

2Q FY2024/3

Relo Group

Investor Presentation

Nov 24, 2023

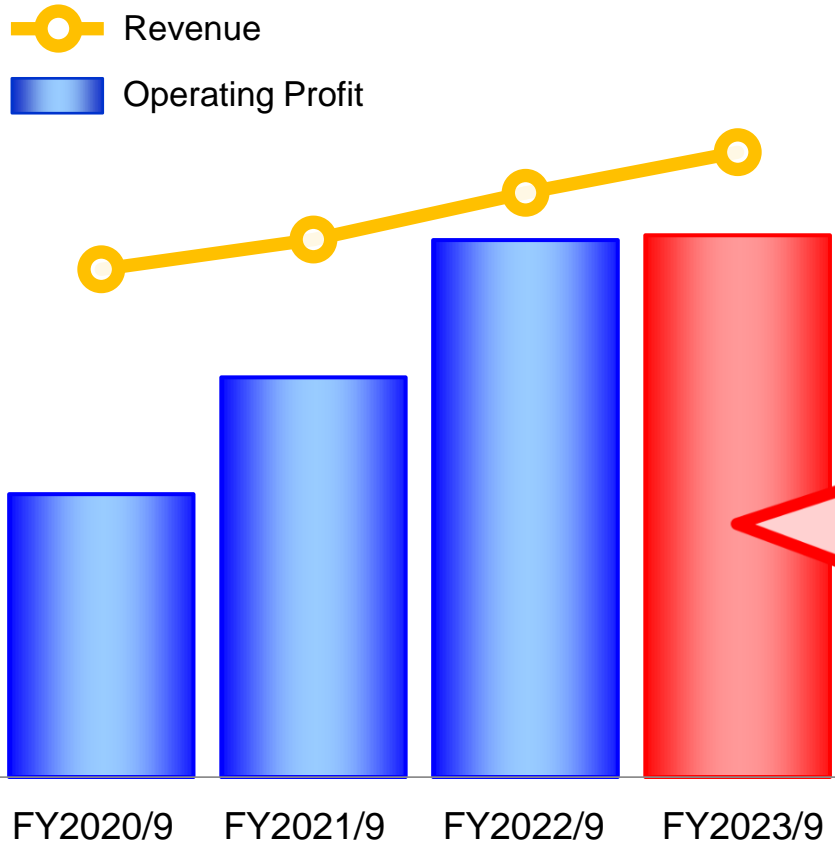
Summary of 1H FY2024/3

(Rounded down to the nearest million yen)

	Actual FY2023/09	Actual FY2023/09	YoY
Revenue	63,189	59,074	+7.0%
Operating Profit	12,525	12,408	+0.9%
Profit Before Income Taxes	13,044	12,910	+1.0%
Net Income	8,827	13,100	▲32.6%

Achieved increased profits in the first half, even without a large real estate sale during the term

Summary of 1H FY2024/3



Revenue

¥63.1B

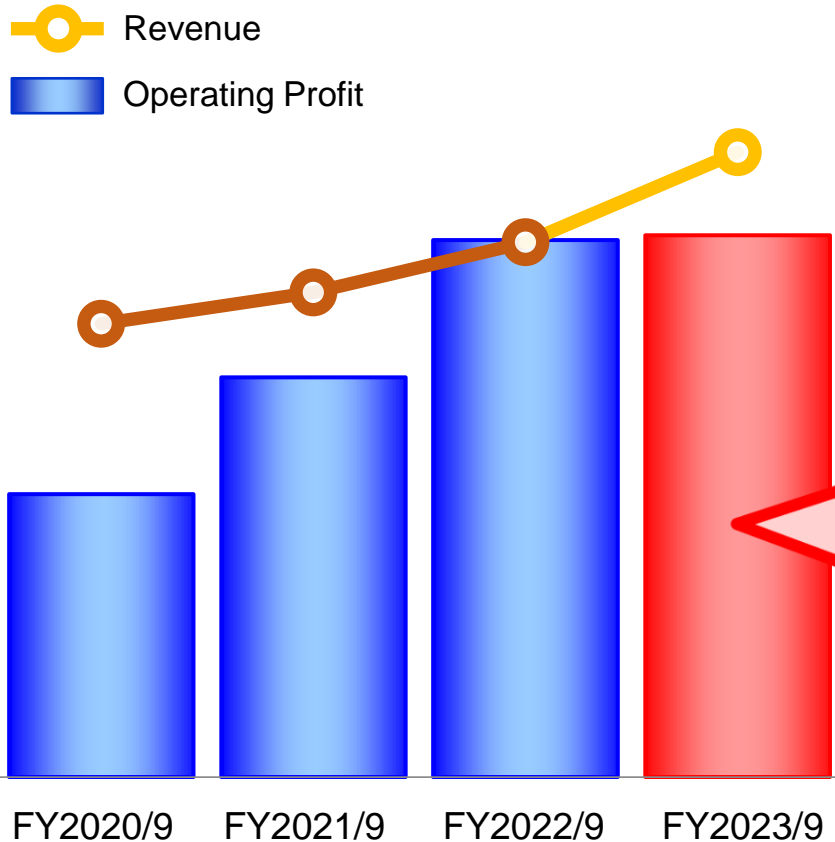
YoY **+7.0%**

Operating Profit

¥12.5B

YoY **+0.9%**

Summary of 1H FY2024/3



Revenue

¥63.1B

YoY **+16.9%**

Operating Profit

¥12.5B

YoY **+0.9%**

Excluding the impact of special factors that occurred in the Residential Property Management Business, revenue grew 17%

Summary of 1H FY2024/3

Leased Corporate Housing Management Business

Relocation Support Business

New orders remained strong

Job transfers and personnel changes at client companies are about 85% of those before the COVID-19 pandemic



Summary of 1H FY2024/3

Fringe Benefits Business

Income from membership fees increased due to the accumulation of new members

The CRM business to support marketing is lagging behind schedule

24-hour emergency home care services remained strong

Tourism Business

Nearly 30% growth in profits from operations, excluding a gain on sale of real estate

New environment after COVID-19

Tourism and Inbound



The movement of people is beginning to emerge in a major way

Corporations and Individuals



Movements involving relocations are trending lower compared to the level before COVID-19

New environment after COVID-19

Businesses and Corporations

Digitization of Operations



Cost reduction



Decrease in
people movement



Geopolitical risk



Impact on overseas
expansion

New environment after COVID-19

Individuals

Monetary easing



Real estate investment revitalized



Weakening of yen
Sharp rise in resource prices



Real estate prices rise



Decrease in
people movement



Rent increase

New environment after COVID-19

Individuals

Weakening of yen
Sharp rise in resource prices



Real estate prices rise



Decrease in
people movement



Rent increase



Occupancy rate
remains high



Decrease in real estate rental
transactions

New environment after COVID-19

< Post-Covid-19 >

Decrease in
people movement

Real estate prices rise

Decrease in the number
of brokerage transactions

We expect that similar conditions will continue in the
next fiscal year

Business plans for the current fiscal year (ending March 31, 2024) have been partially revised

Aiming to achieve the consolidated business plan

New environment after COVID-19

USA

Lockdown and curfew



Work from home



Decreased movement
of people



Monetary tightening



Mortgage Rates Rising

New environment after COVID-19

Global Relocation Company

Monetary tightening



Mortgage Rates Rising



- Real estate is the main source of income
- The U.S. is the main market

The entire industry has sustained a huge blow

New environment after COVID-19

< Post-Covid-19 >

Global trend

Money
movement

Geopolitical risk

Movements involving relocations are trending lower compared to the level before COVID-19

We expect that similar conditions will continue in the next fiscal year

**Taking measures to achieve
the New Third Olympic Plan**

Target for FY2024/3

(Rounded down to the nearest million yen)

	Actual FY2023/09	Full-Year Forecasts FY2024/03	Progress
Revenue	63,189	135,000	46.8%
Operating Profit	12,525	27,700	45.2%
Profit Before Income Taxes	13,044	29,000	45.0%
Net Income	8,827	19,000	46.5%

**Given our strength in recurring revenue business,
it is possible to exceed the plans**

Target for FY2024/3

(Rounded down to the nearest million yen)

	Actual FY2023/09	Full-Year Forecasts FY2024/03	Progress
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**Aiming to achieve the plan in operating profit,
which shows the strength of our core business**

Target for FY2024/3

Leased Corporate Housing Management Business

Original

OP

7.0bn



Revised

6.5bn

Relocation Support Business

Original

OP

2.6bn



Revised

2.4bn

Target for FY2024/3

Residential Property Management Business

Original

OP

8.0bn



Revised

8.3bn

Fringe Benefits Business

Original

OP

12.5bn



Revised

11.9bn

Target for FY2024/3

Tourism Business(Hotel Management)

Original

OP

2.0bn



Revised

2.3bn

Tourism Business(Sale of hotel assets)

Original

OP

0



Revised

0.5bn

Target for FY2024/3

Consolidated

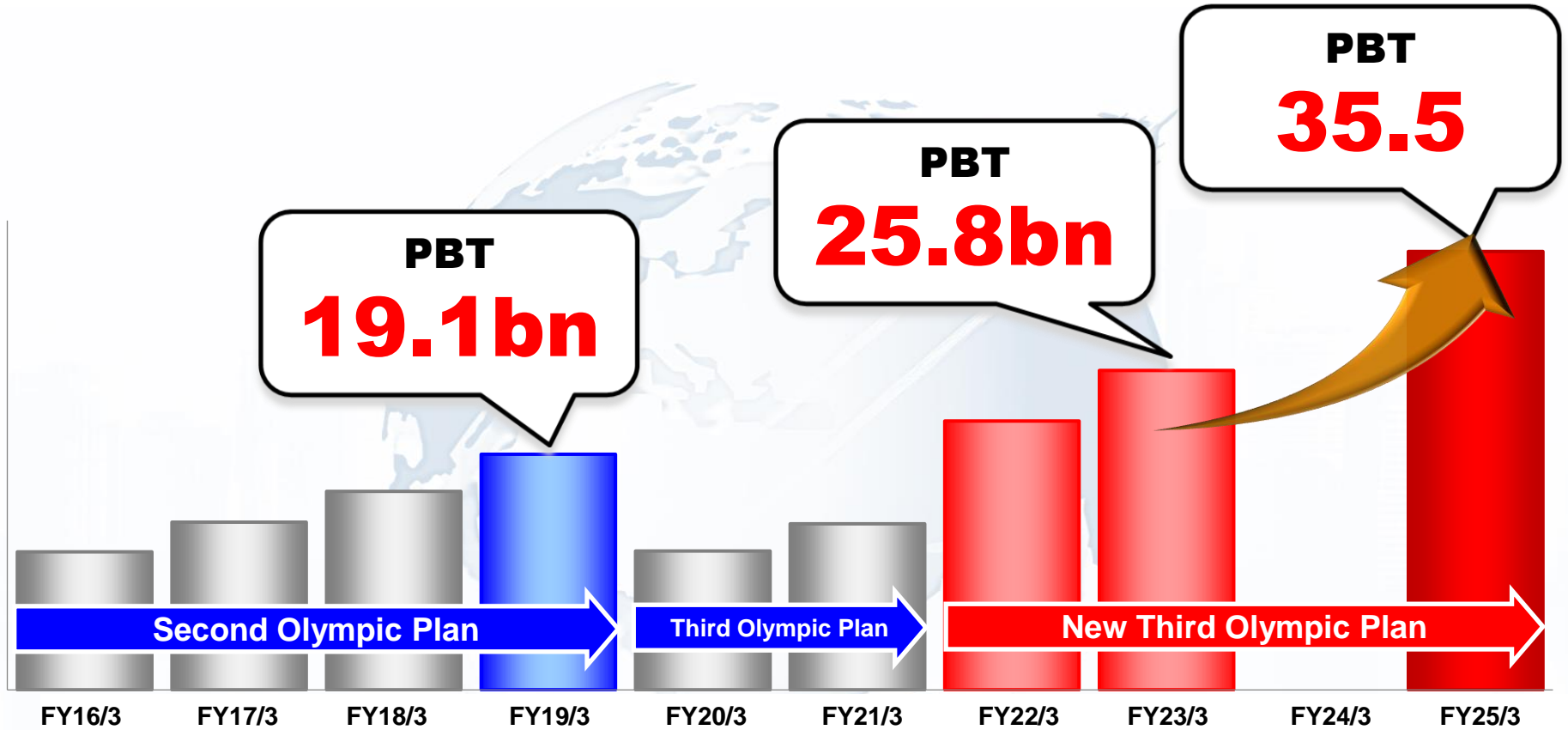
Original

OP

27.7bn



The New Third Olympic Plan



Segment plans for the next fiscal year will be determined after nailing down the situation in the second half

The New Third Olympic Plan

Operations amid
the COVID-19 pandemic

① Article 2 of the principles

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

The New Third Olympic Plan

Operations amid
the COVID-19 pandemic

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

**Strengthen recurring
revenues in each business**

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”**

**New orders in the B to B business are strong thanks
to the success of the New Third Olympic Plan**

The New Third Olympic Plan

Plans to achieve the New Third Olympic Plan

① Greater earnings strength and higher unit price

- ▶ **Provision of basic service + problem solving service**
- ▶ **Optimization of the prices of provided services**

The New Third Olympic Plan

Plans to achieve the New Third Olympic Plan

② Improved profit margins

- ▶ **Completion of the system we have been working on**
- ▶ **In-house production of outsourcing services**

The New Third Olympic Plan

Tourism Business

Original

OP

2.0bn

Revised

2.8bn



The New Third Olympic Plan

**Leased Corporate
Housing Management**

**Residential Property
Management Business**

**Relocation Support
Business**

**Fringe Benefits
Business**

Tourism Business

Various portfolios held by each business

Further expand areas where there is a favorable trend

Make preparations in areas where there is an unfavorable trend

Flexibly respond to changes in the external environment

The New Third Olympic Plan

Relocation Support Business

< Post-Covid-19 >

Aging population and declining birthrate

Japan's massive debt

Labor shortage



To compensate for labor shortages,
inbound demand is rapidly expanding

The New Third Olympic Plan

Relocation Support Business

Inbound demand is rapidly expanding

Grouping companies with the ability to respond to inbound demand

Five Star International, Inc.

▶ Providing services mainly to foreign-affiliated companies

**Strengthen response to inbound demand,
needs for which will continue to expand**

The New Third Olympic Plan

Relocation Support Business

1

In the previous fiscal year, special demand due to a rebound after the lifting of COVID-19 restrictions

2

The number of employees assigned overseas continues to shrink

OP

Original

2.6bn



Revised

2.4bn

The New Third Olympic Plan

Leased Corporate Housing Management Business

Positives

New orders remained strong

Company housing rental brokerage up 15% yoy

Negatives

Job transfers and personnel changes at client companies are about 85% of those before the COVID-19 pandemic

Partial delay in management switching due to job transfers and personnel changes

The New Third Olympic Plan

Leased Corporate Housing Management Business

Original **7.0bn** **Revised** **6.5bn**

OP

1

Accumulate management with the external environment as a tailwind

2

Growth of a furnished property R+

The New Third Olympic Plan

Residential Property Management Business

Strong stock base

+ Pertaining to the movement of people

+ owner needs

Property Management

Real estate leasing brokerage

Move-in and move-out construction

Real estate brokerage

renovation proposal

The movement of people (flow) and moves of stock owners are different

The New Third Olympic Plan

Residential Property Management Business

Real estate prices rise



Slowdown in people movement



Occupancy rate remains high



Increase in management income



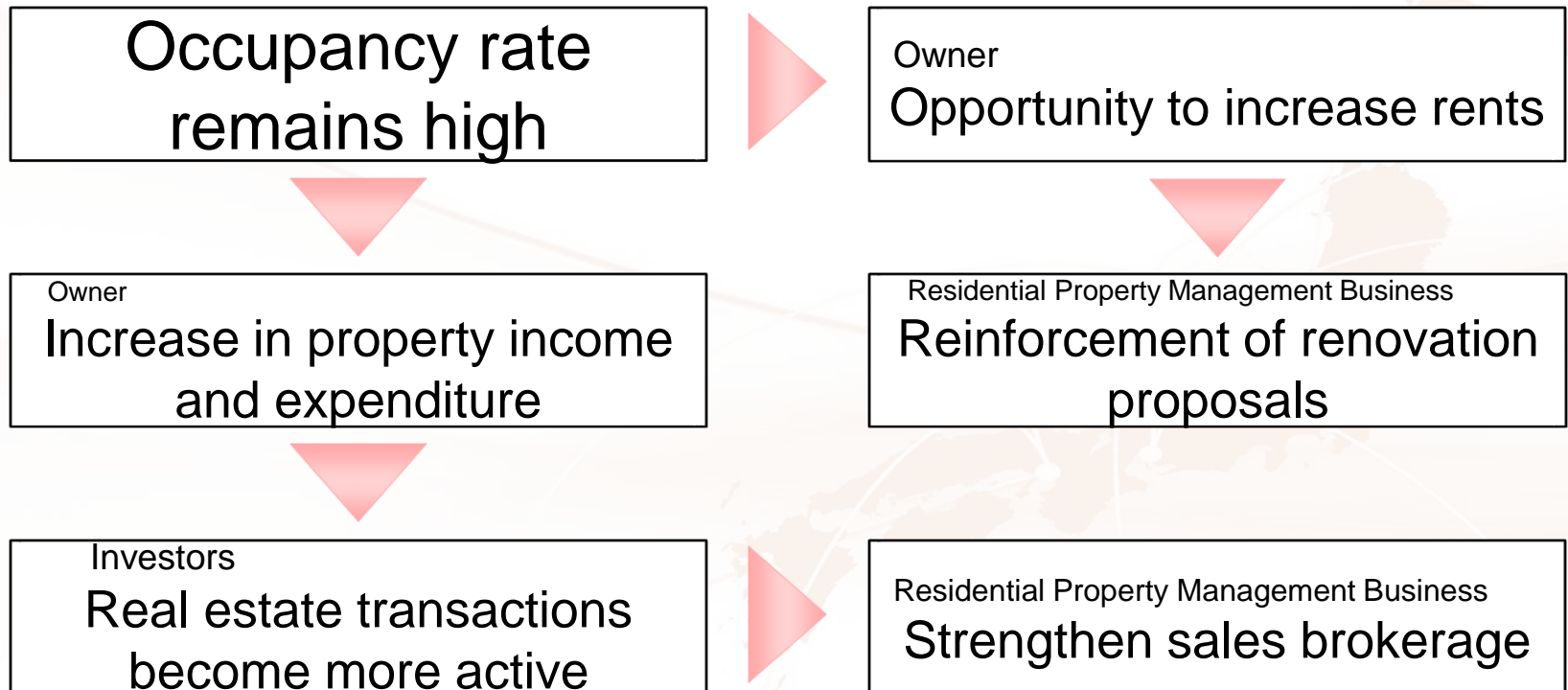
Decrease in brokerage and renovation proposals



Impact on switching management companies

The New Third Olympic Plan

Residential Property Management Business



The New Third Olympic Plan

Residential Property Management Business

1

Strengthening construction and real estate brokerage services

2

Collaboration with operating companies that have joined the Group

Original

OP

8.0bn

Revised

8.3bn

The New Third Olympic Plan

Fringe Benefits Business

- Fringe benefits and emergency home care services

New orders remained strong

- Club Off•Member Businesses

A new trend is emerging in the marketing field

The New Third Olympic Plan

Fringe Benefits Business

In mass marketing, results are difficult to measure

direct response

targeted
advertising

One to One
Marketing

push marketing

+

pull marketing

Possible to acquire customers with less cost and effort

The New Third Olympic Plan

Fringe Benefits Business

Utilize the huge volume of data we have accumulated as a strategy

1

Promote the use of the fringe benefit menu

2

Improve user satisfaction

3

Increase marketing revenue

The New Third Olympic Plan

Fringe Benefits Business

3

Increase marketing revenue

Begin to receive orders through new initiatives

Changes and diversification of advertising methods of client companies

It takes a certain amount of time to contribute to profits

The New Third Olympic Plan

Fringe Benefits Business

Original

OP

12.5bn



Revised

11.9bn



The New Third Olympic Plan

< Post-Covid-19 >

Decrease in
people movement

Real estate prices
rise

Decrease in real estate
rental transactions



We have been achieving consistent growth by converting new environments into new power

**Toward the success of the
Third Olympic Plan**

Contact

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