



FY2023/3

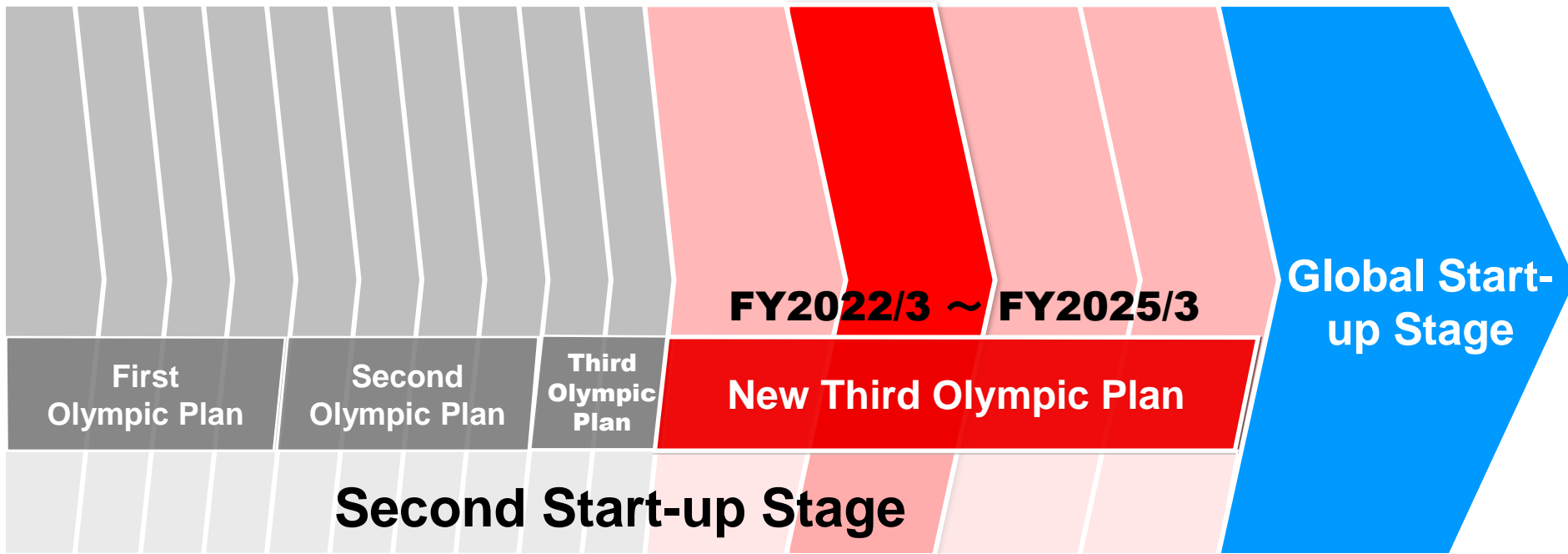
**Relo Group**

**Investor Presentation**

Jun 2, 2023

# The New Third Olympic Plan

## The New Third Olympic Plan Second half started



# The New Third Olympic Plan

**3 years after COVID-19**

An encounter with an entirely new experience

- ◆ Prioritize laying the foundation for long-term prosperity
- ◆ Reinforcement of the recurring revenue business, the source of the strength of Relo Group

**Conducted aggressive operations for three years amid the COVID-19 pandemic**

# The New Third Olympic Plan

**Operations amid the COVID-19 pandemic**

**① Article 2 of the principles in Practice**

**“We shall provide the best possible services to our customers”**

**Thoroughly improve services based on surveys and objective evaluations**

# The New Third Olympic Plan

**Operations amid the COVID-19 pandemic**

**② Strengthen collaboration and cross-selling between each business**

**Increasing stock by strengthening cross-selling**

**The number of companies that have concluded more than one contract in core businesses increased to 425**

# The New Third Olympic Plan

**Operations amid the COVID-19 pandemic**

## ③ Promoting systemization and digitalization

**Execute investments that solve new issues by forming the “Mirai-Sozo Fund”**

**Contribute to the accumulation of recurring revenue in each business**

# The New Third Olympic Plan

**Operations amid the COVID-19 pandemic**

**④ Introduce a year-end bonus system and a stock compensation plan**

**Introduce also a ten-year restricted stock compensation plan to foster aspirations for long-term prosperity**

**Strengthen partnership management, a basis for unity**

# The Second "Start-Up" Period

Our vision of long-term prosperity for the period leading up to the 78th term (fiscal year ending March 31, 2045)

**Market capitalization target**

**10 trillion yen**

**Build a new team formation to start global expansion**



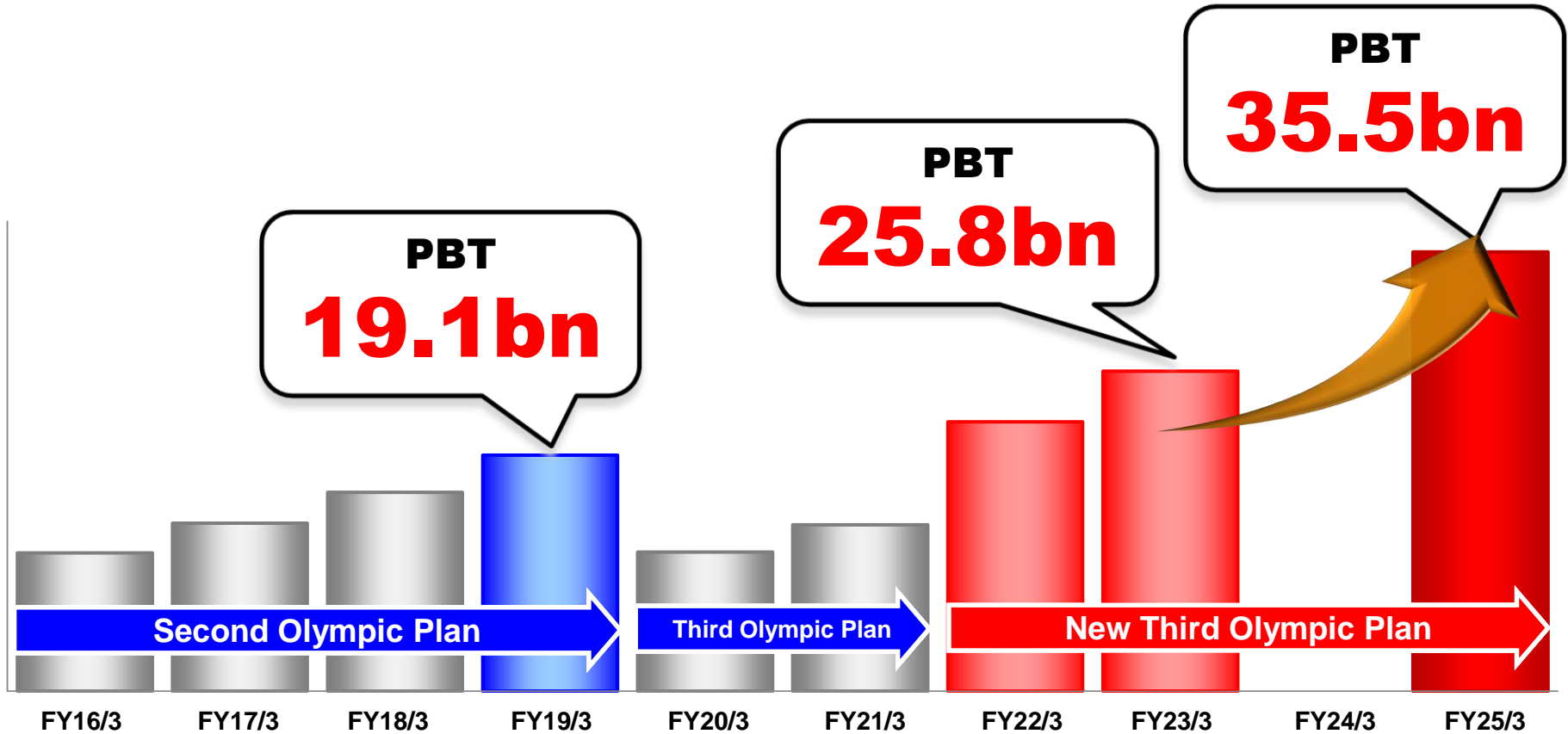
# Consolidated Results

(Rounded down to the nearest million yen)

	Actual FY2023/03	Actual FY2022/03	YoY
Revenue	<b>123,698</b>	<b>113,145</b>	<b>+9.3%</b>
Operating Profit	<b>22,747</b>	<b>20,524</b>	<b>+10.8%</b>
Profit Before Income Taxes	<b>25,869</b>	<b>21,770</b>	<b>+18.8%</b>
Net Income	<b>20,887</b>	<b>15,644</b>	<b>+33.5%</b>

**Posted a record profit in the 56th term. Profit before income taxes exceed 25.0 billion yen.**

# The New Third Olympic Plan



**Made great progress to achieve the target in the New Third Olympic Plan**

# The New Third Olympic Plan

## < Post-Covid-19 >

Aging population and declining birthrate

Japan's massive debt

Labor shortage

**Increase in Outsourcing Non-core Functions**

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**+**

**Fringe benefits, including corporate housing, is a management theme related to the core business, namely securing labor**

# The New Third Olympic Plan

## < Post-Covid-19 >

Aging population and declining birthrate

Japan's massive debt

Labor shortage



**Japan's long-term issues  
require a sea change**




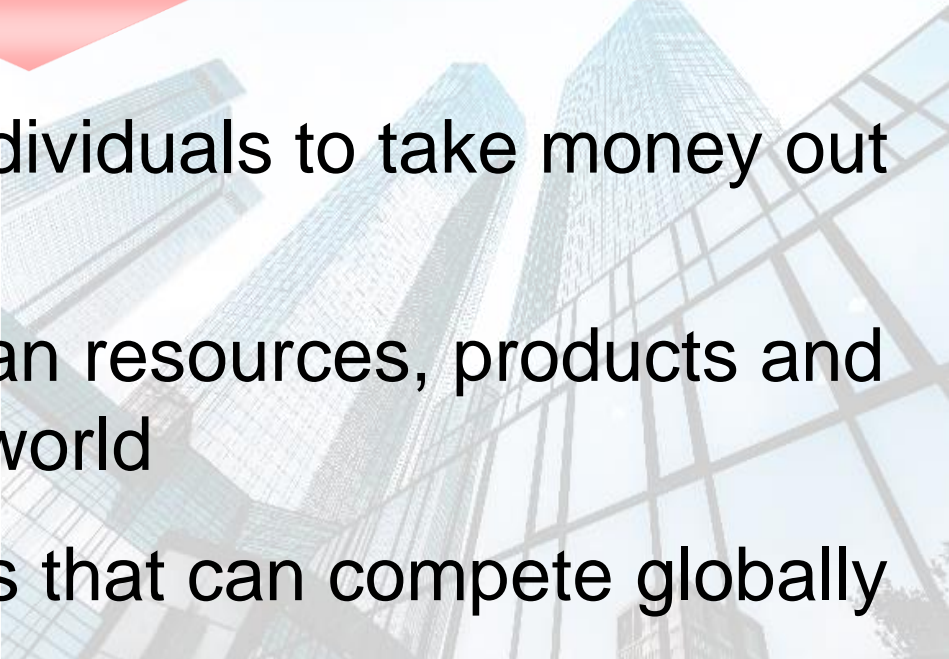
# The New Third Olympic Plan

## < Post-Covid-19 >

Aging population and declining birthrate

Japan's massive debt

Labor shortage

- 
- 
- ① Get companies and individuals to take money out of their wallets
  - ② Japan will attract human resources, products and money from around the world
  - ③ Help create companies that can compete globally to increase earnings

# The New Third Olympic Plan

## < Post-Covid-19 >

Relocation Support Business

Start **inbound support** for workers from around the world

Leased Corporate Housing Management Business

Provide **R+** to make every property a furnished property.

**R+** starts to provide support to foreign nationals.

# The New Third Olympic Plan

## < Post-Covid-19 >

Fringe Benefits Business

Service as **Fringe Benefits** for people from around the world

Residential Property Management Business

**Residential Property Management** as a basis for services for workers from around the world



# The New Third Olympic Plan

## < Post-Covid-19 >

Start **inbound support** for workers from around the world.

**R+** starts to provide support to foreign nationals.

**Residential Property Management** as a basis

for services for workers from around the world.

Service as **Fringe Benefits** for people from around the world.

**Provide support to a sea change in Japan as a group that have every function**



# The New Third Olympic Plan

< **Post-Covid-19** >

**The Tourism Business** will expand

Owners of real estate companies and Japanese inns.

Concern about lack of successors and the future is growing.

They need support to continue their business.

We help solve the issue of a lack of successors, using our ability to draw in customers to give support in the Corporate Housing Management, Fringe Benefits, and Tourism Business

# The New Third Olympic Plan

## - Relo Group's Mission-

- ◆ Support other than core businesses
- ◆ Help Japanese companies expand overseas

**Only Relo Group has a total support function**

# The New Third Olympic Plan

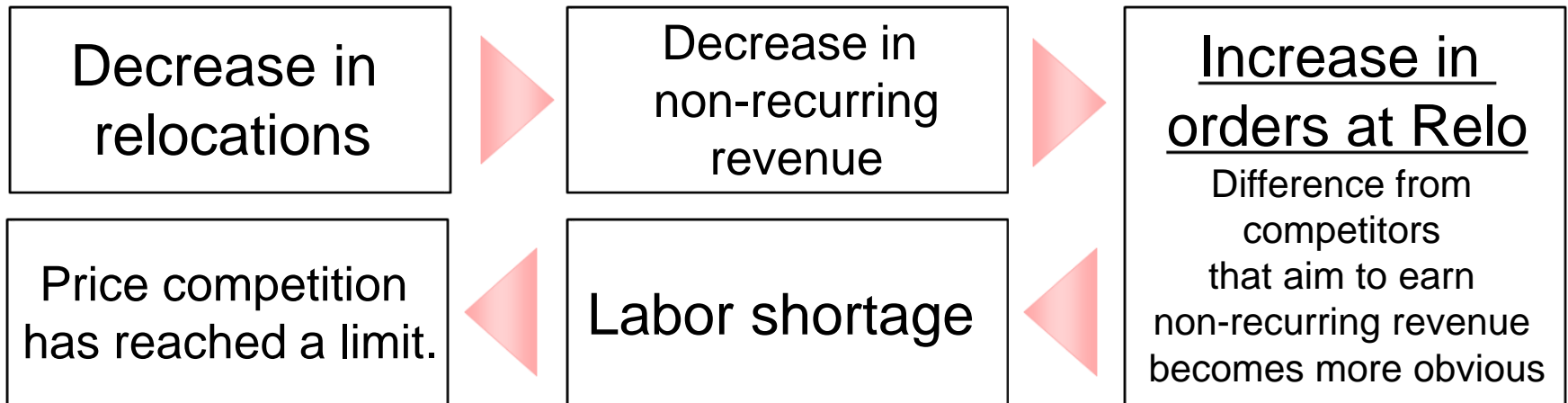
<Changes in the competitive environment>

Keyword is

**Labor shortage**

Leased Corporate Housing Management Business

< The competitive environment >



# The New Third Olympic Plan

<Changes in the competitive environment>

Keyword is

Labor shortage

Relocation Support Business

< The competitive environment >

Decrease in  
relocations



Decrease in  
non-recurring  
revenue



It is difficult for  
companies focusing on  
non-recurring revenue  
to continue business

**Focus attention on Relo Group's competitive advantage and take advantage of it**

# The New Third Olympic Plan

**< Post-Covid-19 >**

Moves toward a sea change in society  
have started to accelerate

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**A big opportunity for Relo Group**

Our function of lending a helping hand to a sea change in Japan, for which we have been preparing over the twelve years in the Second Start-up Stage, will become increasingly necessary

# Fringe Benefits Business

## 3 years after COVID-19

Communication support



Health Management apps



Emergency Communication tools



**Develop content to solve issues to move on to the double-digit stage**

# Fringe Benefits Business

FY2023/3 Actual

Target for FY2025/3

**OP**

**10.0bn**



**14.5bn**

**1**

**Further increase income from membership fees**

**2**

**Find suppliers; increase revenue related to usage**

**3**

**Enhance the Club OFF service (CRM business)**

**4**

**Expand emergency home care services**

# Fringe Benefits Business

**1**

## **Further increase income from membership fees**

Increased income by around 1.0 billion yen every year

Continue to attain new members and promote up-selling

**Focus on attaining new members  
and raising unit prices**



# Fringe Benefits Business

**2**

## **Find suppliers; increase revenue related to usage**

Usage by members declined significantly amid the COVID-19 pandemic

Focus on finding suppliers in areas where attracting customers is necessary

**Start efforts to support suppliers**

# Fringe Benefits Business

**3**

## **Enhance the Club OFF service (CRM business)**

Cancellations by certain customers occurred  
amid the COVID-19 pandemic

Contribute to attracting and retaining clients

**Create designs that clients  
can customize with ease**

# Fringe Benefits Business

FY2023/3 Actual

Target for FY2025/3

**OP**

**10.0bn**



**14.5bn**

**1**

**Further increase income from membership fees**

**2**

**Find suppliers; increase revenue related to usage**

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**Enhance the Club OFF service (CRM business)**

**4**

**Expand emergency home care services**

# Leased Corporate Housing Management Business

**FY2023/3 Actual**



**5.6bn**



**FY2025/3 Plan**

**9.0bn**

**The largest number of corporate housing units under management in the industry**

Become an entity that solves all problems related to corporate housing

**Orders hit a record high for the third consecutive year**

# Leased Corporate Housing Management Business

FY2023/3 Actual

Target for FY2025/3

OP

**5.6bn**



**9.0bn**

**1**

**Further increase the number of corporate housing units under management**

**2**

**Increase the rate of use of ReloNet**

**3**

**Improve efficiency by operating the core systems**

# Leased Corporate Housing Management Business

**1**

**Further increase the number of corporate housing units under management**

Leased Corporate Housing Management

**FY2023/3 Actual**

**240,000** Units



**FY2025/3 Plan**

**300,000** Units

- (1)** Continue to receive new orders
- (2)** Subleases of furnished units, R+, will achieve new growth

# Leased Corporate Housing Management Business

**2**

**Increase the rate of use of ReloNet**

**System development:**

**ReloNet**

Enhance functions;  
promote use



Improve usability



Increase commission  
revenue



Increase the rate of  
use of ReloNet

# Leased Corporate Housing Management Business

**1**

**Further increase the number of corporate housing units under management**

Leased Corporate Housing Management

**FY2023/3 Actual**

**240,000** Units

**FY2025/3 Plan**

**300,000** Units

- (1) Continue to receive new orders
- (2) Subleases of furnished units, R+, will achieve new growth
- (3) Increase also empty homes, corporate housing owned by companies, company dormitories, etc



# Leased Corporate Housing Management Business

**3**

## Improve efficiency by operating the core systems

Leased Corporate  
Housing Management

increased YoY

Operating cost

decreased YoY

**The system has stated to produce results**

**Further cost reductions and reductions in development cost are expected**

# Leased Corporate Housing Management Business

FY2023/3 Actual

Target for FY2025/3

**OP**

**5.6bn**



**9.0bn**

**1**

**Further increase the number of corporate housing units under management**

**2**

**Increase the rate of use of ReloNet**

**3**

**Improve efficiency by operating the core systems**

# Residential Property Management Business

## 3 years after COVID-19

negative

**Business was slow in the Tokyo area, the largest market**

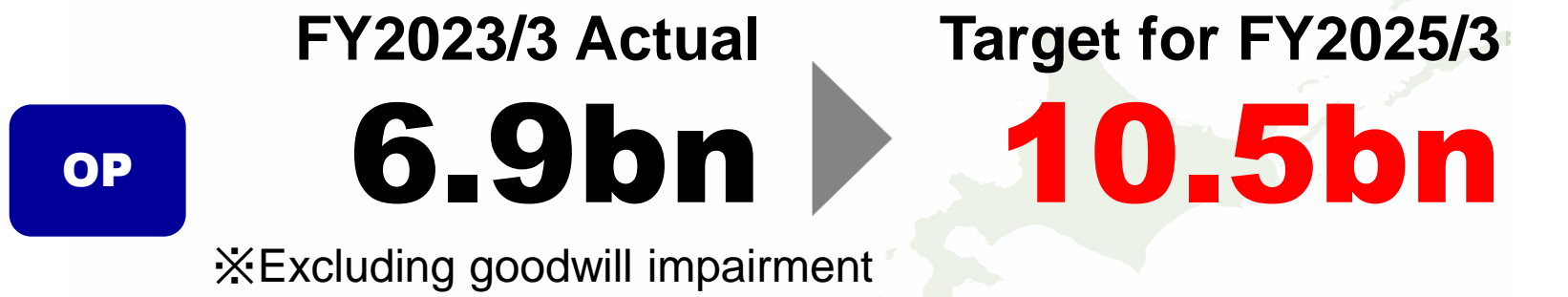
positive

**At HOT HOUSE in Sendai, the Asset Model Business performed well**

**Business in regional areas grew, particularly the real estate business in areas close to stations in Kyushu**

**The effect of operation integration was seen in eastern Japan**

# Residential Property Management Business



- 1** **Growth of the existing businesses, increases in units under management**
- 2** **Promotion of M&A, acceleration of growth**

# Residential Property Management Business

**1**

**Growth of the existing businesses,  
increases in units under management**

Property Management

FY2023/3 Actual

**115,000** Units

Target for FY2024/3

**130,000** Units

① Improve customer satisfaction

**Thoroughly follow Article 2 of the principles;  
increase points of contact with owners.  
Reduce cancellations of property management.**

# Residential Property Management Business

**1**

**Growth of the existing businesses,  
increases in units under management**

Property Management

FY2023/3 Actual

**115,000** Units

Target for FY2024/3

**130,000** Units

② Reorganization, strengthening sales force

**Reorganize Tohto, which performed poorly amid  
the COVID-19 pandemic.**

**Strengthen outsourcing services.**

# Residential Property Management Business

**1**

**Growth of the existing businesses,  
increases in units under management**

Property Management

FY2023/3 Actual

**115,000** Units

Target for FY2024/3

**130,000** Units

**③ Acquire properties sold**

**Increase the number of units under property management by acquiring properties under management (rollup)**

# Residential Property Management Business

**1**

**Growth of the existing businesses,  
increases in units under management**

**Effects  
of  
initiatives**

**(1)** Expansion of management income

**(2)** Increases in the number of  
brokerage services

**(3)** Increases in brokerage services  
and resale

**(4)** Improving productivity by  
reorganizing business by area



# Residential Property Management Business

**2**

## **Promotion of M&A, acceleration of growth**

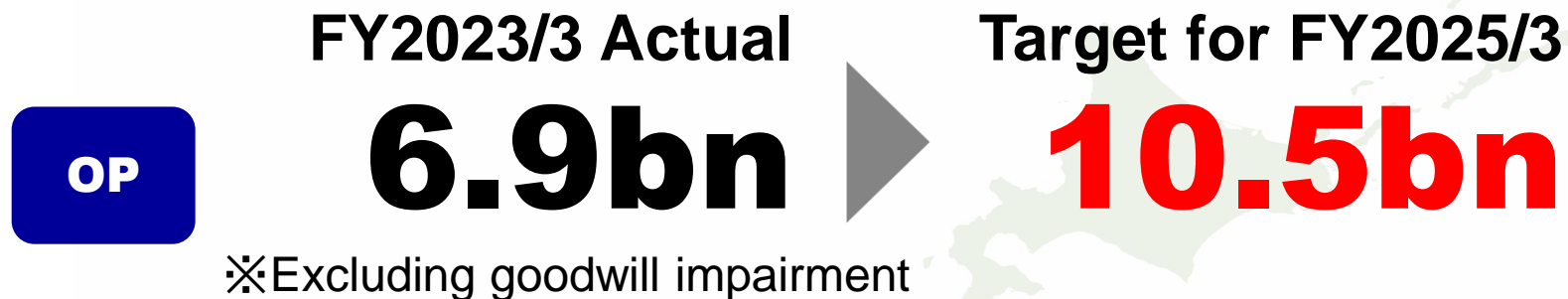
Lack of successors, labor shortages

Promoting business succession and M&A

Accelerate the growth of property management companies that join the Group

**A formula for growth is prepared**

# Residential Property Management Business

**1**

**Growth of the existing businesses,  
increases in units under management**

**2**

**Promotion of M&A, acceleration of  
growth**

# Relocation Support Business

**3 years after COVID-19**

Provided a last resort to Japanese corporate warriors who worked overseas and came home temporarily

As in Leased Corporate Housing Management Business, new orders hit a record high for the third consecutive year

# Relocation Support Business

FY2023/3 Actual

Target for FY2025/3

**OP**

**2.2bn**



**3.0bn**

**1**

**New orders and normalization of overseas assignment support**

**2**

**Expand inbound relocation**

**3**

**Normalization of Business Travel Management**

**4**

**Strengthen collaboration with AIRINC and REDAC**

# Tourism Business

## < Post-Covid-19 >

Aging population and declining birthrate

Japan's massive debt

Labor shortage

Tourism Business will attract human resources, products and money

+

Demand for accommodation in hotels in Japan started to increase after the easing of movement restrictions

# Tourism Business

## < Post-Covid-19 >

Aging population and declining birthrate

Japan's massive debt

Labor shortage

Owners of real estate companies and Japanese inns.

Concern about lack of successors and the future is growing.

They need support to continue their business.

**We help solve the issue of a lack of successors, using our ability to draw in customers to give support in the Corporate Housing Management, Fringe Benefits, and Tourism Business**

# Tourism Business

**1**

**Increase the numbers of facilities and guest rooms**

**2**

**Improvement of Average Daily Rate (ADR)**

**Aim for an operating profit exceeding the plan as the numbers of facilities and rooms increase**



# The New Third Olympic Plan

Aim to achieve the target, taking advantage of the favorable domestic business and competitive environments

Target for FY2025/3

**PBT**

**35.5bn**





# The New Third Olympic Plan

## - The New Third Olympic Plan's Theme-

- ◆ Establishing the sole No. 1 position in the mainstay domestic business
- ◆ Build the foundations for reaching the global market

# SIRVA-BGRS

2019

- Acquired BGRS, one of the leading global relocation companies (Details are available [here](#))

2020

- Impairment loss of goodwill of BGRS (9,504 million yen) due to the impact of Covid-19 (Details are available [here](#))

2021

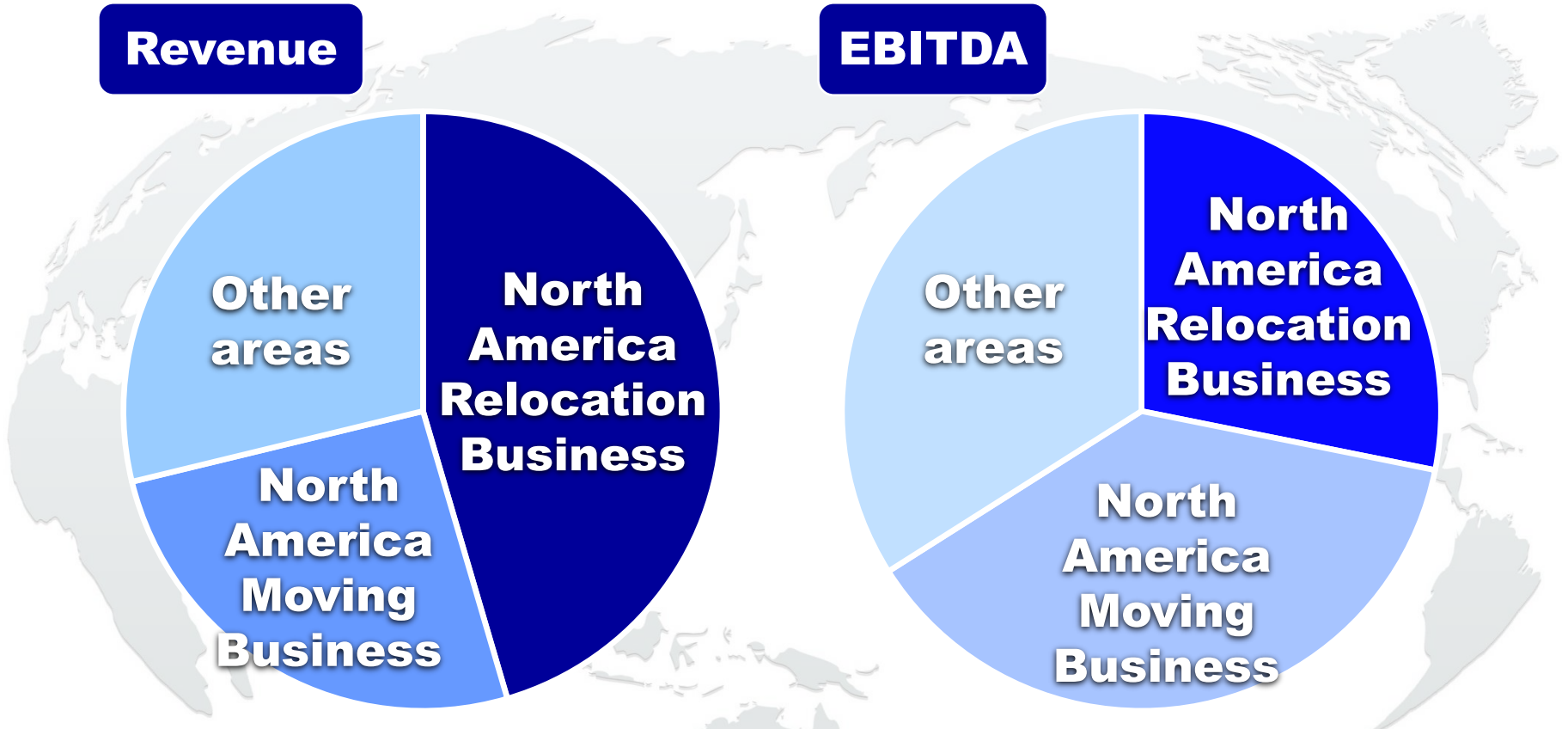
2022

- SIRVA, one of the largest companies in the global relocation industry, is made a joint venture (SIRVA-BGRS Holdings, Inc.) and joint management begins. Transfer of BGRS shares held by the Company for the integration and acquisition of newly issued preferred shares by SIRVA as consideration (Details are available [here](#))
- Preferred shares have 0% voting rights but are convertible at any time into common shares equivalent to 23% of voting rights
- Hold call options to purchase up to 100% of SIRVA-BGRS shares until April 1, 2025

2025

- Call option exercise deadline: April 1, 2025
- Exercise to be determined (as of Jun 2, 2023)

# SIRVA-BGRS



**[OP Margin] Relocation Business < Moving Business**

# SIRVA-BGRS

## North America Relocation Business

Relocation  
Support

**OP Margin** **Low**

+

Real Estate  
Support

**OP Margin** **High**

**The volume of real estate support services is small compared to the volume of relocation support services**

# SIRVA-BGRS

North America Relocation Business

North American Real Estate Market

The market is sluggish in the current fiscal year due to interest rate hikes, among other factors

This has a negative impact on results,  
but the market will recover

**sirva**

Moving Relocation Company

The real estate support ingest rate may be lower than at competitors. **There is room for growth**

# SIRVA-BGRS

## North America Moving Business

Relocations require moving services  
= The rate of change in sales is lower than  
in the real estate business.

There are large orders, which will contribute  
to profit from the next fiscal year.

Sirva has not fully tapped into demand for  
moving services from BGRS customers.

There is room for growth.

# SIRVA-BGRS

## **sirva** Factors to consider in predicting future performance

**1**

**Room for growth, and examining the assumption**

**2**

**The possibility and prospect of laying a foundation for transactions with global companies, particularly Fortune 500 companies**

**3**

**The ability to receive new orders as the No. 1 global relocation company**

**4**

**The effectiveness of economies of scale**

# SIRVA-BGRS

**sirva** Factors to consider in predicting future performance

- ◆ Whether Sirva will become a basis for global expansion
- ◆ The potential for an adequate return on investment



# Contact

**Planning and IR Group,  
Relo Group, Inc.**

**TEL: 03-5312-8704**

**E-Mail: [ir@relo.jp](mailto:ir@relo.jp)**

**URL: <http://www.relo.jp/>**

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