

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



August 12, 2022

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 to Submit the Securities Report:	August 15, 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 June 30, 2022 (From April 1, 2022 to June 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	%
Three months ended June 30, 2022	28,352	5.9	5,893	34.4	6,032	31.2	3,433	22.6
Three months ended June 30, 2021	26,777	—	4,384	—	4,599	—	2,800	210.9

  

	Basic earnings per share	Diluted Net Income per Share
	Yen	Yen
Three months ended June 30, 2022	22.45	21.54
Three months ended June 30, 2021	18.51	17.74

(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 10 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 June 30, 2022	319,410	60,264	59,551	18.6
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	15,800	1.0	103.25

(Note) 1. Correction from the consolidated forecastn which is published in the most recent : None

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.

\*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 June 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 June 30, 2022	118,737 shares	As of March 31, 2022	53,637 shares
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3. Average number of shares during the period

1st Quarter of FY2023/3	152,948,650 shares	1st Quarter of FY2022/3	151,308,364 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.
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## 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 three months of the fiscal year under review, despite the ongoing impact of the spread of the COVID-19 infections, Relo Group, Inc. achieved a firm gain in stock base as both the number of units under management in Leased Corporate Housing Management Business and the number of employee members in Fringe Benefit Business increased. The Tourism Business recorded strong results chiefly due to a recovery in demand for accommodation and the sale of large properties. Overall, both revenue and profit increased.

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	28,352 million yen	(up 5.9% year on year)
Operating profit	5,893 million yen	(up 34.4% year on year)
Profit before income taxes	6,032 million yen	(up 31.2% year on year)
Profit attributable to owners of the parent	3,433 million yen	(up 22.6% 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 first three months of the fiscal year under review, both revenue and profit increased compared to a year ago, primarily owing to an increase in the number of units under management in Leased Corporate Housing Management Business due to new contracts and a rise in the number of inbound support transactions in Global Relocation Assist Business due to the easing of restrictions on entry into the country.

As a result, the Relocation Business recorded revenue of 20,127 million yen (up 3.2% year on year) and operating profit of 3,611 million (up 14.7%).

(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 three months of the fiscal year under review, revenue rose year on year, reflecting an increase in membership fees due to new members attained in employee benefit-related services and strong performance in emergency home care services, a related business. Operating profit declined from a year ago due to an increase in expenses for compensation because of a recovery in the use of employee benefit-related services by members.

As a result, the Fringe Benefit Business recorded revenue of 5,318 million yen (up 1.7% year on year) and operating profit of 2,252 million yen (down 4.3%).

(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 three 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.

As a result, Tourism Business recorded revenue of 2,652 million yen (up 45.8% year on year) and operating profit of 894 million yen (compared to an operating loss of 134 million yen a year ago).

(iv) Other Business

In this segment, we operate financial business, etc., leveraging the core business frameworks. As a result, Other Business recorded revenue of 253 million yen (up 16.5% year on year) and an operating loss of 20 million yen (compared to an operating loss of 58 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 319,410 million yen, an increase of 17,810 million yen compared to the end of the previous fiscal year.

Total liabilities amounted to 259,145 million yen, a decline of 12,688 million yen compared to the end of the previous fiscal year.

Total equity came to 60,264 million yen, an increase of 5,122 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

Results of operations for the first three months of the fiscal year under review were in line with the forecasts. There is no material change in assumptions for the future, including assumptions concerning the growth in the number of COVID-19 infections, timing for containment of the pandemic, etc.

## 2. Consolidated Financial Statements

### (1) Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	44,439	34,713
Trade and other receivables	98,154	62,150
Inventories	5,613	5,338
Other financial assets	5,758	4,610
Other current assets	6,218	5,771
<b>Total</b>	<b>160,184</b>	<b>112,584</b>
Assets held for sale	1,254	88,356
<b>Total current assets</b>	<b>161,439</b>	<b>200,940</b>
Non-current assets		
Property, plant and equipment	14,502	13,891
Right-of-use assets	18,459	16,572
Goodwill	17,467	14,241
Intangible assets	20,386	6,093
Investment property	18,365	18,653
Investments accounted for using the equity method	14,618	14,020
Other financial assets	20,011	20,010
Deferred tax assets	15,637	14,260
Other non-current assets	713	725
<b>Total non-current assets</b>	<b>140,160</b>	<b>118,469</b>
<b>Total assets</b>	<b>301,599</b>	<b>319,410</b>

(Millions of yen)

	As of March 31, 2021	As of June 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	16,779	5,868
Bonds and borrowings	19,722	26,885
Lease liabilities	43,383	45,329
Income taxes payable	2,896	2,745
Contract liabilities	6,940	8,133
Other financial liabilities	19,415	14,869
Provisions	330	—
Other current liabilities	9,273	4,178
Total	118,742	108,010
Liabilities directly associated with assets held for sale	—	32,412
Total current liabilities	118,742	140,423
Non-current liabilities		
Bonds and borrowings	70,702	68,473
Lease liabilities	15,287	13,608
Contract Liabilities	19,681	19,796
Other financial liabilities	8,292	8,351
Provisions	7,260	7,363
Deferred tax liabilities	5,853	461
Other current liabilities	636	666
Total non-current liabilities	127,714	118,722
Total liabilities	246,457	259,145
Equity		
Share capital	2,667	2,667
Capital surplus	—	63
Retained earnings	41,570	40,565
Treasury shares	(57)	(56)
Other components of equity	10,304	16,311
Equity attributable to owners of parent	54,485	59,551
Non-controlling interests	657	713
Total equity	55,142	60,264
Total liabilities and equity	301,599	319,410

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

Consolidated Statements of Income

For the three months ended June 30, 2021 and 2022

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Continuing operations		
Revenue	26,777	28,352
Cost of sales	14,879	15,856
Gross profit	11,898	12,495
Selling, general and administrative expenses	8,254	7,727
Other income	760	1,211
Other expenses	20	86
Operating profit	4,384	5,893
Finance income	9	38
Finance costs	89	180
Share of profit of investments accounted for using equity method	294	281
Profit before income taxes	4,599	6,032
Income tax expense	1,410	1,918
Profit from continuing operations	3,188	4,114
Discontinued operations		
Profit from discontinued operations	(277)	(569)
Profit	2,910	3,544
Profit attributable to		
Owners of the parent	2,800	3,433
Non-controlling interests	110	111
Profit	2,910	3,544
Profit from continuing operations attributable to owners of the parent company	3,077	4,003
Profit from discontinued operations attributable to owners of the parent company	(277)	(569)
Profit attributable to owners of the parent company	2,800	3,433
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	20.34	26.18
Discontinued operations	(1.83)	(3.72)
Total	18.51	22.45
Diluted earnings per share (Yen)		
Continuing operations	19.50	25.11
Discontinued operations	(1.76)	(3.57)
Total	17.74	21.54

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

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	2,910	3,544
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	15	38
Share of other comprehensive income of investments accounted for using the equity method	54	0
Total	69	38
Items that may be reclassified subsequently to profit or loss		
Differences on translation of foreign operations	238	5,867
Exchange differences on translation of foreign operations	—	72
Total	238	5,940
Other comprehensive income	307	5,979
Comprehensive income	3,218	9,524
Comprehensive income attributable to:		
Owners of the parent	3,113	9,417
Non-controlling interests	105	106
Comprehensive income	3,218	9,524



(3) Consolidated Statements of Changes in Equity

(From April 1, 2021 to June 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	—	—	2,800	—	—	2,800	110	2,910
Other comprehensive income	—	—	—	—	312	312	(5)	307
Total comprehensive income	—	—	2,800	—	312	3,113	105	3,218
Disposal of treasury shares	—	(33)	—	473	—	440	—	440
Transfer of loss on disposal of treasury shares	—	33	(33)	—	—	—	—	—
Cash dividend paid	—	—	(2,880)	—	—	(2,880)	(27)	(2,907)
Share-based payment transactions	—	—	—	—	220	220	—	220
Cumulative effect of accounting change	—	(156)	—	—	—	(156)	238	82
Other	—	—	(65)	—	0	(65)	7	(57)
Total transactions with owners of the parent	—	(156)	(2,978)	473	220	(2,440)	218	(2,222)
Balance at June 30, 2021	2,667	271	30,707	(2,776)	8,308	39,178	254	39,433

(From April 1, 2022 to June 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	—	—	3,433	—	—	3,433	111	3,544
Other comprehensive income	—	—	—	—	5,984	5,984	(4)	5,979
Total comprehensive income	—	—	3,433	—	5,984	9,417	106	9,524
Disposal of treasury shares	—	—	—	0	—	0	—	0
Cash dividend paid	—	—	(4,436)	—	—	(4,436)	(49)	(4,485)
Share-based payment transactions	—	63	—	—	17	81	—	81
Other	—	—	(2)	—	5	2	(1)	1
Total transactions with owners of the parent	—	63	(4,438)	0	23	(4,351)	(50)	(4,402)
Balance at June 30, 2022	2,667	63	40,565	(56)	16,311	59,551	713	60,264

#### (4) 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. 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 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 three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	19,509	5,232	1,818	26,559
Intersegment revenue	38	41	11	91
Total	19,547	5,273	1,830	26,651
Segment profit(loss)	3,148	2,353	(134)	5,367

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	217	26,777	—	26,777
Intersegment revenue	43	135	(135)	—
Total	261	26,912	(135)	26,777
Segment profit(loss)	(58)	5,308	(924)	4,384

(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 three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	20,127	5,318	2,652	28,098
Intersegment revenue	51	59	14	126
Total	20,178	5,378	2,666	28,224
Segment profit(loss)	3,611	2,252	894	6,759

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	253	28,352	—	28,352
Intersegment revenue	41	167	(167)	—
Total	294	28,519	(167)	28,352
Segment profit(loss)	(20)	6,738	(845)	5,893

(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.

(Assets held for sales and discontinued operations)

The Company resolved at a meeting of the Board of Directors held on May 6, 2022 to transfer its shares in the BGRS Group (a collective term for BGRS, LLC, BRPS LLC, and BRER SERVICES INC., and their group companies) in the Global Strategic Business to the SIRVA Group (a collective term for SIRVA Holdings, Inc. and its group companies) and entered into an agreement on the same date. With the agreement, the Global Strategic Business is classified as discontinued operations, and results in the business in the first three months of the previous fiscal year are restated as results in discontinued operations.

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 by the end of the previous 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 June 30, 2022
Assets held for sale		
Cash and cash equivalents	—	7,598
Trade and other receivables	—	51,389
Property, plant and equipment	1254	623
Intangible assets	—	15,835
Other financial assets	—	1,389
Other assets	—	11,519
Assets	1,254	88,356
Liabilities directly associated with assets held for sale		
Trade and other payables	—	15,202
Other financial liabilities	—	5,354
Other liabilities	—	11,856
Liabilities	—	32,412

(2) Discontinued operations

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

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Revenue	11,671	13,595
Expenses	12,034	14,242
Profit (loss) before tax from discontinued operations	(363)	(647)
Income taxes	(85)	(77)
Profit (loss) from discontinued operations	(277)	(569)

Cash flows related to discontinued operations are as shown below.

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net cash provided by (used in) operating activities	(2,952)	(10,913)
Net cash provided by (used in) investing activities	(271)	(543)
Net cash provided by (used in) financing activities	1,445	6,283
Total	(1,778)	(5,173)

(Significant subsequent events)

(Completion of Share Transfers in Consolidated Subsidiaries and Acquisition of Shares in Equity Method Subsidiary)

Relo Group, Inc. announces that it has completed the share transfers of BGRS Group (collective term for BGRS LLC, BRPS LLC, BRER SERVICES INC. and their group companies) to SIRVA Group and acquired announced in the "Notice of Change in Consolidated Subsidiaries (Share Transfer) and Commencement of Joint Management of the Global Relocation Business" dated May 6, 2022.

Although BGRS Group will be excluded from our consolidated subsidiaries as a result of this transaction, the Company will start managing the global relocation business jointly with Global Relocation and Moving Services, LP in order to realize our vision of becoming a top global relocation company.

Moreover, regarding the impact of the share transfers, realized gain is expected to be posted as gain or loss of discontinued operations, but the Company is currently reviewing the details of the matter. The Company will promptly disclose any matter arising in the future that requires disclosure.