



July 29, 2021

**Summary of the Consolidated Financial Results for the First Quarter  
of the Fiscal Year Ending March 31, 2022 (FY3/22)  
(Three Months Ended June 30, 2021)**

**[Japanese GAAP]**

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Scheduled date of filing of Quarterly Report: August 10, 2021

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

*(All amounts are rounded down to the nearest million yen)*

**1. Consolidated Financial Results for the First Quarter (April 1, 2021 to June 30, 2021) of FY3/22**

(1) Consolidated results of operations

*(Percentages represent year-on-year changes)*

|                                  | Net sales       |       | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|----------------------------------|-----------------|-------|------------------|--------|-----------------|--------|---|--------|
|                                  | Millions of yen | %     | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %      |
| Three months ended Jun. 30, 2021 | 27,836          | 8.0   | 3,598            | (14.0) | 3,648           | (15.7) | 2,171                                   | (23.0) |
| Three months ended Jun. 30, 2020 | 25,766          | (6.2) | 4,184            | (21.0) | 4,328           | (19.8) | 2,818                                   | (19.6) |

Note: Comprehensive income (millions of yen): Three months ended Jun. 30, 2021: 2,166 (down 24.5%)  
Three months ended Jun. 30, 2020: 2,868 (down 18.9%)

|                                  | Net income per share | Diluted net income per share |
|----------------------------------|----------------------|------------------------------|
|                                  | Yen                  | Yen                          |
| Three months ended Jun. 30, 2021 | 105.77               | -                            |
| Three months ended Jun. 30, 2020 | 137.28               | -                            |

(2) Consolidated financial position

|                     | Total assets    | Net assets      | Shareholders' equity ratio |
|---------------------|-----------------|-----------------|----------------------------|
|                     | Millions of yen | Millions of yen | %                          |
| As of Jun. 30, 2021 | 93,197          | 72,956          | 78.3                       |
| As of Mar. 31, 2021 | 99,488          | 72,125          | 72.5                       |

Reference: Shareholders' equity (millions of yen): As of Jun. 30, 2021: 72,956 As of Mar. 31, 2021: 72,125

**2. Dividends**

|   | Dividend per share |           |        |           |           |
|---|--------------------|-----------|--------|-----------|-----------|
|   | 1Q-end             | 2Q-end    | 3Q-end | Year-end  | Total     |
| Fiscal year ended Mar. 31, 2021             | Yen -              | Yen 15.00 | Yen -  | Yen 65.00 | Yen 80.00 |
| Fiscal year ending Mar. 31, 2022            | -                  | -         | -      | -         | -         |
| Fiscal year ending Mar. 31, 2022 (Forecast) | -                  | 30.00     | -      | 60.00     | 90.00     |

Note: Revisions to the most recently announced dividend forecast: None

Composition of the year-end dividend for the fiscal year ending March 31, 2022: Ordinary dividend of 60.00 yen

**3. Consolidated Forecast for FY3/22 (April 1, 2021 to March 31, 2022)**

*(Percentages represent year-on-year changes)*

|            | Net sales       |     | Operating profit |     | Ordinary profit |     | Profit attributable to owners of parent |     | Net income per share |
|------------|-----------------|-----|------------------|-----|-----------------|-----|---|-----|----------------------|
|            | Millions of yen | %   | Millions of yen  | %   | Millions of yen | %   | Millions of yen                         | %   | Yen                  |
| First half | 49,942          | 3.7 | 6,178            | 4.9 | 6,366           | 4.5 | 4,130                                   | 1.5 | 201.17               |
| Full year  | 103,480         | 3.1 | 11,675           | 4.9 | 11,944          | 1.8 | 7,962                                   | 3.4 | 387.82               |

Note: Revisions to the most recently announced consolidated forecast: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

|                      |                   |                      |                   |
|----------------------|-------------------|----------------------|-------------------|
| As of Jun. 30, 2021: | 21,162,000 shares | As of Mar. 31, 2021: | 21,162,000 shares |
|----------------------|-------------------|----------------------|-------------------|

2) Number of treasury shares at the end of the period

|                      |                |                      |                |
|----------------------|----------------|----------------------|----------------|
| As of Jun. 30, 2021: | 632,096 shares | As of Mar. 31, 2021: | 631,713 shares |
|----------------------|----------------|----------------------|----------------|

3) Average number of shares outstanding during the period

|                                   |                   |                                  |                   |
|-----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended Jun. 30, 2021: | 20,530,133 shares | Three months ended Jun. 30, 2020 | 20,532,163 shares |
|-----------------------------------|-------------------|----------------------------------|-------------------|

\* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

\* Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the management of Sakai Moving Service at the time the materials were prepared. These materials are not promises by Sakai Moving Service regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. For a discussion of the assumptions for forecasts, precautions concerning usage and other information, please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 2.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first quarter of the current fiscal year, although there is progress with COVID-19 vaccinations in Japan, the economic outlook remains uncertain because infections continue to increase and it is still impossible to predict when this crisis will end.

In Japan's moving industry, the market is recovering due to upturns in the number of housing starts and people who are relocating.

By steadily making its business operations more powerful, the Sakai Moving Service Group achieved higher sales than one year earlier as the number of jobs performed increased 6.1% to 220,061 and the average unit rate for moving services was up 1.7%. First quarter expenses increased. There were higher outsourcing expenses in order to capture new orders during the pandemic and special payments to employees who were severely impacted by the pandemic. The reduction in expenses in the previous fiscal year due to the reversal of the provision for bonuses is another reason for higher expenses in the first quarter.

Net sales increased 8.0% year-on-year to 27,836 million yen, operating profit decreased 14.0% to 3,598 million yen, ordinary profit decreased 15.7% to 3,648 million yen, and profit attributable to owners of parent decreased 23.0% to 2,171 million yen.

### (2) Explanation of Financial Position

#### 1) Current assets

Current assets decreased by 7,174 million yen, or 22.6%, from the end of the previous fiscal year to 24,592 million yen.

This was attributable mainly to decreases of 4,713 million yen in notes and accounts receivable-trade and 2,346 million yen in cash and deposits.

#### 2) Non-current assets

Non-current assets increased by 883 million yen, or 1.3%, from the end of the previous fiscal year to 68,605 million yen.

This was mainly attributable to increases of 612 million yen in land and 222 million yen in buildings.

#### 3) Current liabilities

Current liabilities decreased by 7,300 million yen, or 33.7%, from the end of the previous fiscal year to 14,378 million yen. This was attributable mainly to decreases of 3,143 million yen in accounts payable-trade, 1,188 million yen in advances received included in other current liabilities and 1,454 million yen in income taxes payable.

#### 4) Non-current liabilities

Non-current liabilities increased by 177 million yen, or 3.1%, from the end of the previous fiscal year to 5,862 million yen.

This was attributable mainly to an increase of 118 million yen in long-term borrowings.

#### 5) Net assets

Net assets increased by 831 million yen, or 1.2%, from the end of the previous fiscal year to 72,956 million yen.

This was attributable mainly to an increase of 837 million yen in retained earnings.

### (3) Explanation of Consolidated Forecast and Other Forward-looking Statements

There are no revisions to the first-half and full-year forecasts for the fiscal year ending March 31, 2022, which were announced on May 7, 2021.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

|                                     | FY3/21<br>(as of Mar. 31, 2021) | First quarter of FY3/22<br>(as of Jun. 30, 2021) |
|-------------------------------------|---------------------------------|--|
| <b>Assets</b>                       |                                 |  |
| Current assets                      |                                 |  |
| Cash and deposits                   | 22,588                          | 20,242   |
| Notes and accounts receivable-trade | 7,516                           | 2,803  |
| Merchandise                         | 486                             | 523  |
| Other                               | 1,182                           | 1,029  |
| Allowance for doubtful accounts     | (7)                             | (6)  |
| Total current assets                | 31,766                          | 24,592   |
| Non-current assets                  |                                 |  |
| Property, plant and equipment       |                                 |  |
| Buildings, net                      | 9,260                           | 9,482  |
| Land                                | 50,989                          | 51,602   |
| Leased assets, net                  | 954                             | 901  |
| Other, net                          | 1,445                           | 1,619  |
| Total property, plant and equipment | 62,651                          | 63,605   |
| Intangible assets                   |                                 |  |
| Goodwill                            | 22                              | 170  |
| Contract-based intangible assets    | 141                             | 113  |
| Other                               | 420                             | 395  |
| Total intangible assets             | 584                             | 679  |
| Investments and other assets        |                                 |  |
| Other                               | 4,577                           | 4,410  |
| Allowance for doubtful accounts     | (91)                            | (90)   |
| Total investments and other assets  | 4,486                           | 4,319  |
| Total non-current assets            | 67,722                          | 68,605   |
| Total assets                        | 99,488                          | 93,197   |
| <b>Liabilities</b>                  |                                 |  |
| Current liabilities                 |                                 |  |
| Accounts payable-trade              | 5,350                           | 2,207  |
| Current portion of bonds payable    | -                               | 22   |
| Short-term borrowings               | 1,285                           | 1,210  |
| Lease obligations                   | 214                             | 214  |
| Income taxes payable                | 2,624                           | 1,170  |
| Provision for bonuses               | 824                             | 190  |
| Other                               | 11,379                          | 9,362  |
| Total current liabilities           | 21,678                          | 14,378   |
| Non-current liabilities             |                                 |  |
| Bonds payable                       | -                               | 89   |
| Long-term borrowings                | 2,363                           | 2,482  |
| Lease obligations                   | 752                             | 692  |
| Retirement benefit liability        | 10                              | 31   |
| Asset retirement obligations        | 153                             | 153  |
| Other                               | 2,404                           | 2,412  |
| Total non-current liabilities       | 5,684                           | 5,862  |
| Total liabilities                   | 27,363                          | 20,240   |

|   | (Millions of yen)     |                         |
|---|-----------------------|-------------------------|
|   | FY3/21                | First quarter of FY3/22 |
|   | (as of Mar. 31, 2021) | (as of Jun. 30, 2021)   |
| Net assets  |                       |                         |
| Shareholders' equity                                  |                       |                         |
| Share capital   | 4,731                 | 4,731                   |
| Capital surplus                                       | 4,949                 | 4,949                   |
| Retained earnings                                     | 65,713                | 66,550                  |
| Treasury shares                                       | (2,935)               | (2,935)                 |
| Total shareholders' equity                            | 72,459                | 73,295                  |
| Accumulated other comprehensive income                |                       |                         |
| Valuation difference on available-for-sale securities | 97                    | 92                      |
| Revaluation reserve for land                          | (431)                 | (431)                   |
| Total accumulated other comprehensive income          | (333)                 | (339)                   |
| Total net assets                                      | 72,125                | 72,956                  |
| Total liabilities and net assets                      | 99,488                | 93,197                  |

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****(Quarterly Consolidated Statement of Income)****(For the Three-month Period)**

(Millions of yen)

|  | First three months of FY3/21<br>(Apr. 1, 2020 to Jun. 30, 2020) | First three months of FY3/22<br>(Apr. 1, 2021 to Jun. 30, 2021) |
|--|---|---|
| Net sales  | 25,766  | 27,836  |
| Cost of sales                                    | 14,998  | 16,881  |
| Gross profit                                     | 10,768  | 10,955  |
| Selling, general and administrative expenses     | 6,583   | 7,356   |
| Operating profit                                 | 4,184   | 3,598   |
| Non-operating income                             |   |   |
| Interest income                                  | 2   | 2   |
| Dividend income                                  | 8   | 8   |
| Insurance claim income                           | 25  | 2   |
| Other  | 110   | 41  |
| Total non-operating income                       | 147   | 55  |
| Non-operating expenses                           |   |   |
| Interest expenses                                | 3   | 4   |
| Other  | 0   | 0   |
| Total non-operating expenses                     | 3   | 4   |
| Ordinary profit                                  | 4,328   | 3,648   |
| Extraordinary income                             |   |   |
| Gain on sale of non-current assets               | 0   | 2   |
| Gain on sale of investment securities            | -   | 0   |
| Total extraordinary income                       | 0   | 3   |
| Extraordinary losses                             |   |   |
| Loss on disposal of non-current assets           | -   | 0   |
| Loss on valuation of investment securities       | 71  | -   |
| Total extraordinary losses                       | 71  | 0   |
| Profit before income taxes                       | 4,257   | 3,650   |
| Income taxes-current                             | 1,044   | 1,306   |
| Income taxes-deferred                            | 394   | 172   |
| Total income taxes                               | 1,438   | 1,479   |
| Profit   | 2,818   | 2,171   |
| Profit attributable to non-controlling interests | -   | -   |
| Profit attributable to owners of parent          | 2,818   | 2,171   |

**(Quarterly Consolidated Statement of Comprehensive Income)****(For the Three-month Period)**

(Millions of yen)

|  | First three months of FY3/21<br>(Apr. 1, 2020 to Jun. 30, 2020) | First three months of FY3/22<br>(Apr. 1, 2021 to Jun. 30, 2021) |
|--|---|---|
| Profit   | 2,818   | 2,171   |
| Other comprehensive income                                     |   |   |
| Valuation difference on available-for-sale securities          | 49  | (5)   |
| Total other comprehensive income                               | 49  | (5)   |
| Comprehensive income   | 2,868   | 2,166   |
| Comprehensive income attributable to:                          |   |   |
| Comprehensive income attributable to owners of parent          | 2,868   | 2,166   |
| Comprehensive income attributable to non-controlling interests | -   | -   |

### **(3) Notes to Quarterly Consolidated Financial Statements**

#### **Going-concern Assumption**

Not applicable.

#### **Significant Changes in Shareholders' Equity**

Not applicable.

#### **Changes in Significant Subsidiaries during the Period**

Not applicable.

During the first quarter, Sakai Moving Service purchased the stock of Clean System Co., Ltd., making this company a consolidated subsidiary. This acquisition is not classified as a change in a specified subsidiary.

#### **Changes in Accounting Policies**

##### **Application of Accounting Standard for Revenue Recognition**

Sakai Moving Service has applied the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) from the beginning of the first quarter of the current fiscal year. There is no significant effect of this application on the quarterly consolidated financial statements.

##### **Application of Accounting Standard for Measurement of Fair Value**

Sakai Moving Service has applied the Accounting Standard for Measurement of Fair Value (ASBJ Statement No. 30, July 4, 2019) and other standards from the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies set forth by the Accounting Standard for Measurement of Fair Value, etc. prospectively in accordance with the transitional measures prescribed in Paragraph 19 of the Accounting Standard for Measurement of Fair Value and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect of the application of these standards on the quarterly consolidated financial statements.

*This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*