

Summary of Financial Results
for the Fiscal Year Ending March 31, 2024[Consolidated]
(From April 1, 2023 to March 31, 2024)
[under IFRS]



May 9, 2024

Company name:	Relo Group, Inc.	Listed Exchange:	Tokyo Stock Exchange
Security code.:	8876	URL:	https://www.relo.jp/
Representative:	Kenichi Nakamura, Representative Director, CEO		
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Scheduled Date of Ordinary General Meeting of Shareholders: June 26, 2024			
Scheduled Date to Submit the Securities Report: June 27, 2024			
Scheduled Date to Start Distributing Dividends: June 27, 2024			
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 March 31, 2024 (From April 1, 2023 to March 31, 2024)

(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	%
Fiscal Year ended March 31, 2024	132,580	7.2	27,611	21.4	(19,404)	—	(27,807)	—
Fiscal Year ended March 31, 2023	123,698	9.3	22,747	10.8	25,869	18.8	20,887	33.5

	Basic earnings per share	Diluted Net Income per Share	Ratio of profit to equity attributable to owners of the parent company	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
Fiscal Year ended March 31, 2024	(181.93)	(181.93)	(51.9)	(6.3)	20.8
Fiscal Year ended March 31, 2023	136.62	130.97	33.9	8.3	18.4

(Reference) Share of loss (profit) of investments accounted for using equity method:

Fiscal Year ended March 31, 2024 : 582 million yen Fiscal Year ended March 31, 2023 : 1,739 million yen

(2) Consolidated Financial Positions

	Total Assets	Total equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	290,165	40,350	38,624	13.3	252.71
As of March 31, 2023	322,691	69,819	68,615	21.3	448.90

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of March 31, 2024	18,674	(5,799)	(7,791)	49,484
As of March 31, 2023	5,390	10,024	(16,971)	43,695

2. Dividends

	Dividends per Share					Total Dividends	Dividend Payout Ratio (Consolidated)	Dividend / Net Assets Ratio (Consolidated)
	1st quarter End	2nd quarter End	3rd quarter End	Fiscal Year End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	—	0.00	—	33.00	33.00	5,044	24.2	8.2
Fiscal year ended March 31, 2024	—	0.00	—	37.00	37.00	5,655	—	10.5
Fiscal Year ended March 31, 2023(Projected)	—	0.00	—	42.00	42.00		19.5	

(Note) 1. For the fiscal year ending March 31, 2025, we plan to pay an ordinary dividend of 38 yen as described in the outlook, plus a special dividend of 4 yen as a return corresponding to one-time earnings.

(Note) 2. “Total Dividends” in the above table excludes dividends of 0 million yen for the fiscal year ended March 31, 2022 to shares held by the Stock Granting Trust (J-ESOP trust). “Total Dividends” in the above table excludes and dividends of 0 million yen for the fiscal year ended March 31, 2023 to shares held by the Stock Granting Trust (J-ESOP trust) .

3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2024 (From April 1, 2024 to March 31, 2025)

(% 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, 2025	140,000	5.6	30,000	8.6	48,000	—	33,000	—	215.90

*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 March 31, 2024	153,016,200 shares	As of March 31, 2023	153,016,200 shares
As of March 31, 2024	174,632 shares	As of March 31, 2023	161,732 shares
Fiscal year ended March 31, 2024	152,850,257 shares	Fiscal year ended March 31, 2023	152,895,791 shares

2. Number of treasury stock at the end of period

3. Average number of shares during the period

* 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" and "become a global relocation company No.1". 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 fiscal year under review, the Company's operating base expanded, reflecting a firm gain in the stock base as both the number of units under management in the Relocation Business in Japan and the number of employee members in the Fringe Benefits Business increased. In the Tourism Business, revenues and profit were higher than the previous year due to the opening of new facilities and the sale of facilities, which contributed to the business performance. On the other hand, as announced on May 9, 2024 in the "Notice of the Recording of an Impairment Loss on Investments Accounted for Using Equity Method and Differences between Forecast and Actual Results for the Full Year," a loss before income taxes and loss attributable to owners of the parent were recorded, mainly due to the impairment loss recorded for SIRVA-BGRS Holdings, Inc.

Results of operations in the first six months of the fiscal year under review are as shown below.

Revenue	132,580 million yen	(up 7.2% year on year)
Operating profit	27,611 million yen	(up 21.4% year on year)
Profit (loss) before income taxes	(19,404) million yen	(compared to Profit before income taxes of 25,869 million)
Profit (loss) attributable to owners of the parent	(27,807) million yen	(compared to Owners of the parent 20,887 million)

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 fiscal year under review, the stock of units under management in the Leased Corporate Housing Management Business exceeded the previous fiscal year's level, resulting in growth in management fee income, and the number of cases using housing relocation assistance such as real estate search also increased. In the Residential Property Management Business, the number of units under management increased year on year, and the stock base built up steadily. In the Global Relocation Support Business, the number of households assisted with overseas relocation was lower than the previous year, but revenues and profit increased due to the optimization of some prices and cost reductions

As a result, the Relocation Business recorded revenue of 92,459 million yen (up 5.4% year on year) and operating profit of 16,773 million (up 17.8%).

(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 fiscal year under review, both revenue and profit increased compared to a year ago, 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.

As a result, the Fringe Benefit Business recorded revenue of 24,971 million yen (up 11.7% year on year) and operating profit of 11,509 million yen (up 14.8%).

(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 fiscal year under review, hotel occupancy rates exceeded the levels of the previous year, and newly opened facilities contributed to revenues, resulting in strong performance. Both revenues and profit increased, reflecting sales of a large facility recorded in the fourth quarter.

As a result, Tourism Business recorded revenue of 14,081 million yen (up 11.9% year on year) and operating profit of 3,110 million yen (up 35.8%).

(v) Other Business

In this segment, we operate financial business, etc., leveraging the core business frameworks. As a result, Other Business recorded revenue of 1,066 million yen (up 1.2% year on year) and an operating loss of 150 million yen (compared to an operating loss of 170 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 290,165 million yen, an increase of 32,525 million yen compared to the end of the previous fiscal year.

Total liabilities amounted to 249,815 million yen, an increase of 3,056 million yen compared to the end of the previous fiscal year.

Total equity came to 40,350 million yen, an increase of 29,469 million yen compared to the end of the previous fiscal year.

(3) Management discussion of cash flows

Cash and cash equivalents at the fiscal year under review came to 49,484 million yen, a decline of 5,789 million yen compared to the end of the previous fiscal year.

The status of cash flows during the current consolidated fiscal year is as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 18,674 million yen (down 13,284 million yen year-on-year). The main factors were profit before income taxes of 19,404 million yen, depreciation and amortization of 5,660 million yen, Impairment loss of account receivables and investments accounted for using equity method of 47,599 ,and an increase in trade and other receivables of 4,532 million yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 5,799 million yen (compared to an operating loss of 10,024 million yen a year ago). The main reason for the decrease is that the Company recorded expenditures of 6,732 million yen for the acquisition of investment properties and 4,662 million yen for loans receivable, while it recorded proceeds of 8,809 million yen from the sale of investment properties.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 7,791 million yen (down 9,179 million yen year on year). The main factors were 16,666 million yen in repayment of long-term borrowings, 5,043 million yen in cash dividends paid, 11,385 million yen in decrease short-term borrowings, and 5,368 million yen in proceeds from long-term borrowings

(4) Management discussion of forecast for consolidated results of operations and other forward-looking statements

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 next consolidated fiscal year, we expect to expand our stock base, such as the number of units under management in the Leased Corporate Housing Management Business and Property Management Business and that of corporate employee members in the Fringe Benefit Business. In addition, as announced in the “Notice Concerning the Execution of a Subscription Agreement for a Tender Offer for Shares of an Equity-Method Subsidiary and the Expected Recording of Finance Income” dated May 9, 2024, the Company expects to record 18.5 billion yen (estimate) as gain on sales of equity-method investments in the consolidated financial statements for the fiscal year ending March 31, 2025, resulting in 140,000 million yen in revenue, 30,000 million yen in operating income, 48,000 million yen in income before income taxes, and 33,000 million yen in net income attributable to owners of the parent company. In conjunction with the recording of the gain on the sale, the annual dividend forecast for the fiscal year ending March 31, 2025 is 38 yen per share for the common dividend and 4 yen per share for the special dividend, for a total of 42 yen per share.

2. Basic Approach to the Selection of Accounting Standards

Starting in the first three months of the fiscal year ended March 31, 2022, the Group adopted IFRS for the purpose of strengthen management foundation for full-scale global expansion and improving comparability of the company’s financial information in the world’s capital markets.

Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	43,695	49,484
Trade and other receivables	85,197	82,229
Inventories	6,410	6,980
Other financial assets	7,991	2,742
Other current assets	4,004	6,263
Total current assets	147,298	147,701
Non-current assets		
Property, plant and equipment	14,240	15,954
Right-of-use assets	29,632	30,321
Goodwill	15,795	16,458
Intangible assets	8,429	8,846
Investment property	21,529	20,376
Investments accounted for using the equity method	39,889	15,311
Other financial assets	33,244	23,233
Deferred tax assets	11,707	10,909
Other non-current assets	922	1,052
Total non-current assets	175,392	142,463
Total assets	322,691	290,165

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	67,849	61,382
Bonds and borrowings	29,808	37,282
Lease liabilities	8,989	9,782
Income taxes payable	6,265	4,099
Contract liabilities	8,785	8,707
Other financial liabilities	17,261	20,766
Provisions	334	368
Other current liabilities	4,956	4,817
Total current liabilities	144,250	147,208
Non-current liabilities		
Bonds and borrowings	51,963	45,045
Lease liabilities	18,533	18,521
Contract Liabilities	18,979	18,256
Other financial liabilities	8,779	10,084
Provisions	7,843	8,621
Deferred tax liabilities	1,827	1,321
Other current liabilities	694	754
Total non-current liabilities	108,621	102,606
Total liabilities	252,871	249,815
Equity		
Share capital	2,667	2,667
Capital surplus	271	552
Retained earnings	58,141	25,314
Treasury shares	(56)	(51)
Other components of equity	7,592	10,142
Equity attributable to owners of parent	68,615	38,624
Non-controlling interests	1,203	1,726
Total equity	69,819	40,350
Total liabilities and equity	322,691	290,165

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

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Continuing operations		
Revenue	123,698	132,580
Cost of sales	68,351	72,040
Gross profit	55,346	60,540
Selling, general and administrative expenses	35,252	35,997
Other income	3,584	3,642
Other expenses	931	572
Operating profit	22,747	27,611
Finance income	2,297	1,306
Finance costs	915	1,304
Share of profit of investments accounted for using equity method	1,739	582
Impairment loss of account receivables and investments accounted for using equity method	—	47,599
Profit (loss) before income taxes	25,869	(19,404)
income tax expense	9,224	7,841
Profit (loss) from continuing operations	16,644	(27,245)
Discontinued operations		
Profit from discontinued operations	4,845	—
Profit or loss	21,489	(27,245)
Profit attributable to		
Owners of the parent	20,887	(27,807)
Non-controlling interests	601	561
Profit or loss	21,489	(27,245)
Profit (loss) from continuing operations attributable to owners of the parent company	16,042	(27,807)
Profit (loss) from discontinued operations attributable to owners of the parent company	4,845	—
Profit (loss) attributable to owners of the parent company	20,887	(27,807)
Earnings per share		
Basic earnings per share (Yen)		
Continuing operations	104.92	(181.93)
Discontinued operations	31.69	—
Total	136.62	(181.93)
Diluted earnings per share (Yen)		
Continuing operations	100.62	(181.93)
Discontinued operations	30.35	—
Total	130.97	(181.93)

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Profit or loss	21,489	(27,245)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,307	(1,455)
Share of other comprehensive income of investments accounted for using the equity method	7	1
Total	1,315	(1,453)
Items that may be reclassified subsequently to profit or loss	(4,163)	3,809
Exchange differences on translation of foreign operations	137	29
Total	(4,026)	3,838
Other comprehensive income	(2,711)	2,384
Comprehensive income	18,778	(24,860)
Comprehensive income attributable to:		
Owners of the parent	18,181	(25,445)
Non-controlling interests	597	584
Comprehensive income	18,778	(24,860)

(3) Consolidated Statements of Changes in Equity

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other component s of equity	Total		
Balance at April 1, 2022	2,667	—	41,570	(57)	10,304	54,485	657	55,142
Profit or loss	—	—	20,887	—	—	20,887	601	21,489
Other comprehensive income	—	—	—	—	(2,706)	(2,706)	(4)	(2,711)
Total comprehensive income	—	—	20,887	—	(2,706)	18,181	597	18,778
Disposal of treasury shares	—	4	—	0	—	5	—	5
Cash dividend paid	—	—	(4,436)	—	—	(4,436)	(49)	(4,485)
Share-based payment transactions	—	267	—	—	109	377	—	377
Other	—	(0)	118	—	(114)	3	(2)	1
Total transactions with owners of the parent	—	271	(4,317)	0	(5)	(4,050)	(51)	(4,102)
Balance at March 31, 2023	2,667	271	58,141	(56)	7,592	68,615	1,203	69,819

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other component s of equity	Total		
Balance at April 1, 2023	2,667	271	58,141	(56)	7,592	68,615	1,203	69,819
Profit or loss	—	—	(27,807)	—	—	(27,807)	561	(27,245)
Other comprehensive income	—	—	—	—	2,362	2,362	22	2,384
Total comprehensive income	—	—	(27,807)	—	2,362	(25,445)	584	(24,860)
Disposal of treasury shares	—	15	—	4	(19)	0	—	0
Cash dividend paid	—	—	(5,044)	—	—	(5,044)	(63)	(5,108)
Share-based payment transactions	—	264	—	—	232	497	—	497
Other	—	—	25	—	(25)	0	2	2
Total transactions with owners of the parent	—	280	(5,019)	4	187	(4,546)	(61)	(4,608)
Balance at March 31, 2024	2,667	552	25,314	(51)	10,142	38,624	1,726	40,350

(4) Consolidated Cash Flow Statements

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before tax	25,869	(19,404)
Profit (loss) before tax from discontinued operations	10,177	—
Depreciation and amortization	5,626	5,660
Finance income and finance costs	(1,846)	(1,286)
Share of loss (profit) of investments accounted for using equity method	(1,894)	(582)
Impairment loss of account receivables and investments accounted for using equity method	—	47,599
Loss (gain) on sale of fixed assets	(2,565)	(2,733)
Gain on sale of investments in subsidiaries and associates	(12,223)	—
Decrease (increase) in inventories	(1,819)	(569)
Decrease (increase) in trade and other receivables	(22,069)	4,532
Increase (decrease) in trade and other payables	9,754	(6,830)
Other	2,441	3,687
Subtotal	11,451	30,072
Interest and dividends received	1,063	1,323
Interest paid	(726)	(855)
Income taxes paid	(6,397)	(11,866)
Cash flows from operating activities	5,390	18,674
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,009)	(2,329)
Proceeds from sale of property, plant and equipment	2,392	1,542
Purchase of intangible assets	(2,101)	(1,746)
Purchase of investment property	(7,035)	(6,732)
Proceeds from sale of investment property	6,231	8,809
Purchase of property, plant and equipment	(145)	(488)
Proceeds from sale of property, plant and equipment	549	336
Payments for acquisition of subsidiaries	(1,699)	(82)
Proceeds from sale of subsidiaries	9,736	—
Collection of loans receivable	10,421	(503)
Payments for loans receivable	(7,720)	(4,662)
Other	1,406	(503)
Cash flows from investing activities	10,024	(5,799)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,670	11,385
Proceeds from long-term borrowings	3,014	5,368
Repayments of long-term borrowings	(20,601)	(16,666)
Redemption of bonds	(336)	(383)
Proceeds from sale of treasury shares	5	0
Dividends paid	(4,436)	(5,043)
Dividends paid to non-controlling interests	(49)	(60)
Other	(2,237)	(2,392)
Cash flows from financing activities	(16,971)	(7,791)
Effect of exchange rate changes on cash and cash equivalents	812	705
Net increase (decrease) in cash and cash equivalents	(743)	5,789
Cash and cash equivalents at the beginning of the period	44,439	43,695
Cash and cash equivalents at the end of the period	43,695	49,484

(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.

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	87,695	22,366	12,582	122,643
Intersegment revenue	223	261	55	541
Total	87,918	22,627	12,638	123,185
Segment profit (loss)	14,244	10,024	2,291	26,559

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	1,054	123,698	—	123,698
Intersegment revenue	167	708	(708)	—
Total	1,221	124,406	(708)	123,698
Segment profit (loss)	(170)	26,389	(3,642)	22,747

(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.

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	92,459	24,971	14,081	131,513
Intersegment revenue	206	345	76	628
Total	92,666	25,317	14,158	132,141
Segment profit(loss)	16,773	11,509	3,110	31,393

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	1,066	132,580	—	132,580
Intersegment revenue	197	826	(826)	—
Total	1,264	133,406	(826)	132,580
Segment profit(loss)	(150)	31,243	(3,631)	27,611

(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.

(Earnings per share)

(1) The basis for calculating basic earnings per share

The basic for calculating basic earnings per share is as follows.

(Millions of yen)

	Year ended March 31,2023	Year ended March 31, 2024
Profit (loss) attributable to ordinary equity holders of parent		
Profit (loss) attributable to owners of parent	20,887	(27,807)
Profit not attributable to ordinary equity holders of parent	—	—
Profit (loss) from continuing operations used for calculating basic earnings per share	16,042	(27,807)
Profit (loss) from discontinued operations used for calculating basic earnings	4,845	—
Weighted-average number of ordinary shares outstanding	152,895,791	152,850,257
Basic earnings (loss) per share		
Continuing operations	104.92	(181.93)
Discontinued operations	31.69	—
Basic earnings per share	136.62	(181.93)

(2) The basis for calculating diluted earnings per share is as follows.

The basis for calculating diluted earnings per share

(Millions of yen)

	Year ended March 31,2023	Year ended March 31, 2024
Diluted profit attributable to ordinary equity holders of parent		
Profit (loss) used for calculating basic earnings per share	20,887	(27,807)
Adjustments to profit	24	24
Profit (loss) from continuing operations for the year used for calculating diluted earnings per share	16,066	(27,783)
Profit (loss) from discontinued operations for the year used for calculating diluted earnings per share	4,845	—
Weighted-average number of ordinary shares outstanding	152,895,791	152,850,257
Diluted effect		
Stock options	30,561	—
Proceeds from issuance of convertible bonds with stock acquisition rights	6,742,890	—
Weighted - average shares- diluted	159,669,242	152,850,257
Diluted earnings (loss) per share		
Continuing operations	100.62	(181.93)
Discontinued operations	30.35	—
Diluted earnings per share	130.97	(181.93)

(Note) In the current fiscal year, 10 thousand shares of stock options and 6,742 thousand shares of convertible bonds with stock acquisition rights were not included in diluted loss per share because they were antidilutive.

(Sales of subsidiaries)

Fiscal Year ended March 31, 2023

Omitted due to lack of materiality.

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.

(1) Proceeds from sale of subsidiaries

(Millions of yen)	
Consideration	Amount
Consideration	62,330
Accounts receivable	(21,531)
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	9,736

(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
Breakdown of assets at the time of loss of control	
Current assets	63,132
Non-current assets	22,992
Total current assets	86,125
Breakdown of liabilities at the time of loss of control	
Current liabilities	61,973
Non-current liabilities	4,477
Total current liabilities	66,451

Fiscal Year ended March 31, 2024

Not applicable

(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.

In the previous fiscal year, 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.

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

	(Millions of yen)	
	Year ended March 31, 2023	Year ended March 31, 2024
Revenue	30,777	—
Expenses	20,599	—
Profit before tax from discontinued operations	10,177	—
Income taxes	5,332	—
Profit from discontinued operations	4,845	—
(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 year ended March 31, 2023.		

Cash flows related to discontinued operations are as shown below.

	(Millions of yen)	
	Year ended March 31, 2023	Year ended March 31, 2024
Net cash provided by (used in) operating activities	(13,685)	—
Net cash provided by (used in) investing activities	9,023	—
Net cash provided by (used in) financing activities	6,969	—
Total	2,307	—
(Note) Cash flows from investing activities for the year ended March 31, 2023 include proceed of 9,736 million yen from sale of subsidiaries.		

(Impairment loss of account receivables and investments accounted for using equity method)

Impairment of investments accounted for using the equity method

The Company posted impairment losses on investments accounted for using the equity method and financial receivables of 47,599 million yen to record impairment losses on the receivables and shares of stock related to SIRVA-BGRS Holdings, Inc. due to the deterioration in the performance of SIRVA-BGRS Holdings, Inc. related to the investment in SIRVA-BGRS Holdings, Inc. caused by the impact of rising interest rates in the United States. The recoverable amount of such assets is measured by value in use, which is calculated by discounting future cash flows at a discount rate of 13%.

(Significant subsequent events)

Relo Group, Inc. announces that at a meeting of the Board of Directors held on May 9, 2024, the Company entered into an agreement (the “Subscription Agreement”) with Marcian Holdings GK (the “Tender Offeror”), pursuant to which the Tender Offeror will tender all of the Company-owned common shares of Nihon Housing Co., Ltd. (“Nihon Housing”), an equity-method subsidiary of the Company, in a tender offer made by the Tender Offeror (the “Tender Offer”). Details are as follows. For details, please refer to the “Notice Concerning the Execution of a Subscription Agreement for a Tender Offer for Shares of an Equity-Method Subsidiary and the Expected Recording of Finance Income” released today (May 9, 2024).