



Summary of Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2024[Consolidated]
(From April 1, 2023 to December 31, 2023)
[under IFRS]

February 8, 2024

Company name:	Relo Group, Inc.	Listed Exchange:	Tokyo Stock Exchange
Security code.:	8876	URL:	https://www.relo.jp/
Representative:	Kenichi Nakamura, Representative Director, CEO		
Contact:	Yasushi Kadota, Director, CFO	TEL:	03-5312-8704
Scheduled Date to Submit the Securities Report:	February 14, 2024		
Scheduled Date to Start Distributing Dividends:	-		
Supplemental documents for the financial results provided:	None		
Results briefing for the period under review provided:	Yes (for institutional investors and securities analysts)		

(Millions of yen, rounded down)

1. Consolidated Financial Results for the Year Ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (% figures represent change from the same period of the previous fiscal year)

	Revenue		Operating Profit		Profit before income taxes		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	94,429	6.0	17,988	3.6	18,561	(5.9)	12,641	(28.1)
Nine months ended December 31, 2022	89,082	7.5	17,363	29.6	19,733	37.9	17,571	93.0

	Basic earnings per share	Diluted Net Income per Share
	Yen	Yen
Nine months ended December 31, 2023	82.70	79.32
Nine months ended December 31, 2022	114.91	110.16

(2) Consolidated Financial Positions

	Total Assets	Total equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%
As of December 31, 2023	305,105	77,957	76,465	25.1
As of March 31, 2023	322,691	69,819	68,615	21.3

2. Dividends

	Dividends per Share				
	1st quarter End	2nd quarter End	3rd quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	0.00	—	33.00	33.00
Fiscal year ended March 31, 2024	—	0.00	—	33.00	33.00
Fiscal Year ended March 31, 2024(forecast)	—	—	—	37.00	37.00

(Note) Correction from the dividend forecast, which published in the most recent : None

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2023 (From April 1, 2023 to March 31, 2024)

(% figures represent change from the same period of the previous fiscal year)

	Revenue		Operating Profit		Profit before income taxes		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2024	135,000	9.1	27,700	21.8	29,000	12.1	19,000	(9.0)	124.17

(Note) 1. Correction from the consolidated forecastn which is published in the most recent : None

*Notes

(1) Changes in significant subsidiaries during the Fiscal Year (Changes in specified subsidiaries associated with changes in the scope of consolidation) : None

Newly consolidated : -

Excluded : -

(2) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements:

1. Changes in accounting policies required by IFRS : None

2. Changes in accounting policies other than (1) : None

3. Changes in accounting estimates : None

(3) Number of Shares Issued and Outstanding (Common stock)

1. Number of shares issued at the end of period (including treasury stock)

As of December 31, 2023	153,016,200 shares	As of March 31, 2023	153,016,200 shares
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2. Number of treasury stock at the end of period

As of December 31, 2023	168,632 shares	As of March 31, 2023	161,732 shares
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3. Average number of shares during the period

3rd Quarter of FY2024/3	152,852,391 shares	3rd Quarter of FY2023/3	152,907,620 shares
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* Statement concerning the Status of Financial Audit Procedures

This Summary of Consolidated Financial Results is not subject to audit procedures under the Financial Instruments and Exchange Act. At the time of disclosing this document, audit procedures specified in the Financial Instruments and Exchange Act have not been completed.

* Statement regarding the proper use of financial forecasts and other specific remarks

The forward-looking statements such as forecasts contained in this document are based on the information currently available to the company and certain assumptions which are regarded as reasonable. Actual results may differ from these forecasts due to various factors.

This translation is to be used solely as a reference and the consolidated financial statements in this release are unaudited.

1. Qualitative Information on Quarterly Results

(1) Management discussion of results of operations

In an environment in which global competition is intensifying with active overseas expansion of Japanese companies, the Group has established the mission "In Japan, we act as a solutions provider in the field of corporate fringe benefit, providing client companies with support in their non-core operations. We support the global expansion of Japanese companies so that they can perform to their full potential." and upholds the vision of "Creating an industry of comprehensive lifestyle support services that we provide globally." As part of our efforts to realize this vision, we are working to reinforce domestic business toward capturing the ultimate top market share and take on the challenge of building foundation for reaching the global market in our medium-term management plan New Third Olympic Plan which will conclude in the fiscal year ending March 31, 2025.

In the first nine months of the fiscal year under review, revenues and operating profit of the Relo Group, Inc. increased year on year, reflecting a gain in the stock base as both the number of units under management in the Leased Corporate Housing Management Business and the number of employee members in the Fringe Benefits Business increased.

Profit before income taxes decreased, mainly reflecting the absence of approximately 1.5 billion yen posted in the same period of the previous year as gains from a revaluation of investment securities associated with a new listing on the Indonesia Stock Exchange of VENTENY Fortuna International in which Relo Club, Ltd. has an equity interest. The significant decline in profit attributable to owners of the parent was attributable to the absence of approximately 4.9 billion yen posted in the second quarter of the previous fiscal year as profit from discontinued operations.

Results of operations In the first nine months of the fiscal year under review are as shown below.

Revenue	94,429 million yen	(up 6.0% year on year)
Operating profit	17,988 million yen	(up 3.6% year on year)
Profit before income taxes	18,561 million yen	(down 5.9% year on year)
Profit attributable to owners of the parent	12,641 million yen	(down 28.1% year on year)

(i) Relocation Business

In Relocation Business, we provide comprehensive mobility support to people working for Japanese companies in and outside Japan, mainly through Leased Corporate Housing Management Business, Residential Property Management Business and Global Relocation Assist Business. In Leased Corporate Housing Management Business, in addition to mainstay leased corporate housing management, we provide housing relocation assistance such as real estate search, house sitting, etc. In Residential Property Management Business, we provide comprehensive lease property management and intermediary services in response to various corporate housing needs. In Global Relocation Assist Business, we provide comprehensive services to assist employees of Japanese companies on overseas assignments in countries of destination in North America and other locations until they return to Japan.

In the first nine months under review, revenue increased, mainly because of an increase in the stock of units under management in the Leased Corporate Housing Management Business as well as the favorable performance of the real estate leasing management companies which joined the Group in the third quarter of the previous fiscal year in the Residential Property Management Business. However, profit decreased due to the absence of large property sales recorded a year ago in the Residential Property Management Business and a decline in the number of households to which inbound relocation assistance is provided in the Global Relocation Assist Business.

As a result, the Relocation Business recorded revenue of 65,274 million yen (up 3.2% year on year) and operating profit of 10,823 million (down 1.2%).

(ii) Fringe Benefit Business

In Fringe Benefit Business, we provide employee benefit-related services, including a support menu and extra privileges to employee members of client companies, in order to contribute to reducing companies' operational burdens and costs. Moreover, we provide emergency home care services as part of comprehensive support to livelihood of employee members of client companies.

In the first nine months under review, both revenue and profit increased compared to a year ago, reflecting an increase in membership fees due to new members attained in employee benefit-related services and strong performance in emergency home care services, a related business.

As a result, the Fringe Benefit Business recorded revenue of 18,335 million yen (up 14.3% year on year) and operating profit of 8,413 million yen (up 16.1%).

(iii) Tourism Business

In Tourism Business, we conduct a hotel operation business and vacation home time-share business, utilizing the membership base in Fringe Benefit Business and management know-how concerning company rest houses and small to midsize hotels and inns in rural areas. We also work on the renewal of hotels and inns which have difficulty in finding successors.

In the first nine months under review, the hotel business recorded an increase in revenue, chiefly reflecting a rise in average room rates and the opening of several new facilities in the first quarter of the fiscal year. In contrast, profit decreased in the absence of large property sales recorded in the first quarter of the previous fiscal year.

As a result, Tourism Business recorded revenue of 10,083 million yen (up 11.3% year on year) and operating profit of 1,656 million yen (down 15.3 % year on year).

(iv) Other Business

In this segment, we operate financial business, etc., leveraging the core business frameworks. As a result, Other Business recorded revenue of 736 million yen (up 1.6% year on year) and an operating loss of 186 million yen (compared to an operating loss of 150 million yen a year ago).

(2) Management discussion of financial condition

Total assets as of the end of this fiscal year under review came to 305,105 million yen, an decline of 17,585 million yen compared to the end of the previous fiscal year.

Total liabilities amounted to 227,148 million yen, a decline of 25,723 million yen compared to the end of the previous fiscal year.

Total equity came to 77,957 million yen, an increase of 8,138 million yen compared to the end of the previous fiscal year.

(3) Management discussion of forecast for consolidated results of operations and other forward-looking statements

The results of operations for the first nine months of the fiscal year under review were in line with the previous forecast. There is no change in the business forecasts stated in the Summary of Financial Results for the Fiscal Year Ended March 31, 2023, which was announced on May 11, 2023.

2. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	43,695	41,793
Trade and other receivables	85,197	62,723
Inventories	6,410	7,021
Other financial assets	7,991	7,422
Other current assets	4,004	4,225
Total current assets	147,298	123,186
Non-current assets		
Property, plant and equipment	14,240	14,737
Right-of-use assets	29,632	29,953
Goodwill	15,795	16,480
Intangible assets	8,429	8,503
Investment property	21,529	22,310
Investments accounted for using the equity method	39,889	40,219
Other financial assets	33,244	37,018
Deferred tax assets	11,707	11,640
Other non-current assets	922	1,055
Total non-current assets	175,392	181,919
Total assets	322,691	305,105

(Millions of yen)

	As of March 31, 2022	As of December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	20,765	6,898
Bonds and borrowings	29,808	33,544
Lease liabilities	52,520	49,383
Income taxes payable	6,265	2,081
Contract liabilities	8,785	6,463
Other financial liabilities	17,261	17,914
Provisions	334	—
Other current liabilities	4,956	3,345
Total current liabilities	140,696	119,632
Non-current liabilities		
Bonds and borrowings	51,963	45,435
Lease liabilities	22,087	22,584
Contract Liabilities	18,979	19,820
Other financial liabilities	8,779	9,630
Provisions	7,843	7,998
Deferred tax liabilities	1,827	1,281
Other current liabilities	694	764
Total non-current liabilities	112,175	107,516
Total liabilities	252,871	227,148
Equity		
Share capital	2,667	2,667
Capital surplus	271	487
Retained earnings	58,141	65,759
Treasury shares	(56)	(51)
Other components of equity	7,592	7,603
Equity attributable to owners of parent	68,615	76,465
Non-controlling interests	1,203	1,492
Total equity	69,819	77,957
Total liabilities and equity	322,691	305,105

(2) Consolidated Statements of Income and Consolidated Statement of Comprehensive Income

Consolidated Statements of Income

For the nine months ended December 31, 2022 and 2023

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Continuing operations		
Revenue	89,082	94,429
Cost of sales	49,887	51,320
Gross profit	39,195	43,109
Selling, general and administrative expenses	24,307	26,398
Other income	2,627	1,653
Other expenses	150	375
Operating profit	17,363	17,988
Finance income	1,772	767
Finance costs	548	1,008
Share of profit of investments accounted for using equity method	1,146	813
Profit before income taxes	19,733	18,561
Income tax expense	6,470	5,585
Profit from continuing operations	13,263	12,976
Discontinued operations		
Profit from discontinued operations	4,855	—
Profit	18,118	12,976
Profit attributable to		
Owners of the parent	17,571	12,641
Non-controlling interests	547	335
Profit	18,118	12,976
Profit from continuing operations attributable to owners of the parent company	12,715	12,641
Profit from discontinued operations attributable to owners of the parent company	4,855	—
Profit attributable to owners of the parent company	17,571	12,641
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	83.16	82.70
Discontinued operations	31.76	—
Total	114.91	82.70
Diluted earnings per share (Yen)		
Continuing operations	79.75	79.32
Discontinued operations	30.41	—
Total	110.16	79.32

Consolidated Statements of Income

For the three months ended December 31, 2022 and 2023

(Millions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Continuing operations		
Revenue	30,007	31,240
Cost of sales	16,816	17,012
Gross profit	13,191	14,228
Selling, general and administrative expenses	8,578	9,066
Other income	368	455
Other expenses	26	153
Operating profit	4,955	5,463
Finance income	1,642	262
Finance costs	220	419
Share of profit of investments accounted for using equity method	445	210
Profit before income taxes	6,822	5,518
Income tax expense	2,273	1,658
Profit from continuing operations	4,549	3,859
Discontinued operations		
Profit (loss) from discontinued operations	(3)	—
Profit	4,545	3,859
Profit attributable to		
Owners of the parent	4,470	3,814
Non-controlling interests	75	45
Profit	4,545	3,859
Profit from continuing operations attributable to owners of the parent company	4,473	3,814
Profit (loss) from discontinued operations attributable to owners of the parent company	(3)	—
Profit attributable to owners of the parent company	4,470	3,814
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	29.26	24.96
Discontinued operations	(0.02)	—
Total	29.24	24.96
Diluted earnings per share (Yen)		
Continuing operations	28.06	23.90
Discontinued operations	(0.02)	—
Total	28.04	23.90

Consolidated Statement of Comprehensive Income
 For the nine months ended December 31, 2022 and 2023

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	18,118	12,976
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	301	(1,021)
Share of other comprehensive income of investments accounted for using the equity method	10	17
Total	312	(1,004)
Items that may be reclassified subsequently to profit or loss		
Differences on translation of foreign operations	(4,231)	778
Exchange differences on translation of foreign operations	234	93
Total	(3,996)	871
Other comprehensive income	(3,684)	(132)
Comprehensive income	14,433	12,844
Comprehensive income attributable to:		
Owners of the parent	13,891	12,492
Non-controlling interests	542	351
Comprehensive income	14,433	12,844

Consolidated Statement of Comprehensive Income
 For the three months ended December 31, 2022 and 2023

(Millions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Profit	4,545	3,859
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	255	127
Share of other comprehensive income of investments accounted for using the equity method	5	2
Total	260	130
Items that may be reclassified subsequently to profit or loss		
Differences on translation of foreign operations	(1,059)	(705)
Exchange differences on translation of foreign operations	36	1
Total	(1,023)	(704)
Other comprehensive income	(762)	(573)
Comprehensive income	3,783	3,286
Comprehensive income attributable to:		
Owners of the parent	3,709	3,235
Non-controlling interests	74	50
Comprehensive income	3,783	3,286

(3) Consolidated Statements of Changes in Equity

(From April 1, 2022 to December 31, 2022)

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance at April 1, 2022	2,667	—	41,570	(57)	10,304	54,485	657	55,142
Profit	—	—	17,571	—	—	17,571	547	18,118
Other comprehensive income	—	—	—	—	(3,679)	(3,679)	(5)	(3,684)
Total comprehensive income	—	—	17,571	—	(3,679)	13,891	542	14,433
Disposal of treasury shares	—	4	—	0	—	5	—	5
Cash dividend paid	—	—	(4,436)	—	—	(4,436)	(49)	(4,485)
Share-based payment transactions	—	204	—	—	53	258	—	258
Other	—	(0)	(0)	—	5	4	(2)	2
Total transactions with owners of the parent	—	208	(4,436)	0	58	(4,168)	(52)	(4,220)
Balance at December 31, 2022	2,667	208	54,705	(56)	6,683	64,208	1,148	65,356

(From April 1, 2023 to December 31, 2023)

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
Balance at April 1, 2023	2,667	271	58,141	(56)	7,592	68,615	1,203	69,819
Profit	—	—	12,641	—	—	12,641	335	12,976
Other comprehensive income	—	—	—	—	(148)	(148)	16	(132)
Total comprehensive income	—	—	12,641	—	(148)	12,492	351	12,844
Disposal of treasury shares	—	15	—	4	(19)	0	—	0
Cash dividend paid	—	—	(5,044)	—	—	(5,044)	(60)	(5,105)
Share-based payment transactions	—	199	—	—	201	401	—	401
Other	—	—	21	—	(21)	(0)	0	0
Total transactions with owners of the parent	—	215	(5,023)	4	159	(4,642)	(62)	(4,705)
Balance at December 31, 2023	2,667	487	65,759	(51)	7,603	76,465	1,492	77,957

(4) Notes to Consolidated Financial Statements

(Notes on Assumptions for Going Concern)

Not applicable

(Segment information)

(1) Outline of reportable segments

The Company's reportable segments are those units of the Company for which separate financial information is available and for which the Board of Directors regularly conducts a review for the purpose of making decisions on the allocation of managerial resources to the segments and assessing the segments' performance.

The Group is engaged in outsourcing services related to employee benefits for companies, spanning both housing and leisure / lifestyle support areas, as its core business, as well as Property Management Business and Tourism Business, leveraging the operating base of the core business.

An outline of each business segment is as described below.

Relocation Business : Total outsourcing services by subleasing leased corporate housing, Property management business, Supports for overseas assignment, Supports for Return, Expatriate Regulations Consulting, etc.

Fringe benefit Business : Benefit outsourcing services, Customer retention outsourcing services, Emergency home care services, etc.

Tourism Business : Vacation home time-share business, Hotel operation business, etc.

(2) Information of reportable segments

Profit by reportable segment is based on operating profit. Intersegment sales and transfers are based on prevailing market prices.

For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	63,258	16,036	9,063	88,357
Intersegment revenue	154	193	42	390
Total	63,412	16,229	9,105	88,748
Segment profit(loss)	10,956	7,250	1,955	20,162

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	724	89,082	—	89,082
Intersegment revenue	124	514	(514)	—
Total	848	89,596	(514)	89,082
Segment profit(loss)	(150)	20,011	(2,647)	17,363

(Note) 1. Other Business is a business segment that is not included in the reportable segments and includes financial business.

2. Intersegment revenue and the segment profit (loss) adjustment is the result of elimination of intersegment transactions.

For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	65,274	18,335	10,083	93,693
Intersegment revenue	139	254	57	450
Total	65,413	18,590	10,140	94,144
Segment profit(loss)	10,823	8,413	1,656	20,893

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	736	94,429	—	94,429
Intersegment revenue	147	598	(598)	—
Total	883	95,027	(598)	94,429
Segment profit(loss)	(186)	20,706	(2,717)	17,988

(Note) 1. Other Business is a business segment that is not included in the reportable segments and includes financial business.

2. Intersegment revenue and the segment profit (loss) adjustment is the result of elimination of intersegment transactions.

(Sale of subsidiaries)

Nine months ended Decemember 31, 2022

Relo Group, Inc. resolved at a meeting of the Board of Directors held on May 6, 2022 to enter into an agreement with Global Relocation and Moving Services, LP (“GRMS”) which owns the SIRVA Group (a collective term for SIRVA Holdings, Inc. and its group companies) on a change in consolidated subsidiaries (share transfer) and commencement of joint management of the Global Relocation Business and entered into the agreement on the same date, and the transaction was completed on July 29,2022.

(1) Proceeds from sale of subsidiaries

	(Millions of yen)
Consideration	Amount
Consideration	62,330
Accounts receivable	(21,531)
Preferred shares of SIRVA Holdings, Inc. acquired in exchange (Note)	(24,449)
Cash and cash equivalents of subsidiaries over which control was lost	(6,532)
Payments for sale of subsidiaries	9,736

(Note) The transaction corresponds to a significant non-cash transaction because it is carried out through a share exchange.

(2) Assets and liabilities of subsidiaries at the date of sale

	(Millions of yen)
Subject	Amount
Breakdown of assets at the time of loss of control	
Current assets	63,132
Non-current assets	22,992
Total current assets	86,125
Breakdown of liabilities at the time of loss of control	
Current liabilities	61,973
Non-current liabilities	4,477
Total current liabilities	66,451

Nine months ended December 31, 2023

Not appliciate

(discontinued operations)

Relo Group, Inc. resolved at a meeting of the Board of Directors held on May 6, 2022 to enter into an agreement with Global Relocation and Moving Services, LP (“GRMS”) which owns the SIRVA Group (a collective term for SIRVA Holdings, Inc. and its group companies) on a change in consolidated subsidiaries (share transfer) and commencement of joint management of the Global Relocation Business and entered into the agreement on the same date, and the transaction was completed on July 29, 2022.

In the previous fiscal year, BGRS Limited and 22 group companies has been classified as discontinued operations, and the results have been restated to exclude results in the discontinued operations.

Income(loss) from discontinued operations is as shown below.

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Revenue	30,777	—
Expenses	20,589	—
Profit before tax from discontinued operations	10,187	—
Income taxes	5,332	—
Profit from discontinued operations	4,855	—

(Note) A gain of 12,223 million yen from the sale of BGRS Group and related income tax expense of 5,432 million yen is included in the nine months ended December 31, 2022.

Cash flows related to discontinued operations are as shown below.

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net cash provided by (used in) operating activities	(13,685)	—
Net cash provided by (used in) investing activities	9,023	—
Net cash provided by (used in) financing activities	6,969	—
Total	2,307	—

(Note) Cash flows from investing activities for the nine months ended December 31, 2022 include proceed of 9,736 million yen from sale of subsidiaries.