

November 6, 2018

To Whom It May Concern:

Relia, Inc.
2-6-5 Yoyogi, Shibuya-ku Tokyo
(Code: 4708 First Section of the Tokyo Stock Exchange)
President: Takashi Amino
Contact: Kenichiro Iwamoto, General Manager
Public & Investor Relations Dept.
Phone: 03-5351-7200 (main)

Notification Concerning the Formulation of “Business Strategy 2020”

Relia, Inc. hereby issues notification that “Business Strategy 2020”, the company’s mid-term management plan until March 31, 2021, was formulated at a meeting of the Board of Directors today. The outline of the plan follows below.

1. Background

The Relia Group is operating in an increasingly complex and uncertain business environment. Specifically, in addition to the ability to respond to the latent needs of corporate clients and consumers, the rapid digitization in society, and the increasingly complex and integrated demands of social events, the need to respond to these changes is putting a strain on the labor market. Similarly, the overseas markets are also turning increasingly diverse and complex. The new mid-term management plan, “Business Strategy 2020”, has been formulated as a response to this environment.

2. Outline of the Plan

(1) Duration

From FY Ending Mar. 2019 to FY Ending Mar. 2021

(2) Outline

Based on the theme of “Creation of new customer experience value (CX) through the provision of high value-added services”, we aim to further enhance corporate value by developing four innovative approaches: “Digital Innovation”, “Service Innovation”, “Market Innovation”, and “Management Innovation”.

(3) Quantitative Target

FY Ending Mar. 2021: Adjusted OP margin of 8%

(Note) Adjusted OP margin = Operating profit before amortization of goodwill / Net Sales

For detailed information, please refer to the enclosures.

N.B. The data and forecasts presented in these materials are based on the available information and conclusions as of their respective date of publication. Since these may fluctuate for a variety of reasons, the statements in these materials do not constitute a guarantee of future results or that these targets and forecasts will be met.

Business Strategy 2020

Relia, Inc.

November, 2018

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In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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Reliable Relation



Review of Business Strategy 2018

Review of Business Strategy 2018 <<Qualitative Targets>>

Steady progress made, mainly on domestic operations
Growth opportunities won in overseas operations through M&As

Satisfy various customer needs

Create high value-added services

- Opened new dedicated centers for highly-specialized services (finance domain, marketing domain, etc.)
- Commercialized and expanded automated services, e.g. Virtual Agent®, Voice Cloud

Grow with society

Ventured into social change/growth domains

- Expanded operations targeting public utilities in line with deregulation/legislative changes, e.g. liberalization of electricity and gas markets
- Ventured into domains with anticipated new growth through partnership strategy

Challenge of new possibilities

Ventured into booming Asian market

- Made Inspiro Relia (old name: SPi), Infocom Technologies, and MOCAP Vietnam into subsidiaries

Strengthening of core Competencies

Reinforced basis, primarily human resources and ICT infrastructure

- Implemented region-limited permanent employment systems
- Developed Relia ICT Suite® CRM solutions platform

Review of Business Strategy 2018 <<Quantitative Targets>>

Targets achieved mostly as planned
Net sales up 50%, profit up 90% from year ended Mar. 2015:

Year ended Mar. 2015		Year ended Mar. 2018	(JPY)
74.2 billion	Consolidated net sales	109.8 billion	Target 89.0 – 118.0 billion
3.7 billion	Operating profit	5.3 billion	
3.7 billion	Operating profit before amortization of goodwill	7.0 billion	Target 6.0 – 9.0 billion

Business Strategy 2020

Recognition of Market Environment (Update from Business Strategy 2018)

Focus not on company size but latent needs, to enter an era as a player that creates corporate client and consumer needs

With the VUCA* era upon us in earnest, the market environment is changing and corporate clients and consumers are finding it difficult to understand their own needs clearly

At time of Business Strategy 2018

- Growing sophistication of corporate client and consumer needs
- Diversification of consumer contact points through ICT
- Changes in labor and employment environments in Japan
- Emergence of operational demand due to social events
- Growth in southeast Asian consumer market



Now

- Corporate client and consumer needs **becoming more latent**
- **Rapid digitalization** of society
- **Tightening personnel and labor markets** in Japan
- Social event-driven demand **becoming increasingly complex**
- Overseas markets also **becoming even more diverse and complex**

* VUCA: Coined word standing for "volatility," "uncertainty," "complexity" and "ambiguity," together meaning "state of unpredictability."

Business Strategy 2020 – Main Themes –

Through high value-added services, we will create CX for consumers and contribute to higher corporate client and consumer engagement

Creation of new customer experience value (CX) through the provision of high value-added services

Business Strategy 2020 – Approaches –

4 Innovations for providing high value-added services

Digital Innovation

Merge of Operation and Digital

Service Innovation

Proposal of CX design

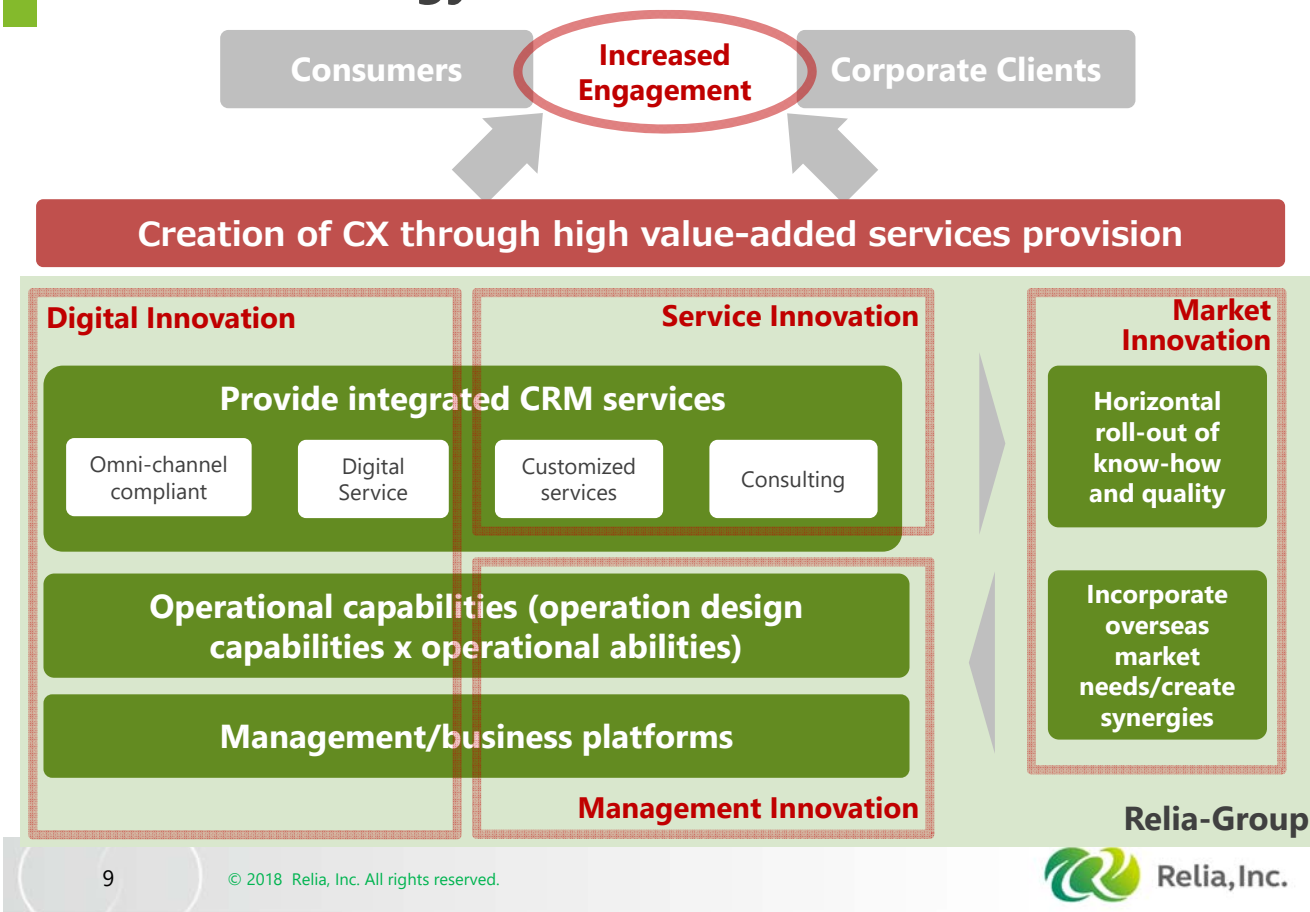
Market Innovation

Evolution into a global partner

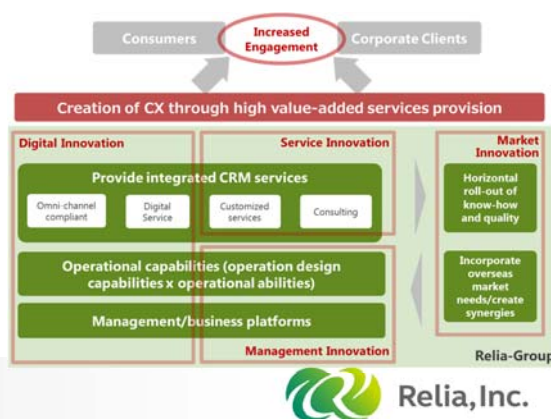
Management Innovation

Construction of platforms to underpin actions

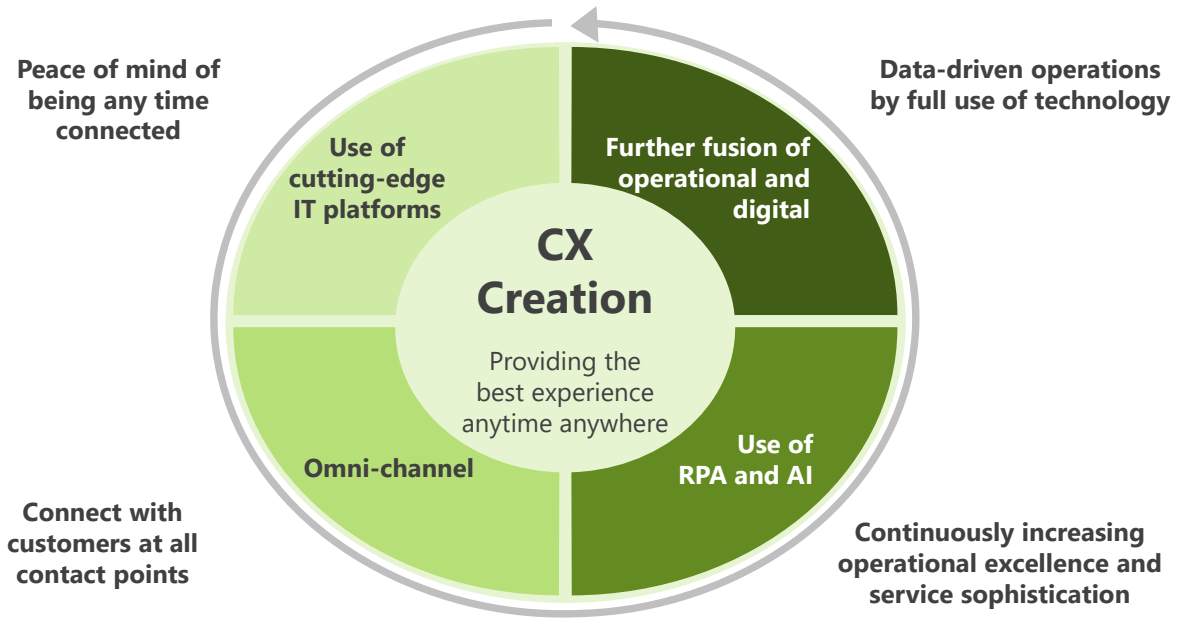
Business Strategy 2020 – Structure –



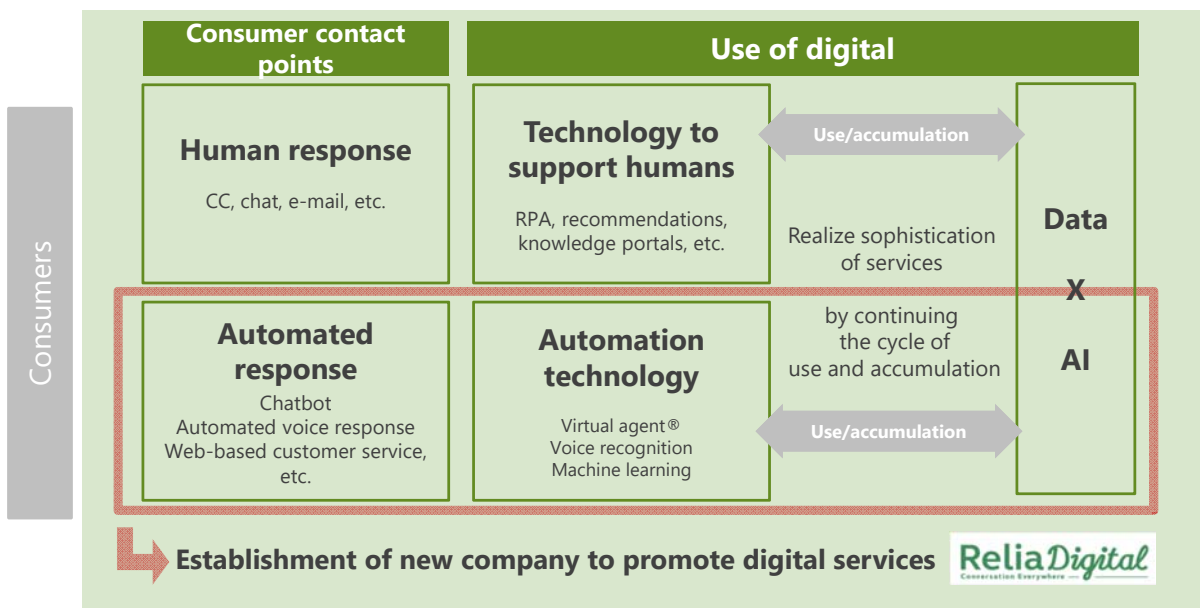
Business Strategy 2020 Implementation Approaches



Relia's digital innovation to realize CX creation



Provide integrated CRM services through digital innovations in consumer contact points and our core value of operational capabilities



Digital Innovation 《Examples》

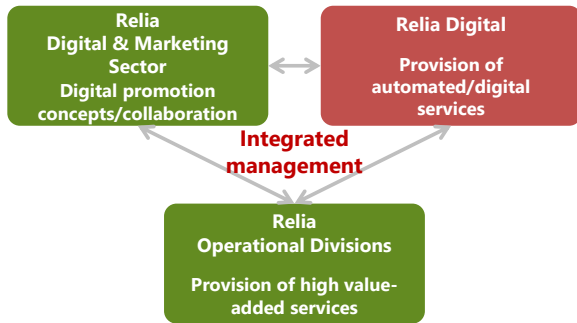
Digital Innovation	Service Innovation	Market Innovation
	Management Innovation	

Establishment of new company to promote digital services

Established new company (wholly-owned by Relia) to promote digital services, for the powerful advancement of digital innovations



Company name: Relia Digital Inc.
 Business description: Provision of services in the digital customer service domain, including Virtual Agent®



Collaboration with business partners

In a digital environment that is changing at a dizzying pace, to maximize CX through cutting-edge technologies and services, we will actively seek out collaborations with a variety of business partners.

(Example of current collaborations)

- Use of Amazon Connect*1
- Provision of services for introduction of and operational support for Salesforce
- Joint venture company with Dentsu inc. to provide BPO services in digital marketing field
- Collaboration with Dai Nippon Printing Co., Ltd. to provide introduction of and operational support for MA*2 tools

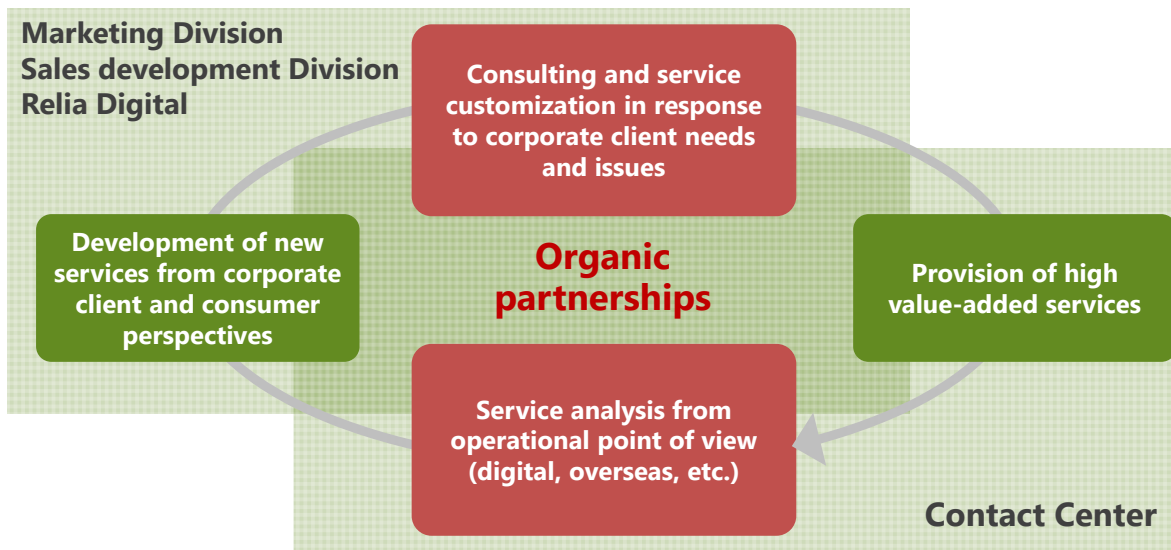
*1. Cloud-based contact center services

*2. Marketing Automation: Automation of certain digital marketing processes.

Service Innovation

Digital Innovation	Service Innovation	Market Innovation
	Management Innovation	

Draw up the best CX designs for increasingly complex and latent needs, present them, and implement them.



Service Innovation «Examples»

Digital Innovation	Service Innovation	Market Innovation
	Management Innovation	

Non-face-to-face sales agent operation services

Established Relia Sales Base to develop STARMAN system to respond to corporate clients' sales process management needs, and offer it in a package with operations. Now considering enhancing functions through the use of AI and by linking with other companies' MA^{*1} and SFA^{*2} systems, and expanding range of services offered.

- * 1.MA : Marketing Automation
- * 2.SFA : Sales Force Automation



Consulting services for financial industry

Our team of consultants, with their abundant experience of business process construction and operation, provide a one-stop service, from designing CX in line with the corporate client's management strategy, analyzing their current problems and proposing improvements, to implementing the design. We will strive to expand these services to other industries and further enhance our proposal capabilities.



1. Understand management strategy
2. CX design
3. Grasp current processes
4. Recognize gap
5. Consider improvement measures
6. Support execution of measures

Market Innovation

Digital Innovation	Service Innovation	Market Innovation
	Management Innovation	

Aim to become a "global outsourcing partner for corporate clients" with competitiveness in APAC by solving problems and capturing needs



Japan-cultivated service quality and reliability

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Overseas Multilingual support and offshore service basis

We will engage in the strengthening of human resources and organizational reforms to further enhance our operational capabilities and realize innovation.



- **Develop and secure talent that can handle digital domain, overseas business, and service development**
- **Strengthen talent recruitment-development-settlement cycle to support operational capabilities**
- **Develop consulting talent to realize high value-adding**



- **Build human resources systems that will enable talent with cutting-edge skills to actively participate**
- **Strengthen organizational collaborations to realize provision of high value-added services**
- **Promote work style reform and foster an rewarding organizational culture so diverse talent can actively participate**

Business Strategy 2020 Quantitative Targets

Quantitative targets for year ending Mar. 2021

Improving profitability through planning period,
aim for an Adjusted OP margin of 8%

(billion JPY)

	Results for FY Ended Mar. 2016	Forecast for FY Ending Mar. 2019	Target for FY Ending Mar. 2021
Net Sales	74.2	112.8	116.0
Operating profit	3.7	5.3	7.6
Operating profit before amortization of goodwill	3.7	7.0	9.3
Adjusted OP margin*	5.0 %	6.2 %	8.0 %
ROE	5.8 %	6.4 %	8.0 % +

* Adjusted OP margin = Operating profit before amortization of goodwill / Net Sales

Main actions

Aim to improve the profitability of recurring business of our core revenue source through Business Strategy2020

Reform profit structure by...

4 Innovations implementation

strict profit management including restructuring customer portfolio

improvement of productivity by enhancement of recruiting, training and suppressing turnover rate

Cautionary Statement

This material contains statements (including figures) regarding Relia, Inc. ("Relia")'s corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the views of Relia's management but should not be relied on solely in making investment and other decisions. You should be aware that a number of important risk factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These include, but are not limited to, (i) change in economic conditions that may lead to unforeseen developments in markets for products handled by Relia, (ii) fluctuations in currency exchange rates that may cause unexpected deterioration in the value of transactions, (iii) adverse political developments that may create unavoidable delays or postponement of transactions and projects, (iv) changes in laws, regulations, or policies in any of the countries where Relia conducts its operations that may affect Relia's ability to fulfill its commitments, and (v) significant changes in the competitive environment. In the course of its operations, Relia adopts measures to control these and other types of risks, but this does not constitute a guarantee that such measures will be effective.

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