

Summary of Financial Results  
for the Fiscal Year Ending March 31, 2023[Consolidated]  
(From April 1, 2022 to March 31, 2023)  
[under IFRS]



May 11, 2023

Company name:	Relo Group, Inc.	Listed Exchange:	Tokyo Stock Exchange
Security code.:	8876	URL:	<a href="https://www.relo.jp/">https://www.relo.jp/</a>
Representative:	Kenichi Nakamura, Representative Director, CEO		
Contact:	Yasushi Kadota, Director, CFO	TEL:	03-5312-8704
Scheduled Date of Ordinary General Meeting of Shareholders:	June 27, 2023		
Scheduled Date to Submit the Securities Report:	June 28, 2023		
Scheduled Date to Start Distributing Dividends:	June 28, 2023		
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 March 31, 2023 (From April 1, 2022 to March 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	%
Fiscal Year ended March 31, 2023	123,698	9.3	22,747	10.8	25,869	18.8	20,887	33.5
Fiscal Year ended March 31, 2022	113,145	—	20,524	—	21,770	—	15,644	87.0

	Basic earnings per share	Diluted Net Income per Share	Ratio of profit to equity attributable to owners of the parent company	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
Fiscal Year ended March 31, 2023	136.62	130.97	33.9	8.3	18.4
Fiscal Year ended March 31, 2022	102.79	98.42	33.6	7.4	18.1

(Reference) Share of loss (profit) of investments accounted for using equity method:

Fiscal Year ended March 31, 2023 : 1,739 million yen      Fiscal Year ended March 31, 2022 : 1,749 million yen

(Note) From the first three months of the fiscal year under review, BGRS Limited and twenty-two other Group companies are classified as discontinued operations. Revenue, operating profit, and profit before income taxes are those from the continuing operations and do not include results from the discontinued operations. Results in the first three months of the fiscal year ended March 31, 2022 have been restated and do not include results from discontinued operations. Changes from the same period of the fiscal year ended March 31, 2021 are thus not stated. For details of the discontinued operations, please refer to 2. Consolidated Financial Statements, (4) Notes to Consolidated Financial Statements (Assets held for sale and discontinued operations) on page 18 of the attached materials.

(2) Consolidated Financial Positions

	Total Assets	Total equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	322,691	69,819	68,615	21.3	448.90
As of March 31, 2022	301,599	55,142	54,485	18.1	356.20

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of March 31, 2023	5,390	10,024	(16,971)	43,695
As of March 31, 2022	17,986	(4,946)	(19,074)	44,439

## 2. Dividends

	Dividends per Share					Total Dividends	Dividend Payout Ratio (Consolidated)	Dividend / Net Assets Ratio (Consolidated)
	1st quarter End	2nd quarter End	3rd quarter End	Fiscal Year End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	—	0.00	—	29.00	29.00	4,435	28.2	9.5
Fiscal year ended March 31, 2023	—	0.00	—	33.00	33.00	5,044	24.2	8.2
Fiscal Year ended March 31, 2023(Projected)	—	0.00	—	37.00	37.00		29.8	

(Note) 1. “Total Dividends” in the above table excludes dividends of 0 million yen for the fiscal year ended March 31, 2022 to shares held by the Stock Granting Trust (J-ESOP trust). “Total Dividends” in the above table excludes and dividends of 0 million yen for the fiscal year ended March 31, 2023 to shares held by the Stock Granting Trust (J-ESOP trust) .

(Note) 2. The dividend payout ratio for the fiscal year ending March 31, 2023 is 24.2%, but the dividend payout ratio adjusted for transitory factors such as earnings classified as discontinued operations due to the business integration of the BGRS Group is approximately 30%.

## 3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2024 (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

### \*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 March 31, 2023	153,016,200 shares	As of March 31, 2022	153,016,200 shares
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2. Number of treasury stock at the end of period

As of March 31, 2023	161,732 shares	As of March 31, 2022	53,637 shares
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3. Average number of shares during the period

Fiscal year ended March 31, 2023	152,895,791 shares	Fiscal year ended March 31, 2022	152,195,142 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.

### \* Adoption of International Financial Reporting Standards (IFRS)

The Company has adopted International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2022.

Presentation of figures in the consolidated financial statements for the period of the previous year also conforms to IFRS.

### \* 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" and "become a global relocation company No.1". 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 fiscal year under review, the Company's operating base expanded, primarily owing to the strongly accumulated base for the stock of units under management in Leased Corporate Housing Management Business and the inclusion of new real estate leasing management companies in the Group in Residential Property Management Business. Moreover, both revenues and profit increased year on year, reflecting the performance of Global Relocation Assist Business and Tourism Business.

From the first three months of the fiscal year under review, BGRS Limited and twenty-two other Group companies are classified as discontinued operations. The revenue, operating profit, and profit before income taxes are those from the continuing operations. The change from the previous fiscal year is calculated based on restated results in the previous fiscal year, results from the continuing operations.

Results of operations in the first six months of the fiscal year under review are as shown below.

Revenue	123,698 million yen	(up 9.3% year on year)
Operating profit	22,747 million yen	(up 10.8% year on year)
Profit before income taxes	25,869 million yen	(up 18.8% year on year)
Profit attributable to owners of the parent	20,887 million yen	(up 33.5% year on year)

Results of operations by segment are as shown below.

From the first three months of the fiscal year under review, we changed its business segments to be described as reportable segments. Specifically, the four reportable segments—Relocation Business, Fringe Benefit Business, Global Strategic Business, and Tourism Business—have changed to Relocation Business, Fringe Benefit Business, and Tourism Business. Comparisons and analysis with the first quarter of the previous fiscal year are based on the classification after the change.

#### (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 fiscal year under review, the Company's operating base expanded, primarily owing to the year-on-year increase in the number of units under management due to the acquisition of new customers in Leased Corporate Housing Management Business and the inclusion of new real estate leasing management companies in the Group in Residential Property Management Business. In addition, the performance of Global Relocation Assist Business was solid because the number of households to which relocation assistance was provided recovered to approximately 90% of the pre-COVID-19-crisis level.

As a result, the Relocation Business recorded revenue of 87,695 million yen (up 8.4% year on year) and operating profit of 14,244 million (up 17.0%).

(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 fiscal year 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.

As a result, the Fringe Benefit Business recorded revenue of 22,366 million yen (up 7.3% year on year) and operating profit of 10,024 million yen (up 3.6%).

(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 fiscal year under review, both revenue and profit increased in Tourism Business, attributable to a recovery in the occupancy rate at hotels due to a recovery in demand for accommodation, cost cutting efforts including sales-related expenses, and the sale of large properties in the first three months of the fiscal year.

As a result, Tourism Business recorded revenue of 12,582 million yen (up 20.2% year on year) and operating profit of 2,291 million yen (up 124.6%).

(v) Other Business

In this segment, we operate financial business, etc., leveraging the core business frameworks. As a result, Other Business recorded revenue of 1,054 million yen (up 14.4% year on year) and an operating loss of 170 million yen (compared to an operating loss of 192 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 322,691 million yen, an increase of 21,091 million yen compared to the end of the previous fiscal year.

Total liabilities amounted to 252,871 million yen, an increase of 6,414 million yen compared to the end of the previous fiscal year.

Total equity came to 69,819 million yen, an increase of 14,676 million yen compared to the end of the previous fiscal year.

(3) Management discussion of cash flows

Cash and cash equivalents at the fiscal year under review came to 43,695 million yen, a decline of 743 million yen compared to the end of the previous fiscal year.

The status of cash flows during the current consolidated fiscal year is as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 5,390 million yen (down 12,595 million yen year-on-year). The main factors were profit before income taxes of 25,869 million yen, depreciation and amortization of 5,626 million yen, and an increase in trade and other receivables of 22,069 million yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 10,024 million yen (compared to an operating loss of 4,946 million yen a year ago). The main factors were expenditures of 2,009 million yen for purchases of property, plant and equipment and others, and Proceeds from sale of subsidiaries of 9,736

(Cash flows from financing activities)

Net cash used in financing activities amounted to 16,971 million yen (down 2,103 million yen year on year). The main factors were 20,601 million yen in repayment of long-term borrowings, 4,436 million yen in cash dividends paid, 7,670 million yen in decrease short-term borrowings, and 3,014 million yen in proceeds from long-term borrowings

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

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 next consolidated fiscal year, we expect to expand our stock base, such as the number of units under management in the Leased Corporate Housing Management Business and Property Management Business and that of corporate employee members in the Fringe Benefit Business. In addition, we also expect to build up earnings in the Global Relocation Support Business and the Tourism Business, resulting in 135,000 million yen in revenue, 27,700 million yen in operating income, 29,000 million yen in income before income taxes, and 19,000 million yen in net income attributable to owners of the parent company.

**2. Basic Approach to the Selection of Accounting Standards**

Starting in the first three months of the fiscal year ended March 31, 2022, the Group adopted IFRS for the purpose of strengthen management foundation for full-scale global expansion and improving comparability of the company's financial information in the world's capital markets.

## Consolidated Financial Statements

### (1) Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	44,439	43,695
Trade and other receivables	98,154	85,197
Inventories	5,613	6,410
Other financial assets	5,758	7,991
Other current assets	6,218	4,004
Total	160,184	147,298
Assets held for sale	1,254	—
Total current assets	161,439	147,298
Non-current assets		
Property, plant and equipment	14,502	14,240
Right-of-use assets	18,459	29,632
Goodwill	17,467	15,795
Intangible assets	20,386	8,429
Investment property	18,365	21,529
Investments accounted for using the equity method	14,618	39,889
Other financial assets	20,011	33,244
Deferred tax assets	15,637	11,707
Other non-current assets	713	922
Total non-current assets	140,160	175,392
Total assets	301,599	322,691

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	16,779	20,765
Bonds and borrowings	19,722	29,808
Lease liabilities	43,383	52,520
Income taxes payable	2,896	6,265
Contract liabilities	6,940	8,785
Other financial liabilities	19,415	17,261
Provisions	330	334
Other current liabilities	9,273	4,956
Total current liabilities	118,742	140,696
Non-current liabilities		
Bonds and borrowings	70,702	51,963
Lease liabilities	15,287	22,087
Contract Liabilities	19,681	18,979
Other financial liabilities	8,292	8,779
Provisions	7,260	7,843
Deferred tax liabilities	5,853	1,827
Other current liabilities	636	694
Total non-current liabilities	127,714	112,175
Total liabilities	246,457	252,871
Equity		
Share capital	2,667	2,667
Capital surplus	—	271
Retained earnings	41,570	58,141
Treasury shares	(57)	(56)
Other components of equity	10,304	7,592
Equity attributable to owners of parent	54,485	68,615
Non-controlling interests	657	1,203
Total equity	55,142	69,819
Total liabilities and equity	301,599	322,691

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

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Continuing operations		
Revenue	113,145	123,698
Cost of sales	62,235	68,351
Gross profit	50,909	55,346
Selling, general and administrative expenses	34,251	35,252
Other income	4,628	3,584
Other expenses	761	931
Operating profit	20,524	22,747
Finance income	64	2,297
Finance costs	568	915
Share of profit of investments accounted for using equity method	1,749	1,739
Profit before income taxes	21,770	25,869
income tax expense	5,569	9,224
Profit from continuing operations	16,201	16,644
Discontinued operations		
Profit from discontinued operations	(93)	4,845
Profit	16,107	21,489
Profit attributable to		
Owners of the parent	15,644	20,887
Non-controlling interests	462	601
Profit	16,107	21,489
Profit from continuing operations attributable to owners of the parent company	15,738	16,042
Profit from discontinued operations attributable to owners of the parent company	(93)	4,845
Profit attributable to owners of the parent company	15,644	20,887
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	103.41	104.92
Discontinued operations	(0.62)	31.69
Total	102.79	136.62
Diluted earnings per share (Yen)		
Continuing operations	99.01	100.62
Discontinued operations	(0.59)	30.35
Total	98.42	130.97



(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Profit	16,107	21,489
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	34	1,307
Share of other comprehensive income of investments accounted for using the equity method	0	7
Total	35	1,315
Items that may be reclassified subsequently to profit or loss	3,161	(4,163)
Exchange differences on translation of foreign operations	108	137
Total	3,270	(4,026)
Other comprehensive income	3,305	(2,711)
Comprehensive income	19,413	18,778
Comprehensive income attributable to:		
Owners of the parent	18,943	18,181
Non-controlling interests	469	597
Comprehensive income	19,413	18,778

(3) Consolidated Statements of Changes in Equity

(From April 1, 2021 to March 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, 2021	2,667	428	30,886	(3,250)	7,775	38,506	(69)	38,437
Profit	—	—	15,644	—	—	15,644	462	16,107
Other comprehensive income	—	—	—	—	3,299	3,299	6	3,305
Total comprehensive income	—	—	15,644	—	3,299	18,943	469	19,413
Acquisition of treasury shares	—	—	—	—	—	0	—	0
Disposal of treasury shares	—	(2,476)	—	3,192	—	716	—	716
Transfer of loss on disposal of treasury shares	—	2,077	(2,077)	—	—	—	—	—
Cash dividend paid	—	—	(2,880)	—	—	(2,880)	(27)	(2,907)
Share-based payment transactions	—	181	—	—	867	1,048	—	1,048
Forfeiture of share acquisition rights	—	—	—	—	(1,644)	(1,644)	—	(1,644)
Cumulative effect of accounting change	—	(202)	—	—	0	(201)	292	90
Other	—	(8)	(2)	—	6	(4)	(7)	(11)
Total transactions with owners of the parent	0	(428)	(4,960)	3,192	(769)	(2,965)	257	(2,707)
Balance at March 31, 2022	2,667	—	41,570	(57)	10,304	54,485	657	55,142

(From April 1, 2022 to March 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, 2022	2,667	—	41,570	(57)	10,304	54,485	657	55,142
Profit	—	—	20,887	—	—	20,887	601	21,489
Other comprehensive income	—	—	—	—	(2,706)	(2,706)	(4)	(2,711)
Total comprehensive income	—	—	20,887	—	(2,706)	18,181	597	18,778
Disposal of treasury shares	—	4	—	0	—	5	—	5
Cash dividend paid	—	—	(4,436)	—	—	(4,436)	(49)	(4,485)
Share-based payment transactions	—	267	—	—	109	377	—	377
Other	—	(0)	118	—	(114)	3	(2)	1
Total transactions with owners of the parent	—	271	(4,317)	0	(5)	(4,050)	(51)	(4,102)
Balance at March 31, 2023	2,667	271	58,141	(56)	7,592	68,615	1,203	69,819

(4) Consolidated Cash Flow Statements

	(Millions of yen)	
	Year ended March 31, 2021	Year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	21,770	25,869
Profit (loss) before tax from discontinued operations	(1,572)	10,177
Depreciation and amortization	6,783	5,626
Finance income and finance costs	796	(1,846)
Share of loss (profit) of investments accounted for using equity method	(2,424)	(1,894)
Loss (gain) on sale of fixed assets	(1,508)	(2,565)
Gain on sale of investments in subsidiaries and associates	(136)	(12,223)
Decrease (increase) in inventories	(212)	(1,819)
Decrease (increase) in trade and other receivables	(7,279)	(22,069)
Increase (decrease) in trade and other payables	3,973	4,641
Other	1,998	7,554
Subtotal	22,189	11,451
Interest and dividends received	1,364	1,063
Interest paid	(529)	(726)
Income taxes paid	(5,038)	(6,397)
Cash flows from operating activities	17,986	5,390
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,189)	(2,009)
Proceeds from sale of property, plant and equipment	1,632	2,392
Purchase of intangible assets	(2,815)	(2,101)
Purchase of property, plant and equipment	(71)	(145)
Proceeds from sale of property, plant and equipment	75	549
Payments for acquisition of subsidiaries	(4,339)	(1,699)
Proceeds from sale of subsidiaries	115	9,736
Other	3,647	3,303
Cash flows from investing activities	(4,946)	10,024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,775)	7,670
Proceeds from long-term borrowings	10,204	3,014
Repayments of long-term borrowings	(16,353)	(20,601)
Redemption of bonds	(310)	(336)
Proceeds from sale of treasury shares	569	5
Dividends paid	(2,881)	(4,436)
Dividends paid to non-controlling interests	(27)	(49)
Other	(3,500)	(2,237)
Cash flows from financing activities	(19,074)	(16,971)
Effect of exchange rate changes on cash and cash equivalents	1,264	812
Net increase (decrease) in cash and cash equivalents	(4,768)	(743)
Cash and cash equivalents at the beginning of the period	49,208	44,439
Cash and cash equivalents at the end of the period	44,439	43,695

(5) 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 the lease management business and hotel management 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 and intermediary services, 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.

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. With the agreement, the four reportable segments—Relocation Business, Fringe Benefit Business, Global Strategic Business, and Tourism Business—have changed to Relocation Business, Fringe Benefit Business, and Tourism Business.

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. The results are those from the continuing operations.

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	80,914	20,837	10,471	112,223
Intersegment revenue	181	192	42	416
Total	81,096	21,029	10,513	112,639
Segment profit (loss)	12,178	9,680	1,020	22,878

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	921	113,145	—	113,145
Intersegment revenue	173	590	(590)	—
Total	1,095	113,735	(590)	113,145
Segment profit (loss)	(192)	22,686	(2,161)	20,524

(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.

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	87,695	22,366	12,582	122,643
Intersegment revenue	223	261	55	541
Total	87,918	22,627	12,638	123,185
Segment profit(loss)	14,244	10,024	2,291	26,559

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	1,054	123,698	—	123,698
Intersegment revenue	167	708	(708)	—
Total	1,221	124,406	(708)	123,698
Segment profit(loss)	(170)	26,389	(3,642)	22,747

- (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.

(Earnings per share)

(1) The basis for calculating basic earnings per share

The basic for calculating basic earnings per share is as follows.

(Millions of yen)

	Year ended March 31,2022	Year ended March 31, 2023
Profit attributable to ordinary equity holders of parent		
Profit attributable to owners of parent	15,644	20,887
Profit not attributable to ordinary equity holders of parent	—	—
Profit from continuing operations used for calculating basic earnings per share	15,738	16,042
Profit from discontinued operations used for calculating basic earnings (loss)	(93)	4,845
Weighted-average number of ordinary shares outstanding	152,195,142	152,895,791
Basic earnings (loss) per share		
Continuing operations	103.41	104.92
Discontinued operations	(0.62)	31.69
Basic earnings per share	102.79	136.62

(2) The basis for calculating diluted earnings per share is as follows.

The basis for calculating diluted earnings per share

(Millions of yen)

	Year ended March 31,2022	Year ended March 31, 2023
Diluted profit attributable to ordinary equity holders of parent		
Profit used for calculating basic earnings per share	15,644	20,887
Adjustments to profit	24	24
Profit from continuing operations for the year used for calculating diluted earnings per share	15,762	16,066
Profit (loss) from discontinued operations for the year used for calculating diluted earnings per share	-93	4,845
Weighted-average number of ordinary shares outstanding	152,195,142	152,895,791
Diluted effect		
Stock options	264,104	30,561
Proceeds from issuance of convertible bonds with stock acquisition rights	6,742,890	6,742,890
Weighted - average shares- diluted	159,202,136	159,669,242
Diluted earnings (loss) per share		
Continuing operations	99.01	100.62
Discontinued operations	(0.59)	30.35
Diluted earnings per share	98.42	130.97



(Sales of subsidiaries)

Fiscal Year ended March 31, 2022

Omitted due to lack of materiality.

Fiscal Year ended March 31, 2023

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.

Assets and liabilities of subsidiaries over which control was lost due to the sale of shares are as follows.

(1) Proceeds from sale of subsidiaries

	(Millions of yen)
Consideration	Amount
Consideration	62,300
Accounts receivable	(21,531)
Preferred shares of SIRVA Holdings, Inc. acquired in exchange (Note)	(24,499)
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

(Assets held for sales and 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.

Assets held for sale in the previous fiscal year were buildings, land and other property, plant and equipment held as accommodation facilities in the Tourism Business. They were sold as part of a hotel revitalization project. The sale was completed in the first quarter of the fiscal year.

(1) Assets held for sale

Assets held for sale and liabilities directly associated with assets held for sale are as shown below.

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets held for sale		
Property, plant and equipment	1,254	—
Assets	1,254	—

(2) Discontinued operations

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Revenue (Note)	44,101	30,777
Expenses	45,673	20,599
Profit (loss) before tax from discontinued operations	(1,572)	10,177
Income taxes (Note)	(1,478)	5,332
Profit (loss) from discontinued operations	(93)	4,845

(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 fiscal year ended March 31, 2023.

Cash flows related to discontinued operations are as shown below.

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net cash provided by (used in) operating activities	2,724	(13,685)
Net cash provided by (used in) investing activities(Note)	(1,737)	9,023
Net cash provided by (used in) financing activities	(4,664)	6,969
Total	(3,687)	2,307

(Note) Cash flows from investing activities for the fiscal year ended March 31, 2023 include proceed of 9,736 million yen from sale of subsidiaries.

(Significant subsequent events)

Not Applicable