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For Immediate Release

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Notice of Reclassification of Financial Forecasts and Medium-Term Management Plan Targets Following Voluntary Application of International Financial Reporting Standards (IFRS)

Relo Group, Inc. (the Group) hereby announces that a meeting of its Board of Directors held on August 12, 2021 resolved to apply the International Financial Reporting Standards (IFRS) optionally from FY2022/3. Following the voluntary application of IFRS, the results targets for FY2022/3 announced in the “Financial Results for FY2021/3 [Japanese GAAP] (Consolidated)” dated May 13, 2021 and the results targets announced in the “Notice Concerning the Medium-Term Management Plan “New Third Olympic Plan”” have been reclassified. Details are as follows.

1. FY2022/3 Full-Year Consolidated Earnings Forecast (IFRS) (April 1, 2021 - March 31, 2022)

(Millions of yen)

	Revenue	Operating Profit	Profit before Income Taxes	Net Income Attributable to Parent Shareholders	Basic Net Income per Share
Full Year Consolidated Earnings Forecast	165,000	17,000	19,000	11,400	74.75

(Reference)

FY2022/3 Full-year Consolidated Earnings Forecast (Japanese GAAP) (April 1, 2021 - March 31, 2022)

(Millions of yen)

	Revenue	Operating Profit	Income before Income Tax	Net Income Attributable to Parent Shareholders	Basic Net Income per Share
Full Year Consolidated Earnings Forecast	350,000	17,000	19,000	11,400	74.45

2. Results Targets of the Medium-Term Management Plan, the “New Third Olympic Plan” (IFRS)

(Billions of yen)

	Targets			Final Fiscal Year
	55th March 2022	56th March 2023	57th FY2024/3	58th FY2025/3
Revenue	165	175	185	200
Profit before Income Taxes	19.0	24.0	29.0	35.5

(Reference)

Results Targets of the Medium-Term Management Plan, the “New Third Olympic Plan” (Japanese GAAP)

(Billions of yen)

	Targets			Final Fiscal Year
	55th March 2022	56th March 2023	57th FY2024/3	58th FY2025/3
Revenue	350	370	390	410
Profit before Income Taxes	19.0	24.0	29.0	35.5

3. Abstract of the Reclassification of Results Targets and Medium-Term Management Plan Targets

In the Group’s Second Start-Up Period, which began in April 2011, we set out to “Act as a solutions provider in the field of corporate fringe benefits, providing client companies with support in their non-core operations in Japan,” and “Support the global expansion of Japanese companies so that they can perform to their full potential.” Through these activities, we made it our mission to “Support the great transformation of Japan that is about to begin” with vision to “Create an industry of comprehensive lifestyle support services that we provide globally.” To achieve these goals, we are working to further strengthen our domestic business to attain the absolute leading share of the domestic market, while at the same time building the foundation to reach markets around the world.

The Group has decided to apply IFRS from the first quarter of FY2022/3, to strengthen its management base for full-scale global expansion and to enhance the international comparability of its financial information. With the application of IFRS, revenue will fluctuate significantly given the impact of IFRS 16 “Lease Accounting”. Therefore, we have decided to reclassify the earnings forecast for the FY2022/3 and the earnings target for revenue in the medium-term management plan “New Third Olympic Plan”, which will end in FY2025/3.

Please refer to the Summary of Financial Statements and Supplementary Materials for the details of the impact of the application of IFRS.