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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 05, 2021

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 10, 2021
 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, 2020 (April 01, 2020 to December 31, 2020)

(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, 2020 | 93,223 | (0.5) | 6,275 | (16.3) | 6,427 | (12.8) | 4,378 | (8.4) |
| December 31, 2019 | 93,703 | 10.2 | 7,501 | 122.2 | 7,372 | 114.0 | 4,777 | 150.8 |

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥ 4,084 million [(8.1)%]
 Nine months ended December 31, 2019: ¥ 4,446 million [167.5%]

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine months ended | Yen | Yen |
| December 31, 2020 | 65.05 | - |
| December 31, 2019 | 69.33 | - |

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

Nine months ended December 31, 2020: ¥ 4,669 million [(8.0)%]
 Nine months ended December 31, 2019: ¥ 5,073 million [59.8%]
 Adjusted EPS
 Nine months ended December 31, 2020: ¥ 69.88
 Nine months ended December 31, 2019: ¥ 73.61

(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, 2020 | 60,709 | 42,000 | 69.2 | 628.52 |
| March 31, 2020 | 65,968 | 42,855 | 65.0 | 621.77 |

(Reference) Equity: As of December 31, 2020: ¥ 41,998 million
 As of March 31, 2020: ¥ 42,852 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, 2020 | - | 19.00 | - | 20.00 | 39.00 |
| Fiscal year ending March 31, 2021 | - | 19.00 | - | | |
| Fiscal year ending March 31, 2021 (Forecast) | | | | 23.00 | 42.00 |

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 01, 2020 to March 31, 2021)

(% 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 | 125,000 | (2.9) | 9,600 | (17.3) | 9,500 | (19.3) | 6,100 | (23.9) | 90.79 |

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

(Reference) Profit before amortization of goodwill

| | | | |
|--------------|-----------------------------------|-----------------|------------|
| | Fiscal year ended March 31, 2021: | ¥ 6,500 million | [(22.7)%] |
| Adjusted EPS | Fiscal year ended March 31, 2021: | ¥ 97.28 | |

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020

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

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: YES

(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: Yes

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, 2020: 66,820,721 shares

March 31, 2020: 69,503,040 shares

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

December 31, 2020: 47 shares

March 31, 2020: 582,226 shares

3) Average number of shares during the period:

Nine months ended December 31, 2020: 67,305,423 shares

Nine months ended December 31, 2019: 68,920,863 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

| | As of March 31,2020 | As of December 31,2020 |
|----------------------------------------------------------|---------------------|------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 22,934 | 21,383 |
| Notes and accounts receivable - trade | 21,255 | 18,561 |
| Work in process | 1,593 | 2,642 |
| Supplies | 31 | 60 |
| Other | 2,003 | 2,384 |
| Allowance for doubtful accounts | (28) | (31) |
| Total current assets | 47,791 | 45,000 |
| Non-current assets | | |
| Property, plant and equipment | 6,248 | 5,490 |
| Intangible assets | | |
| Goodwill | 2,651 | 2,274 |
| Other | 892 | 891 |
| Total intangible assets | 3,544 | 3,166 |
| Investments and other assets | 8,383 | 7,051 |
| Total non-current assets | 18,176 | 15,708 |
| Total assets | 65,968 | 60,709 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 3,414 | 2,573 |
| Accounts payable - other | 8,093 | 8,297 |
| Income taxes payable | 3,517 | 695 |
| Provision for bonuses | 1,368 | 663 |
| Provision for bonuses for directors (and other officers) | 70 | 22 |
| Asset retirement obligations | 31 | 91 |
| Other | 3,827 | 3,792 |
| Total current liabilities | 20,324 | 16,135 |
| Non-current liabilities | | |
| Retirement benefit liability | 456 | 516 |
| Asset retirement obligations | 1,314 | 1,267 |
| Other | 1,016 | 788 |
| Total non-current liabilities | 2,788 | 2,573 |
| Total liabilities | 23,112 | 18,709 |

(Million yen)

| | As of March 31,2020 | As of December 31,2020 |
|-------------------------------------------------------|---------------------|------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 998 | 998 |
| Capital surplus | 1,112 | 1,112 |
| Retained earnings | 39,779 | 38,625 |
| Treasury shares | (592) | (0) |
| Total shareholders' equity | 41,298 | 40,736 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 22 | 0 |
| Deferred gains or losses on hedges | 37 | - |
| Foreign currency translation adjustment | 1,719 | 1,453 |
| Remeasurements of defined benefit plans | (224) | (192) |
| Total accumulated other comprehensive income | 1,554 | 1,261 |
| Non-controlling interests | 3 | 2 |
| Total net assets | 42,855 | 42,000 |
| Total liabilities and net assets | 65,968 | 60,709 |

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 31,2019 | For the nine months ended December 31,2020 |
|---------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Net sales | 93,703 | 93,223 |
| Cost of sales | 78,313 | 78,536 |
| Gross profit | 15,390 | 14,686 |
| Selling, general and administrative expenses | 7,888 | 8,411 |
| Operating profit | 7,501 | 6,275 |
| Non-operating income | | |
| Interest income | 36 | 15 |
| Dividend income | 3 | 4 |
| Commission income | 16 | 13 |
| Share of profit of entities accounted for using equity method | 14 | 27 |
| Surrender value of insurance policies | 15 | 104 |
| Other | 9 | 75 |
| Total non-operating income | 96 | 241 |
| Non-operating expenses | | |
| Interest expenses | 70 | 59 |
| Foreign exchange losses | 11 | 11 |
| Provision of allowance for doubtful accounts | 135 | - |
| Other | 7 | 17 |
| Total non-operating expenses | 225 | 88 |
| Ordinary profit | 7,372 | 6,427 |
| Extraordinary income | | |
| Gain on sales of investment securities | - | 96 |
| Compensation income | - | 19 |
| Subsidy bounty income | - | 192 |
| Other | 0 | - |
| Total extraordinary income | 0 | 308 |
| Extraordinary losses | | |
| Loss on temporary closure and other | - | 7 |
| Loss on valuation of investment securities | 166 | - |
| Total extraordinary losses | 166 | 7 |
| Profit before income taxes | 7,206 | 6,729 |
| Income taxes | 2,427 | 2,351 |
| Profit | 4,778 | 4,377 |
| Profit (loss) attributable to non-controlling interests | 0 | (0) |
| Profit attributable to owners of parent | 4,777 | 4,378 |

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

(Million yen)

| | For the nine months ended December 31,2019 | For the nine months ended December 31,2020 |
|--------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Profit | 4,778 | 4,377 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (1) | (22) |
| Deferred gains or losses on hedges | (41) | (37) |
| Foreign currency translation adjustment | (231) | (267) |
| Remeasurements of defined benefit plans, net of tax | (58) | 32 |
| Share of other comprehensive income of entities accounted for using equity method | 1 | 1 |
| Total other comprehensive income | (331) | (293) |
| Comprehensive income | 4,446 | 4,084 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 4,445 | 4,085 |
| Comprehensive income attributable to non-controlling interests | 0 | (0) |