



Summary of Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2023[Consolidated]
(From April 1, 2022 to September 30, 2022)
[under IFRS]

November 10, 2022

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:	November 14, 2022		
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 September 30, 2022 (From April 1, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	59,074	8.7	12,408	34.3	12,910	32.4	13,100	100.7
Six months ended September 30, 2021	54,350	—	9,240	—	9,751	—	6,526	62.8

	Basic earnings per share	Diluted Net Income per Share
	Yen	Yen
Six months ended September 30, 2022	85.67	82.12
Six months ended September 30, 2021	43.08	41.29

(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 14 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
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2022	297,548	61,501	60,425	20.3
As of March 31, 2022	301,599	55,142	54,485	18.1

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, 2022	—	0.00	—	29.00	29.00
Fiscal year ended March 31, 2023	—	—	—	—	—
Fiscal Year ended March 31, 2023(forecast)	—	0.00	—	31.00	31.00

(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, 2022 to March 31, 2023)

(% 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, 2023	125,000	10.5	22,400	9.1	23,500	7.9	20,700	32.3	135.28

(Note) 1. Correction from the consolidated forecast which is published in the most recent : Yes

2. 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.

3. Please refer to the "Notice of Revision of Results Estimate" released today (November 10, 2022) for the revision of consolidated earnings forecasts.

*Notes

(1) Changes in significant subsidiaries during the Fiscal Year (Changes in specified subsidiaries associated with changes in the scope of consolidation) : Yes

Newly consolidated : -

Excluded : 3 companies (company name) BGRS Limited, BRPS LLC, GHS Global Relocation UK Ltd.

(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 September 30, 2022	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 September 30, 2022	126,137 shares	As of March 31, 2022	53,637 shares
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3. Average number of shares during the period

2nd Quarter of FY2023/3	152,920,467 shares	2nd Quarter of FY2022/3	151,518,420 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 six months of the fiscal year under review, both revenues and profit increased year on year primarily owing to the accumulated base for the stock of units under management in Leased Corporate Housing Management Business and solid performance of Global Relocation Assist Business and Tourism Business thanks to the resumption of people's movement.

From the second six 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 second six months of the fiscal year under review are as shown below.

Revenue	59,074 million yen	(up 8.7% year on year)
Operating profit	12,408 million yen	(up 34.3% year on year)
Profit before income taxes	12,910 million yen	(up 32.4% year on year)
Profit attributable to owners of the parent	13,100 million yen	(up 100.7% year on year)

Results of operations by segment are as shown below.

From the second six 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 first six months of the fiscal year under review, the number of units under management in Leased Corporate Housing Management Business increased and the number of inbound support transactions rose in Global Relocation Assist Business. In addition, steady progress in asset sale and purchase in Residential Property Management Business contributed to the revenue and profit growth.

As a result, the Relocation Business recorded revenue of 41,917 million yen (up 6.6% year on year) and operating profit of 7,863 million (up 25.7%).

(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 six months of the fiscal year under review, user-related revenue rose year on year, reflecting an increase in membership fees in employee benefit-related services and a recovery in the use of lodgings and other facilities. Moreover, emergency home care services remained strong, also contributing the revenue and profit growth.

As a result, the Fringe Benefit Business recorded revenue of 10,725 million yen (up 5.1% year on year) and operating profit of 4,742 million yen (down 0.6%).

(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 first six months of the fiscal year under review, despite the ongoing impact of the spread of the COVID-19 infections, 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 5,935 million yen (up 34.8% year on year) and operating profit of 1,553 million yen (up 727.0 % 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 496 million yen (up 17.9% year on year) and an operating loss of 81 million yen (compared to an operating loss of 118 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 297,548 million yen, an decline of 4,051 million yen compared to the end of the previous fiscal year.

Total liabilities amounted to 236,046 million yen, a decline of 10,410 million yen compared to the end of the previous fiscal year.

Total equity came to 61,501 million yen, an increase of 6,359 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 Company plans to revise the full-year forecasts announced on May 12, 2022, due to the impact of the posting of 4,859 million yen as profit from discontinued operations, including the gain on sale of all shares in the BGRS Group (a collective term for BGRS, LLC, BRPS LLC, and BRER SERVICES INC., and their group companies) to the SIRVA Group (a collective term for SIRVA Holdings, Inc. and its group companies) on July 29, 2022, as announced earlier, on the profit attributable to owners of parent.

2. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and cash equivalents	44,439	50,130
Trade and other receivables	98,154	78,582
Inventories	5,613	5,199
Other financial assets	5,758	9,211
Other current assets	6,218	3,482
Total	160,184	146,605
Assets held for sale	1,254	—
Total current assets	161,439	146,605
Non-current assets		
Property, plant and equipment	14,502	14,137
Right-of-use assets	18,459	15,483
Goodwill	17,467	14,377
Intangible assets	20,386	6,127
Investment property	18,365	18,505
Investments accounted for using the equity method	14,618	39,165
Other financial assets	20,011	20,013
Deferred tax assets	15,637	13,410
Other non-current assets	713	9,720
Total non-current assets	140,160	150,942
Total assets	301,599	297,548

(Millions of yen)

	As of March 31, 2021	As of September 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	16,779	19,498
Bonds and borrowings	19,722	27,696
Lease liabilities	43,383	44,400
Income taxes payable	2,896	7,748
Contract liabilities	6,940	7,532
Other financial liabilities	19,415	14,789
Provisions	330	30
Other current liabilities	9,273	4,363
Total current liabilities	118,742	126,060
Non-current liabilities		
Bonds and borrowings	70,702	60,021
Lease liabilities	15,287	12,842
Contract Liabilities	19,681	20,103
Other financial liabilities	8,292	8,442
Provisions	7,260	7,420
Deferred tax liabilities	5,853	462
Other current liabilities	636	692
Total non-current liabilities	127,714	109,985
Total liabilities	246,457	236,046
Equity		
Share capital	2,667	2,667
Capital surplus	—	139
Retained earnings	41,570	50,227
Treasury shares	(57)	(56)
Other components of equity	10,304	7,448
Equity attributable to owners of parent	54,485	60,425
Non-controlling interests	657	1,076
Total equity	55,142	61,501
Total liabilities and equity	301,599	297,548

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

Consolidated Statements of Income

For the six months ended September 30, 2021 and 2022

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Continuing operations		
Revenue	54,350	59,074
Cost of sales	29,757	33,070
Gross profit	24,593	26,003
Selling, general and administrative expenses	16,659	15,729
Other income	1,385	2,258
Other expenses	79	124
Operating profit	9,240	12,408
Finance income	17	129
Finance costs	220	328
Share of profit of investments accounted for using equity method	714	700
Profit before income taxes	9,751	12,910
Income tax expense	2,788	4,196
Profit from continuing operations	6,962	8,713
Discontinued operations		
Profit from discontinued operations	(169)	4,859
Profit	6,793	13,572
Profit attributable to		
Owners of the parent	6,526	13,100
Non-controlling interests	266	472
Profit	6,793	13,572
Profit from continuing operations attributable to owners of the parent company	6,695	8,241
Profit from discontinued operations attributable to owners of the parent company	(169)	4,859
Profit attributable to owners of the parent company	6,526	13,100
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	44.19	53.89
Discontinued operations	(1.12)	31.78
Total	43.08	85.67
Diluted earnings per share (Yen)		
Continuing operations	42.36	51.69
Discontinued operations	(1.07)	30.43
Total	41.29	82.12

Consolidated Statements of Income

For the three months ended September 30, 2021 and 2022

(Millions of yen)

	three months ended September 30, 2021	three months ended September 30, 2022
Continuing operations		
Revenue	27,573	30,722
Cost of sales	14,878	17,214
Gross profit	12,695	13,508
Selling, general and administrative expenses	8,404	8,001
Other income	625	1,046
Other expenses	59	38
Operating profit	4,855	6,515
Finance income	8	91
Finance costs	131	148
Share of profit of investments accounted for using equity method	419	419
Profit before income taxes	5,152	6,877
Income tax expense	1,378	2,278
Profit from continuing operations	3,774	4,599
Discontinued operations		
Profit from discontinued operations	108	5,428
Profit	3,883	10,027
Profit attributable to		
Owners of the parent	3,726	9,666
Non-controlling interests	156	361
Profit	3,883	10,027
Profit from continuing operations attributable to owners of the parent company	3,618	4,238
Profit from discontinued operations attributable to owners of the parent company	108	5,428
Profit attributable to owners of the parent company	3,726	9,666
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	23.85	27.72
Discontinued operations	0.72	35.51
Total	24.56	63.23
Diluted earnings per share (Yen)		
Continuing operations	22.86	26.58
Discontinued operations	0.68	34.00
Total	23.54	60.59

Consolidated Statement of Comprehensive Income
 For the six months ended September 30, 2021 and 2022

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	6,793	13,572
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	8	46
Share of other comprehensive income of investments accounted for using the equity method	2	4
Total	10	51
Items that may be reclassified subsequently to profit or loss		
Differences on translation of foreign operations	472	(3,171)
Exchange differences on translation of foreign operations	61	197
Total	533	(2,973)
Other comprehensive income	544	(2,922)
Comprehensive income	7,338	10,650
Comprehensive income attributable to:		
Owners of the parent	7,067	10,182
Non-controlling interests	271	468
Comprehensive income	7,338	10,650

Consolidated Statement of Comprehensive Income
 For the three months ended September 30, 2021 and 2022

(Millions of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022
Profit	3,883	10,027
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(7)	8
Share of other comprehensive income of investments accounted for using the equity method	(51)	4
Total	(58)	12
Items that may be reclassified subsequently to profit or loss		
Differences on translation of foreign operations	234	(9,039)
Exchange differences on translation of foreign operations	61	124
Total	295	(8,914)
Other comprehensive income	237	(8,901)
Comprehensive income	4,120	1,126
Comprehensive income attributable to:		
Owners of the parent	3,953	764
Non-controlling interests	166	361
Comprehensive income	4,120	1,126

(3) Consolidated Statements of Changes in Equity

(From April 1, 2021 to September 30, 2021)

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at April 1, 2021	2,667	428	30,886	(3,250)	7,775	38,506	(69)	38,437
Profit	—	—	6,526	—	—	6,526	266	6,793
Other comprehensive income	—	—	—	—	540	540	4	544
Total comprehensive income	—	—	6,526	—	540	7,067	271	7,338
Disposal of treasury shares	—	(2,360)	—	3,015	—	654	—	654
Transfer of loss on disposal of treasury shares	—	2,101	(2,101)	—	—	—	—	—
Cash dividend paid	—	—	(2,880)	—	—	(2,880)	(27)	(2,907)
Share-based payment transactions	—	—	—	—	411	411	—	411
Cumulative effect of accounting change	—	(160)	—	—	0	(159)	233	74
Other	—	(8)	(28)	—	14	(22)	(2)	(24)
Total transactions with owners of the parent	—	(428)	(5,010)	3,015	427	(1,995)	204	(1,791)
Balance at September 30, 2021	2,667	—	32,403	(235)	8,743	43,578	406	43,984

(From April 1, 2022 to September 30, 2022)

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at April 1, 2022	2,667	—	41,570	(57)	10,304	54,485	657	55,142
Profit	—	—	13,100	—	—	13,100	472	13,572
Other comprehensive income	—	—	—	—	(2,918)	(2,918)	(3)	(2,922)
Total comprehensive income	—	—	13,100	—	(2,918)	10,182	468	10,650
Disposal of treasury shares	—	4	—	0	—	5	—	5
Cash dividend paid	—	—	(4,436)	—	—	(4,436)	(49)	(4,485)
Share-based payment transactions	—	135	—	—	56	192	—	192
Other	—	(0)	(7)	—	5	(2)	(0)	(3)
Total transactions with owners of the parent	—	139	(4,444)	0	61	(4,241)	(50)	(4,291)
Balance at September 30, 2022	2,667	139	50,227	(56)	7,448	60,425	1,076	61,501

(4) Consolidated Cash Flow Statements

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before tax	9,751	12,910
Profit (loss) before tax from discontinued operations	(412)	10,191
Depreciation and amortization	3,290	3,332
Finance income and finance costs	334	(539)
Share of loss (profit) of investments accounted for using equity method	(1,090)	(855)
Loss (gain) on sale of fixed assets	(425)	(1,890)
Gain on sale of investments in subsidiaries and associates	(136)	(12,223)
Decrease (increase) in inventories	526	(622)
Decrease (increase) in trade and other receivables	3,373	(13,120)
Increase (decrease) in trade and other payables	(1,960)	4,042
Other	(974)	1,290
Subtotal	12,276	2,515
Interest and dividends received	796	451
Interest paid	(276)	(308)
Income taxes paid	(1,387)	(651)
Cash flows from operating activities	11,409	2,006
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,316)	(905)
Proceeds from sale of property, plant and equipment	497	2,150
Purchase of intangible assets	(1,180)	(1,191)
Purchase of property, plant and equipment	(71)	(39)
Proceeds from sale of property, plant and equipment	66	18
Payments for acquisition of subsidiaries	(4,339)	—
Proceeds from sale of subsidiaries	115	6,932
Other	1,574	3,535
Cash flows from investing activities	(4,653)	10,500
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,919)	9,844
Proceeds from long-term borrowings	6,215	1,322
Repayments of long-term borrowings	(6,700)	(13,890)
Redemption of bonds	(255)	(55)
Proceeds from sale of treasury shares	601	5
Dividends paid	(2,880)	(4,434)
Dividends paid to non-controlling interests	(27)	(49)
Other	(1,671)	(1,499)
Cash flows from financing activities	(9,638)	(8,757)
Effect of exchange rate changes on cash and cash equivalents	(42)	1,941
Net increase (decrease) in cash and cash equivalents	(2,925)	5,690
Cash and cash equivalents at the beginning of the period	49,208	44,439
Cash and cash equivalents at the end of the period	46,282	50,130

(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.

For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	39,326	10,200	4,402	53,929
Intersegment revenue	74	93	19	187
Total	39,401	10,294	4,421	54,116
Segment profit(loss)	6,254	4,712	187	11,155

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	421	54,350	—	54,350
Intersegment revenue	86	273	(273)	—
Total	507	54,624	(273)	54,350
Segment profit(loss)	(118)	11,036	(1,796)	9,240

- (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 six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	41,917	10,725	5,935	58,577
Intersegment revenue	103	131	24	259
Total	42,021	10,856	5,960	58,837
Segment profit(loss)	7,863	4,742	1,553	14,159

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	496	59,074	—	59,074
Intersegment revenue	82	341	(341)	—
Total	578	59,416	(341)	59,074
Segment profit(loss)	(81)	14,078	(1,670)	12,408

- (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)

Six months ended September 30, 2021

Omitted due to lack of materiality.

Six months ended September 30, 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.

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	62,330
Accounts receivable	(24,335)
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	6,932

(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
Current assets	63,132
Non-current assets	22,992
Total current assets	86,125
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 September 30, 2022
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)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Revenue (Note)	22,287	30,777
Expenses	22,700	20,586
Profit (loss) before tax from discontinued operations	(412)	10,191
Income taxes (Note)	(243)	5,332
Profit (loss) from discontinued operations	(169)	4,859

(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 second six months ended September 30, 2022.

Cash flows related to discontinued operations are as shown below.

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net cash provided by (used in) operating activities	2,902	(2,619)
Net cash provided by (used in) investing activities(Note)	(549)	6,770
Net cash provided by (used in) financing activities	(3,471)	598
Total	(1,118)	4,749

(Note) Cash flows from investing activities for the second six months ended September 30, 2022 include proceed of 6,932 million yen from sale of subsidiaries.

(Significant subsequent events)

(Acquisition of company, etc. through share purchase)

Relo Group, Inc (the Group) announces that the Group resolved to acquire the shares of Stage Planner Co., Ltd as of October 27, 2022.

1. Purpose and background of the acquisition

For its “Second Start-Up Period” that commenced in April 2011, the Company has the new missions of providing client companies with support in their non-core operations so that they can concentrate on their core operations in global competition, and supporting the global expansion of Japanese companies so that they can perform to their full potential, thereby becoming indispensable in Japan’s future major changes. It has adopted the vision of becoming a top global relocation company.

The Company has achieved significant growth during the First Olympic Plan and the Second Olympic Plan, its four-year medium-term business plan. To achieve its mission and vision, the Company is currently working under the New Third Olympic Plan that began with the fiscal year ending March 2022 to enhance the domestic business with the aim of being a top player in the domestic market while laying the foundations to reach the global market.

The Company plans to capture relocation needs through corporate housing management and support it based on its nation-wide leasing network in its real estate leasing management business, forecasting the flow of people, things, and money from all around the world in the future against the backdrop of the domestic market shrinkage caused by the decreasing birthrate and the aging population. However, the real estate leasing management industry as a whole faces many issues, including problems related to business succession and the labor shortage.

In these circumstances, the Company strives to become a destination for the real estate leasing management industry and launched “Nationwide seven-block Expansion” for residential property management in 2013. This concept has won the support of many real estate leasing management companies. More than 40 have joined the Group and the number is growing.

Stage Planner Co., Ltd., which will join the Group, is managing the leasing of condominiums mainly in Tokyo and three neighboring prefectures where residential rental demand is high. It is commissioned to manage quality properties based on a broad network with real estate companies and provides attentive services to tenants in response to various needs. It is a well-established real estate management company that manages approximately 7,000 leasing properties with a long track record developed since its founding in 1998 and an excellent customer base.

With the acquisition of Stage Planner Co.,Ltd., the Group will promote the sharing of expertise and collaboration on services between the real estate leasing management companies within the Group with the goal of increasing customer satisfaction and creating synergy between businesses to increase the Group’s corporate value and expand “Nationwide seven-block Expansion” for residential property management.

2. About Stage Planner

(1) Company Name	Stage Planner Co., Ltd		
(2) Headquarters	Ebisu Building, 3-11-10 Higashi, Shibuya-ku, Tokyo		
(3) Representative	Yasuaki Nihashi, Representative Director		
(4) Business	Real estate broking, leasing and management, operating management of month-to-month rental apartments, non-life insurance agency business, etc.		
(5) Capital stock	90 million yen		
(6) Year of Establishment	January 8, 1998		
(7) Shareholders and ownership	Yasuaki Nihashi 100%		
(8) Relationships to the Group	Capital relationships	n.a.	
	Personnel relationships	n.a.	
	Trade relationships	n.a.	
(9) Consolidated financial results in the past 3 years (million yen)			
Fiscal year	Oct 2019	Oct 2020	Oct 2021
Net Assets	1,141	1,372	1,626
Total Assets	2,449	2,843	2,914
Net Sales	6,906	7,161	7,422
Operating Income	338	302	266
Ordinary Income	360	331	377
Profit Attributable to Owners of Parent	240	237	259

3. About the Seller

(1) Representative	Yasuaki Nihashi	
(2) Headquarters	Shinagawa-ku, Tokyo	
(3) Relation to the group	Capital relationships	n.a.
	Personnel relationships	n.a.
	Trade relationships	n.a.
	Status as to related parties	n.a.

4. Number of acquiring shares, purchase price and changes in shareholdings

(1) Number of shares held before the transfer	0 shares (Shareholding ratio:0%)
(2) Number of shares acquired	200 shares (Shareholding ratio:100%)
(3) Number of shares held after the transfer	200 shares (Shareholding ratio:100%)

The acquisition value is not disclosed at the request of the subject company.

5. Schedule

(1) Signing of share purchase agreement	October 27, 2022
(2) Closing of the transaction	November 1, 2022

6. Effect on financial performance for the current fiscal year

Although the effect this share acquisition will have on the Group's consolidated business performance for the fiscal year ending March 2023 is currently under investigation, we believe that it will contribute to the improvement of our business performance.