com/>
 Representative: President JUN NAKAGOME
 Inquiries: Manager KENICHIRO IWAMOTO TEL 03-5351-7200
 Scheduled date of ordinary general meeting of shareholders: June 24, 2016
 Scheduled date to file Securities Report: June 27, 2016
 Scheduled date to commence dividend payments: June 27, 2016
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	81,500	9.8	4,621	25.9	4,685	21.3	3,101	25.1
Year ended March 31, 2015	74,235	(6.3)	3,669	(32.7)	3,862	(31.1)	2,479	(28.2)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	45.01	-	7.1	8.5	5.7
Year ended March 31, 2015	35.97	-	5.8	7.4	4.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	56,744	44,201	77.9	641.34
As of March 31, 2015	53,320	42,697	80.0	618.93

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2016	590	(7,323)	(2,108)	12,343
Year ended March 31, 2015	6,714	1,109	(1,999)	21,184

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2015	-	14.00	-	15.00	29.00	1,998	80.6	4.7
Year ended March 31, 2016	-	14.00	-	15.00	29.00	1,998	64.4	4.6
Year ending March 31, 2017 (Forecast)	-	14.00	-	15.00	29.00	56.3		

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2016	43,500	14.1	2,600	50.4	2,550	45.7	1,650	44.6	23.94
Full year	87,500	7.4	5,250	13.6	5,250	12.1	3,550	14.4	51.51

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2016	69,503,040 shares	As of March 31, 2015	69,503,040 shares
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Number of treasury shares at the end of the period

As of March 31, 2016	582,144 shares	As of March 31, 2015	582,036 shares
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Average number of shares during the period

Year ended March 31, 2016	68,920,942 shares	Year ended March 31, 2015	68,921,004 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	19,184,364	10,743,380
Notes and accounts receivable - trade	9,491,234	13,326,206
Work in process	1,182,913	1,234,110
Supplies	8,564	23,813
Deferred tax assets	394,845	457,963
Deposits paid	12,000,000	17,000,000
Other	778,422	921,459
Allowance for doubtful accounts	(9,441)	(13,090)
Total current assets	43,030,904	43,693,843
Non-current assets		
Property, plant and equipment		
Buildings	2,469,197	2,936,047
Accumulated depreciation	(1,457,632)	(1,598,955)
Buildings, net	1,011,564	1,337,092
Tools, furniture and fixtures	2,983,408	3,347,688
Accumulated depreciation	(2,432,187)	(2,513,094)
Tools, furniture and fixtures, net	551,221	834,594
Land	27,254	27,254
Other	–	11,950
Accumulated depreciation	–	(124)
Other, net	–	11,825
Total property, plant and equipment	1,590,040	2,210,766
Intangible assets		
Goodwill	50,242	12,263
Software	544,272	594,046
Other	51,849	66,476
Total intangible assets	646,364	672,785
Investments and other assets		
Investment securities	2,064,017	3,214,620
Deferred tax assets	112,508	–
Lease and guarantee deposits	2,328,614	2,704,768
Long-term time deposits	2,300,000	2,800,000
Net defined benefit asset	254,764	86,063
Other	994,400	1,362,865
Allowance for doubtful accounts	(744)	(760)
Total investments and other assets	8,053,561	10,167,558
Total non-current assets	10,289,966	13,051,110
Total assets	53,320,871	56,744,954

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	1,645,701	2,229,763
Accounts payable - other	4,406,293	5,960,976
Income taxes payable	1,047,515	1,211,033
Provision for bonuses	570,920	796,834
Provision for directors' bonuses	25,000	31,500
Asset retirement obligations	5,184	–
Other	2,056,807	1,071,045
Total current liabilities	9,757,422	11,301,153
Non-current liabilities		
Provision for directors' retirement benefits	20,290	20,290
Net defined benefit liability	231,252	248,942
Asset retirement obligations	614,050	871,172
Deferred tax liabilities	–	90,368
Other	–	11,318
Total non-current liabilities	865,594	1,242,092
Total liabilities	10,623,017	12,543,245
Net assets		
Shareholders' equity		
Capital stock	998,256	998,256
Capital surplus	1,202,750	1,112,820
Retained earnings	41,032,300	42,135,438
Treasury shares	(592,315)	(592,448)
Total shareholders' equity	42,640,991	43,654,066
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	124,965	795,966
Foreign currency translation adjustment	3,402	1,190
Remeasurements of defined benefit plans	(112,085)	(249,514)
Total accumulated other comprehensive income	16,282	547,642
Non-controlling interests	40,580	–
Total net assets	42,697,853	44,201,708
Total liabilities and net assets	53,320,871	56,744,954

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	74,235,068	81,500,772
Cost of sales	63,593,588	69,359,538
Gross profit	10,641,479	12,141,234
Selling, general and administrative expenses	6,972,242	7,519,999
Operating income	3,669,237	4,621,235
Non-operating income		
Subsidy income	48,673	50,463
Dividend income	29,551	25,982
Gain on investments in partnership	19,467	17,872
Interest income	25,233	17,139
Commission fee	15,844	16,517
Interest on refund	24,976	–
Other	36,967	18,852
Total non-operating income	200,714	146,826
Non-operating expenses		
Share of loss of entities accounted for using equity method	–	77,082
Foreign exchange losses	7,089	1,982
Other	81	3,987
Total non-operating expenses	7,171	83,053
Ordinary income	3,862,780	4,685,008
Extraordinary income		
Gain on sales of investment securities	15,089	26,825
Surrender value of insurance	10,239	–
Other	458	–
Total extraordinary income	25,788	26,825
Profit before income taxes	3,888,569	4,711,834
Income taxes - current	1,549,016	1,715,752
Income taxes - deferred	(97,164)	(95,254)
Total income taxes	1,451,851	1,620,497
Profit	2,436,717	3,091,336
Loss attributable to non-controlling interests	(42,624)	(10,510)
Profit attributable to owners of parent	2,479,342	3,101,847

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	2,436,717	3,091,336
Other comprehensive income		
Valuation difference on available-for-sale securities	135,560	671,000
Remeasurements of defined benefit plans, net of tax	(73,067)	(137,428)
Share of other comprehensive income of entities accounted for using equity method	3,456	(2,211)
Total other comprehensive income	65,949	531,360
Comprehensive income	2,502,667	3,622,696
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,545,291	3,633,207
Comprehensive income attributable to non-controlling interests	(42,624)	(10,510)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	998,256	1,202,750	40,397,812	(592,315)	42,006,503
Cumulative effects of changes in accounting policies			153,855		153,855
Restated balance	998,256	1,202,750	40,551,667	(592,315)	42,160,358
Changes of items during period					
Dividends of surplus			(1,998,709)		(1,998,709)
Profit attributable to owners of parent			2,479,342		2,479,342
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	480,632	-	480,632
Balance at end of current period	998,256	1,202,750	41,032,300	(592,315)	42,640,991

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	(10,595)	(54)	(39,018)	(49,667)	86,221	42,043,057
Cumulative effects of changes in accounting policies						153,855
Restated balance	(10,595)	(54)	(39,018)	(49,667)	86,221	42,196,912
Changes of items during period						
Dividends of surplus						(1,998,709)
Profit attributable to owners of parent						2,479,342
Net changes of items other than shareholders' equity	135,560	3,456	(73,067)	65,949	(45,641)	20,308
Total changes of items during period	135,560	3,456	(73,067)	65,949	(45,641)	500,941
Balance at end of current period	124,965	3,402	(112,085)	16,282	40,580	42,697,853

Fiscal year ended March 31, 2016

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	998,256	1,202,750	41,032,300	(592,315)	42,640,991
Changes of items during period					
Dividends of surplus			(1,998,708)		(1,998,708)
Profit attributable to owners of parent			3,101,847		3,101,847
Purchase of treasury shares				(133)	(133)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(89,929)			(89,929)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(89,929)	1,103,138	(133)	1,013,075
Balance at end of current period	998,256	1,112,820	42,135,438	(592,448)	43,654,066

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	124,965	3,402	(112,085)	16,282	40,580	42,697,853
Changes of items during period						
Dividends of surplus						(1,998,708)
Profit attributable to owners of parent						3,101,847
Purchase of treasury shares						(133)
Change in treasury shares of parent arising from transactions with non-controlling shareholders						(89,929)
Net changes of items other than shareholders' equity	671,000	(2,211)	(137,428)	531,360	(40,580)	490,779
Total changes of items during period	671,000	(2,211)	(137,428)	531,360	(40,580)	1,503,855
Balance at end of current period	795,966	1,190	(249,514)	547,642	-	44,201,708

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	3,888,569	4,711,834
Depreciation	814,299	879,370
Amortization of goodwill	48,598	37,978
Loss (gain) on sales of investment securities	(15,089)	(26,825)
Increase (decrease) in provision	64,333	236,078
Interest and dividend income	(54,785)	(43,122)
Share of (profit) loss of entities accounted for using equity method	(7,017)	77,082
Loss (gain) on investments in partnership	(19,467)	(17,872)
Decrease (increase) in notes and accounts receivable - trade	(354,753)	(3,816,619)
Decrease (increase) in inventories	53,178	(66,445)
Increase (decrease) in notes and accounts payable - trade	132,039	584,061
Increase (decrease) in accounts payable - other	(333,492)	615,130
Other, net	1,557,765	(977,869)
Subtotal	5,774,178	2,192,783
Interest and dividend income received	58,819	42,698
Income taxes (paid) refund	881,100	(1,644,697)
Net cash provided by (used in) operating activities	6,714,098	590,784
Cash flows from investing activities		
Purchase of property, plant and equipment	(242,381)	(748,678)
Purchase of intangible assets	(147,640)	(305,075)
Purchase of investment securities	(200,000)	–
Proceeds from sales of investment securities	25,649	547,957
Purchase of shares of subsidiaries and associates	–	(30,000)
Payments for asset retirement obligations	(40,831)	(30,811)
Payments for lease and guarantee deposits	(29,753)	(546,783)
Proceeds from collection of lease and guarantee deposits	167,531	165,760
Payments into time deposits	(1,200,000)	(1,500,000)
Proceeds from withdrawal of time deposits	500,000	1,600,000
Net decrease (increase) in deposits paid	2,300,000	(6,000,000)
Other, net	(23,564)	(475,838)
Net cash provided by (used in) investing activities	1,109,008	(7,323,470)
Cash flows from financing activities		
Cash dividends paid	(1,999,807)	(2,001,014)
Purchase of treasury shares	–	(133)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(120,000)
Other, net	–	12,850
Net cash provided by (used in) financing activities	(1,999,807)	(2,108,297)
Net increase (decrease) in cash and cash equivalents	5,823,300	(8,840,983)
Cash and cash equivalents at beginning of period	15,361,064	21,184,364
Cash and cash equivalents at end of period	21,184,364	12,343,380