


Summary of Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2025[Consolidated]
(From April 1, 2024 to September 30, 2024)
[under IFRS]

November 7, 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		
Contact:	Yasushi Kadota, Director, CFO	TEL:	03-5312-8704
Scheduled Date to Submit semi-annual the Securities Report:	November 14, 2024		
Scheduled Date to Start Distributing Dividends:	—		
Supplemental documents for the financial results provided:	Yes		
Results briefing for the period under review provided:	Yes (for institutional investors)		

(Millions of yen, rounded down)

1. Consolidated Financial Results for the Year Ended September 30, 2024 (From April 1, 2024 to September 30, 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	%
Six months ended September 30, 2024	70,073	10.9	15,664	25.1	37,899	190.6	32,972	273.6
Six months ended September 30, 2023	63,189	7.0	12,524	0.9	13,043	1.0	8,826	(32.6)

	Basic earnings per share	Diluted Net Income per Share
	Yen	Yen
Six months ended September 30, 2024	216.52	207.37
Six months ended September 30, 2023	57.75	55.38

(2) Consolidated Financial Positions

	Total Assets	Total equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2024	278,155	60,361	58,167	20.9
As of March 31, 2024	290,165	40,350	38,624	13.3

2. Dividends

	Dividends per Share				
	1st quarter End	2nd quarter End	3rd quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	0.00	—	37.00	37.00
Fiscal year ended March 31, 2025	—	0.00			
Fiscal Year ended March 31, 2025(forecast)			—	42.00	42.00

(Note) 1. Correction from the dividend forecast, which published in the most recent : None

(Note) 2. 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.

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

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

*Notes

(1) Changes in significant subsidiaries during the Fiscal Year (Changes in specified subsidiaries associated with changes in the scope of consolidation) : Yes

Newly consolidated : —
1 company

Excluded : (Company name) affiliated companies that are accounted for by the equity method
Nihon Housing Co., Ltd.

(2) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements:

- Changes in accounting policies required by IFRS : None
- Changes in accounting policies other than (1) : None
- 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 September 30, 2024	153,016,200 shares	As of March 31, 2024	153,016,200 shares
2. Number of treasury stock at the end of period	As of September 30, 2024	2,729,780 shares	As of March 31, 2024	174,632 shares
3. Average number of shares during the period	2nd Quarter of FY2025/3	152,282,271 shares	2nd Quarter of FY2024/3	152,852,600 shares

* 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 available information and certain assumptions that are regarded as reasonable. The Company does not guarantee the achievement of these statements. Actual results may differ significantly due to a range of 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) Overview of results of operations

In an environment in which global competition is intensifying with active overseas expansion of Japanese companies, the Group has established the mission “In Japan, we act as a solutions provider in the field of corporate fringe benefit, providing client companies with support in their non-core operations. We support the global expansion of Japanese companies so that they can perform to their full potential.” and upholds the vision of “Creating an industry of comprehensive lifestyle support services that we provide globally.” As part of our efforts to realize this vision, we are working to reinforce domestic business toward capturing the ultimate top market share and take on the challenge of building foundation for reaching the global market in our medium-term management plan New Third Olympic Plan which will conclude in the fiscal year ending March 31, 2025.

In the first six months of the fiscal year under review, revenue and operating profit of the Relo Group increased from a year ago, attributable to a steady gain in the stock base as both the number of units under management in the Leased Corporate Housing Management Business and the number of employee members in the Fringe Benefits Business increased. An additional factor was the positive performance of facility sales in Tourism Business. As stated 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 published on May 9, 2024, the Company recorded a gain on the sale of investments accounted for using the equity method of 18.7 billion yen. As a result of this and other factors, profit before income taxes and profit attributable to owners of the parent increased significantly.

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

Revenue	70,073 million yen	(up 10.9% year on year)
Operating profit	15,664 million yen	(up 25.1% year on year)
Profit before income taxes	37,899 million yen	(up 190.6% year on year)
Profit attributable to owners of the parent	32,972 million yen	(up 273.6% year on year)

(i) Relocation Business

In Relocation Business, we provide comprehensive mobility support to people working for Japanese companies in and outside Japan, mainly through Leased Corporate Housing Management Business, Residential Property Management Business and Global Relocation Assist Business. In Leased Corporate Housing Management Business, in addition to mainstay leased corporate housing management, we provide housing relocation assistance such as real estate search, house sitting, etc. In Residential Property Management Business, we provide comprehensive lease property management and intermediary services in response to various corporate housing needs. In Global Relocation Assist Business, we provide comprehensive services to assist employees of Japanese companies on overseas assignments in countries of destination in North America and other locations until they return to Japan.

In the first six months of the fiscal year under review, the number of units under management in Leased Corporate Housing Management Business exceeded the year-ago level, resulting in growth in management fee income, and the number of cases using housing relocation assistance services such as real estate search also increased. In the Residential Property Management Business and Global Relocation Assist Business, both revenues and profits increased year on year. In the Residential Property Management Business, the number of units under management increased year on year, contributing to a solid accumulation of the stock base, while in the Global Relocation Assist Business, the operation of serviced apartments in North America was favorable.

As a result, the Relocation Business recorded revenue of 48,408 million yen (up 10.6% year on year) and operating profit of 8,834 million yen (up 14.3%).

(ii) Fringe Benefit Business

In Fringe Benefit Business, we provide employee benefit-related services, including a support menu and extra privileges to employee members of client companies, in order to contribute to reducing companies' operational burdens and costs. Moreover, we provide emergency home care services as part of comprehensive support to livelihood of employee members of client companies.

In the first six months of the fiscal year under review, both revenue and profits increased, reflecting an increase in membership fee which reflected a rise in the number of new members in employee benefit-related services, as well as strong performance in emergency home care services.

As a result, the Fringe Benefit Business recorded revenue of 13,384 million yen (up 9.6% year on year) and operating profit of 5,952 million yen (up 7.6%).

(iii) Tourism Business

In Tourism Business, we conduct a hotel operation business and vacation home time-share business, utilizing the membership base in Fringe Benefit Business and management know-how concerning company rest houses and small to midsize hotels and inns in rural areas. We also work on the renewal of hotels and inns which have difficulty in finding successors.

In the first six months of the fiscal year under review, the performance of Tourism Business was favorable, attributable to a rise in average hotel room rate and contribution to earnings from newly opened facilities. Both revenues and profit increased, reflecting sales of a facility recorded in the second quarter.

As a result, Tourism Business recorded revenue of 7,720 million yen (up 14.9% year on year) and operating profit of 2,899 million yen (up 146.2% year on year).

(iv) Other Business

In this segment, we operate financial business, etc., leveraging the core business frameworks. As a result, Other Business recorded revenue of 560 million yen (up 11.9% year on year) and an operating loss of 86 million yen (compared to an operating loss of 116 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 278,155 million yen, a decline of 12,009 million yen compared to the end of the previous fiscal year.

Total liabilities amounted to 217,793 million yen, a decline of 32,021 million yen compared to the end of the previous fiscal year.

Total equity came to 60,361 million yen, an increase of 20,011 million yen compared to the end of the previous fiscal year.

(3) Management discussion of cash flows

Cash and cash equivalents at the end of the second quarter of the current fiscal year increased 10,280 million yen from the end of the previous fiscal year to 59,764 million yen.

The status of each cash flow category for the second quarter of the current fiscal year is as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 16,580 million yen (up 4,666 million yen year on year) in the first six months of the fiscal year under review. The main factors were profit before income taxes of 37,899 million yen, depreciation and amortization of 8,653 million yen and 6,414 million yen increase/decrease in trade and other receivables.

(Cash flows from investing activities)

Net cash provided by investing activities amounted to 33,909 million yen in the first six months of the fiscal year under review, compared with net cash used in investing activities of 5,229 million yen in the same period of the previous fiscal year. The main factor was proceeds of 33,229 million yen from sales of investments accounted for by the equity method.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 39,727 million yen (up 29,205 million yen year on year) in the first six months of the fiscal year under review. The main factors were a net decrease in short-term borrowings of 21,874 million yen, repayments of long-term borrowings of 6,053 million yen and dividends paid of 5,650 million yen.

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

The results of operations for the first six months of the fiscal year under review were in line with the previous forecast. There is no change in the business forecasts stated in the Summary of Financial Results for the Fiscal Year Ended March 31, 2024, which was announced on May 9, 2024.

2. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	49,484	59,764
Trade and other receivables	82,229	75,934
Inventories	6,980	7,027
Other financial assets	2,742	2,482
Other current assets	6,263	6,360
Total current assets	147,701	151,569
Non-current assets		
Property, plant and equipment	15,954	16,391
Right-of-use assets	30,321	28,540
Goodwill	16,458	16,544
Intangible assets	8,846	9,028
Investment property	20,376	19,618
Investments accounted for using the equity method	15,311	652
Other financial assets	23,233	22,977
Deferred tax assets	10,909	11,871
Other non-current assets	1,052	961
Total non-current assets	142,463	126,585
Total assets	290,165	278,155

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	61,382	60,343
Bonds and borrowings	37,282	13,042
Lease liabilities	9,782	8,769
Income taxes payable	4,099	4,519
Contract liabilities	8,707	7,646
Other financial liabilities	20,766	18,307
Provisions	368	—
Other current liabilities	4,817	4,633
Total current liabilities	147,208	117,262
Non-current liabilities		
Bonds and borrowings	45,045	42,661
Lease liabilities	18,521	17,729
Contract Liabilities	18,256	18,581
Other financial liabilities	10,084	10,539
Provisions	8,621	8,925
Deferred tax liabilities	1,321	1,267
Other current liabilities	754	825
Total non-current liabilities	102,606	100,531
Total liabilities	249,815	217,793
Equity		
Share capital	2,667	2,667
Capital surplus	552	433
Retained earnings	25,314	52,631
Treasury shares	(51)	(4,405)
Other components of equity	10,142	6,841
Equity attributable to owners of parent	38,624	58,167
Non-controlling interests	1,726	2,194
Total equity	40,350	60,361
Total liabilities and equity	290,165	278,155

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

Consolidated Statements of Income

For the six months ended September 30, 2023 and 2024

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Revenue	63,189	70,073
Cost of sales	34,307	38,290
Gross profit	28,881	31,782
Selling, general and administrative expenses	17,331	19,099
Other income	1,197	3,082
Other expenses	222	102
Operating profit	12,524	15,664
Finance income	504	222
Finance costs	588	288
Share of profit of investments accounted for using equity method	602	3,577
Gain on sale of investemets accounted for using equity method	—	18,724
Profit before income taxes	13,043	37,899
Income tax expense	3,926	4,564
Profit	9,116	33,334
Profit attributable to		
Owners of the parent	8,826	32,972
Non-controlling interests	290	361
Profit	9,116	33,334
Earnings per share		
Basic earnings per share (Yen)	57.75	216.52
Diluted earnings per share (Yen)	55.38	207.37

Consolidated Statements of Income

For the three months ended September 30, 2023 and 2024

(Millions of yen)

	three months ended September 30, 2023	three months ended September 30, 2024
Revenue	32,513	35,447
Cost of sales	17,702	19,484
Gross profit	14,811	15,962
Selling, general and administrative expenses	8,871	9,505
Other income	864	2,221
Other expenses	19	60
Operating profit	6,784	8,617
Finance income	271	138
Finance costs	291	152
Share of profit of investments accounted for using equity method	288	3,090
Gain on sale of investemets accounted for using equity method	—	—
Profit before income taxes	7,053	11,693
Income tax expense	1,992	2,557
Profit	5,061	9,135
Profit attributable to		
Owners of the parent	4,829	8,929
Non-controlling interests	231	205
Profit	5,061	9,135
Earnings per share		
Basic earnings per share (Yen)	31.60	58.85
Diluted earnings per share (Yen)	30.30	56.36

Consolidated Statement of Comprehensive Income
For the six months ended September 30, 2023 and 2024

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	9,116	33,334
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(1,149)	(182)
Share of other comprehensive income of investments accounted for using the equity method	14	(16)
Total	(1,134)	(199)
Items that may be reclassified subsequently to profit or loss		
Differences on translation of foreign operations	1,483	(2,948)
Exchange differences on translation of foreign operations	91	(254)
Total	1,575	(3,202)
Other comprehensive income	441	(3,402)
Comprehensive income	9,558	29,932
Comprehensive income attributable to:		
Owners of the parent	9,256	29,570
Non-controlling interests	301	361
Comprehensive income	9,558	29,932

Consolidated Statement of Comprehensive Income
For the three months ended September 30, 2023 and 2024

(Millions of yen)

	Three months ended September 30, 2023	Three months ended September 30, 2024
Profit	5,061	9,135
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	31	(17)
Share of other comprehensive income of investments accounted for using the equity method	7	—
Total	38	(17)
Items that may be reclassified subsequently to profit or loss		
Differences on translation of foreign operations	420	(3,892)
Exchange differences on translation of foreign operations	69	—
Total	489	(3,892)
Other comprehensive income	528	(3,909)
Comprehensive income	5,589	5,225
Comprehensive income attributable to:		
Owners of the parent	5,360	5,024
Non-controlling interests	229	200
Comprehensive income	5,589	5,225

(3) Consolidated Statements of Changes in Equity

(From April 1, 2023 to September 30, 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 components of equity	Total		
Balance at April 1, 2023	2,667	271	58,141	(56)	7,592	68,615	1,203	69,819
Profit	—	—	8,826	—	—	8,826	290	9,116
Other comprehensive income	—	—	—	—	430	430	11	441
Total comprehensive income	—	—	8,826	—	430	9,256	301	9,558
Disposal of treasury shares	—	15	—	4	(19)	0	—	0
Cash dividend paid	—	—	(5,044)	—	—	(5,044)	(60)	(5,105)
Share-based payment transactions	—	139	—	—	133	272	—	272
Other	—	—	(4)	—	8	3	(1)	2
Total transactions with owners of the parent	—	155	(5,049)	4	121	(4,767)	(62)	(4,829)
Balance at September 30, 2023	2,667	426	61,918	(51)	8,144	73,104	1,442	74,547

(From April 1, 2024 to September 30, 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 components of equity	Total		
Balance at April 1, 2024	2,667	552	25,314	(51)	10,142	38,624	1,726	40,350
Profit	—	—	32,972	—	—	32,972	361	33,334
Other comprehensive income	—	—	—	—	(3,402)	(3,402)	0	(3,402)
Total comprehensive income	—	—	32,972	—	(3,402)	29,570	361	29,932
Purchase of treasury shares	—	—	—	(4,354)	—	(4,354)	—	(4,354)
Cash dividend paid	—	—	(5,655)	—	—	(5,655)	(70)	(5,726)
Share-based payment transactions	—	105	—	—	101	207	—	207
Changes in ownership interest in subsidiaries	—	(176)	—	—	(0)	(176)	176	—
Other	—	(48)	—	—	(0)	(48)	0	(48)
Total transactions with owners of the parent	—	(118)	(5,655)	(4,354)	101	(10,027)	106	(9,920)
Balance at September 30, 2024	2,667	433	52,631	(4,405)	6,841	58,167	2,194	60,361

(4) Consolidated Cash Flow Statements

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before tax	13,043	37,899
Depreciation and amortization	8,054	8,653
Finance income and finance costs	(506)	144
Share of loss (profit) of investments accounted for using equity method	(602)	(3,577)
Gain on sale of investemets accounted for using equity method	—	(18,724)
Loss (gain) on sale of fixed assets	(921)	(2,388)
Decrease (increase) in inventories	(223)	(47)
Decrease (increase) in trade and other receivables	3,776	6,414
Increase (decrease) in trade and other payables	1,308	(926)
Decrease (inLease) liabilities	(4,261)	(4,456)
Other	(2,058)	(4,791)
Subtotal	17,608	18,200
Interest and dividends received	616	440
Interest paid	(437)	(225)
Income taxes paid	(5,873)	(1,835)
Cash flows from operating activities	11,914	16,580
Cash flows from investing activities		
Purchase of property, plant and equipment	(942)	(2,205)
Proceeds from sale of property, plant and equipment	46	1,992
Purchase of intangible assets	(776)	(868)
Purchase of investment property	(3,968)	(3,258)
Proceeds from sale of investment property	3,139	4,763
Purchase of property, plant and equipment	(50)	(16)
Proceeds from sale of property, plant and equipment	176	—
Payments for acquisition of subsidiaries	—	(56)
Payments for loans receivable	(2,809)	(2)
Collection of loans receivable	33	22
Proceeds from sale of investments accounted for using equity method	—	33,229
Other	(79)	311
Cash flows from investing activities	(5,229)	33,909
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	695	(21,874)
Proceeds from long-term borrowings	1,412	1,230
Repayments of long-term borrowings	(6,146)	(6,053)
Redemption of bonds	(181)	(78)
Purchase of treasury shares	—	(4,354)
Proceeds from sale of treasury shares	0	—
Dividends paid	(5,041)	(5,650)
Dividends paid to non-controlling interests	(60)	(66)
Other	(1,201)	(2,878)
Cash flows from financing activities	(10,522)	(39,727)
Effect of exchange rate changes on cash and cash equivalents	586	(482)
Net increase (decrease) in cash and cash equivalents	(3,249)	10,280
Cash and cash equivalents at the beginning of the period	43,695	49,484
Cash and cash equivalents at the end of the period	40,445	59,764

(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 business, 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.

For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	43,756	12,214	6,717	62,688
Intersegment revenue	92	170	33	297
Total	43,849	12,385	6,751	62,985
Segment profit(loss)	7,726	5,530	1,177	14,434

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	500	63,189	—	63,189
Intersegment revenue	94	392	(392)	—
Total	595	63,581	(392)	63,189
Segment profit(loss)	(116)	14,317	(1,793)	12,524

(Note) 1. Other Business is a business segment that is not included in the reportable segments and includes financial business.

2. Intersegment revenue and the segment profit (loss) adjustment is the result of elimination of intersegment transactions.

For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(Millions of yen)

	Business segment			
	Relocation Business	Fringe benefit Business	Tourism Business	Subtotal
Revenue				
Revenue from external customers	48,408	13,384	7,720	69,513
Intersegment revenue	116	202	40	359
Total	48,525	13,586	7,760	69,873
Segment profit(loss)	8,834	5,952	2,899	17,687

	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Statement of Profit or Loss
Revenue				
Revenue from external customers	560	70,073	—	70,073
Intersegment revenue	104	463	(463)	—
Total	664	70,537	(463)	70,073
Segment profit(loss)	(86)	17,601	(1,936)	15,664

(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.

Reconciliation from operating profit to profit before tax

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Operating profit	12,524	15,664
Finance income	504	222
Finance costs	588	288
Share of profit of investments accounted for using equity method	602	3,577
Gain on sale of investemets accounted for using equity method	—	18,724
Profit before income taxes	13,043	37,899

(Gain on sale of investemets accounted for using equity method)

In the first six months of the fiscal year under review, the Company sold its shareholding in Nihon Housing Co., Ltd., an equity-method subsidiary, and excluded Nihon Housing from the scope of application of equity method accounting.

The Company consequently recorded a gain on sale of investments accounted for using the equity method of 18,724 million yen in the consolidated statements of income. The proceeds from the sale of the shares are included in the proceeds from the sale of investments accounted for using the equity method in the consolidated cash flow statements.