



January 31, 2022

**Summary of the Consolidated Financial Results for the Third Quarter  
of the Fiscal Year Ending March 31, 2022 (FY3/22)  
(Nine Months Ended December 31, 2021)**

**[Japanese GAAP]**

Company name: Sakai Moving Service Co., Ltd. Listing: Tokyo Stock Exchange, First Section  
 Stock code: 9039 URL: <https://www.hikkoshi-sakai.co.jp>  
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Scheduled date of filing of Quarterly Report: February 10, 2022  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for quarterly financial results: Yes  
 Holding of quarterly financial results meeting: None

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

**1. Consolidated Financial Results for the Third Quarter (April 1, 2021 to December 31, 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	%
Nine months ended Dec. 31, 2021	73,228	4.5	6,323	(11.3)	6,735	(12.2)	4,203	(18.4)
Nine months ended Dec. 31, 2020	70,079	(1.4)	7,128	(13.7)	7,670	(10.0)	5,152	(5.1)

Note: Comprehensive income (millions of yen):  
 Nine months ended Dec. 31, 2021: 4,163 (down 19.8%)  
 Nine months ended Dec. 31, 2020: 5,192 (down 5.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2021	204.91	-
Nine months ended Dec. 31, 2020	250.96	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2021	92,072	73,711	80.1
As of Mar. 31, 2021	99,488	72,125	72.5

Reference: Shareholders' equity (millions of yen): As of S Dec. 31, 2021: 73,711 As of Mar. 31, 2021: 72,125

**2. Dividends**

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

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

**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
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 Dec. 31, 2021:	21,162,000 shares	As of Mar. 31, 2021:	21,162,000 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2021:	774,236 shares	As of Mar. 31, 2021:	631,713 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2021:	20,513,210 shares	Nine months ended Dec. 31, 2020	20,531,715 shares
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\* 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.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first nine months of the current fiscal year, there were expectations for an economic recovery as states of emergency and other priority measures to prevent the spread of COVID-19 ended. However, the outlook for the Japanese economy remains unclear because of a new wave of infections caused by the highly infectious Omicron variant of the COVID-19 virus.

In Japan's moving industry, there are signs of an upturn in the number of people relocating as the number of housing starts increases.

Outsourcing costs increased because of measures to prevent COVID-19 clusters and other measures involving working hours for employees directly involved with moving services. In addition, expenses increased due to the payment of special bonuses to employees who had been severely impacted by the COVID-19 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 nine months.

By steadily making business operations more powerful, the Sakai Moving Service Group achieved higher sales than one year earlier as the number of jobs performed increased 3.1% to 625,672 and the average unit rate for moving services was up 1.1%.

Net sales increased 4.5% year-on-year to 73,228 million yen, operating profit decreased 11.3% to 6,323 million yen, ordinary profit decreased 12.2% to 6,735 million yen, and profit attributable to owners of parent decreased 18.4% to 4,203 million yen.

### (2) Explanation of Financial Position

#### 1) Current assets

Current assets decreased by 8,323 million yen, or 26.2%, from the end of the previous fiscal year to 23,443 million yen.

This was attributable mainly to a decrease of 5,251 million yen in notes and accounts receivable-trade.

#### 2) Non-current assets

Non-current assets increased by 906 million yen, or 1.3%, from the end of the previous fiscal year to 68,628 million yen.

This was mainly attributable to increases of 813 million yen in buildings and 811 million yen in land, and a decrease of 733 million yen in deferred tax assets included in other under investments and other assets.

#### 3) Current liabilities

Current liabilities decreased by 8,812 million yen, or 40.7%, from the end of the previous fiscal year to 12,866 million yen.

This was attributable mainly to decreases of 2,780 million yen in accounts payable-trade, 2,075 million yen in income taxes payable, 1,708 million yen in accrued expenses included in other current liabilities and 1,333 million yen in advances received included in other current liabilities.

#### 4) Non-current liabilities

Non-current liabilities decreased by 190 million yen, or 3.3%, from the end of the previous fiscal year to 5,494 million yen.

This was attributable mainly to a decrease of 195 million yen in long-term borrowings.

#### 5) Net assets

Net assets increased by 1,586 million yen, or 2.2%, from the end of the previous fiscal year to 73,711 million yen.

This was attributable mainly to an increase of 2,231 million yen in retained earnings.

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

There is no revision to the full-year forecast for the fiscal year ending March 31, 2022, which was announced on October 29, 2021.

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

	(Millions of yen)	
	FY3/21 (as of Mar. 31, 2021)	Third quarter of FY3/22 (as of Dec. 31, 2021)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	22,588	18,487
Notes and accounts receivable-trade	7,516	2,264
Merchandise	486	612
Other	1,182	2,084
Allowance for doubtful accounts	(7)	(5)
<b>Total current assets</b>	<b>31,766</b>	<b>23,443</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings, net	9,260	10,074
Land	50,989	51,801
Leased assets, net	954	887
Other, net	1,445	1,813
<b>Total property, plant and equipment</b>	<b>62,651</b>	<b>64,576</b>
<b>Intangible assets</b>		
Goodwill	22	162
Contract-based intangible assets	141	56
Other	420	360
<b>Total intangible assets</b>	<b>584</b>	<b>578</b>
<b>Investments and other assets</b>		
Other	4,577	3,563
Allowance for doubtful accounts	(91)	(90)
<b>Total investments and other assets</b>	<b>4,486</b>	<b>3,473</b>
<b>Total non-current assets</b>	<b>67,722</b>	<b>68,628</b>
<b>Total assets</b>	<b>99,488</b>	<b>92,072</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	5,350	2,569
Current portion of bonds payable	-	22
Short-term borrowings	1,285	1,966
Lease obligations	214	234
Income taxes payable	2,624	549
Provision for bonuses	824	206
Other	11,379	7,317
<b>Total current liabilities</b>	<b>21,678</b>	<b>12,866</b>
<b>Non-current liabilities</b>		
Bonds payable	-	78
Long-term borrowings	2,363	2,167
Lease obligations	752	659
Retirement benefit liability	10	32
Asset retirement obligations	153	191
Other	2,404	2,364
<b>Total non-current liabilities</b>	<b>5,684</b>	<b>5,494</b>
<b>Total liabilities</b>	<b>27,363</b>	<b>18,360</b>

	(Millions of yen)	
	FY3/21 (as of Mar. 31, 2021)	Third quarter of FY3/22 (as of Dec. 31, 2021)
Net assets		
Shareholders' equity		
Share capital	4,731	4,731
Capital surplus	4,949	4,949
Retained earnings	65,713	67,944
Treasury shares	(2,935)	(3,561)
Total shareholders' equity	72,459	74,064
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	97	57
Revaluation reserve for land	(431)	(409)
Total accumulated other comprehensive income	(333)	(352)
Total net assets	72,125	73,711
Total liabilities and net assets	99,488	92,072

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

(Millions of yen)

	First nine months of FY3/21 (Apr. 1, 2020 to Dec. 31, 2020)	First nine months of FY3/22 (Apr. 1, 2021 to Dec. 31, 2021)
Net sales	70,079	73,228
Cost of sales	43,057	45,839
Gross profit	27,022	27,389
Selling, general and administrative expenses	19,893	21,065
Operating profit	7,128	6,323
Non-operating income		
Interest income	7	6
Dividend income	313	211
Insurance claim income	37	26
Other	197	181
Total non-operating income	555	427
Non-operating expenses		
Interest expenses	12	13
Other	0	1
Total non-operating expenses	13	15
Ordinary profit	7,670	6,735
Extraordinary income		
Gain on sale of non-current assets	7	13
Other	-	0
Total extraordinary income	7	13
Extraordinary losses		
Loss on disposal of non-current assets	0	10
Total extraordinary losses	0	10
Profit before income taxes	7,676	6,738
Income taxes-current	1,728	1,790
Income taxes-deferred	795	744
Total income taxes	2,524	2,535
Profit	5,152	4,203
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	5,152	4,203



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

(Millions of yen)

	First nine months of FY3/21 (Apr. 1, 2020 to Dec. 31, 2020)	First nine months of FY3/22 (Apr. 1, 2021 to Dec. 31, 2021)
Profit	5,152	4,203
Other comprehensive income		
Valuation difference on available-for-sale securities	39	(40)
Total other comprehensive income	39	(40)
Comprehensive income	5,192	4,163
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	5,192	4,163
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. Based on this standard, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the promised goods and services is transferred to customers. Due to this accounting standard, when there is an agreement with a customer to provide the goods or services to a third party, only net revenue for services as an agent are recognized. In addition, for transactions at some subsidiaries where loyalty points are given to customers when a product or service is sold, a provision for point card certificates for the monetary value of points expected to be used in the future was maintained in prior years. Additions to this provision were included in selling, general and administrative expenses. Due to the new revenue recognition standard, this method has been changed to classifying points as a performance obligation that is allocated to transaction prices based on independent sale prices that reflect the portion of points not expected to be used and other considerations. The application of the Revenue Recognition Accounting Standard is pursuant to the transitional treatment prescribed in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. There is no effect of this application on retained earnings at the beginning of the fiscal year, profit in the current fiscal year and per share information. Due to the application of the revenue recognition accounting standard, the provision for point card certificates that was presented in the current liabilities section in the previous fiscal year is, from the first quarter of the current fiscal year, presented as other under current liabilities. In accordance with the transitional treatment prescribed in paragraph 89-2 of the accounting standard for revenue recognition, no reclassification has been made to the prior year's consolidated financial statements to conform to the new presentation.

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

Sakai Moving Service has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) 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 Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement 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.*