



July 29, 2020

**Summary of the Consolidated Financial Results for the First Quarter  
of the Fiscal Year Ending March 31, 2021 (FY3/21)  
(Three Months Ended June 30, 2020)**

**[Japanese GAAP]**

Company name: Sakai Moving Service Co., Ltd. Listing: Tokyo Stock Exchange, First Section  
 Stock code: 9039 URL: <http://www.hikkoshi-sakai.co.jp>  
 Representative: Tetsuyasu Tajima, President and Representative Director  
 Inquiries: Teruhiro Manabe, Director, Accounting General Manager  
 Tel: +81-72-244-1174

Scheduled date of filing of Quarterly Report: August 11, 2020  
 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, 2020 to June 30, 2020) of FY3/21**

(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, 2020	25,766	(6.2)	4,184	(21.0)	4,328	(19.8)	2,818	(19.6)
Three months ended Jun. 30, 2019	27,466	5.4	5,294	6.4	5,394	6.8	3,505	4.7

Note: Comprehensive income (millions of yen): Three months ended Jun. 30, 2020: 2,877 (down 18.6%)  
 Three months ended Jun. 30, 2019: 3,536 (up 5.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2020	137.28	-
Three months ended Jun. 30, 2019	170.72	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Jun. 30, 2020	86,916	67,505	77.7
As of Mar. 31, 2020	93,245	65,559	70.3

Reference: Shareholders' equity (millions of yen): As of Jun. 30, 2020: 67,505 As of Mar. 31, 2020: 65,559

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Mar. 31, 2020	Yen -	Yen 15.00	Yen -	Yen 45.00	Yen 60.00
Fiscal year ending Mar. 31, 2021	-	-	-	-	-
Fiscal year ending Mar. 31, 2021 (Forecast)	-	15.00	-	45.00	60.00

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

Composition of the year-end dividend for the fiscal year ending March 31, 2021: Ordinary dividend of 35.00 yen, commemorative dividend of 10.00 yen

**3. Consolidated Forecasts for FY3/21 (April 1, 2020 to March 31, 2021)**

There is no forecast for the fiscal year ending in March 2021 because it is impossible at this time to determine the impact of the COVID-19 crisis on results of operations. An announcement will be made promptly once it becomes possible to determine a reliable forecast.

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: None

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, 2020:	21,162,000 shares	As of Mar. 31, 2020:	21,162,000 shares
----------------------	-------------------	----------------------	-------------------

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

As of Jun. 30, 2020:	629,837 shares	As of Mar. 31, 2020:	629,837 shares
----------------------	----------------	----------------------	----------------

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2020:	20,532,163 shares	Three months ended Jun. 30, 2019	20,534,437 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 3.

**Contents of Attachments**

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	2
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	5
Quarterly Consolidated Statement of Income	
For the Three-month Period	5
Quarterly Consolidated Statement of Comprehensive Income	
For the Three-month Period	6
(3) Notes to Quarterly Consolidated Financial Statements	7
Going-concern Assumption	7
Significant Changes in Shareholders' Equity	7

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first quarter of the current fiscal year, there was a state of emergency in Japan for almost two months due to the COVID-19 pandemic. Although the state of emergency ended in late May, there were restrictions on the activities of individuals and companies during the quarter and internal and external demand plunged because of the downturn of the global economy. Consequently, there is still uncertainty about a recovery of consumer spending and business activities in Japan.

In Japan's moving industry, the business climate remained challenging because of the declining number of housing starts and people who are relocating.

Due to many activities in response to these difficult market conditions during the first quarter, the Sakai Moving Service Group achieved a 2.1% increase from one year earlier in the number of jobs performed to 207,377, but the average unit rate for moving services decreased 8.2%. As a result, group companies were able to minimize the decline in sales caused by COVID-19.

Net sales decreased 6.2% year-on-year to 25,766 million yen, operating profit decreased 21.0% to 4,184 million yen, ordinary profit decreased 19.8% to 4,328 million yen, and profit attributable to owners of parent decreased 19.6% to 2,818 million yen.

### (2) Explanation of Financial Position

#### 1) Current assets

Current assets decreased by 5,952 million yen, or 22.7%, from the end of the previous fiscal year to 20,294 million yen.

This was attributable mainly to a decrease of 5,121 million yen in notes and accounts receivable-trade.

#### 2) Non-current assets

Non-current assets decreased by 376 million yen, or 0.6%, from the end of the previous fiscal year to 66,622 million yen.

This was mainly attributable to a decrease of 477 million yen in deferred tax assets included in investments and other assets, while there was an increase of 570 million yen in construction in progress included in property, plant and equipment.

#### 3) Current liabilities

Current liabilities decreased by 7,289 million yen, or 35.0%, from the end of the previous fiscal year to 13,564 million yen.

This was attributable mainly to decreases of 2,604 million yen in accounts payable-trade, 1,327 million yen in accrued expenses included in other current liabilities, 996 million yen in income taxes payable and 920 million yen in provision for bonuses.

#### 4) Non-current liabilities

Current liabilities decreased by 984 million yen, or 14.4%, from the end of the previous fiscal year to 5,847 million yen.

This was attributable mainly to decreases of 575 million yen in long-term accounts payable-other included in other non-current liabilities and 349 million yen in long-term borrowings.

#### 5) Net assets

Net assets increased by 1,945 million yen, or 3.0%, from the end of the previous fiscal year to 67,505 million yen.

This was attributable mainly to an increase of 1,896 million yen in retained earnings.

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

There is no first-half and full-year forecasts for the fiscal year ending in March 2021 because it impossible at this time to determine the impact of the COVID-19 crisis on results of operations.

We continue to carefully monitor the trends of the COVID-19 pandemic. An announcement will be made promptly once it becomes possible to determine a reliable forecast.

## 2. Quarterly Consolidated Financial Statements and Notes

## (1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	FY3/20 (as of Mar. 31, 2020)	First quarter of FY3/21 (as of Jun. 30, 2020)
Assets		
Current assets		
Cash and deposits	16,758	16,061
Notes and accounts receivable-trade	7,754	2,632
Merchandise	460	429
Other	1,282	1,179
Allowance for doubtful accounts	(9)	(8)
Total current assets	26,247	20,294
Non-current assets		
Property, plant and equipment		
Buildings, net	9,016	8,944
Land	49,985	49,985
Other, net	2,106	2,483
Total property, plant and equipment	61,108	61,413
Intangible assets		
Goodwill	112	89
Contract-based intangible assets	255	226
Other	438	417
Total intangible assets	805	733
Investments and other assets		
Other	5,183	4,574
Allowance for doubtful accounts	(99)	(99)
Total investments and other assets	5,084	4,475
Total non-current assets	66,998	66,622
Total assets	93,245	86,916
Liabilities		
Current liabilities		
Accounts payable-trade	4,553	1,948
Short-term borrowings	1,834	1,770
Income taxes payable	2,168	1,172
Provision for bonuses	1,114	194
Provision for point card certificates	6	6
Other	11,176	8,472
Total current liabilities	20,854	13,564
Non-current liabilities		
Long-term borrowings	3,354	3,004
Retirement benefit liability	9	9
Other	3,468	2,833
Total non-current liabilities	6,832	5,847
Total liabilities	27,686	19,411
Net assets		
Shareholders' equity		
Share capital	4,731	4,731
Capital surplus	4,949	4,949
Retained earnings	59,247	61,143
Treasury shares	(2,934)	(2,934)
Total shareholders' equity	65,993	67,889
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2)	46
Revaluation reserve for land	(431)	(431)
Total accumulated other comprehensive income	(434)	(384)
Total net assets	65,559	67,505
Total liabilities and net assets	93,245	86,916

**(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 FY3/20 (Apr. 1, 2019 to Jun. 30, 2019)	First three months of FY3/21 (Apr. 1, 2020 to Jun. 30, 2020)
Net sales	27,466	25,766
Cost of sales	14,788	14,998
Gross profit	12,678	10,768
Selling, general and administrative expenses	7,383	6,583
Operating profit	5,294	4,184
Non-operating income		
Interest income	3	2
Dividend income	10	8
Insurance claim income	24	25
Other	63	110
Total non-operating income	102	147
Non-operating expenses		
Interest expenses	1	3
Other	0	0
Total non-operating expenses	1	3
Ordinary profit	5,394	4,328
Extraordinary income		
Gain on sales of non-current assets	1	0
Gain on sales of investment securities	45	-
Total extraordinary income	47	0
Extraordinary losses		
Loss on disposal of non-current assets	2	-
Loss on valuation of investment securities	152	71
Loss on sales of investment securities	27	-
Total extraordinary losses	182	71
Profit before income taxes	5,259	4,257
Income taxes-current	1,162	1,044
Income taxes-deferred	591	394
Total income taxes	1,754	1,438
Profit	3,505	2,818
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	3,505	2,818

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

(Millions of yen)

	First three months of FY3/20 (Apr. 1, 2019 to Jun. 30, 2019)	First three months of FY3/21 (Apr. 1, 2020 to Jun. 30, 2020)
Profit	3,505	2,818
Other comprehensive income		
Valuation difference on available-for-sale securities	30	59
Total other comprehensive income	30	59
Comprehensive income	3,536	2,877
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	3,536	2,877
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.

*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.*