



MEMBERSHIP
May 6, 2022

Summary of the Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (FY3/22)

[Japanese GAAP]

Company name: Sakai Moving Service Co., Ltd. Listing: Tokyo Stock Exchange
 Stock code: 9039 URL: <https://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 Annual General Meeting of Shareholders: June 18, 2022
 Scheduled date of filing of Annual Securities Report: June 20, 2022
 Scheduled date of payment of dividend: June 20, 2022
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes

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

1. Consolidated Financial Results for FY3/22 (April 1, 2021 to March 31, 2022)

(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 | % |
| Fiscal year ended Mar. 31, 2022 | 103,884 | 3.5 | 10,790 | (3.1) | 11,286 | (3.8) | 6,711 | (12.8) |
| Fiscal year ended Mar. 31, 2021 | 100,333 | (0.5) | 11,132 | (0.5) | 11,728 | 1.7 | 7,697 | (14.0) |

Note: Comprehensive income (millions of yen): Fiscal year ended Mar. 31, 2022: 6,652 (down 14.7%)
 Fiscal year ended Mar. 31, 2021: 7,798 (down 13.3%)

| | Net income per share | Diluted net income per share | Return on equity | Ordinary profit to total assets | Operating profit to net sales |
|---------------------------------|----------------------|------------------------------|------------------|---------------------------------|-------------------------------|
| | Yen | Yen | % | % | % |
| Fiscal year ended Mar. 31, 2022 | 327.87 | - | 9.1 | 11.1 | 10.4 |
| Fiscal year ended Mar. 31, 2021 | 374.93 | - | 11.2 | 12.2 | 11.1 |

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Mar. 31, 2022: -
 Fiscal year ended Mar. 31, 2021: -

(2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|---------------------|-----------------|-----------------|----------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of Mar. 31, 2022 | 103,542 | 75,948 | 73.4 | 3,735.83 |
| As of Mar. 31, 2021 | 99,488 | 72,125 | 72.5 | 3,513.12 |

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2022: 75,948 As of Mar. 31, 2021: 72,125

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Fiscal year ended Mar. 31, 2022 | 7,916 | (3,173) | (3,651) | 22,806 |
| Fiscal year ended Mar. 31, 2021 | 11,303 | (1,240) | (4,224) | 21,715 |

2. Dividends

| | Dividend per share | | | | | Total dividends | Payout ratio (consolidated) | Dividend on equity (consolidated) |
|---|--------------------|--------|--------|----------|-------|-----------------|-----------------------------|-----------------------------------|
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended Mar. 31, 2021 | - | 15.00 | - | 65.00 | 80.00 | 1,642 | 21.3 | 2.4 |
| Fiscal year ended Mar. 31, 2022 | - | 30.00 | - | 60.00 | 90.00 | 1,835 | 27.5 | 2.5 |
| Fiscal year ending Mar. 31, 2023 (Forecast) | - | 30.00 | - | 65.00 | 95.00 | | 26.2 | |

Note: Composition of the year-end dividend for the fiscal year ended March 31, 2021: Special dividend of 10.00 yen and commemorative dividend of 20.00 yen

3. Consolidated Forecast for FY3/23 (April 1, 2022 to March 31, 2023)

(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 | 52,682 | 4.3 | 5,008 | 3.1 | 5,642 | 8.6 | 3,495 | 8.2 | 171.91 |
| Full year | 106,557 | 2.6 | 10,908 | 1.1 | 11,379 | 0.8 | 7,373 | 9.9 | 362.71 |

* 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) 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

(3) Number of outstanding shares (common shares)

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

As of Mar. 31, 2022: 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 Mar. 31, 2022: 832,136 shares As of Mar. 31, 2021: 631,713 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2022: 20,470,419 shares Fiscal year ended Mar. 31, 2021: 20,531,412 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for FY3/22 (April 1, 2021 to March 31, 2022)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|---------------------------------|-----------------|-------|------------------|-------|-----------------|-------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year ended Mar. 31, 2022 | 92,139 | 2.9 | 9,778 | (4.8) | 10,531 | (2.2) | 6,547 | (8.1) |
| Fiscal year ended Mar. 31, 2021 | 89,509 | (0.3) | 10,266 | (1.2) | 10,771 | 1.3 | 7,124 | (15.5) |

| | Net income per share | Diluted net income per share |
|---------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Fiscal year ended Mar. 31, 2022 | 319.86 | - |
| Fiscal year ended Mar. 31, 2021 | 347.03 | - |

(2) Non-consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|---------------------|-----------------|-----------------|----------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of Mar. 31, 2022 | 98,738 | 73,016 | 73.9 | 3,591.60 |
| As of Mar. 31, 2021 | 95,367 | 69,366 | 72.7 | 3,378.75 |

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2022: 73,016 As of Mar. 31, 2021: 69,366

2. Non-consolidated Forecast for FY3/23 (April 1, 2022 to March 31, 2023)

(Percentages represent year-on-year changes)

| | Net sales | | Ordinary profit | | Profit | | Net income per share |
|------------|-----------------|-----|-----------------|-----|-----------------|-----|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| First half | 46,027 | 2.6 | 5,443 | 9.1 | 3,528 | 2.6 | 173.57 |
| Full year | 93,500 | 1.5 | 10,670 | 1.3 | 7,170 | 9.5 | 352.68 |

* The financial report is not subject to audit 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. Overview of Results of Operations, (4) Outlook" on page 3.

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1. Overview of Results of Operations

(1) Results of Operations

In the current fiscal year, the Japanese economy continued to recover, although the economic situation was challenging due to the spread of the COVID-19 pandemic. Nevertheless, the outlook for the Japanese economy remains uncertain because of the impact of rising raw material prices of caused by the Ukraine crisis and other factors.

The operating environment in Japan's moving industry was also challenging as the number of people relocating remained largely unchanged although housing starts are picking up.

Outsourcing costs increased because of measures to prevent COVID-19 clusters and other measures involving working hours for employees directly involved with moving services. Unlike the previous fiscal year, when bonuses to employees were curbed because of the effects of the COVID-19 pandemic, expenses increased due to the payment of special bonuses to employees who had been severely impacted by the COVID-19 pandemic in the current fiscal year. However, in the fourth quarter of the current fiscal year, the average unit rate for moving services was up and the Sakai Moving Service Group focused on efficiently utilizing management resources to capture orders. As result, net sales and profits increased.

By steadily making business operations more powerful, the Group achieved higher sales than one year earlier as the number of jobs performed increased 0.9% to 841,631 and the average unit rate for moving services was up 2.0%.

Net sales increased 3.5% year-on-year to 103,884 million yen, operating profit decreased 3.1% to 10,790 million yen, ordinary profit decreased 3.8% to 11,286 million yen, and profit attributable to owners of parent decreased 12.8% to 6,711 million yen.

(2) Financial Position

1) Current assets

Current assets increased by 1,085 million yen, or 3.4%, from the end of the previous fiscal year to 32,852 million yen.

This was attributable mainly to an increase of 1,089 million yen in cash and deposits.

2) Non-current assets

Non-current assets increased by 2,968 million yen, or 4.4%, from the end of the previous fiscal year to 70,690 million yen.

This was mainly attributable to increases of 1,289 million yen in buildings, 692 million yen in land, 539 million yen in leased assets and 524 million yen in construction in progress.

3) Current liabilities

Current liabilities increased by 417 million yen, or 1.9%, from the end of the previous fiscal year to 22,096 million yen.

This was attributable mainly to increases of 678 million yen in advances received and 270 million yen in short-term borrowings, while there was a decrease of 665 million yen in accrued expenses.

4) Non-current liabilities

Non-current liabilities decreased by 187 million yen, or 3.3%, from the end of the previous fiscal year to 5,497 million yen.

This was attributable mainly to decreases of 428 million yen in long-term borrowings and 266 million yen in long-term accounts payable-other included in other under non-current liabilities, while there was an increase of 380 million yen in lease obligations.

5) Net assets

Net assets increased by 3,823 million yen, or 5.3%, from the end of the previous fiscal year to 75,948 million yen. This was attributable mainly to an increase of 4,739 million yen in retained earnings.

(3) Cash Flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the current fiscal year increased 1,091 million yen from the end of the previous fiscal year to 22,806 million yen.

Cash flows and the main reasons for changes are as follows.

Cash flows from operating activities

Net cash provided by operating activities was 7,916 million yen, compared with net cash provided of 11,303 million yen in the previous fiscal year.

Although there were negative factors including income taxes paid of 3,748 million yen, there were positive factors including profit before income taxes of 10,776 million yen, a 1,173 million yen decrease in trade receivables and depreciation of 1,286 million yen.

Cash flows from investing activities

Net cash used in investing activities was 3,173 million yen, compared with net cash used of 1,240 million yen in the previous fiscal year.

Main factors include purchase of property, plant and equipment of 2,383 million yen.

Cash flows from financing activities

Net cash used in financing activities was 3,651 million yen, compared with net cash used of 4,224 million yen in the previous fiscal year.

Main factors include repayments of long-term borrowings of 1,135 million yen, dividends paid of 1,950 million yen and purchase of treasury shares of 879 million yen.

(4) Outlook

As for the future economic outlook, economic activity is expected to gradually pick up as measures to combat the spread of the COVID-19 infections and other policy measures start having an effect. Nevertheless, the situation is expected to remain uncertain for the foreseeable future due the impact of rising raw material prices caused by the Ukraine crisis and other factors.

In this challenging environment, the Group is aiming to improve the working environment and to further raise productivity by utilizing web tools as well as by making capital investment in its dormitories and accommodation facilities, and by continuing to steadily implement its existing sales policies. For the fiscal year ending March 31, 2023, we forecast a 2.6% increase in net sales to 106,557 million yen, a 1.1% increase in operating profit to 10,908 million yen, a 0.8% increase in ordinary profit to 11,379 million yen and a 9.9% increase in profit attributable to owners of parent to 7,373 million yen.

2. Basic Approach to the Selection of Accounting Standards

The Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan because shareholders, creditors and business partners in Japan account for most stakeholders, and there is no plan to procure funds from overseas.

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

| | (Millions of yen) | |
|--|---------------------------------|---------------------------------|
| | FY3/21 (as of Mar. 31, 2021) | FY3/22 (as of Mar. 31, 2022) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 22,588 | 23,677 |
| Notes and accounts receivable-trade, and contract assets | - | 7,200 |
| Notes and accounts receivable-trade | 7,516 | - |
| Merchandise | 486 | 750 |
| Supplies | 409 | 465 |
| Other | 773 | 764 |
| Allowance for doubtful accounts | (7) | (6) |
| Total current assets | 31,766 | 32,852 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 9,875 | 11,164 |
| Machinery, equipment and vehicles, net | 178 | 112 |
| Land | 50,989 | 51,682 |
| Leased assets, net | 954 | 1,494 |
| Construction in progress | 495 | 1,020 |
| Other, net | 156 | 144 |
| Total property, plant and equipment | 62,651 | 65,619 |
| Intangible assets | | |
| Goodwill | 22 | 153 |
| Contract-based intangible assets | 141 | 28 |
| Other | 420 | 445 |
| Total intangible assets | 584 | 627 |
| Investments and other assets | | |
| Investment securities | 1,040 | 828 |
| Long-term loans receivable | 794 | 1,183 |
| Deferred tax assets | 1,741 | 1,530 |
| Other | 1,001 | 909 |
| Allowance for doubtful accounts | (91) | (8) |
| Total investments and other assets | 4,486 | 4,443 |
| Total non-current assets | 67,722 | 70,690 |
| Total assets | 99,488 | 103,542 |

| | (Millions of yen) | |
|---|---------------------------------|---------------------------------|
| | FY3/21 (as of Mar. 31, 2021) | FY3/22 (as of Mar. 31, 2022) |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 5,350 | 5,331 |
| Current portion of bonds payable | - | 22 |
| Short-term borrowings | 1,285 | 1,555 |
| Lease liabilities | 214 | 369 |
| Accrued expenses | 5,577 | 4,911 |
| Income taxes payable | 2,624 | 2,767 |
| Advances received | 2,567 | 3,245 |
| Provision for bonuses | 824 | 836 |
| Other | 3,234 | 3,056 |
| Total current liabilities | 21,678 | 22,096 |
| Non-current liabilities | | |
| Bonds payable | - | 78 |
| Long-term borrowings | 2,363 | 1,934 |
| Lease liabilities | 752 | 1,132 |
| Deferred tax liabilities | 53 | 30 |
| Deferred tax liabilities for land revaluation | 517 | 517 |
| Retirement benefit liability | 10 | 32 |
| Asset retirement obligations | 153 | 191 |
| Other | 1,833 | 1,579 |
| Total non-current liabilities | 5,684 | 5,497 |
| Total liabilities | 27,363 | 27,593 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 4,731 | 4,731 |
| Capital surplus | 4,949 | 4,949 |
| Retained earnings | 65,713 | 70,452 |
| Treasury shares | (2,935) | (3,814) |
| Total shareholders' equity | 72,459 | 76,319 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 97 | 39 |
| Revaluation reserve for land | (431) | (409) |
| Total accumulated other comprehensive income | (333) | (370) |
| Total net assets | 72,125 | 75,948 |
| Total liabilities and net assets | 99,488 | 103,542 |

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

(Millions of yen)

| | FY3/21 (Apr. 1, 2020 to Mar. 31, 2021) | FY3/22 (Apr. 1, 2021 to Mar. 31, 2022) |
|---|---|---|
| Net sales | 100,333 | 103,884 |
| Cost of sales | 61,078 | 63,781 |
| Gross profit | 39,254 | 40,103 |
| Selling, general and administrative expenses | 28,122 | 29,313 |
| Operating profit | 11,132 | 10,790 |
| Non-operating income | | |
| Interest and dividend income | 323 | 221 |
| Insurance claim income | 38 | 27 |
| Commission income | 43 | 43 |
| Rental income from real estate | 39 | 37 |
| Surrender value of insurance policies | 17 | 50 |
| Other | 152 | 140 |
| Total non-operating income | 613 | 521 |
| Non-operating expenses | | |
| Interest expenses | 17 | 18 |
| Commission for purchase of treasury shares | - | 3 |
| Other | 0 | 3 |
| Total non-operating expenses | 17 | 25 |
| Ordinary profit | 11,728 | 11,286 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 8 | 19 |
| Gain on sale of investment securities | 32 | - |
| Subsidy income | 13 | - |
| Other | - | 0 |
| Total extraordinary income | 54 | 19 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 20 | 20 |
| Loss on tax purpose reduction entry of non-current assets | 13 | - |
| Impairment losses | - | 508 |
| Total extraordinary losses | 34 | 529 |
| Profit before income taxes | 11,749 | 10,776 |
| Income taxes-current | 3,821 | 3,865 |
| Income taxes-deferred | 229 | 200 |
| Total income taxes | 4,051 | 4,065 |
| Profit | 7,697 | 6,711 |
| Profit attributable to non-controlling interests | - | - |
| Profit attributable to owners of parent | 7,697 | 6,711 |

Consolidated Statement of Comprehensive Income

(Millions of yen)

| | FY3/21 (Apr. 1, 2020 to Mar. 31, 2021) | FY3/22 (Apr. 1, 2021 to Mar. 31, 2022) |
|--|---|---|
| Profit | 7,697 | 6,711 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 100 | (58) |
| Total other comprehensive income | 100 | (58) |
| Comprehensive income | 7,798 | 6,652 |
| Comprehensive income attributable to: | | |
| Comprehensive income attributable to owners of parent | 7,798 | 6,652 |
| Comprehensive income attributable to non-controlling interests | - | - |

(3) Consolidated Statement of Changes in Equity

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 4,731 | 4,949 | 59,247 | (2,934) | 65,993 |
| Changes during period | | | | | |
| Dividends of surplus | | | (1,231) | | (1,231) |
| Profit attributable to owners of parent | | | 7,697 | | 7,697 |
| Reversal of revaluation reserve for land | | | | | |
| Purchase of treasury shares | | | | (0) | (0) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | - | 6,466 | (0) | 6,465 |
| Balance at end of period | 4,731 | 4,949 | 65,713 | (2,935) | 72,459 |

| | Accumulated other comprehensive income | | | Total net assets |
|--|---|------------------------------|--|------------------|
| | Valuation difference on available-for-sale securities | Revaluation reserve for land | Total accumulated other comprehensive income | |
| Balance at beginning of period | (2) | (431) | (434) | 65,559 |
| Changes during period | | | | |
| Dividends of surplus | | | | (1,231) |
| Profit attributable to owners of parent | | | | 7,697 |
| Reversal of revaluation reserve for land | | | | |
| Purchase of treasury shares | | | | (0) |
| Net changes in items other than shareholders' equity | 100 | | 100 | 100 |
| Total changes during period | 100 | - | 100 | 6,566 |
| Balance at end of period | 97 | (431) | (333) | 72,125 |

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 4,731 | 4,949 | 65,713 | (2,935) | 72,459 |
| Changes during period | | | | | |
| Dividends of surplus | | | (1,950) | | (1,950) |
| Profit attributable to owners of parent | | | 6,711 | | 6,711 |
| Reversal of revaluation reserve for land | | | (21) | | (21) |
| Purchase of treasury shares | | | | (879) | (879) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | - | 4,739 | (879) | 3,860 |
| Balance at end of period | 4,731 | 4,949 | 70,452 | (3,814) | 76,319 |

| | Accumulated other comprehensive income | | | Total net assets |
|--|---|------------------------------|--|------------------|
| | Valuation difference on available-for-sale securities | Revaluation reserve for land | Total accumulated other comprehensive income | |
| Balance at beginning of period | 97 | (431) | (333) | 72,125 |
| Changes during period | | | | |
| Dividends of surplus | | | | (1,950) |
| Profit attributable to owners of parent | | | | 6,711 |
| Reversal of revaluation reserve for land | | | | (21) |
| Purchase of treasury shares | | | | (879) |
| Net changes in items other than shareholders' equity | (58) | 21 | (36) | (36) |
| Total changes during period | (58) | 21 | (36) | 3,823 |
| Balance at end of period | 39 | (409) | (370) | 75,948 |

(4) Consolidated Statement of Cash Flows

(Millions of yen)

| | FY3/21 (Apr. 1, 2020 – Mar. 31, 2021) | FY3/22 (Apr. 1, 2021 – Mar. 31, 2022) |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 11,749 | 10,776 |
| Depreciation | 1,337 | 1,286 |
| Impairment losses | - | 508 |
| Amortization of goodwill | 89 | 39 |
| Share-based payment expenses | 148 | 59 |
| Increase (decrease) in allowance for doubtful accounts | (8) | (83) |
| Increase (decrease) in provision for bonuses | (290) | 11 |
| Increase (decrease) in retirement benefit liability | 1 | 1 |
| Interest and dividend income | (323) | (221) |
| Interest expenses | 17 | 18 |
| Loss (gain) on disposal of property, plant and equipment | 12 | 2 |
| Loss (gain) on sale of investment securities | (32) | - |
| Decrease (increase) in trade receivables | 1,745 | 1,173 |
| Decrease (increase) in inventories | 27 | (314) |
| Increase (decrease) in trade payables | 790 | (94) |
| Increase (decrease) in accrued consumption taxes | 52 | (712) |
| Increase (decrease) in accounts payable-bonuses | (482) | (353) |
| Increase (decrease) in accounts payable relating to introduction of defined-contribution pension plan | (330) | (311) |
| Other, net | (115) | (324) |
| Subtotal | 14,389 | 11,462 |
| Interest and dividends received | 323 | 220 |
| Interest paid | (17) | (18) |
| Income taxes paid | (3,391) | (3,748) |
| Net cash provided by (used in) operating activities | 11,303 | 7,916 |
| Cash flows from investing activities | | |
| Payments into time deposits | (454) | (466) |
| Proceeds from withdrawal of time deposits | 463 | 468 |
| Purchase of property, plant and equipment | (2,183) | (2,383) |
| Proceeds from sale of property, plant and equipment | 639 | 81 |
| Purchase of intangible assets | (80) | (129) |
| Purchase of securities | (3,000) | - |
| Proceeds from redemption of securities | 3,000 | - |
| Purchase of investment securities | - | (2) |
| Proceeds from sale of investment securities | 116 | 274 |
| Loan advances | (22) | (645) |
| Proceeds from collection of loans receivable | 160 | 169 |
| Proceeds from divestments | 170 | 53 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | - | (550) |
| Purchase of shares of subsidiaries and associates | - | (64) |
| Other, net | (49) | 22 |
| Net cash provided by (used in) investing activities | (1,240) | (3,173) |

| | (Millions of yen) | |
|---|--------------------------------|--------------------------------|
| | FY3/21 | FY3/22 |
| | (Apr. 1, 2020 – Mar. 31, 2021) | (Apr. 1, 2021 – Mar. 31, 2022) |
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 900 | 1,200 |
| Repayments of short-term borrowings | (900) | (800) |
| Proceeds from long-term borrowings | 100 | 271 |
| Repayments of long-term borrowings | (1,640) | (1,135) |
| Repayments of lease obligations | (83) | (239) |
| Purchase of treasury shares | (0) | (879) |
| Repayments of installment payables-property and equipment | (1,368) | (107) |
| Redemption of bonds | - | (11) |
| Dividends paid | (1,231) | (1,950) |
| Net cash provided by (used in) financing activities | (4,224) | (3,651) |
| Effect of exchange rate change on cash and cash equivalents | - | - |
| Net increase (decrease) in cash and cash equivalents | 5,838 | 1,091 |
| Cash and cash equivalents at beginning of period | 15,876 | 21,715 |
| Cash and cash equivalents at end of period | 21,715 | 22,806 |

(5) Notes to Consolidated Financial Statements**Going-concern Assumption**

Not applicable.

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, the “Revenue Recognition Accounting Standard”) from the beginning 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 a minor impact 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, notes and accounts receivable-trade that was presented in the current assets section in the previous fiscal year is, from the current fiscal year, presented as notes and accounts receivable-trade, and contract assets. 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.

Advances received, which was included in other under current liabilities is reclassified as a separate item in the current fiscal year. The provision for point card certificates that was presented in the current liabilities section in the previous fiscal year is, from the current fiscal year, presented as other under current liabilities.

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 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 consolidated financial statements in the current fiscal year.

Segment and Other Information**Segment information****1. Overview of reportable segment**

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Group provides moving and transportation services that are carried out by the Company and related services that are operated through its consolidated subsidiaries. Therefore, the segments are sorted by the Group’s business. The Group’s four reportable business segments are: Moving Services Segment, Electrical Construction Segment,

Clean Services Segment, and Reuse Segment.

2. Method of calculating net sales, profit or loss, assets and other items for each reportable segment

Profits for reportable segments are generally ordinary profit figures.

Depreciation, amortization, and other expenses relating to corporate assets that are not allocated to any of the reportable business segments are allocated to each business segment according to certain defined criteria.

3. Information related to net sales and profit or loss, assets and other items for each reportable segment

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Millions of yen)

| | Reportable segment | | | | |
|---|--------------------|-------------------------|----------------|-------|----------|
| | Moving Services | Electrical Construction | Clean Services | Reuse | Subtotal |
| Net sales | | | | | |
| Sales to external customers | 88,844 | 3,668 | 4,220 | 3,094 | 99,827 |
| Inter-segment sales and transfers | 1 | 3,042 | 53 | 36 | 3,133 |
| Total | 88,846 | 6,710 | 4,273 | 3,130 | 102,961 |
| Segment profit | 10,461 | 427 | 243 | 243 | 11,375 |
| Segment assets | 57,543 | 2,808 | 5,082 | 3,406 | 68,841 |
| Other items | | | | | |
| Depreciation | 1,099 | 17 | 125 | 40 | 1,283 |
| Interest income | 8 | 0 | 1 | 0 | 9 |
| Interest expenses | 15 | 0 | 0 | 1 | 17 |
| Increase in property, plant and equipment and intangible assets | 3,069 | 15 | 11 | 8 | 3,104 |

| | Other (Note 1) | Total | Adjustments (Notes 2, 3) | Amounts shown on the consolidated financial statements (Note 4) |
|---|----------------|---------|--------------------------|---|
| Net sales | | | | |
| Sales to external customers | 505 | 100,333 | - | 100,333 |
| Inter-segment sales and transfers | 76 | 3,210 | (3,210) | - |
| Total | 581 | 103,543 | (3,210) | 100,333 |
| Segment profit | 284 | 11,660 | 68 | 11,728 |
| Segment assets | 7,883 | 76,724 | 22,763 | 99,488 |
| Other items | | | | |
| Depreciation | 53 | 1,337 | - | 1,337 |
| Interest income | 0 | 9 | - | 9 |
| Interest expenses | - | 17 | - | 17 |
| Increase in property, plant and equipment and intangible assets | 5 | 3,110 | 308 | 3,418 |

Notes: 1. Other represents the businesses which are not included in any of the reportable segments and mainly consists of real estate leasing business.

2. The 68 million yen adjustment to segment profit includes elimination for inter-segment transactions.

3. The adjustment to segment assets include corporate assets that cannot be allocated to any of the reportable segments.

4. Total segment profit is adjusted with ordinary profit shown on the consolidated statement of income.

5. Depreciation includes amortization of long-term prepaid expenses.

6. The 308 million yen adjustment to increase in property, plant and equipment and intangible assets is mainly those related to corporate assets.

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Millions of yen)

| | Reportable segment | | | | |
|---|--------------------|-------------------------|----------------|-------|----------|
| | Moving Services | Electrical Construction | Clean Services | Reuse | Subtotal |
| Net sales | | | | | |
| Sales to external customers | 91,444 | 3,770 | 4,590 | 3,542 | 103,347 |
| Inter-segment sales and transfers | 2 | 3,252 | 83 | 0 | 3,337 |
| Total | 91,447 | 7,022 | 4,673 | 3,542 | 106,685 |
| Segment profit | 10,310 | 501 | 430 | 108 | 11,350 |
| Segment assets | 58,774 | 3,184 | 5,159 | 3,416 | 70,534 |
| Other items | | | | | |
| Depreciation | 1,032 | 19 | 129 | 39 | 1,221 |
| Interest income | 8 | 0 | 0 | 0 | 8 |
| Interest expenses | 15 | 0 | 0 | 1 | 17 |
| Increase in property, plant and equipment and intangible assets | 3,649 | 5 | 13 | 30 | 3,698 |

| | Other (Note 1) | Total | Adjustments (Notes 2, 3) | Amounts shown on the consolidated financial statements (Note 4) |
|---|----------------|---------|--------------------------|---|
| Net sales | | | | |
| Sales to external customers | 537 | 103,884 | - | 103,884 |
| Inter-segment sales and transfers | 77 | 3,415 | (3,415) | - |
| Total | 614 | 107,300 | (3,415) | 103,884 |
| Segment profit | 315 | 11,666 | (380) | 11,286 |
| Segment assets | 9,205 | 79,740 | 23,801 | 103,542 |
| Other items | | | | |
| Depreciation | 65 | 1,286 | - | 1,286 |
| Interest income | 0 | 8 | - | 8 |
| Interest expenses | 1 | 18 | - | 18 |
| Increase in property, plant and equipment and intangible assets | 535 | 4,233 | 184 | 4,418 |

Notes: 1. Other represents the businesses which are not included in any of the reportable segments and mainly consists of real estate leasing business.

2. The -380 million yen adjustment to segment profit includes elimination for inter-segment transactions.

3. The adjustment to segment assets include corporate assets that cannot be allocated to any of the reportable segments.

4. Total segment profit is adjusted with ordinary profit shown on the consolidated statement of income.

5. Depreciation includes amortization of long-term prepaid expenses.

6. The 184 million yen adjustment to increase in property, plant and equipment and intangible assets is mainly those related to corporate assets.

4. Information related to revisions for reportable segments

(1) As described in Changes in Accounting Policies, Sakai Moving Service has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the beginning of FY3/22 and changed the accounting method for revenue recognition. Accordingly, the method for calculating segment profit or loss has been changed as well. The effect of this change is insignificant.

(2) In FY3/22, the Recycling business segment was renamed the Reuse business segment. The change does not influence the segment information. The segment information for FY3/21 is prepared and disclosed using the new segment name.

Information related to impairment losses on non-current assets for each reportable segment

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

Not applicable.

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Millions of yen)

| | Reportable segment | | | | |
|-----------------|--------------------|-------------------------|----------------|-------|----------|
| | Moving Services | Electrical Construction | Clean Services | Reuse | Subtotal |
| Impairment loss | 508 | - | - | - | 508 |

| | Other | Total | Adjustments | Amounts shown on the consolidated financial statements |
|-----------------|-------|-------|-------------|--|
| Impairment loss | - | 508 | - | 508 |

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Millions of yen)

| | Reportable segment | | | | |
|------------------------------|--------------------|-------------------------|----------------|-------|----------|
| | Moving Services | Electrical Construction | Clean Services | Reuse | Subtotal |
| Amortization for the period | - | - | 89 | - | 89 |
| Balance at the end of period | - | - | 22 | - | 22 |

| | Other | Total | Adjustments | Amounts shown on the consolidated financial statements |
|------------------------------|-------|-------|-------------|--|
| Amortization for the period | - | 89 | - | 89 |
| Balance at the end of period | - | 22 | - | 22 |

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Millions of yen)

| | Reportable segment | | | | |
|------------------------------|--------------------|-------------------------|----------------|-------|----------|
| | Moving Services | Electrical Construction | Clean Services | Reuse | Subtotal |
| Amortization for the period | - | - | 39 | - | 39 |
| Balance at the end of period | - | - | 153 | - | 153 |

| | Other | Total | Adjustments | Amounts shown on the consolidated financial statements |
|------------------------------|-------|-------|-------------|--|
| Amortization for the period | - | 39 | - | 39 |
| Balance at the end of period | - | 153 | - | 153 |

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per Share Information

(Yen)

| | FY3/21 (Apr. 1, 2020 – Mar. 31, 2021) | FY3/22 (Apr. 1, 2021 – Mar. 31, 2022) |
|----------------------|--|--|
| Net assets per share | 3,513.12 | 3,735.83 |
| Net income per share | 374.93 | 327.87 |

Notes: 1. Diluted net income per share is not presented since dilutive potential shares do not exist.

2. The basis of calculating net assets per share is as follows:

(Millions of yen)

| | FY3/21 (As of Mar. 31, 2021) | FY3/22 (As of Mar. 31, 2022) |
|--|---------------------------------|---------------------------------|
| Total net assets | 72,125 | 75,948 |
| Deduction on total net assets | - | - |
| [of which share acquisition rights] | [-] | [-] |
| Net assets applicable to common shares at the year-end | 72,125 | 75,948 |
| Number of common shares at the year-end used in calculation of net assets per share (shares) | 20,530,287 | 20,329,864 |

3. The basis of calculating net income per share is as follows:

(Millions of yen)

| | FY3/21 (Apr. 1, 2020 – Mar. 31, 2021) | FY3/22 (Apr. 1, 2021 – Mar. 31, 2022) |
|---|--|--|
| Net income per share | | |
| Profit attributable to owners of parent | 7,697 | 6,711 |
| Amounts not attributable to common shareholders | - | - |
| Profit attributable to owners of parent applicable to common shares | 7,697 | 6,711 |
| Average number of shares outstanding during the period (shares) | 20,531,412 | 20,470,419 |

Subsequent Events

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.