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For Immediate Release

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Notice of a Medium-term Business Plan “the Second Olympic Plan”

The Relo Group announces that it has established “the Second Olympic Plan,” a four-year medium-term business plan, which starts in FY2016/3 through FY2019/3 (from the fiscal year ending March 2016 to the fiscal year ending March 2019).

1. Numerical Targets of “the Second Olympic Plan”

The Relo Group has specified result targets for the final fiscal year, the year ending March 2019, of operating revenue of 270 billion yen and recurring profit of 20 billion yen on a consolidated basis, and it will implement initiatives to achieve these targets.

Moreover, it will aim to achieve new records, including revenue growth for the 19th consecutive term, record profits for the 10th consecutive term, and a dividend hike for the 16th consecutive term. It will also endeavor to maintain ROE at the current levels.

The results targets for each fiscal year are as follows:

“Second Olympic Plan”

Results Targets

(million yen)

Term	Actual Results 48th Fiscal year ending March 2015	Targets			Targets for the Final Fiscal Year
		49th	50th	51st	52nd Fiscal year ending March 2019
Consolidated Operating Revenue	160,000	177,000	195,000	230,000	270,000
Consolidated Recurring Profit	9,860	11,300	13,300	16,400	20,000

2. Results of “the First Olympic Plan”

Taking the opportunity of the change in the management structure to the present one, the Relo Group has positioned the 24-year period until the fiscal year ending March 2035 as the Second “Start-Up” Stage, and has redefined the mission of the Relo Group as “supporting the non-core operations of Japanese companies to enable them to focus on their core operations as they compete on a global stage”, and “supporting the global expansion of Japanese companies so that they can perform to their full potential.”

Based on this initiative, the Group developed the First Olympic Plan, a four-year medium-term business plan, which started in the fiscal year ended March 2012, and it took a number of measures to achieve its mission.

During the period of the First Olympic Plan, the Group categorized its business into a core business and a non-core business, and made aggressive investments in the strengthening of human resources, system development, M&A and other matters to concentrate its management resources on the core business. It also took other measures, including selling and withdrawal from certain non-core businesses. Moreover, the Group focused on increasing the customer base of the core businesses by changing to the business segment based management structure, while it strengthened synergy effects with the core business by expanding the related business sector.

As a result, the Group successfully exceeded the targets set out in the First Olympic Plan of operating revenue of 152 billion yen and recurring profit of 9 billion yen on a consolidated basis.

“First Olympic Plan”

Plan for Consolidated Recurring Profit
and Actual Results

(million yen)

Term	Final Fiscal Year			
	45th	46th	47th	48th Fiscal year ended March 2015
Plan	5,800	6,700	8,000	9,000
Actual Results	6,070	7,140	8,250	9,860
Excess	+2,700	+4,400	+2,500	+8,600

3. Business Development Under “the Second Olympic Plan”

Domestic business:

Upholding its mission of supporting the non-core operations of Japanese Companies to enable them to focus on their core operations as they compete on a global stage, the Relo Group provides fringe benefit outsourcing services to address the issues faced by human resources departments and administrative departments. Under the Second Olympic Plan in the next four years, the Group will continue to further strengthen its core business to gain the unrivaled largest market share by increasing the number of units of leased corporate housing under management and members of employee fringe benefit programs, the Group’s foundation for its stock business.

Moreover, in residential property management business, the Group is striving to expand its functions as a relocation company by promoting “Nationwide seven-block expansion” to ensure that it is able to offer comprehensive support related to the relocation of companies and people, such as company transfers and changes of residence.

<Leased corporate housing management business>

- Enter into the undeveloped market, such as small and midsize enterprises and regional companies.
- Bolster the earnings of the related business sector by improving the usability and utilization rate of ReloNet.
- Streamline operations through IT investments and establish a low-cost operation structure.

<Residential property management business>

- Expand the residential property management business model that has a track record of tripling income after joining the Group to major cities nationwide through M&A.
- Increase the number of units under management by promoting consulting sales to improve the occupancy rate.
- Achieve the integration of the systems and streamlining through centralized procurement.

<Employee fringe benefit business>

- Reinforce marketing to small and midsize enterprises and expand the market share.
- Provide comprehensive services, including mandatory employee fringe benefit programs, targeting major companies.
- Strengthen consulting functions by utilizing usage data.
- Boost earnings through the vertical integration of the service menu, including the hotel business.

Global business:

Upholding its mission of supporting the global expansion of Japanese companies so that they can perform to their full potential, the Relo Group has been developing its business foundations. Under the Second Olympic Plan, the Group will continue to focus on increasing the number of units under management in relocation house rental management services, the Group's start-up business. In addition, the Group will seek to increase the number of households that receive our global relocation support by strengthening corporate sales and further improving service quality.

Moreover, with the aim of becoming a world-class relocation company, the Group will introduce additional service contents and develop overseas bases in the future. Going forward, it will endeavor to establish a structure capable of supporting the relocation of global companies through its overseas bases.

<Overseas transfer support business>

- Develop new products and improve service quality by using the know-how of Relo Panasonic Excel International Co., Ltd.
- Increase the number of households that receive global relocation support by strengthening corporate sales.
- Strengthen the collaboration between global relocation support services and global destination services.
- Develop local support services for employees during transfers in North America.
- Promote the business model to regions outside North America, such as Asia.

4. Investments and Shareholder Returns

In an effort to not only achieve the target of Second Olympic Plan, but also to realize its mission in the Second “Start-up” Stage, the Group will make aggressive investments mainly to increase the customer base of our core business, to promote “Nationwide seven-block expansion” in the residential property management business, and to expand the related business sector expected to exert synergies.

Besides, the Relo Group regards returning profits to shareholders as one of its key management issues, and has accordingly adopted a basic policy of dividend payments that are linked with its consolidated results with the target of a payout ratio of approximately 30%. The Group will also strive to achieve steady performance improvements by taking advantage of the characteristics of the stock business, and aim to further renew the consecutive dividend increase record.

The Group is committed to taking steps to continually enhance corporate value while taking into account the balance of investments for future growth and shareholder returns.