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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 14, 2019

Company name: Relia, Inc.
 Stock exchange listing: Tokyo
 Code number: 4708
 URL: <https://www.relia-group.com/>
 Representative: TAKASHI AMINO, President
 Contact: KENICHIRO IWAMOTO, General Manager
 Phone: 03-5351-7200
 Scheduled date of filing quarterly securities report: February 14, 2019
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2018 (April 01, 2018 to December 31, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2018	85,038	5.0	3,376	(1.5)	3,445	(1.0)	1,904	(17.4)
December 31, 2017	80,994	17.3	3,428	6.2	3,479	7.8	2,305	5.5

(Note) Comprehensive income: Nine months ended December 31, 2018: ¥ 1,662 million [11.4%]
 Nine months ended December 31, 2017: ¥ 1,491 million [(21.7)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2018	27.64	-
December 31, 2017	33.45	-

(Reference) Profit before amortization of goodwill
 (Profit attributable to owners of parent + amortization of goodwill)

Nine months ended December 31, 2018: ¥ 3,174 million [(12.0)%]
 Nine months ended December 31, 2017: ¥ 3,604 million [64.2%]
 Adjusted EPS
 Nine months ended December 31, 2018: ¥ 46.05
 Nine months ended December 31, 2017: ¥ 52.31

(Note) Adjusted EPS : profit before amortization of goodwill / (number of shares issued at the end of the period – number of treasury stock at the end of the period)

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2018	63,000	47,162	74.9	684.22
March 31, 2018	67,123	48,248	71.9	699.89

(Reference) Equity: As of December 31, 2018: ¥ 47,156 million
 As of March 31, 2018: ¥ 48,236 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	-	18.00	-	18.00	36.00
Fiscal year ending March 31, 2019	-	18.00	-		
Fiscal year ending March 31, 2019 (Forecast)				18.00	36.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019(April 01, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	112,800	2.7	5,300	0.2	5,400	1.0	3,100	(9.0)	44.98

(Note) Revision to the financial results forecast announced most recently: No

(Reference) Profit before amortization of goodwill

	Fiscal year ended March 31, 2019:	¥	4,800 million	[(6.7)%
Adjusted EPS	Fiscal year ended March 31, 2019:	¥	69.65		

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2018

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New	3	(Company name: Inspiro Relia Nicaragua,S.A.(formerly known as SPi Global (Nicaragua) Solutions,S.A.), Inspiro Relia US,Inc.(formerly known as CRM US,Inc.) ,) Relia Digital, Inc.
Exclusion:	2	(Company name: voiceNEXT, Inc., VIXIA INC.)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

December 31, 2018:	69,503,040 shares
March 31, 2018:	69,503,040 shares

2) Total number of treasury shares at the end of the period:

December 31, 2018:	582,172 shares
March 31, 2018:	582,144 shares

3) Average number of shares during the period:

Nine months ended December 31, 2018:	68,920,877 shares
Nine months ended December 31, 2017:	68,920,896 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2018	As of December 31,2018
Assets		
Current assets		
Cash and deposits	16,270	13,091
Notes and accounts receivable - trade	17,867	17,045
Work in process	1,260	1,686
Supplies	32	21
Other	1,657	2,627
Allowance for doubtful accounts	(22)	(34)
Total current assets	37,066	34,438
Non-current assets		
Property, plant and equipment	3,787	4,724
Intangible assets		
Goodwill	15,345	13,976
Other	600	812
Total intangible assets	15,946	14,788
Investments and other assets	10,323	9,048
Total non-current assets	30,056	28,561
Total assets	67,123	63,000
Liabilities		
Current liabilities		
Accounts payable - trade	3,345	2,808
Short-term loans payable	2,530	1,000
Accounts payable - other	7,390	7,757
Income taxes payable	1,519	222
Provision for bonuses	839	492
Provision for directors' bonuses	34	31
Other	1,907	1,965
Total current liabilities	17,567	14,277
Non-current liabilities		
Provision for directors' retirement benefits	20	20
Net defined benefit liability	309	411
Asset retirement obligations	968	1,096
Other	9	31
Total non-current liabilities	1,307	1,559
Total liabilities	18,874	15,837

(Million yen)

	As of March 31,2018	As of December 31,2018
Net assets		
Shareholders' equity		
Capital stock	998	998
Capital surplus	1,112	1,112
Retained earnings	44,528	43,685
Treasury shares	(592)	(592)
Total shareholders' equity	46,046	45,204
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28	14
Deferred gains or losses on hedges	111	21
Foreign currency translation adjustment	2,226	2,070
Remeasurements of defined benefit plans	(176)	(153)
Total accumulated other comprehensive income	2,190	1,952
Non-controlling interests	11	5
Total net assets	48,248	47,162
Total liabilities and net assets	67,123	63,000

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2017	For the nine months ended December 31,2018
Net sales	80,994	85,038
Cost of sales	69,396	73,016
Gross profit	11,597	12,021
Selling, general and administrative expenses	8,169	8,645
Operating profit	3,428	3,376
Non-operating income		
Interest income	25	13
Dividend income	14	3
Commission fee	15	15
Compensation income	-	38
Share of profit of entities accounted for using equity method	-	17
Other	41	32
Total non-operating income	95	121
Non-operating expenses		
Share of loss of entities accounted for using equity method	25	-
Foreign exchange losses	11	41
Other	8	10
Total non-operating expenses	45	52
Ordinary profit	3,479	3,445
Extraordinary income		
Gain on sales of investment securities	390	9
Other	27	0
Total extraordinary income	418	9
Extraordinary losses		
Loss on sales of non-current assets	6	0
Loss on sales of shares of subsidiaries and associates	-	89
Loss on valuation of investment securities	-	344
Other	-	30
Total extraordinary losses	6	465
Profit before income taxes	3,890	2,990
Income taxes - current	1,248	944
Income taxes - deferred	336	145
Total income taxes	1,585	1,090
Profit	2,305	1,899
Profit (loss) attributable to non-controlling interests	0	(4)
Profit attributable to owners of parent	2,305	1,904

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2017	For the nine months ended December 31,2018
Profit	2,305	1,899
Other comprehensive income		
Valuation difference on available-for-sale securities	(94)	(14)
Deferred gains or losses on hedges	51	(89)
Foreign currency translation adjustment	(800)	(155)
Remeasurements of defined benefit plans, net of tax	27	22
Share of other comprehensive income of entities accounted for using equity method	1	(1)
Total other comprehensive income	(814)	(237)
Comprehensive income	1,491	1,662
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,491	1,667
Comprehensive income attributable to non-controlling interests	0	(4)