

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

July 29, 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 to file Quarterly Securities Report: August 5, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2016	22,260	21.2	1,342	85.8	1,339	81.0	887	88.1
Three months ended June 30, 2015	18,368	1.8	722	11.4	740	7.6	471	8.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	12.87		–	
Three months ended June 30, 2015	6.84		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2016	55,630	43,770	78.7	635.09
As of March 31, 2016	56,744	44,201	77.9	641.34

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2016	–	14.00	–	15.00	29.00
Year ending March 31, 2017	–				
Year ending March 31, 2017 (Forecast)		14.00	–	15.00	29.00

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 three months ended June 30, 2016
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of June 30, 2016	69,503,040 shares	As of March 31, 2016	69,503,040 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2016	582,144 shares	As of March 31, 2016	582,144 shares
---------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	68,920,896 shares	Three months ended June 30, 2015	68,920,963 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	10,743	29,591
Notes and accounts receivable - trade	13,326	11,513
Work in process	1,234	1,430
Supplies	23	17
Deposits paid	17,000	–
Other	1,379	1,496
Allowance for doubtful accounts	(13)	(14)
Total current assets	43,693	44,035
Non-current assets		
Property, plant and equipment	2,210	2,140
Intangible assets		
Goodwill	12	8
Other	660	648
Total intangible assets	672	657
Investments and other assets	10,167	8,797
Total non-current assets	13,051	11,595
Total assets	56,744	55,630
Liabilities		
Current liabilities		
Accounts payable - trade	2,229	2,185
Accounts payable - other	5,960	5,037
Income taxes payable	1,211	624
Provision for bonuses	796	1,124
Provision for directors' bonuses	31	8
Other	1,071	1,722
Total current liabilities	11,301	10,703
Non-current liabilities		
Provision for directors' retirement benefits	20	20
Net defined benefit liability	248	251
Asset retirement obligations	871	873
Other	101	10
Total non-current liabilities	1,242	1,156
Total liabilities	12,543	11,859

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Net assets		
Shareholders' equity		
Capital stock	998	998
Capital surplus	1,112	1,112
Retained earnings	42,135	41,988
Treasury shares	(592)	(592)
Total shareholders' equity	43,654	43,507
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	795	504
Foreign currency translation adjustment	1	(0)
Remeasurements of defined benefit plans	(249)	(240)
Total accumulated other comprehensive income	547	263
Non-controlling interests	–	–
Total net assets	44,201	43,770
Total liabilities and net assets	56,744	55,630

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	18,368	22,260
Cost of sales	15,797	18,886
Gross profit	2,570	3,374
Selling, general and administrative expenses	1,847	2,031
Operating income	722	1,342
Non-operating income		
Dividend income	14	17
Other	13	8
Total non-operating income	28	26
Non-operating expenses		
Share of loss of entities accounted for using equity method	10	29
Other	1	0
Total non-operating expenses	11	29
Ordinary income	740	1,339
Profit before income taxes	740	1,339
Income taxes - current	249	539
Income taxes - deferred	28	(86)
Total income taxes	277	452
Profit	462	887
Loss attributable to non-controlling interests	(9)	-
Profit attributable to owners of parent	471	887

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	462	887
Other comprehensive income		
Valuation difference on available-for-sale securities	41	(291)
Remeasurements of defined benefit plans, net of tax	0	9
Share of other comprehensive income of entities accounted for using equity method	0	(1)
Total other comprehensive income	42	(284)
Comprehensive income	505	603
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	514	603
Comprehensive income attributable to non-controlling interests	(9)	—