

COMPANY RESEARCH AND ANALYSIS REPORT

Relo Group, Inc.

8876

Tokyo Stock Exchange Prime Market

31-Oct.-2025

FISCO Ltd. Analyst

Kimiteru Miyata



FISCO Ltd.

<https://www.fisco.co.jp>

Contents

Summary	01
1. Supporting non-core operations for companies of all sizes, centered on fringe benefits	01
2. Maximizing synergies by leveraging the unique strengths of each business to drive significant profit growth	01
3. Formulated the Fourth Olympic Plan, aiming for operating profit of ¥50.0bn in FY3/29	01
4. Expects increased revenue and operating profit in FY3/26 (1Q was generally as expected)	02
Company profile	03
1. Company profile	03
2. History	03
Business description	05
1. Outsourcing Business (B2B)	06
2. Residential Property Management Business	09
3. Tourism Business	10
Medium-term management plan	11
1. Review of the medium-term management plan	11
2. Vision and challenges of the new medium-term management plan	11
3. The Fourth Olympic Plan	12
4. Financial strategy	14
Results trends	14
1. FY3/26 results outlook	14
2. 1Q FY3/26 results trends	16
Shareholder return policy	18
1. Dividend policy	18
2. Shareholder benefits system	19

Summary

Formulated the Fourth Olympic Plan, aiming for operating profit of ¥50.0bn in FY3/29

1. Supporting non-core operations for companies of all sizes, centered on fringe benefits

Relo Group, Inc. <8876> (hereafter, also “the Company”) supports non-core operations on a global scale for companies ranging from small and medium-sized enterprises to large corporations, with fringe benefits at its core. The business is divided into Outsourcing Business for corporations (B2B), Residential Property Management Business and Tourism Business, with consumers (B2C) as the ultimate beneficiaries. The Outsourcing Business consists of the fringe benefit business, which enriches leisure time and supports lifestyles and work styles, the leased corporate housing management business, which manages leased corporate housing through its unique subleasing method and manages vacant homes, and the global relocation support business, which provides total support for overseas assignments, from departure to return, handling complex tasks on behalf of clients. In the Residential Property Management Business, the Company handles rent collection, brokerage, contract management, and troubleshooting for rental properties in major cities in Japan on behalf of owners, while in the Tourism Business, it undertakes hotel operations and enhances the value of facilities.

2. Maximizing synergies by leveraging the unique strengths of each business to drive significant profit growth

Each business has its own strengths. The fringe benefit business excels in providing comprehensive services in regional areas, agile sales that respond to customer needs, and ongoing system investments. The Residential Property Management Business leverages the Group’s accumulated knowledge, while the global relocation support business benefits from a total support business model and a group company that sells global cost-of-living index data. The leased corporate housing management business offers a one-of-a-kind full outsourcing service for corporate housing management using the subleasing method, and the Tourism Business specializes in operational know-how for small and medium-sized hotels in regional areas, enabling facilities to become profitable in as little as 90 days on average. Backed by these strengths, each business generates synergies and continuously builds up stock-based revenue, enabling the Company to achieve strong profit growth.

3. Formulated the Fourth Olympic Plan, aiming for operating profit of ¥50.0bn in FY3/29

The Company has formulated a new medium-term management plan, the Fourth Olympic Plan (FY3/26–FY3/29), aiming for revenue of ¥200.0bn and operating profit of ¥50.0bn in FY3/29. As key policies, the fringe benefit business is committed to “expanding our fringe benefits platform to increase the satisfaction of all stakeholders”; the leased corporate housing management business to “building a digital platform that enhances the convenience of real estate businesses”; and the global relocation support business to “providing all-inclusive solutions for international HR management.” In the Residential Property Management Business, the plan is to solve issues related to rental management and real estate, while in the Tourism Business, the Company aims to create value and revitalize regional areas as a company that solves tourism-related challenges. Although these are ambitious targets, FISCO believes that, based on the achievements of the First to Third Olympic Plans, which also set high goals, there is ample possibility for success.

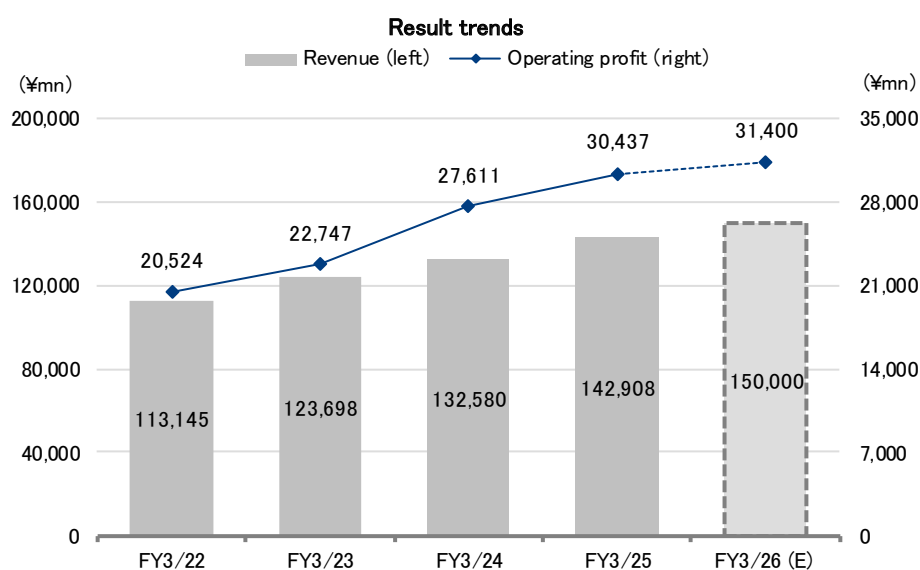
Summary

4. Expects increased revenue and operating profit in FY3/26 (1Q was generally as expected)

For FY3/26, the Company expects revenue of ¥150,000mn (up 5.0% year on year (YoY)) and operating profit of ¥31,400mn (up 3.2%). The Company plans to steadily implement measures in line with the Fourth Olympic Plan and secure increased revenue and profit in each business, but due to upfront investments for growth, operating profit is expected to grow at a slower pace than revenue. In 1Q FY3/26, revenue was ¥35,745mn (up 3.2%) and operating profit was ¥6,415mn (down 9.0%). Operating profit declined due to concentrated upfront investments in 1Q, but the stock base, such as the number of members in the fringe benefit business and the number of units managed in the leased corporate housing management business, steadily increased. With profit margins expected to improve toward the end of the fiscal year, the Company believes the initial results were generally as expected.

Key Points

- Maximizing synergies by leveraging the unique strengths of each business, including fringe benefits, to drive sustainable growth
- Aiming for operating profit of ¥50.0bn in FY3/29 under the Fourth Olympic Plan
- Although operating profit declined in 1Q FY3/26, the stock base expanded as expected, and full-year results are projected to show increased revenue and profit



Source: Prepared by FISCO from the Company's financial results

■ Company profile

Supporting internal operations on a global scale, centered on fringe benefits

1. Company profile

The Company supports internal non-core operations on a global scale for companies of all sizes, centered on fringe benefits. With the mission of “supporting the non-core operations of Japanese companies, enabling them to concentrate on their core operations and compete on the world stage,” “facilitating the global expansion of Japanese companies, empowering them to unleash their true potential,” and “assisting in the great transformation that awaits Japan,” the Company operates the Outsourcing Business for corporations (B2B), the Residential Property Management Business that manages rental properties in major cities in Japan on behalf of owners for consumers (B2C), and the Tourism Business that undertakes hotel operations and enhances facility value. The Outsourcing Business consists of the fringe benefit business, which supports employees’ lifestyles and work styles, the leased corporate housing management business, which manages leased corporate housing for companies using its unique subleasing method, and the global relocation support business, which provides total support for complex tasks from overseas assignment to return.

Expanding business through M&A and new business development

2. History

The Company was established in 1967 with the objective of carrying out construction work such as new construction, expansion and renovation of housing for workers, as well as interior construction work. In 1978, the Company became a designated contractor for the maintenance of MITSUI & CO., LTD. <8031>’s company housing and dormitories, and in 1979, it began managing the homes of MITSUI & CO.’s employees who were transferred domestically and overseas, and in 1984, it launched the first unattended housing management system for transferees in Japan. Unattended housing management can be said to be the Company’s original business. In 1989, the Company expanded into the United States in collaboration with the MITSUI & CO. Group to accommodate Japanese employees who were transferred or sent on business trips, and in 1993 it launched the Relo Club, a fringe benefit program outsource service that provides comprehensive support for corporate employee welfare programs. In 1999, the Company’s shares were listed over the counter with the Japan Securities Dealers Association (currently listed on the Prime Market of the Tokyo Stock Exchange), and in 2002 it began full outsourcing services for corporate housing operations through subleasing. Since then, it has continued to expand its business through M&A and new business development, such as acquiring Tohto Co., Ltd. in 2010 and entering the residential property management business.

Relo Group, Inc.
8876 Tokyo Stock Exchange Prime Market

31-Oct.-2025
<https://www.relo.jp/english/ir/index.html>

Company profile

History

Date	Main events
March 1967	Nihonkensou, Inc. was established in Tsuwano-cho, Kashima-gun, Shimane Prefecture for the purpose of carrying out construction work such as new construction, additions and renovations of housing for workers, as well as interior work
January 1969	Company's name changed from Nihonkensou, Inc. to Nippon Juken, Inc.
September 1978	Became designated contractor for the maintenance of MITSUI & CO., LTD.'s corporate housing and dormitories
October 1979	Began managing the unattended housings of MITSUI & CO., LTD.'s employees who were transferred domestically and overseas
May 1984	Company's name changed from Nippon Juken, Inc. to Nihon Relocation Center, Inc. The Company begins the Relocation Business in earnest
June 1989	Company's name changed to Nihon Relocation, Inc. Established Relocation International (U.S.A.), Inc. as a joint venture with MITSUI & CO., LTD., Bussan Real Estate Co., Ltd., and Mitsui & Co. (U.S.A.), Inc. to facilitate the needs of Japanese people who are transferred or travelling to the United States
May 1990	Established Relocation Finance, Ltd. (company name changed to Relo Financial Solutions Ltd. in July 2003)
July 1992	Head office relocated to 3-23 Shinjuku 4-chome, Shinjuku-ku, Tokyo
September 1993	Launched the Relo Club fringe benefit program outsource service
September 1999	Shares listed on JASDAQ
October 1999	Established Fukurikosei Club Kyushu Co., Ltd. as a joint venture with ASO CEMENT Co., Ltd.
May 2000	Established Fukuri Kousei Club Chubu Co., Ltd. in a joint venture with Nagoya Railroad Co., Ltd.
July 2000	Launched Relo Net, a housing total solution service for companies and their employees Established Fukuri Kousei Club Chugoku Co., Ltd. as a joint venture with Chugoku Electric Power Company, Inc.
July 2001	Relocation Japan, Ltd. and Relo Club, Ltd. took over the relocation business and the fringe benefit outsourcing business through the establishment of these new companies and a split Transitioned to a holding company structure and company name changed to Relo Holdings, Inc.
August 2001	Established Relo-X Communications, Ltd.
October 2004	Relo Vacations, Ltd. takes over the Company's membership-based resort business through a company split
June 2005	Established Relocation Expat Service, Ltd. (company name changed to Relocation International, Inc. in October 2008)
June 2005	Made Redac, Inc. (company name changed to Relo Redac, Inc. in February 2013) a consolidated subsidiary
October 2007	Absorption-type merger of Relo Club, Ltd. and Relo-X Communications, Ltd.
December 2008	Made Nihon Housing Co., Ltd. an affiliate
September 2009	Established ROI, Inc. (company name changed to World Resort Operation, Inc. in October 2009)
January 2010	Acquired all shares of Tohto Co., Ltd. and made it a consolidated subsidiary, entered the residential property management business
June 2010	Listed on the Second Section of the Tokyo Stock Exchange
November 2011	Listed on the First Section of the Tokyo Stock Exchange
December 2014	Made Panasonic Excel International Co., Ltd. (company name changed to ReloExcel, Inc. in April 2021) a consolidated subsidiary
March 2015	Established Relo Partners, Inc.
April 2015	Changed name of Relo-X Communications, Ltd. to Relo Club, Ltd.
July 2016	Changed name of Relo Holdings, Inc. to Relo Group, Inc.
September 2016	Made Associates for International Research, Inc. a consolidated subsidiary
April 2017	Executed a 1:10 stock split for common shares
March 2019	Made Hot House Co., Ltd. a consolidated subsidiary
June 2019	Made BGRS Limited a consolidated subsidiary
October 2021	Conducted an absorption-type merger of World Resort Operation, Inc. by Relo Vacations, Ltd.
October 2021	Relocation Japan, Inc. assumed via company split the unattended housing management business of Relocation International, Inc.
April 2022	Moved from the First Section of the Tokyo Stock Exchange to the Prime Market due to a change in the market classification of the Tokyo Stock Exchange
July 2022	SIRVA Group, owned by Global Relocation and Moving Services, LP, merged with BGRS Group to form the jointly managed SIRVA-BGRS Holdings, Inc.
March 2024	Established Relo Hotel Solutions, Ltd.
May 2024	Following the MBO of Nihon Housing Co., Ltd., Marcian Holdings GK accepted a tender offer and was removed from the list of equity method affiliates
August 2024	Dissolved the capital tie-up with SIRVA-BGRS Holdings, Inc., and removed it from the list of equity method affiliates

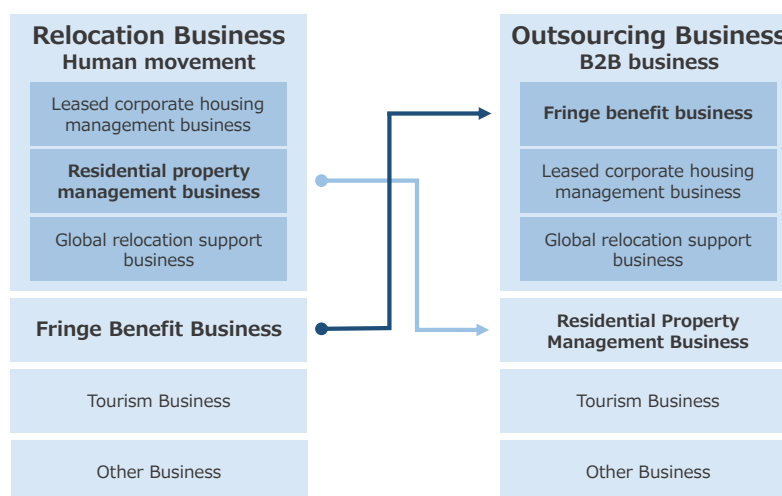
Source: Prepared by FISCO from the Company's Securities Report, website, etc.

Business description

Developing Outsourcing Business for corporations, including fringe benefit business, leased corporate housing management business, and global relocation support business

The Company's segments are classified as the fringe benefit business, the leased corporate housing management business, and the global relocation support business in the Outsourcing Business for corporations (B2B), and the Residential Property Management Business and Tourism Business for consumers (B2C). Each business has its own strengths, and by leveraging each other's strengths, they generate synergies. They also have the characteristics of stock businesses, steadily accumulating stock such as the number of units managed in corporate and residential property management and members in the fringe benefit business, in turn promoting profit growth year after year. Previously, the relocation business included the leased corporate housing management business, Residential Property Management Business, and global relocation support business, which focused on human movement, as well as the fringe benefit business and Tourism Business. However, considering the vision of the new medium-term management plan and the business characteristics that facilitate synergies such as mutual customer referrals, the Company has reclassified its businesses into B2B and B2C. As an additional effect, the Company was able to dispel the misconception that it is a company with a strong real estate focus.

Change in disclosed segments



- Changed the Relocation Business, which was developed with a focus on human movement, to the Outsourcing Business reorganized from a B2B perspective.

Source: The Company's results briefing materials

Outsourcing Business with high synergy effects

1. Outsourcing Business (B2B)

(1) Fringe benefit business

The Company's fringe benefit business was started with the aim of providing fringe benefit outsourcing services to small and medium-sized enterprises, regional companies, and other companies that are unable to provide comprehensive fringe benefits themselves due to their small size, but now it provides services to many enterprises and organizations, including large enterprises. Specifically, in addition to leisure and accommodation options to enrich employees' leisure time, the Company offers a wide range of living support options to support employees' lifestyles and work styles, such as skill development, health checkups, and childcare/elderly care options, and provides services in low-price packages to employees working for companies, including those who have already received job offers but have not yet started working, as well as company alumni. Many companies have introduced the Company's services to improve employee satisfaction and strengthen recruitment, and the Company charges a fixed membership fee according to the number of employees who use the services. In addition, the Company provides preferential services for corporate customers (CRM business) utilizing fringe benefits packages, emergency home support services leveraging call center expertise, and customized HR (Human Resource) solution services to address diverse personnel challenges. The Company's strengths lie in small and medium-sized enterprises, and regional companies, which, despite their large numbers, have a low adoption rate of such fringe benefits services, making it a market with significant growth potential. In recent years, as many rival companies have strengthened their ties with large corporate groups, the Company, as an independent entity, has rapidly increased its dealings with large enterprises.

Being an independent entity, the Company has strengths in its follow-up system that satisfies many companies and its ability to respond to requests and is currently used by more than 13,000 companies nation-wide. For this reason, the Company has opened offices throughout the country, developed proposal-based sales that meet the needs of companies and business sites based in rural areas, and is working to expand the menu of services available to each company by introducing service options that are in high demand in each region on an ongoing basis. In addition, the Company has divided the country into 13 areas and published the industry's first regional newsletter that summarizes the services available in each area. Such detailed services for small and medium-sized enterprises and regional companies and business sites are a strength of the Company and a major differentiating factor from other companies. Another strength of the Company is its improvement of convenience and efficiency of operations through continuous system investment. In fact, the Company made a large system investment during the economic downturn after the 2008 financial crisis, and continued to upgrade the system afterwards, which resulted in significant progress in improving convenience and efficiency of operations, and the Company has seen the positive effects nearly every period, such as reduced call center costs and lower cancellation rates due to improved utilization rates, leading to an increase in the number of members and strong profit growth. The Company called these success stories where system investment led to profit growth its "second growth curve," and it marked a turning point for the Company to place importance on growth-oriented systems investment in areas its besides its fringe benefit business.

Business description

(2) Leased corporate housing management business

The leased corporate housing management business is a service that provides management of corporate housing on behalf of companies that outsource it to the Company. The main operations include rent remittance to landlords, contract management, negotiations at the time of moving out, advance payment of security deposits, and trouble handling. In return, the Company charges a fixed fee according to the number of units. Large companies that manage more than 1,000 leased corporate housing units are increasingly outsourcing indirect department work, including company housing management, to improve business efficiency. Also, even small and medium-sized enterprises are increasingly using the Company's company housing management services to secure personnel. Other services related to corporate housing management include housing referrals and moving arrangements when employees are transferred or relocating, and dispatching property management staff to company-owned housing.

There are two types of company housing: company-owned and leased. Company-owned housing is used mainly by large enterprises, where employees live in properties owned by the company itself, while leased housing is used to house employees in general rental properties that companies rent from real estate agents. In Japan, after the collapse of the asset bubble, the shift from company-owned housing to leased housing was promoted as part of efforts to improve management efficiency. However, leased housing management services outsourced by companies only handle rent transfers and contract management, and many complicated tasks remained within the company. As a latecomer to the leased housing management service market, the Company developed a unique full outsourcing service called the subleasing method that not only handles transfers and contract management, but also handles all the complicated tasks related to company housing, from property contracts to negotiations at the time of moving out, managing homes while employees are living elsewhere on assignment, and consulting on company housing regulations.

Since starting its services in 2002, the Company has built up the number of units under management by leveraging its strength in high-value-added services using the subleasing method, but in 2013, it began offering inexpensive customized services while maintaining its high-value-added services, which have been well-received and led to the Company achieving the highest growth in the industry. As a result, the Company boasts the number one position in the market in terms of the number of leased corporate housing units it manages, despite being a latecomer. In addition, the companies ranked third and below are often companies whose main business is real estate, but which are operating in an ancillary position, and there has been a steady shift from these companies to the Company thanks to its wealth of services. At present, the labor shortage in Japan is becoming more serious, and the need for outsourcing leased corporate housing management is increasing, which is a tailwind for the Company.

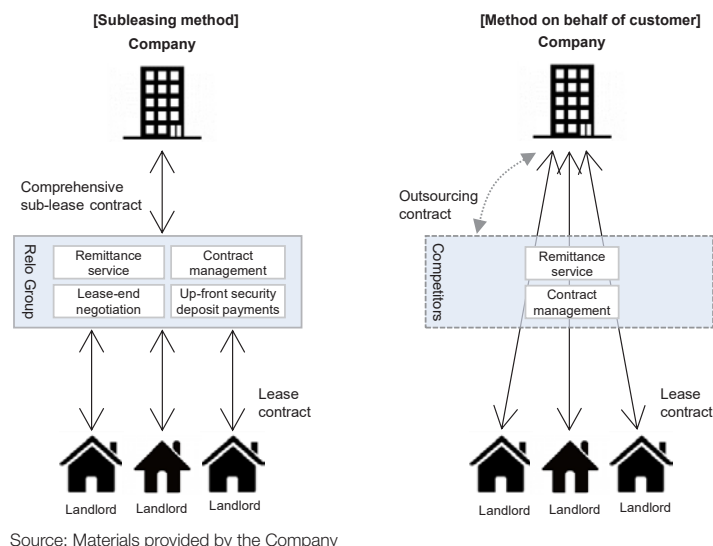
A service related the leased corporate housing management business is the unattended housing management service. In home management, the Company takes care of the properties of people who are assigned to work abroad and own homes, and while they are assigned to work abroad, the Company rents the properties out to tenants on the open market. In addition, the Company handles complicated tasks such as collection of money and contract management, and receives a management fee from the property owner. In addition, the Company offers a variety of related services that are proving popular, such as Relo Net, an online system that can arrange housing and moving to meet the needs of people transferring or relocating, and Relo's Furnished Rental, a serviced leasing arrangements that allows furniture and home appliances to be leased and installed in any unit and used as company housing.

Relo Group, Inc.
8876 Tokyo Stock Exchange Prime Market

31-Oct.-2025
<https://www.relo.jp/english/ir/index.html>

Business description

Difference in contract format



(3) Global relocation support business

In the global relocation support business, the Company provides one-stop services for complicated tasks related to overseas assignments, such as applying for work visas, medical examinations, vaccinations, and overseas relocations, for companies with headquarters in Japan, from the time of assignment to the time of return. After signing a contract with the client company, the Company receives a fee according to the services provided each time an assignment occurs. The Company also provides related services such as arranging air tickets for business trips, creating overseas assignment rules, and pre-assignment training. In addition, at each of the Company's offices, mainly in North America, it provides total support services necessary for living in the local area, such as arranging housing and service apartments, housing management, as well as a "mobility management service" that packages 24-hour telephone interpretation, insurance that is difficult to obtain overseas, and car leasing, for expatriates of Japanese companies. Furthermore, the Company is expanding the area where it provides its services, such as opening new offices in areas where Japanese companies are strengthening their presence.

Associates for International Research, Inc. (AIRINC), headquartered in Boston, joined the Group in September 2016 and provides consulting services related to overseas assignments, in addition to researching and selling data such as the cost of living index used to calculate the salaries of expatriates. The city data of over 2,500 cities in 190 countries that the Company has accumulated over its 70-year history is continuously used by many clients, not only by global companies but also as basic data for AMS*. In addition, consulting specialized in overseas assignments is a highly specialized service, and there is strong customer demand for it. Therefore, the very existence of AIRINC can also be said to be one of the Company's strengths.

* AMS (Assignment Management System): A system that automates the process of allocating tasks related to relocation on a technology platform for providing relocation management services.

Business description

The current situation with global relocation support services is that companies are not making much progress in outsourcing. However, the Company is using its services, such as one-off visa arrangements, pre-assignment training, and air ticket arrangements, which are easy for companies to implement, as door-knocking tools to expand transactions with companies for whom assignment-related tasks seem to be a burden, and is working to build relationships. In addition, for companies that only use one-off services, the Company is working on upselling by proposing other services that will streamline operations. In recent years, an increasing number of companies are accepting foreign personnel with skills and knowledge from overseas to work in Japan. For these foreign personnel, the Company provides a one-stop inbound support service in English that provides all kinds of support, from arranging housing to opening bank accounts, accompanying personnel when carrying out necessary government procedures, to signing contracts for mobile phone service, and these seem to have been well received.

M&A deals through business succession are on the rise

2. Residential Property Management Business

The Residential Property Management Business is centered in major cities throughout Japan and provides management services for rental property owners in each region. In addition to collecting and managing monthly rents paid by tenants, the Company also handles contract management, tenant placement, and responds to inquiries and problems. In return, the Company receives a management fee based on the rent multiplied by a certain rate according to the number of properties managed. The Residential Property Management Business began in 2010 with the acquisition of Tokyo's Tohto Co., Ltd., and has steadily increased the number of rental units under management by continuing to acquire small and medium-sized rental property management companies. The Company has now expanded its area of operations to include not only the Tokyo metropolitan area but also Miyagi Prefecture, Fukuoka Prefecture, Osaka Prefecture, and other areas. The regional subsidiaries that joined the Group through M&A are continuing to achieve organic growth by sharing the Company's know-how.

The strength of the Residential Property Management Business is the relationships of trust with property owners, as well as the ability to share within the Group the unique knowledge and know-how of each subsidiary in areas such as collection, brokerage, construction, and troubleshooting. The number of local companies acquired through M&A is now over 50, with over 110,000 units under management, and their know-how is diverse. In addition, by establishing Relo Partners, Inc., an intermediate holding company that oversees the Residential Property Management Business in 2015, the sharing of such knowledge and know-how has been accelerated, and a more efficient management system has been established, including the consolidation of back-office operations and overlapping operations between each company. In 2017, the unification of the Residential Property Management Business under the brand name Relo's Rental has also become a strength for the entire Group, including the local subsidiary companies.

Business description

Due to the rental management market situation and the M&A market environment, the growth potential of the Company's Residential Property Management Business has maintained a certain degree of momentum. It is said that there are more than 15 million rental management units in the rental management market, about 50% of which are outsourced, and the market is a place where multiple rental property management companies manage rental properties in each region. On the other hand, many of the top companies in terms of the number of rental units under management are developers, and they merely manage properties they have developed by subleasing them. For this reason, there are few top companies with a business model like the Company's, which involves outsourcing from existing owners, and especially as the Company expands its market share to the top 10 in the industry, it seems that the number of owners outsourcing to the Company is increasing. The M&A environment, which is the growth driver of the Residential Property Management Business, is characterized by many owners approaching retirement age and facing challenges in business succession. The Company is promoting coexistence and mutual prosperity type M&A, and by taking over businesses from businesses that have challenges with business succession, it has built a model in which both companies can grow together even after joining the Group. For this reason, the number of M&A transactions due to business succession is currently on the rise, which is a tailwind for the Company.

Engages in business for hotel management, hotel revitalization, time shares

3. Tourism Business

In the Tourism Business, the Company is engaged in hotel management contracted business that utilizes the member base of its fringe benefit business and the management know-how of small and medium-sized hotels and inns in local areas, the facility value enhancement businesses such as revitalizing small and medium-sized hotels and inns in local areas by leveraging the Company's facility management know-how, and a points-based time-share business based on the concept of casually spending valuable time with family and friends. The Company's strength lies in its well-balanced portfolio revenue structure, which consists of hotel and inn management revenue based on operational know-how specialized in small and medium-sized hotels and inns in local areas with around 30 rooms per facility, revenue from the sale of facilities which the Company has added value to, and revenue from member-only resort management.

Most of the facilities that the Company has contracted to manage or revitalize have declining occupancy rates, and small and medium-sized hotels and inns in rural areas in particular have many problems, such as a lack of successors, aging facilities, delayed efforts with respect to IT and marketing strategies, and issues securing personnel. When the Company takes over the management or revitalization of such facilities, it uses the customer referral know-how of its Outsourcing Business to improve the facility's occupancy rate, and can set it on a path to profitability in an average of 90 days by jointly purchasing goods with multiple other facilities, consolidating operations, and leveraging IT to manage sales prices and the number of rooms based on sales data and demand trends. There are many successful cases of the Company revitalizing hotels and inns in rural areas, and as a result the Company is contributing to the revitalization of regional areas. In addition, the Company has developed an asset model in which it increases the value of a property based on an improved cash flow in conjunction with the property's revitalization, and then it sells the property and earns a capital gain, while continuing to manage the property thereafter. This secures profits without increasing the assets owned by the Company. In the points-based timeshare business, the Company sells memberships that allow timeshare use of approximately 50 facilities nationwide. Such memberships are normally expensive because they include real estate ownership rights, but the Company's strength is that its memberships are relatively inexpensive as they only include property usage rights.

Medium-term management plan

The Company has met ambitious targets in previous medium-term management plans and achieved double-digit profit growth

1. Review of the medium-term management plan

The Company has executed a medium-term management plan called the Olympic Plan, divided into four-year periods since FY3/12, with the vision of “Creating an industry of comprehensive lifestyle support services that we provide globally.” In the First Olympic Plan (FY3/12–FY3/15), the Company started its second founding by “Strengthening the foundation of the core domestic business.” In the Second Olympic Plan (FY3/16–FY3/19), it focused on “Becoming the No. 1 company in the core business” and “Preparing for global expansion.” In the Third Olympic Plan (FY3/20–FY3/25; the period was extended by two years due to the COVID-19 pandemic), the Company recovered from the pandemic and developed its growth strategy with the themes of “Becoming the No. 1 company in the core domestic business” and “Building a foundation for reaching the global market.” As a result, all businesses made steady progress by meeting ambitious targets, and operating profit achieved high levels of growth with an average annual growth rate of 13.9% over the 14 years to FY3/25, reaching ¥30.4bn, more than six times that of FY3/11. ROE and the ratio of equity attributable to owners of the parent (hereafter, “equity ratio”), which temporarily deteriorated due to the COVID-19 pandemic and impairment losses, significantly recovered in FY3/25.

Key issues are human capital investment, labor shortages, and seniors and succession

2. Vision and challenges of the new medium-term management plan

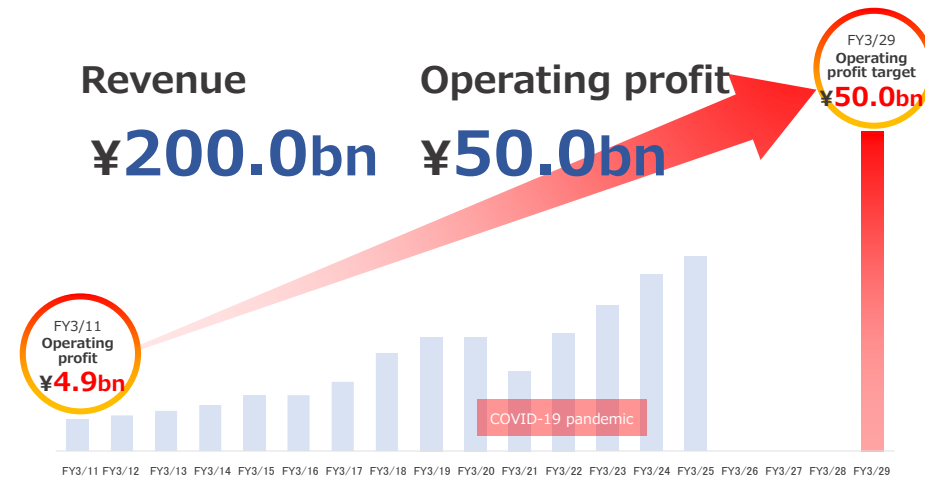
The Company has formulated the Fourth Olympic Plan (FY3/26–FY3/29) as its new medium-term management plan, with the vision of “Creating an industry of comprehensive lifestyle support services that we provide globally.” The Company will continue to support businesses facing various challenges and aims to evolve into a problem-solving company needed in Japan’s era of major transformation. Specifically, in the B2B Outsourcing Business, the Company will contribute to enhancing fringe benefits as a solution to labor shortages, and in the B2C Residential Property Management Business and Tourism Business, it will support industries suffering from a lack of successors as a recipient for business succession. To this end, the Company will continue to develop new businesses, make strategic investments, and strengthen existing businesses, with a strong focus on three key issues: human capital investment for core business growth, labor shortages where BPO acceleration is effective, and seniors and succession in the era of 100-year lifespans.

Aiming for revenue of ¥200.0bn and operating profit of ¥50.0bn in FY3/29

3. The Fourth Olympic Plan

By executing the Fourth Olympic Plan, the Company aims to achieve revenue of ¥200.0bn and operating profit of ¥50.0bn in FY3/29. Although the target of operating profit is high—over 13% average annual growth rate for 4 years and 10 times the amount since the start of the Olympic Plan—FISCO believes that, based on the achievements of the First to Third Olympic Plans and the policies of each segment, the target is fully achievable. Since the Company operates mainly with fixed costs, operating profit margin is expected to improve in the medium term.

The Fourth Olympic Plan



Source: The Company's medium-term management plan materials

(1) Fringe benefit business

In the fringe benefit business, by expanding its fringe benefits platforms, the Company aims to improve satisfaction for all stakeholders, including members, suppliers, and employees, and increase transaction volume. As a result, the Company aims for operating profit of ¥22.0bn and 10 million fringe benefit members in FY3/29. Specific policies include expanding the stock base, upselling measures and product enhancement, and developing new markets (points-based system). In expanding the stock base, the Company will strengthen support services for human capital investment and customer acquisition for small and medium-sized enterprises with strong needs. In addition, the Company will develop menus for non-regular employees and incorporate labor-intensive industries such as food service and distribution. For upselling measures and product enhancement, the Company will promote HR solutions and expand cafeteria plans. In developing new markets (point-based system), the Company will promote services for retirees and active seniors, as well as expand services for foreign personnel.

Medium-term management plan

(2) Leased corporate housing management business

In the leased corporate housing management business, the Company will aim for operating profit of ¥11.0bn by building a digital platform to improve convenience for real estate businesses. To this end, the Company will continue to expand its stock base, targeting 344,000 managed corporate housing units, 13,000 managed vacant homes, and 83,000 furnished rental units. In addition, the Company will provide consulting services for corporate housing management and regulations for medium-sized and small companies. The Company will also develop new services such as EV parking lots, individual subleasing, and store/office management. In particular, furnished rentals are increasingly in demand for singles and new graduates because they require no setup assistance and make moving easy, so the Company will continue to focus on this area.

(3) Global relocation support business

In the global relocation support business, the Company aims for operating profit of ¥5.0bn by providing comprehensive B2B business solution services for cross-border movement, such as “Leave all overseas HR to us.” To this end, the Company will aim to expand its share by targeting 15,000 global relocation support households, 15,000 inbound support households, and 60,000 overseas business trip arrangements. Capturing the recovery and expansion of overseas production following the COVID-19 pandemic and US tariff policies, including small and medium-sized enterprises, the Company will promote the spread of its Core&Flex killer content, which can be tailored to various needs. In addition, the Company will expand local overseas services and work on new services such as in-house content development and index/data consulting.

(4) Residential Property Management Business

In the Residential Property Management Business, the Company will solve issues related to rental property management and real estate, aiming for operating profit of ¥12.0bn and 204,000 managed rental units. To this end, the Company will expand its stock base through accelerated M&A, expansion of the business succession base, strengthening commissioned sales to the real estate industry, and management contracts that include emergency home support. In addition, the Company will strengthen services for real estate companies, such as growth support and BPO services, and evolve into a consulting group to attract investor owners and address succession-related measures.

(5) Tourism Business

In the Tourism Business, the Company is working to create new value as a problem-solving company in tourism, aiming for operating profit of ¥7.0bn. To achieve this, the Company will contribute to addressing the labor shortage and revitalization of regional areas through hotel revitalization, expansion of business succession platforms, BPO services for small and medium-sized hotels and inns, and support for the implementation of digital transformation. Additionally, the Company will capture the senior segment through fringe benefits services for retirees and attracting timeshare members, while also developing new services such as hotel and facility management and resort condominium revitalization. The Company also expect to sell owned assets at a pace of around ¥1.0bn per year, similar to the current level.

Funds will be allocated to growth and efficiency investments and shareholder returns

4. Financial strategy

The Company's capital allocation policy is to ensure financial soundness while aiming to enhance shareholder returns, stabilize management, and achieve continuous growth. Specifically, for the operating cash flow (including real estate replacement) of ¥100.0bn expected over four years, the Company plans to allocate ¥35.0–40.0bn to shareholder returns, ¥30.0bn to M&A and strategic investments, ¥10.0bn to digital transformation and human capital investment, ¥10.0bn to increased working capital, and over ¥10.0bn to repayment of interest-bearing debt, through continuous growth, improved profit margins, cost reductions, and review of working capital.

With regard to financial indicators, the Company will appropriately control financial leverage with a net D/E ratio of one or less, and aim for an equity ratio of 30% or higher while maintaining ROE of 20% or higher and adjusted ROIC of 15%, by increasing revenue and profit through growth strategies and continuous improvement of profit margins. In particular, achieving an equity ratio of 30% is considered essential for quickly and reliably capturing business opportunities such as M&A. As for M&A policy, within the investment framework of ¥30.0bn, the Company will focus on improving growth and profitability, digitalization, and entering new fields where the Company can leverage its know-how and customer base. By segment, the Company plans to execute M&A targeting not only the B2C Residential Property Management Business and Tourism Business, but also functions such as upselling and BPO in the B2B domain, and internalizing upstream and downstream businesses related to existing operations. For large and attractive M&A deals, the Company may consider utilizing interest-bearing debt within the scope of maintaining financial soundness, and expect to maintain a high level of ROE.

Results trends

For FY3/26, although there will be upfront costs for the medium-term management plan, the Company is aiming to secure increased operating profit

1. FY3/26 results outlook

For the first year of the Fourth Olympic Plan, FY3/26, the Company expects revenue of ¥150,000mn (up 5.0% YoY), operating profit of ¥31,400mn (up 3.2%), profit before tax of ¥31,200mn (down 41.0%), and profit attributable to owners of the parent of ¥21,000mn (down 51.5%). The significant decrease in profit before tax and profit attributable to owners of the parent is due to the absence of gains on sales of investments accounted for using the equity method that occurred in the previous fiscal year.

Relo Group, Inc. | **31-Oct.-2025**
8876 Tokyo Stock Exchange Prime Market | <https://www.relo.jp/english/ir/index.html>

Results trends

FY3/26 outlook

	FY3/25		FY3/26		YoY
	Results	% of net sales	Forecast	% of net sales	
Revenue	142,908	100.0%	150,000	100.0%	5.0%
Operating profit	30,437	21.3%	31,400	20.9%	3.2%
Profit before income taxes	52,863	37.0%	31,200	20.8%	-41.0%
Profit attributable to owners of the parent	43,317	30.3%	21,000	14.0%	-51.5%

Source: Prepared by FISCO from the Company's financial results, etc.

The Company has set “Becoming a problem-solving company that is essential for Japan’s major transformation” as this year’s theme and plans to steadily launch initiatives in line with the Fourth Olympic Plan. In the Outsourcing Business, the Company will expand support for improving productivity and enhancing fringe benefits for Japanese companies facing severe labor shortages. In the Residential Property Management Business and Tourism Business, the Company aims to contribute to business succession as a platform for regional revitalization and expanding inbound demand. To this end, the Company will expand its stock base, including the number of members in the fringe benefit business, the number of units managed in the leased corporate housing management business and Residential Property Management Business, and build up revenue in the global relocation support business and Tourism Business.

FY3/26 segment results forecast

Revenue	FY3/25		FY3/26		YoY
	Results	% of net sales	Forecast	% of net sales	
Outsourcing Business	74,222	51.9%	79,000	52.7%	6.4%
Fringe benefit business	27,378	19.2%	29,500	19.7%	7.8%
Leased corporate housing management business	30,017	21.0%	32,000	21.3%	6.6%
Global relocation support business	16,826	11.8%	17,500	11.7%	4.0%
Residential Property Management Business	51,759	36.2%	53,000	35.3%	2.4%
Tourism Business	15,771	11.0%	17,000	11.3%	7.8%

Segment profit	FY3/25		FY3/26		YoY
	Results	Profit ratio	Forecast	Profit ratio	
Outsourcing Business	22,154	29.8%	23,300	29.5%	5.2%
Fringe benefit business	12,269	44.8%	12,900	43.7%	5.1%
Leased corporate housing management business	6,803	22.7%	7,200	22.5%	5.8%
Global relocation support business	3,080	18.3%	3,200	18.3%	3.9%
Residential Property Management Business	8,166	15.8%	8,300	15.7%	1.6%
Tourism Business	4,197	26.6%	4,200	24.7%	0.1%

Note: Segment profit figures are prior to adjustments.

Source: Prepared by FISCO from the Company's results briefing materials

By segment, the Company plans to secure increased revenue and profit in all businesses, and the Company expects overall revenue and operating profit growth. However, in addition to regular salary increases, the Company has factored in cost increases mainly in fixed costs for human capital investment, IT investment, product development, and strengthening sales capabilities to ensure the success of the Fourth Olympic Plan, so operating profit growth is expected to be lower than revenue growth. Nevertheless, since revenue is conservatively estimated in some areas such as the global relocation support business, demand for the fringe benefit business is increasing more than expected, and fixed costs will be invested upfront but gradually contribute to earnings toward the end of the period, the forecast appears to have some leeway. In the medium term, since the increase in fixed costs will be short-term, the Company plans to see a significant improvement in operating profit margin during the Fourth Olympic Plan period.

Results trends

Despite upfront costs, the first year of the medium-term management plan is off to a smooth start

2. 1Q FY3/26 results trends

For 1Q FY3/26 under the Fourth Olympic Plan, results were revenue of ¥35,745mn (up 3.2% YoY), operating profit of ¥6,415mn (down 9.0%), profit before tax of ¥6,420mn (down 75.5%), and profit attributable to owners of the parent of ¥4,414mn (down 81.6%). As expected, costs were incurred upfront, but overall, it can be said to be a smooth start. Due to the absence of gains on sales of investments accounted for using the equity method recorded in the previous period, the decline in profit before tax and profit attributable to owners of the parent widened.

1Q FY3/26 results

(¥mn)

	1Q FY3/25		1Q FY3/26		YoY	Progress rate against full-year forecast
	Results	% of net sales	Results	% of net sales		
Revenue	34,626	100.0%	35,745	100.0%	3.2%	23.8%
Gross profit	15,820	45.7%	16,569	46.4%	4.7%	-
SG&A expenses	9,593	27.7%	10,361	29.0%	8.0%	-
Operating profit	7,046	20.3%	6,415	17.9%	-9.0%	20.4%
Profit before income taxes	26,205	75.7%	6,420	18.0%	-75.5%	20.6%
Profit attributable to owners of the parent	24,043	69.4%	4,414	12.3%	-81.6%	21.0%

Source: Prepared by FISCO from the Company's financial results

While global competition among companies is intensifying and Japanese companies are increasingly expanding overseas, the Company has launched the Fourth Olympic Plan to realize its vision. In particular, the Company focused on three social issues—human capital investment, labor shortages, and seniors and succession—and promoted deepening of existing businesses, creation of new businesses, and strategic investments to support these initiatives in an integrated manner. In the Outsourcing Business, severe labor shortages provided tailwinds, and the Company captured the growing needs of Japanese companies for productivity improvement and fringe benefits. In the Residential Property Management Business and Tourism Business, the Company contributed to regional economies and promoted business succession through regional revitalization and response to expanding inbound demand.

As a result, the Company's stock base, such as the number of members in the fringe benefit business and the number of units managed in the leased corporate housing management business, steadily increased, and revenue rose year-on-year, but operating profit declined due to increased upfront investment costs. Progress against the full-year earnings forecast was as expected for revenue, as the stock base steadily increased. Progress in operating profit appears somewhat low due to gains on property sales being recorded from 2Q onward and temporary stagnation in global relocation due to changes in US policies, but as profit margins are expected to improve toward the end of the period, it is generally within expectations.

Relo Group, Inc. | **31-Oct.-2025**
8876 Tokyo Stock Exchange Prime Market | <https://www.relo.jp/english/ir/index.html>

Results trends

1Q FY3/26 Segment Results

(¥mn)

Revenue	1Q FY3/25		1Q FY3/26		YoY	Progress rate against full-year forecast
	Results	% of net sales	Results	% of net sales		
Outsourcing Business	18,931	54.7%	19,970	55.9%	5.5%	25.3%
Fringe benefit business	6,669	19.3%	7,372	20.6%	10.5%	25.0%
Leased corporate housing management business	8,091	23.4%	8,275	23.2%	2.3%	25.9%
Global relocation support business	4,169	12.0%	4,323	12.1%	3.7%	24.7%
Residential Property Management Business	11,932	34.5%	11,821	33.1%	-0.9%	22.3%
Tourism Business	3,484	10.1%	3,654	10.2%	4.9%	21.5%
Other Business	278	0.8%	298	0.8%	7.3%	-

Segment profit	1Q FY3/25		1Q FY3/26		YoY	Progress rate against full-year forecast
	Results	Profit ratio	Results	Profit ratio		
Outsourcing Business	5,577	29.5%	5,619	28.1%	0.8%	24.1%
Fringe benefit business	2,887	43.3%	2,995	40.6%	3.7%	23.2%
Leased corporate housing management business	1,808	22.3%	1,961	23.7%	8.4%	27.2%
Global relocation support business	880	21.1%	663	15.3%	-24.7%	20.7%
Residential Property Management Business	1,873	15.7%	1,305	11.0%	-30.3%	15.7%
Tourism Business	589	16.9%	475	13.0%	-19.3%	11.3%
Other Business	-37	-13.3%	-78	-26.2%	-	-

Note: Segment profit figures are prior to adjustments.

Source: Prepared by FISCO from the Company's results briefing materials

By segment, costs generally proceeded as expected in 1Q. In the Outsourcing Business, there was progress with new member acquisition in fringe benefits services, resulting in increased membership fee income. In addition, the number of units managed in the leased corporate housing management business exceeded the same period last year, leading to higher management fee income and an increase in the number of uses of relocation support services such as property searches, resulting in higher revenue and a slight increase in profit.

In breakdown, the fringe benefit business saw a significant increase in new contracts, which offset the cancellations that occurred in the previous quarter (4Q), resulting in a membership count of 7.51 million (up 2.6% YoY) and membership fee income up 9.1%. In terms of profit, although upfront investments were made in product development and strengthening sales capabilities, the increase in membership fee income and the recovery of the CRM business covered these costs, securing higher profits. In the leased corporate housing management business, with an increase in relocations, the number of leased corporate housing units managed reached 281,027 (up 7.0%), the number of absentee home management units reached 9,926 (up 3.6%), and the number of furnished residential property management units, which are in increasing demand, reached 10,370 (up 32.7%), expanding the stock base. Additionally, the effects of upfront investments such as cost reductions from system updates became apparent, resulting in increased revenue and profit. In the global relocation support business, although there were impacts from the continued slowdown of the Chinese economy and delays in US visa issuance, the number of households assigned overseas increased by 11.0%, the number of inbound support households remained at a stable level, and the acquired US company performed well. However, due to the reaction to the large asset sale gains recorded overseas in the same period last year and the effects of exchange rate fluctuations, revenue increased but profit declined by double digits.

Results trends

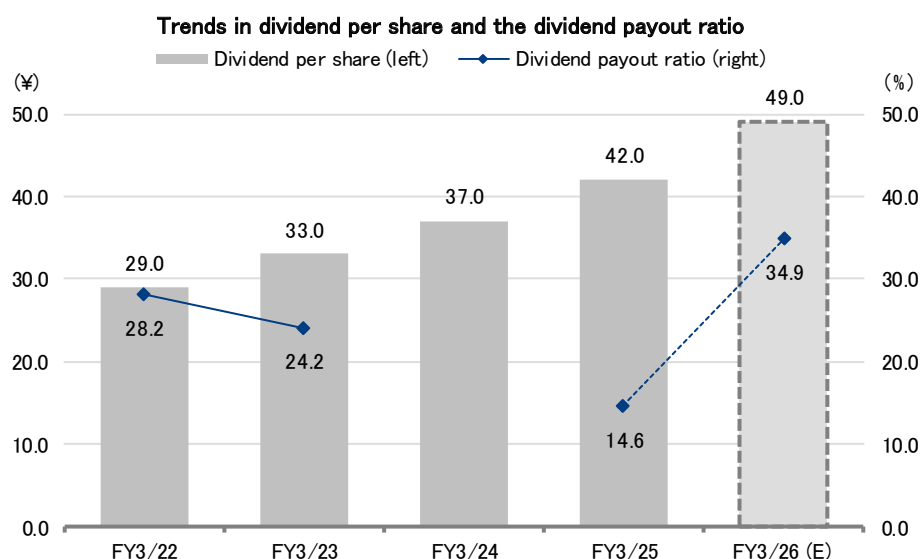
In the Residential Property Management Business, the number of managed rental units reached 123,170 (up 1.8% YoY), steadily building up the stock base. However, due to the reaction to the large number of property sales in the same period last year, asset-related income decreased, resulting in lower revenue and profit. Regarding M&A of management companies, there was only one case, but there still appear to be many deals involving several thousand units. It also appears that there are plans to continue with property sales on an ongoing basis. In the Tourism Business, revenue increased due to strong hotel occupancy rates, but profit declined due to the opening costs of new facilities and soaring raw material and labor costs. However, measures have already been taken to address rising costs, and earnings are expected to improve from 2Q onward. Additionally, the Company acquired a recruitment agency specializing in the hotel and ryokan industry, and began recruitment and worker dispatch services.

Shareholder return policy

Enhancing shareholder returns further and raising the payout ratio to 35%

1. Dividend policy

The Company regards profit returns to shareholders as one of its key management priorities, with shareholder returns through dividends as the basic policy, aiming to increase dividends per share through profit growth. In addition, by adjusting for the effects of one-off special factors as necessary, the Company aims to provide stable profit returns. Furthermore, the acquisition of treasury stock is to be considered and implemented after comprehensive consideration of cash on hand, share price, business performance, and other factors. In addition to the above policies, to further enhance shareholder returns, the payout ratio has been raised from the previous 30% to 35%. As a result, the dividend per share for FY3/26 is planned to be ¥49.0, an increase of ¥7.0 from the previous fiscal year.



Note: The dividend payout ratio is not shown for FY3/24 due to the fact that the Company posted a one-off loss. For FY3/25, the Company posted a one-off profit, so the dividend payout ratio is lower than most years.
Source: Prepared by FISCO from the Company's financial results

Relo Group, Inc.
8876 Tokyo Stock Exchange Prime Market

31-Oct.-2025
<https://www.relo.jp/english/ir/index.html>

Shareholder return policy

Able to use Relo Group Shareholder Benefits Club Off at preferential prices

2. Shareholder benefits system

As a shareholder benefit, the Company offers the Relo Group Shareholder Benefits Club Off, which allows use of 20,000 accommodation facilities in Japan and over 200,000 services both domestically and internationally at preferential prices. The Relo Group Shareholder Benefits Club Off is a service that allows use of accommodation facilities in Japan and overseas at discounted member prices, as well as discounts at leisure facilities, movies, theaters, and restaurants, and shareholders as of the end of March are presented with information about their shareholder benefit services according to the number of shares they hold. This system enables standard members who own between 100 and 999 shares to enjoy preferential prices compared to normal prices, while VIP members who own at least 1,000 shares can enjoy preferential services at even more favorable prices than the standard member prices.

Disclaimer

FISCO Ltd. ("FISCO") offers stock price and index information for use under the approval of the Tokyo Stock Exchange, the Osaka Exchange, and Nikkei Inc.

This report is provided solely for the purpose of offering information and is not a solicitation of investment nor any other act or action.

FISCO has prepared and published this report based on information it deems reliable. However, FISCO does not warrant the accuracy, completeness, certainty, nor reliability of the contents of this report or the said information.

The issuers' securities, currencies, commodities, and other financial instruments mentioned in this report may increase or decrease in value or lose their value due to influence from corporate activities, economic policies, world affairs, and other factors. This report does not make any promises regarding any future outcomes. If you use this report or any information mentioned herein, regardless of the purpose therefor, such use shall be based on your judgment and responsibility, and FISCO shall not be liable for any damage incurred by you as a result of such use, irrespective of the reason.

This report was prepared at the request of the subject company, with information provided by the company through telephone interviews and other means, and with compensation from the company. Hypotheses, conclusions and all other content contained in this report are based on FISCO's analysis. The contents of this report are current as of the date of preparation and are subject to change without notice. FISCO is not obligated to update this report.

The intellectual property rights, including the copyrights to the main text, data, and the like, belong to FISCO, and any revision, reprocessing, reproduction, transmission, distribution or the like of this report and any duplicate hereof without the permission of FISCO is strictly prohibited.

FISCO and its affiliated companies, as well as the directors, officers, and employees thereof, may currently or in the future trade or hold the financial instruments or the securities of issuers that are mentioned in this report.

Please use the information in this report with an understanding and acceptance of the above points.

■ For inquiries, please contact: ■

FISCO Ltd.

5-13-3 Minami Aoyama, Minato-ku, Tokyo, Japan 107-0062

Phone: 03-5774-2443 (IR Consulting Business Division)

Email: support@fisco.co.jp