

February 28, 2023

To All Concerned Parties

Relia, Inc.
2-6-5, Yoyogi, Shibuya-ku, Tokyo
(Code number: 4708, Prime Market, Tokyo Stock
Exchange)
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Notification Regarding Transfer of Non-consolidated Subsidiary (Transfer of Equity Holding)

Relia Inc. (“the Company”) hereby gives notice of the decision made at a meeting of the Board of Directors held on February 28, 2023 to assign a portion of the Company’s equity holding in its non-consolidated subsidiary, Moshi Moshi Hotline Dalian, Inc. (“MHL D”; Head office: Dalian, Liaoning Province, People’s Republic of China; Chairman: Shinya Imai) to Neusoft Cloud Technology Co., Ltd. (“Neusoft”). The details of the transfer are as follows.

Details

1. Reasons for and method of transfer

MHL D was responsible for the offshore operations of the Relia Group’s Back Office Business. However, after careful consideration of the recent changes in the environment surrounding the business and the systems within the Group for the provision of offshore services, the Company decided to transfer a portion of the equity held by the Company in MHL D to Neusoft. This means that MHL D will no longer constitute a subsidiary of the Company.

Regarding the offshore back office services currently provided, the Company will continue to serve as the contact point, with services to be provided by MHL D.

2. Overview of subsidiary subject to transfer

(1)	Name	Moshi Moshi Hotline Dalian, Inc.		
(2)	Address	502 Building No.23, Dalian Software Park No.40, Software Park East Road, Shahekou District, Dalian		
(3)	Name and position of representative	Shinya Imai, Chairman		
(4)	Business	Provision of back office services		
(5)	Capital	10,538,000 CNY		
(6)	Established	March 22, 2005		
(7)	Major shareholders and shareholding ratio	Relia, Inc. 100%		
(8)	Ties with the Company	Capital	Wholly owned subsidiary of the Company	
		Personnel	Six (6) employees of the Company concurrently serve as Chairman, directors, and auditors of the subsidiary.	
		Trading	The Company has concluded a service agreement with the subsidiary and has extended to the subsidiary.	
(9)	Business results and financial position of the subsidiary for the past three years			
Accounting year		Ended Dec. 31, 2019	Ended Dec. 31, 2020	Ended Dec. 31, 2021
Net assets		4,400,000 CNY	5,525,000 CNY	2,055,000 CNY
Total assets		8,713,000 CNY	9,280,000 CNY	5,374,000 CNY
Net assets per share		-	-	-
Net sales		28,441,000 CNY	22,885,000 CNY	17,494,000 CNY

Operating profit	1,188,000 CNY	640,000 CNY	(3,155,000) CNY
Ordinary profit	1,363,000 CNY	1,124,000 CNY	(3,469,000) CNY
Profit attributable to owners of parent	1,363,000 CNY	1,124,000 CNY	(3,470,000) CNY
Basic earnings per share	-	-	-
Dividend per share	-	-	-

Note: No figures for net assets per share, basic earnings per share, or dividend per share have been stated as the subsidiary subject to transfer has not issued any shares.

3. Overview of counterpart to transfer

(1)	Name	Neusoft Cloud Technology Co., Ltd.	
(2)	Address	No.2 Xinxu Street, Hunnan New District, Shenyang	
(3)	Name and position of representative	Ximin Chen, President	
(4)	Business	Provision of BPO services, cloud services, and IT services	
(5)	Capital	50,000,000 CNY	
(6)	Established	September 5, 2014	
(7)	Net assets	134,210,000 CNY (as of December 31, 2021)	
(8)	Total assets	190,040,000 CNY (as of December 31, 2021)	
(9)	Major shareholders and shareholding ratio	Neusoft Corporation (100.0%)	
(10)	Ties with the Company	Capital	No matters to report
		Personnel	No matters to report
		Trading	No matters to report
		Applicability to Related Parties	No matters to report

4. Transfer price and status of shareholdings before and after transfer

(1)	Equity holding ratio before transfer	100%
(2)	Equity holding to be transferred	85.1%
(3)	Transfer price	Undisclosed pursuant to a non-disclosure agreement with the counterpart to the transfer
(4)	Equity holding ratio after transfer	14.9%

5. Schedule

(1)	Date of Board of Directors' decision	February 28, 2023
(2)	Date of conclusion of agreement	February 28, 2023
(3)	Date of execution of equity transfer	April, 2023 (scheduled)

6. Future outlook

The company to be transferred is a non-consolidated subsidiary of the Company, and the Company expects the transfer to have little impact on the financial results of the Company in the fiscal year ending March 31, 2023. However, should any matters requiring disclosure arise, the Company will announce them immediately.

Reference: Financial forecasts for the current fiscal year (as announced on January 13, 2023) and financial results for the previous fiscal year (consolidated)

	Consolidated net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Financial forecasts (FY ending March 31, 2023)	Million yen 126,500	Million yen 8,100	Million yen 8,100	Million yen 5,350
Financial results (FY ended March 31, 2022)	117,884	8,300	8,180	5,439