May 23, 2019

For Immediate Release

Company name: Relo Group, Inc.
Representative: Kenichi Nakamura
President & Representative Director
(Code: 8876, First Section of TSE)
Contact: Yasushi Kadota
Senior Managing Director
(Tel: +81-3-5312-8704)

Notice of Formulation of Medium-Term Management Plan, "the Third Olympic Plan"

Relo Group, Inc. (the Group) announces that it has established "the Third Olympic Plan," a four-year medium-term management plan that runs from FY2020/3 through FY 2023/3 (from the fiscal year ending March 2020 to the fiscal year ending March 2023).

1. Numerical Targets of the Third Olympic Plan

The Group has set the results targets for the final fiscal year ending March 2023 of sales of 370.0 billion yen and profit before income taxes of 35.5 billion yen. The Group will work towards meeting these targets.

The Group will also endeavor to attain sales growth for the 23rd consecutive year, to mark the highest-ever profit for the 14th consecutive year, to increase dividends for the 20th consecutive year and to keep ROE at a level that exceeds 20%.

For the purposes of solidifying business foundations with a view towards full-scale global expansion and improving the international comparability of financial information, the Group will consider applying the International Financial Reporting Standards (IFRS) within the period of the medium-term management plan concerned. Accordingly, the management indicator on which the consolidated results target is set has been changed from recurring profit to profit before income taxes.

The table below shows the consolidated results targets for the separate fiscal years.

Results Targets
under Third Olympic Plan (Billions of yen)

	Targets			Final Fiscal Year
Business Term	53rd	54th	55th	56th
Fiscal Year Ending	March 2020	March 2021	March 2022	March 2023
Sales	280.0	310.0	340.0	370.0
Profit before income taxes	**22.5**	**24.8**	**28.6**	**35.5**

2. Results of the Second Olympic Plan

For its “Second Start-Up Period” that commenced in April 2011, the Group 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.

In the period of the Second Olympic Plan, corporate trends towards operational streamlining boosted needs for the outsourcing management of corporate housing management and fringe benefit operations. The Group steadily developed a subscription-based model in its mainstay businesses and made positive investments in systems development and in mergers and acquisitions to increase profitability.

As a result, the Group fulfilled the recurring profit targets for individual business terms as in the period of the First Olympic Plan. It also attained the recurring profit target of 20.0 billion yen for the final fiscal year.

The table below shows the consolidated financial results for the separate fiscal years.

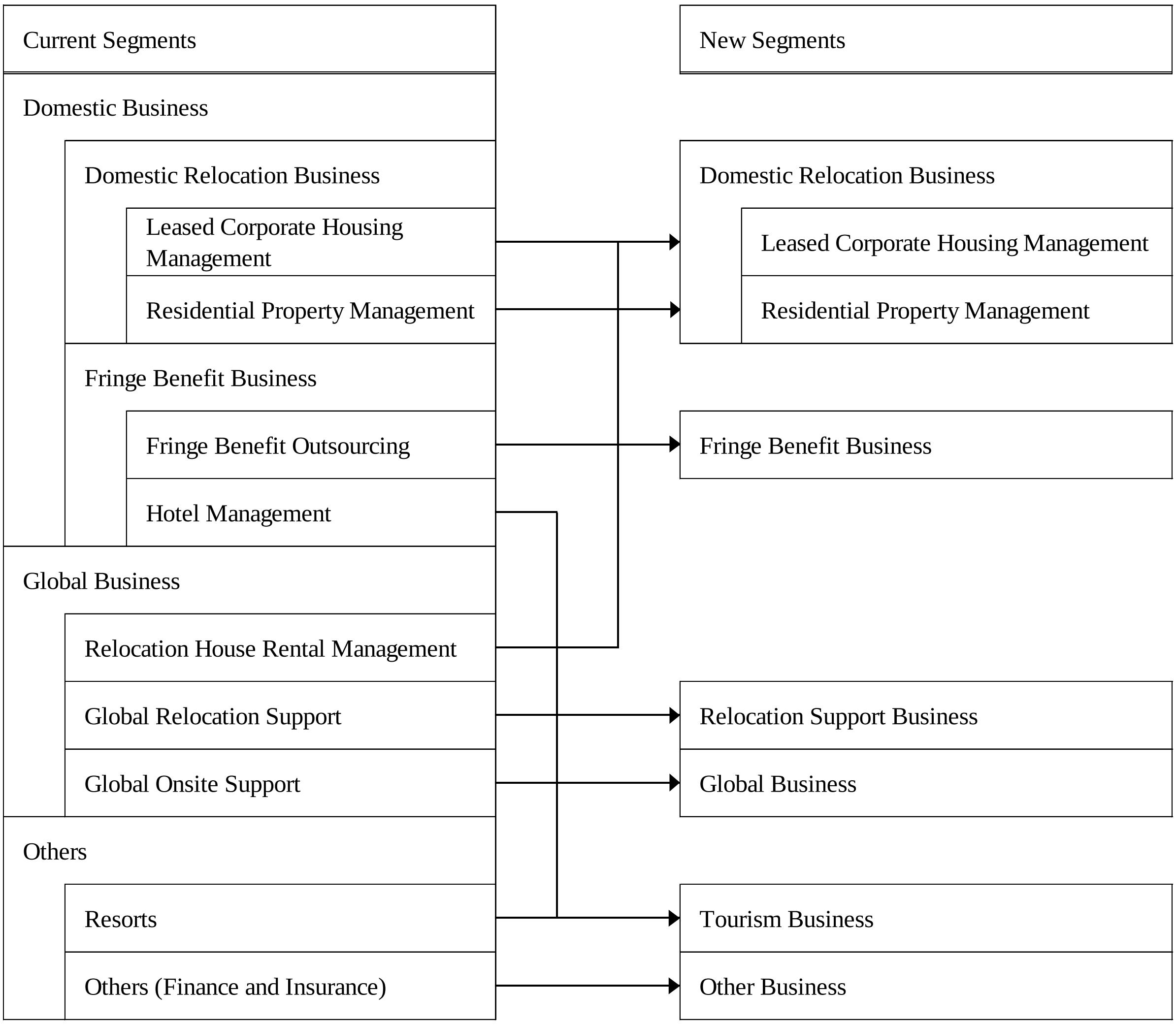
Consolidated Recurring Profit Targets and Results under Second Olympic Plan (Billions of yen)

				Final Fiscal Year
Business Term	49th	50th	51st	52nd
Fiscal Year Ended	March 2016	March 2017	March 2018	March 2019
Recurring profit target	11.3	13.8	16.5	20.0
Recurring profit actual	**11.85**	**14.23**	**16.94**	**20.07**
Year-on-year rate of increase	+ 20.2%	+20.1%	+ 19.0%	+18.5%

3. Priority Issues in the Third Olympic Plan

Under the Third Olympic Plan, the Group will work to further strengthen its domestic business to aiming to be the absolute number one in market share in terms of domestic market share and to build a footing for reaching the global market with a view towards fulfilling the missions and realizing the vision.

Priority challenges in the individual segments are as mentioned below. For the purpose of increasing efficiency in synergy between segments and in the allocation of management resources to system investment and other areas, the Group will reconstruct its business management structure and reshuffle its business segments.



<Leased Corporate Housing Management Business>

The Leased Corporate Housing Management Business achieved a considerable increase in the number of units under management in the four-year period of the previous medium-term management plan. In the Third Olympic Plan, the systems in which the Company has invested will commence full-scale operation. The Company will work to streamline operations, increase usability to encourage utilization, support the brokerage of more leased corporate housing units and deal with more furnished leased corporate housing units in view of the increase in non-Japanese workers.

In addition, the vacant house property management business was transferred from the Global Business to this segment. The Company will therefore construct a one-stop system providing corporate housing-related businesses with a view to further growth.

This business is anticipated to earn operating profit of 10.5 billion yen in the fiscal year ending March 31, 2023.

<Residential Property Management Business>

For the Residential Property Management Business, the Company has defined its vision of becoming Japan's largest residential rental management institution in accordance with its mission of ascertaining transfer needs in the Leased Corporate Housing Management Business to support it with the nationwide leased housing network.

During the four-year period of the previous medium-term management plan, Relo Partners, Ltd. was established as an intermediate holding company to accelerate the sharing of successful examples among the companies in the Group, and the brand *Relo no Chintai* was launched.

Under the Third Olympic Plan, the Company will forge ahead with the development of this brand to complete its expansion to all seven regions in Japan. It will also enhance its support functions and services for non-Japanese workers.

This business is expected to achieve operating profit of 8.0 billion yen in the fiscal year ending March 31, 2023.

<Fringe Benefit Business>

In the Fringe Benefit Business, the Company invested in systems in the four-year period of the preceding medium-term management plan. This put the Second Growth Curve on track and provided the entire Group with a positive impetus. The Company responded to the needs of part-time workers seeking to be promoted to regular employees amid work style reform and carried out sales activities, even in regions that are heavily affected by the population decline. The Company will step up sales activities outside the Tokyo region with the aim of bridging the gap in fringe benefits between businesses in the Tokyo area and those in provincial areas.

Since the Japanese population and the domestic market are shrinking, corporate actions for retaining customers are expected to gather momentum. The Company will expand the CRM Business by capitalizing on the nationwide service platform developed in the Fringe Benefit Business.

This business is anticipated to earn operating profit of 13.5 billion yen in the fiscal year ending March 31, 2023.

<Relocation Support Business & Global Business>

The global expansion of Japanese firms is increasingly gaining speed.

During the four-year period of the previous medium-term management plan, the Relocation Support Business completed its integration with the external sales team of Relo Panasonic Excel International Co., Ltd., which used to be part of the Panasonic Group. It is now at the stage of producing synergy.

In addition, the Global Business managed serviced apartments and hotels for Japanese workers stationed overseas and provided accommodation brokerage and agency services for temporary residences during the four-year period. It also offered a package of services encompassing visa support, arrangements for health checkups, response actions for clearing residence-related problems and insurance policies to attain substantial growth.

However, the global expansion of Japanese firms is more strongly oriented toward integrating overseas businesses into their groups through mergers and acquisitions. It is essential to support the transfers of workers working for overseas companies in addition to those of Japanese workers assigned to overseas locations.

As announced in the press release dated April 25, 2019 entitled Notice of Acquisition of BGRS, the Company will gain the functions of a global relocation company offering services in 14 locations in eight countries worldwide to provide enhanced support for the global expansion of Japanese businesses.

Relocation Support Business is anticipated to earn operating profit of 2 billion yen in the fiscal year ending March 31, 2023.

Global Business is anticipated to earn operating profit of 1.5 billion yen in the fiscal year ending March 31, 2023.

<Tourism Business>

In accordance with the Third Olympic Plan, the Company integrated the Hotel Management Business, which was spun off from the Fringe Benefit Business, with the timeshare resorts business to launch a brand-new Tourism Business.

The Group has worked to rehabilitate corporate resort housing, as well as medium and small hotels and Japanese-style inns, by capitalizing on its member base in the Fringe Benefit Business and its expertise in managing the timeshare resorts business.

Large-scale business hotels and resort hotels are being built in Japan, which is aiming to be a tourism-based country. Meanwhile, medium and small hotels in provincial areas are facing a number of issues such as a lack of successors, as in the leased housing management business, and many of them are ceasing operation.

Under the Third Olympic Plan, the Company will take actions to revitalize provincial hotels and inns with successor problems on the basis of its past achievements.

This business is anticipated to earn operating profit of 3.5 billion yen in the fiscal year ending March 31, 2023.

4. Profit Distribution to Shareholders

The Group understands that profit distribution to shareholders is one of its key management issues. It has a basic policy of paying dividends that are linked with its consolidated results, with a payout ratio target of approximately 30%. It will also strive to achieve steady performance improvements by taking advantage of the characteristics of the stock business and aim to achieve consecutive dividend increase records.

The Group will remain committed to taking steps to continually increase corporate value while maintaining a balance between investments for future growth and shareholder returns.