

Results Briefing

For the 1st Half of the Fiscal Year Ending March 31, 2017

Relia, Inc.

November 15, 2016

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Reliable Relation



Overview of the 1st Half

Results for the 1st Half Year Ended Sep. '16 (Consolidated)

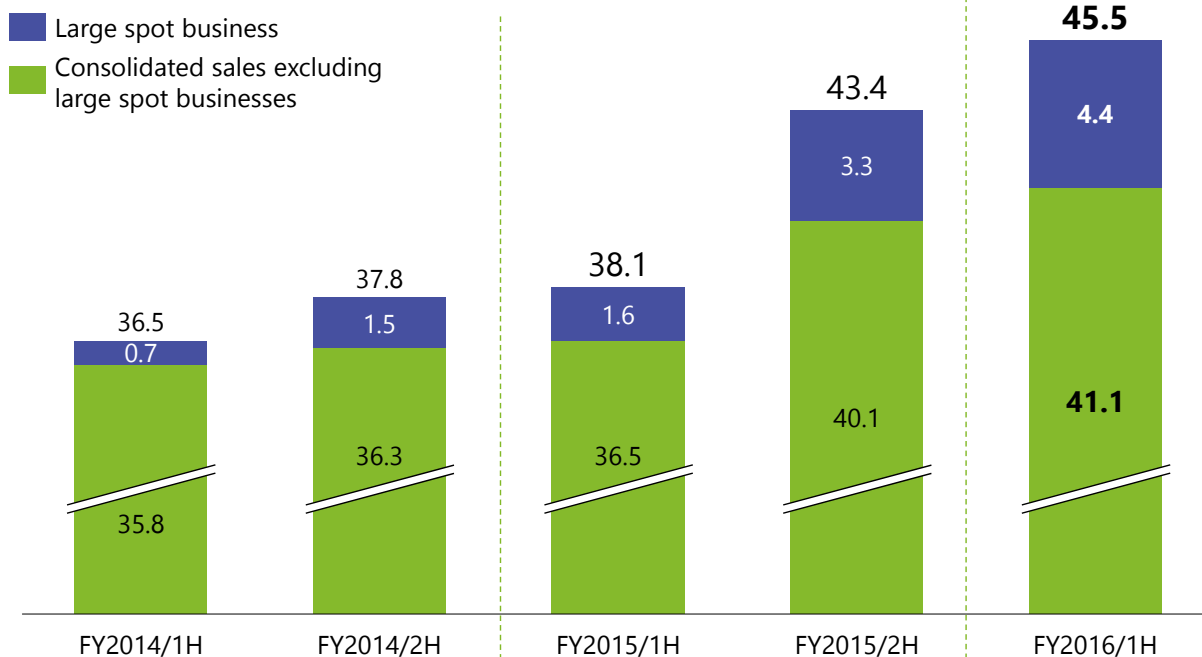
Net sales exceeded the initial forecast due to the strong performance of recurring and spot businesses. But the profit target is not achieved due to upfront costs and acquisition-related costs. (million JPY)

	Initial forecast	Results for the 1 st half year ended Sep '16	Achievement	Results for the 1 st half year ended Sep '15	% Change
Net sales	43,500	45,530	104.7%	38,133	+19.4%
Gross profit (Margin)	-	6,430 14.1%	-	5,485 14.4%	+17.2%
SG&A expenses	-	4,256	-	3,756	+13.3%
Operating income (Margin)	2,600	2,173 4.8%	83.6%	1,728 4.5%	+25.8%
Ordinary income	2,550	2,147	84.2%	1,750	+22.7%
Profit attributable to owners of parent	1,650	1,410	85.5%	1,141	+23.6%

Transition of Consolidated Sales

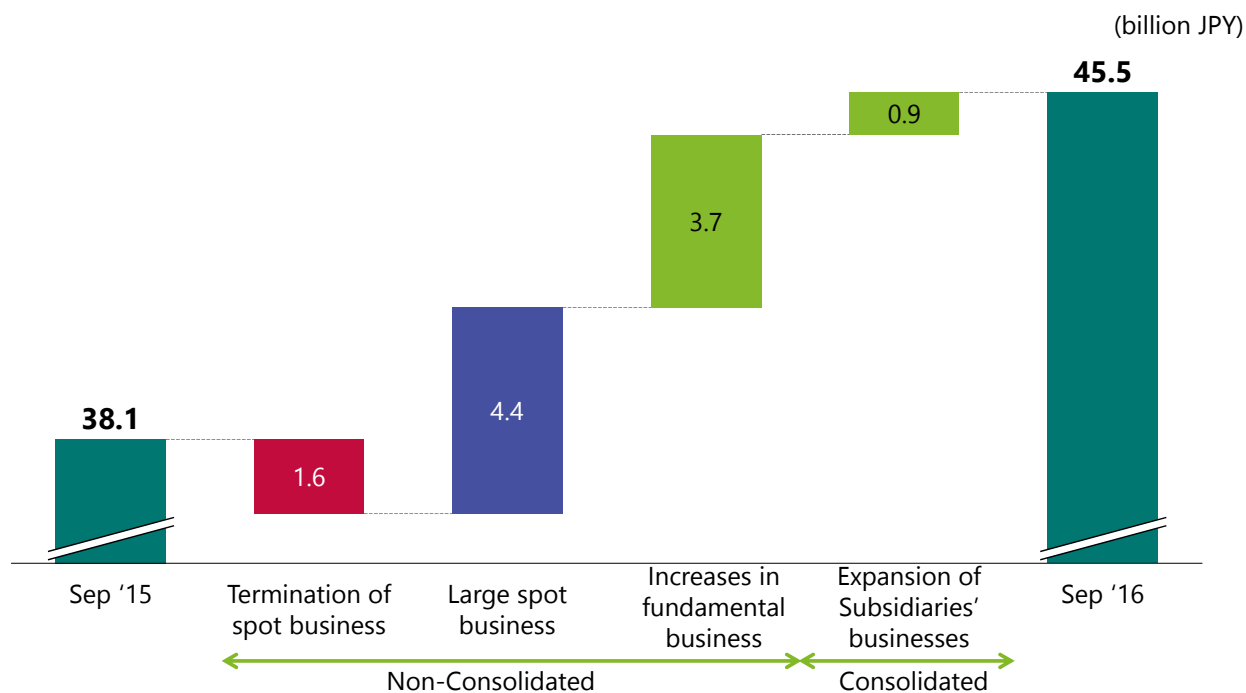
(billion JPY)

Fundamental businesses continue to expand.



Main Fluctuation Factors of Sales (yoy)

Fundamental businesses continued to grow.



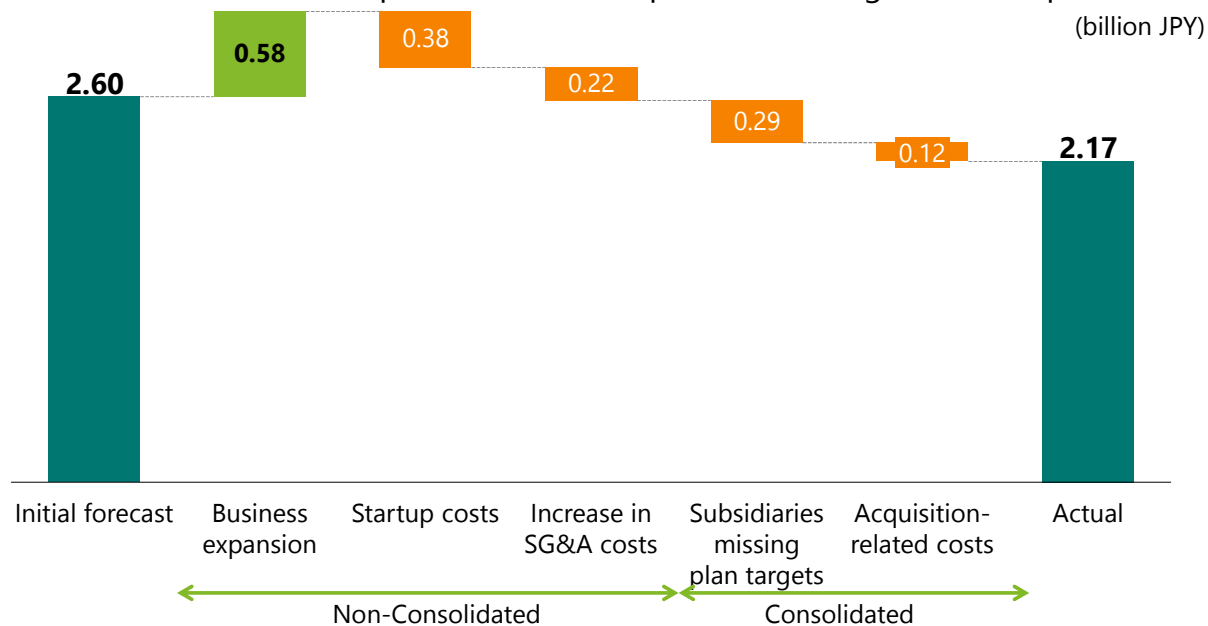
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Key Differential Factors (OP compared with initial forecast)

Upfront costs associated with new business orders from utility, manufacturing, distribution and service companies are higher than the forecast. SG&A costs as well as acquisition related-expenses were higher than expected.



*Temporary costs with M&A and legal welfare expenses

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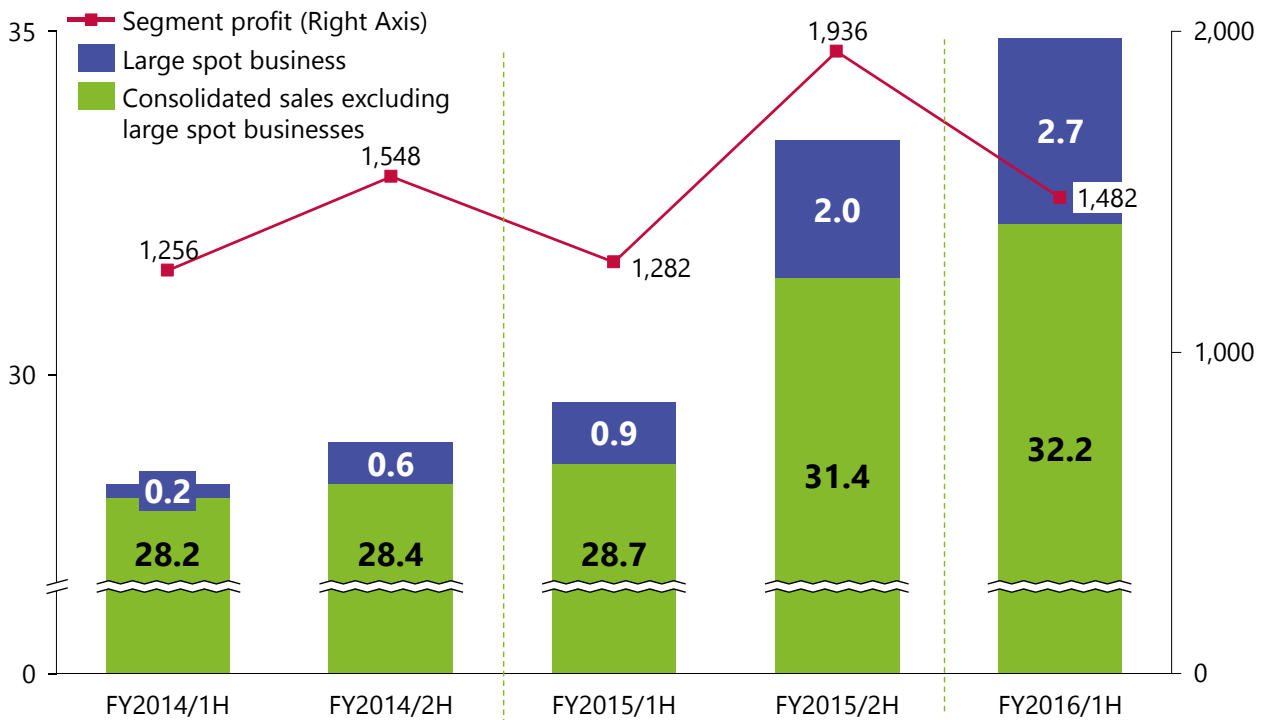
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Transition of Consolidated Sales For Contact Center Business

(billion JPY)

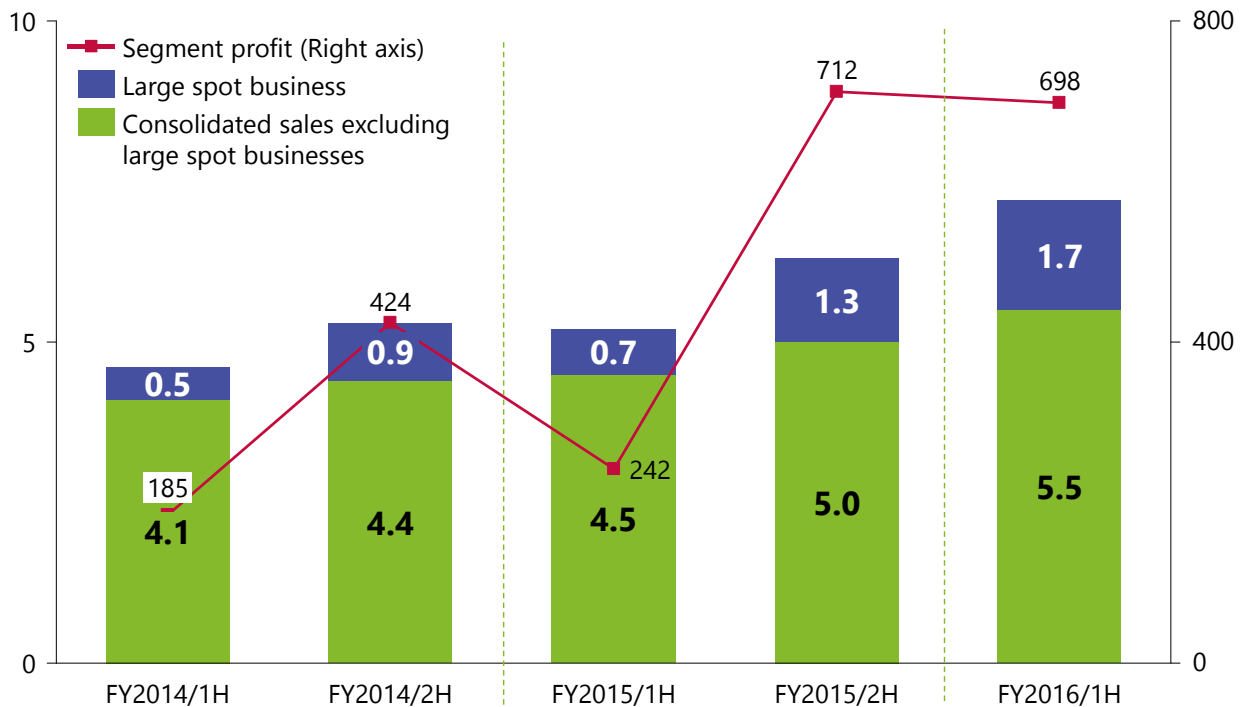
(million JPY)



Transition of Consolidated Sales For Back Office Business

(billion JPY)

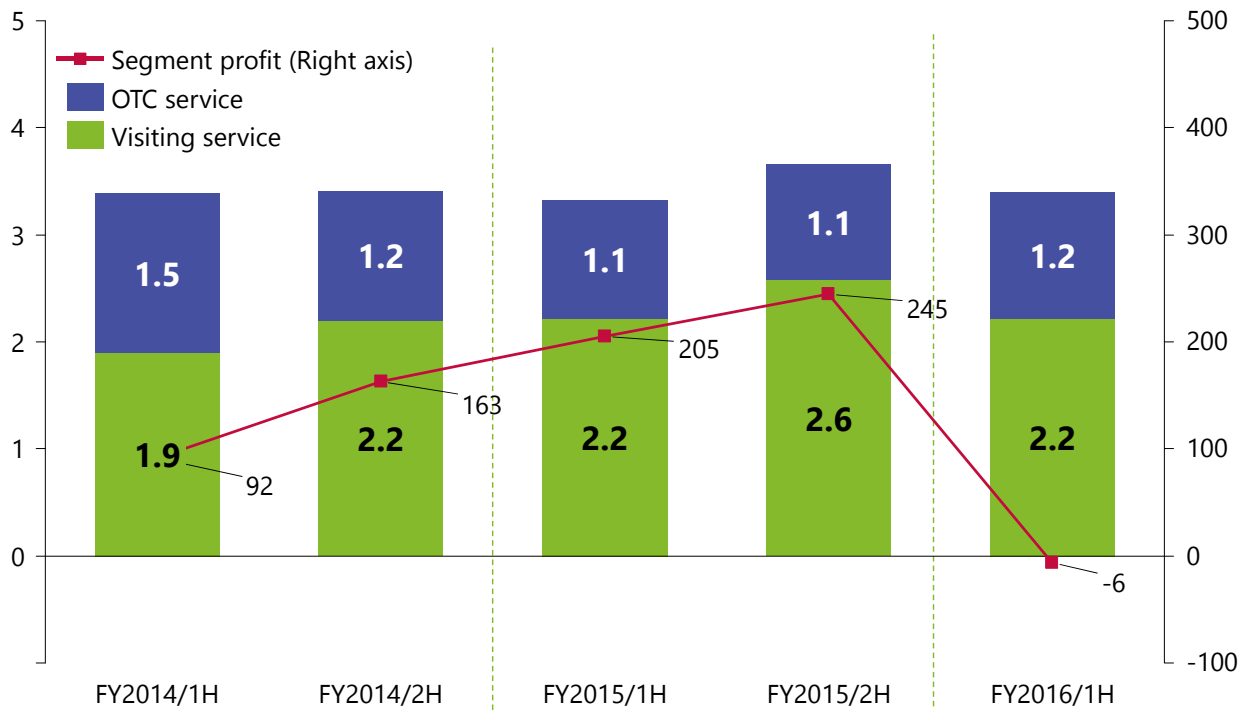
(million JPY)



Transition of consolidated Sales by Service For Field Operation Business

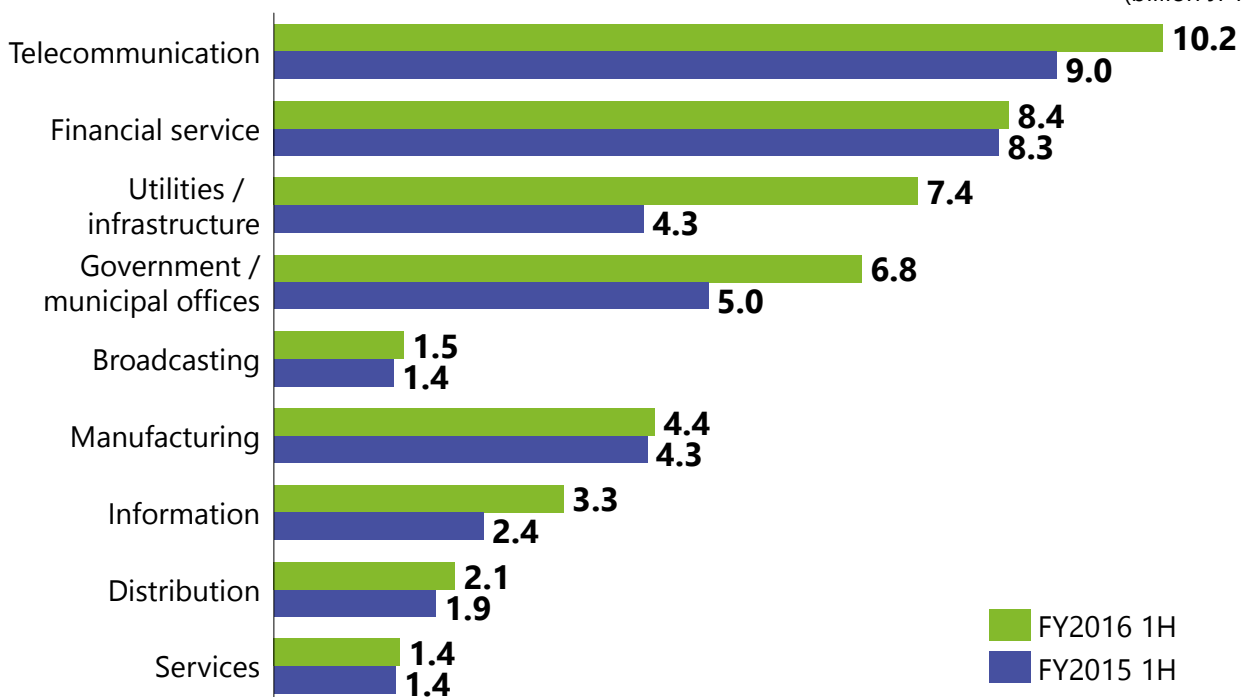
(billion JPY)

(million JPY)



Consolidated Sales by Industry

(billion JPY)



Forecast for FY2016

Revisions to the annual forecast for FY2016

Revisions to the annual forecast due to recent earning trend and consolidation of SPi CRM, Inc.

(million JPY)

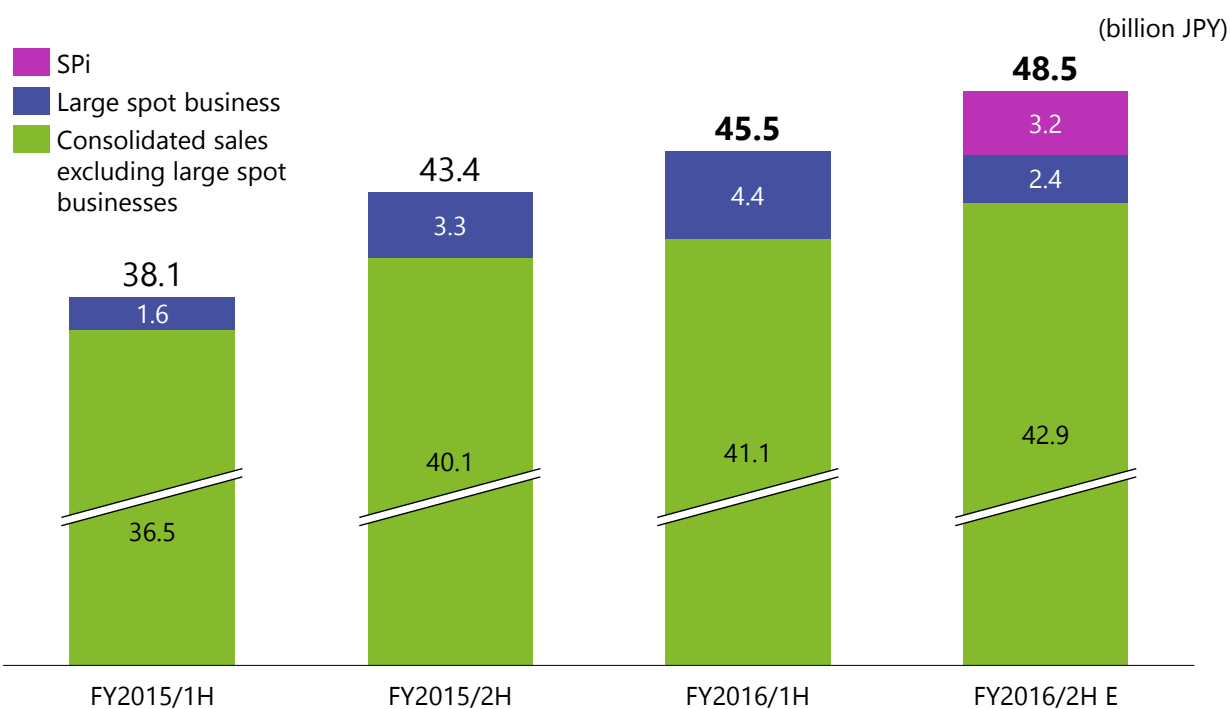
	Results for the year ended Mar '16	Annual forecast	Change	% change	Initial forecast
Net sales	81,500	94,000	+12,499	+15.3%	87,500
Operating income	4,621	5,250	+628	+13.6%	5,250
Ordinary income	4,685	5,250	+564	+12.1%	5,250
Profit attributable to owners of parent	3,101	3,550	+448	+14.4%	3,550

(Reference)

EBITDA	5,538	6,700	+1,162	+21.0%	-
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Based on exchange rate set at ¥ 100 to 1USD

Transition of Consolidated Sales (forecast)



Acquisition of SPi CRM, Inc.

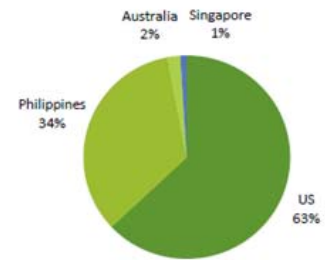
Overview of SPi CRM, Inc.

SPiCRM

Overview

Company name:	SPi CRM, Inc. Infocom Technologies, Inc.
Representative:	Maulik Parekh / President & CEO
Board of directors:	5 members (including 2 non-executive directors)
Revenue :	107 million USD (in FY2015)*
Number of employees :	10,493 (as of September 2016)
Nature of business :	Call-center business BPO business
Sites :	9 sites in Philippines (approx. 10 thousand employees) 1 site in U.S. (approx. 100 employees) 1 site in Nicaragua (approx. 300 employees)

Net sales by country



*A simple sum of the revenues of SPi CRM, Inc. and Infocom Technologies, Inc.

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Significance of acquiring SPi CRM, Inc.

Development of 'Relia Global Service'

We are developing SPi into a hub, which combines the US approach in high-efficiency operations and Japanese concept of service quality, providing services in local language in the APAC region for multi-national clients.

Relia Global Service

Hub :

SPiCRM

- High Quality
- High Value added
- Local language in APAC region

[Capability]

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countries

40+

sites

8

languages

700+

client companies

30,000+

employees

Decline in Japan's workforce over mid-term

Strengthening of multi-national company's business in Asia

Economic growth in ASEAN

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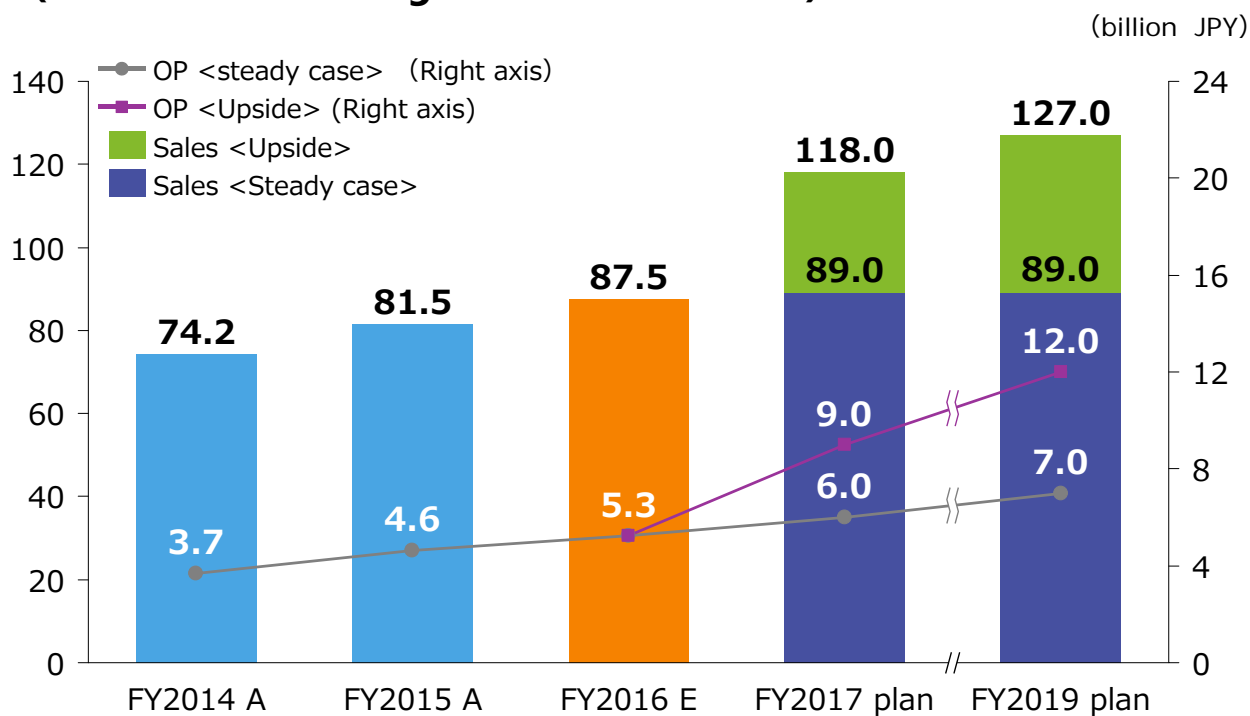
Growth strategy of SPi

The strongly positioned SPi grow as a hub for global expansion, based on solid business structure and synergy with Relia Group

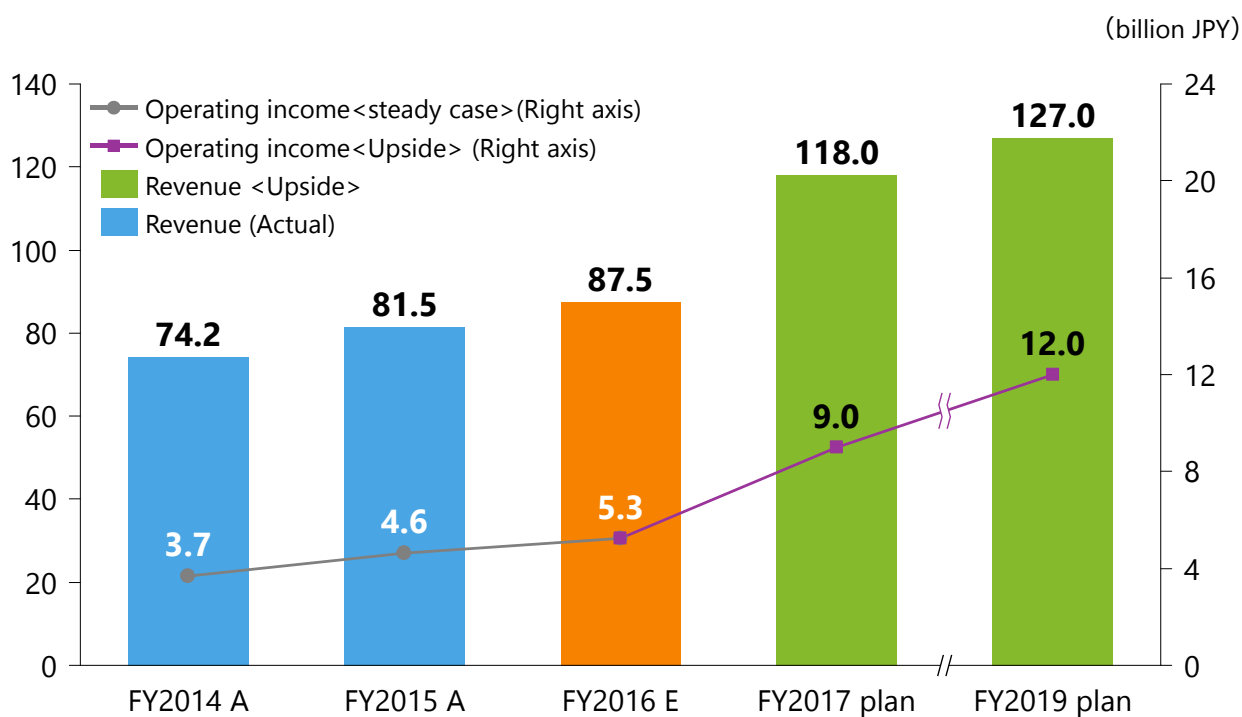


Progress of Mid-term Business Plan for 2020

Progress of Mid-term Business Plan for 2020 (with forecast during the start of FY2016)



Progress of Mid-term Business Plan for 2020



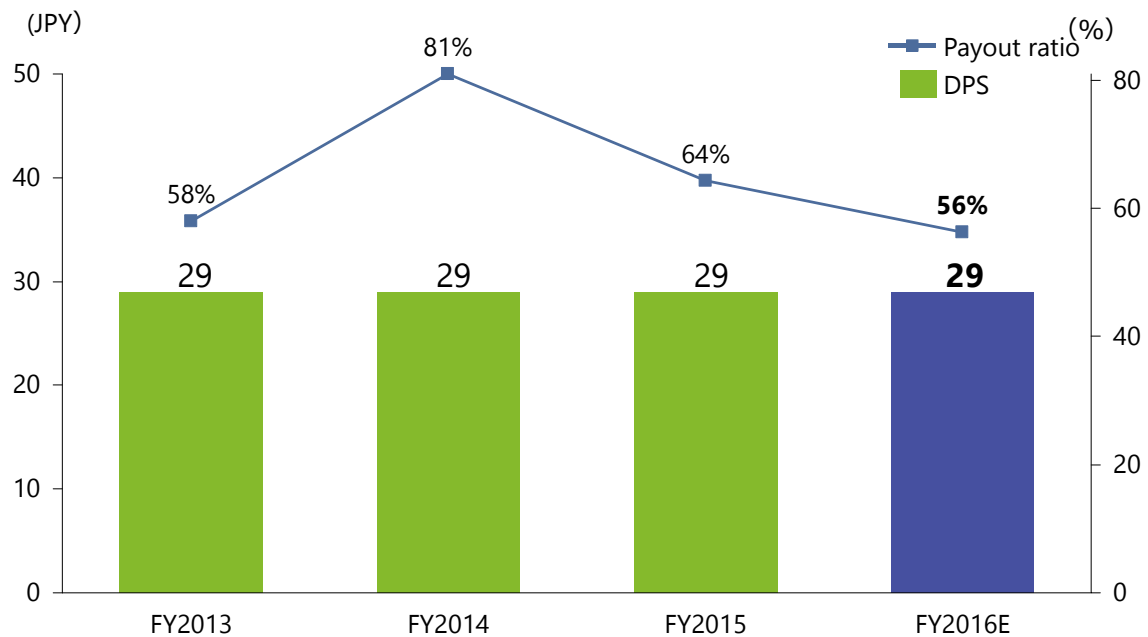
Return to Shareholders

Dividend forecast: Annual: JPY 29 per share

Interim: JPY 14 per share, year-end: JPY 15 per share

Dividend Policy : 50% dividend payout ratio

-There are no changes to our dividend policy resulting from the acquisition of SPi



Business Strategy 2018 (3 Keys and 7 Actions)



Business and Capital Alliance with mama square

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Entered into a business and capital alliance with mama square

Forged business and capital alliance as a measure for "Diverse work styles" in Mid-term Business Plan

- Supporting the employees on childcare leave
- Accepting workers after childcare leave

Mama square developed a new business model of 'working space' with childcare functions, located in retail facilities nearby residential areas so that mothers can work with their children. Currently operating 8 sites in Tokyo metropolitan and Kansai area.



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Working space with childcare functions



Progress in automation of services

ICT Applied Services

Relia Group's Automated Platforms

Virtual Agent®

Web-based communication agent that uses AI technology

Increase in inquiries spurred by "chat-bot boom"

VA with IBM Watson version will officially be released in next spring

Mobile Select®

Upgrade call center operation efficiency via smartphone

Expansion of the installed base

Increased adoption by companies in finance and utilities

Relia Voice Cloud

Cloud voice recognition platform

Full-scale adoption by major company starting from the second-half of this FY

Strengthen core business with proposals combining BPO and automation service

Cautionary Statement

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