

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 10, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: Sakai Moving Service Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9039
 URL: <https://www.hikkoshi-sakai.co.jp>
 Representative: Tetsuyasu Tajima, President and Representative Director
 Inquiries: Mikio Yamano, Senior Managing Director
 Telephone: +81-72-244-1174
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| Nine months ended | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-----------------|-----|------------------|-------|-----------------|-------|---|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Dec. 31, 2024 | 84,782 | 3.4 | 8,002 | (9.6) | 8,166 | (9.0) | 5,433 | (8.6) |
| Dec. 31, 2023 | 81,992 | 4.6 | 8,851 | 11.4 | 8,978 | 10.6 | 5,942 | 6.7 |

Note: Comprehensive income For the nine months ended Dec. 31, 2024: ¥5,474 million [down 8.9%]
 For the nine months ended Dec. 31, 2023: ¥6,011 million [up 7.0%]

| Nine months ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Dec. 31, 2024 | 133.62 | - |
| Dec. 31, 2023 | 146.16 | - |

Notes: 1. The Company conducted a 2-for-1 common stock split on October 1, 2023. Basic earnings per share have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

2. Diluted earnings per share are not presented since dilutive potential shares do not exist.

(2) Consolidated financial position

| As of | Total assets | Net assets | Equity-to-asset ratio |
|---------------|-----------------|-----------------|-----------------------|
| | Millions of yen | Millions of yen | % |
| Dec. 31, 2024 | 112,093 | 92,614 | 82.6 |
| Mar. 31, 2024 | 120,811 | 89,312 | 73.9 |

Reference: Equity

As of Dec. 31, 2024: ¥92,579 million
 As of Mar. 31, 2024: ¥89,312 million

2. Cash dividends

| | Annual dividends per share | | | | |
|---|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended Mar. 31, 2024 | - | 30.00 | - | 38.00 | - |
| Fiscal year ending Mar. 31, 2025 | - | 15.00 | - | | |
| Fiscal year ending Mar. 31, 2025 (Forecast) | | | | 59.00 | 74.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

The Company conducted a 2-for-1 common stock split on October 1, 2023. The actual dividend amount before the stock split is shown for the end of the second quarter of the fiscal year ended March 31, 2024. Since a simple aggregation is not possible due to the implementation of the stock split, the total annual dividend for the fiscal year ended March 31, 2024 is listed as "-."

3. Consolidated forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-----------------|-----|------------------|-----|-----------------|-----|---|-----|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 120,396 | 3.0 | 12,943 | 1.6 | 13,122 | 1.7 | 8,501 | 1.7 | 209.08 |

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

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 (Company name): Sakai Pandalogi Co., Ltd.

Excluded: -

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Changes in Accounting Policies” on page 8.

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|---------------------|-------------------|
| As of Dec. 31, 2024 | 42,324,000 shares |
| As of Mar. 31, 2024 | 42,324,000 shares |

(ii) Number of treasury shares at the end of the period

| | |
|---------------------|------------------|
| As of Dec. 31, 2024 | 1,664,272 shares |
| As of Mar. 31, 2024 | 1,664,272 shares |

(iii) Average number of shares outstanding during the period

| | |
|---------------------------------|-------------------|
| Nine months ended Dec. 31, 2024 | 40,659,728 shares |
| Nine months ended Dec. 31, 2023 | 40,659,728 shares |

Note: The Company conducted a 2-for-1 common stock split on October 1, 2023. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* Proper use of earnings forecasts, and other special matters

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, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3.

Contents of Attachments

| | |
|---|---|
| 1. Overview of Results of Operations | 2 |
| (1) Results of Operations | 2 |
| (2) Financial Position | 3 |
| (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 | 6 |
| Quarterly Consolidated Statement of Income | |
| For the Nine-month Period | 6 |
| Quarterly Consolidated Statement of Comprehensive Income | |
| For the Nine-month Period | 7 |
| (3) Notes to Quarterly Consolidated Financial Statements | 8 |
| Changes in Accounting Policies | 8 |
| Going-concern Assumption | 8 |
| Changes in the Scope of Consolidation | 8 |
| Significant Changes in Shareholders' Equity | 8 |
| Quarterly Consolidated Statement of Cash Flows | 8 |
| Segment and Other Information | 9 |

1. Overview of Results of Operations

(1) Results of Operations

In the first nine months of the current fiscal year, the Japanese economy was expected to gradually pick up against the backdrop of improved employment and income conditions. However, now the outlook remains uncertain due to the potential impact of future policy developments in the United States and an economic slowdown associated with the continued stagnation of the property market in China.

In Japan's moving industry, market conditions remain challenging as new housing starts and the number of people moving slightly decreased.

Under these circumstances, the Group worked to pass on higher outsourcing and other costs to its customers, resulting in a 3.5% increase in unit moving costs year-on-year. In addition, the Group controlled employees' working hours to comply with the overtime cap for truck drivers that came into effect in April 2024. As a result, the number of jobs performed fell 1.5% year-on-year to 599,721.

From the beginning of the first quarter, Sakai Pandalogi Co., Ltd. was included in the scope of the consolidation. Net sales increased 3.4% year-on-year to 84,782 million yen, operating profit decreased 9.6% to 8,002 million yen, ordinary profit decreased 9.0% to 8,166 million yen, and profit attributable to owners of parent decreased 8.6% to 5,433 million yen.

Business segment performance was as follows.

The electrical construction and reuse segments saw strong sales and profits, driven by the strong performance of the moving business, which in turn boosted the performance of related services. On the other hand, profits decreased in the clean services segment due to higher personnel and other expenses.

| Reportable segment | Net sales (Millions of yen) | YoY change (%) | Segment profit (Millions of yen) | YoY change (%) |
|-------------------------|--------------------------------|----------------|-------------------------------------|----------------|
| Moving Services | 71,362 | 103.0 | 6,737 | 88.2 |
| Electrical Construction | 3,588 | 101.8 | 608 | 105.3 |
| Clean Services | 4,127 | 102.9 | 400 | 96.7 |
| Reuse | 5,187 | 110.0 | 90 | 140.9 |
| Other | 517 | 105.9 | 429 | 116.7 |
| Adjustments | - | - | (100) | - |
| Total | 84,782 | 103.4 | 8,166 | 91.0 |

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 -100 million yen adjustment to segment profit includes elimination for inter-segment transactions.

3. Total segment profit is adjusted with ordinary profit shown on the consolidated financial statements.

(2) Financial Position

Assets

Current assets decreased by 9,661 million yen from the end of the previous fiscal year to 32,329 million yen. This was attributable mainly to decreases of 6,303 million yen in notes and accounts receivable-trade, and contract assets and 3,103 million yen in cash and deposits. Non-current assets increased by 943 million yen from the end of the previous fiscal year to 79,764 million yen. This was attributable mainly to an increase of 1,095 million yen in land.

As a result, total assets decreased by 8,718 million yen from the end of the previous fiscal year to 112,093 million yen.

Liabilities

Current liabilities decreased by 11,919 million yen from the end of the previous fiscal year to 15,280 million yen. This was attributable mainly to decreases of 3,555 million yen in accounts payable-trade, 2,406 million yen in income taxes payable, 1,877 million yen in accrued expenses included in other current liabilities, and 1,868 million yen in advances received. Non-current liabilities decreased by 101 million yen from the end of the previous fiscal year to 4,198 million yen. This was attributable mainly to an increase of 156 million yen in long-term borrowings and a decrease of 226 million yen in long-term payable included in other non-current liabilities.

As a result, total liabilities decreased by 12,021 million yen from the end of the previous fiscal year to 19,478 million yen.

Net assets

Total net assets increased by 3,302 million yen from the end of the previous fiscal year to 92,614 million yen. This was attributable mainly to an increase of 3,225 million yen in retained earnings.

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

There are no revisions to the full-year consolidated forecasts for the fiscal year ending March 31, 2025, which was announced on May 8, 2024.

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

(Millions of yen)

| | FY3/24 (As of Mar. 31, 2024) | Third quarter of FY3/25 (As of Dec. 31, 2024) |
|--|---------------------------------|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 29,539 | 26,436 |
| Notes and accounts receivable-trade, and contract assets | 9,781 | 3,478 |
| Merchandise | 1,320 | 1,210 |
| Other | 1,362 | 1,221 |
| Allowance for doubtful accounts | (12) | (17) |
| Total current assets | 41,991 | 32,329 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 10,790 | 10,799 |
| Land | 56,763 | 57,858 |
| Leased assets, net | 798 | 760 |
| Other, net | 2,081 | 1,924 |
| Total property, plant and equipment | 70,434 | 71,343 |
| Intangible assets | | |
| Goodwill | 85 | 59 |
| Other | 328 | 460 |
| Total intangible assets | 413 | 520 |
| Investments and other assets | | |
| Other | 7,982 | 7,910 |
| Allowance for doubtful accounts | (9) | (9) |
| Total investments and other assets | 7,972 | 7,900 |
| Total non-current assets | 78,820 | 79,764 |
| Total assets | 120,811 | 112,093 |

| | (Millions of yen) | |
|---|---------------------------------|--|
| | FY3/24 (As of Mar. 31, 2024) | Third quarter of FY3/25 (As of Dec. 31, 2024) |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 6,881 | 3,326 |
| Short-term borrowings | 1,700 | 1,700 |
| Current portion of long-term borrowings | 1,087 | 737 |
| Lease liabilities | 354 | 360 |
| Income taxes payable | 2,763 | 357 |
| Advances received | 3,490 | 1,622 |
| Provision for bonuses | 852 | 250 |
| Other | 10,069 | 6,926 |
| Total current liabilities | 27,199 | 15,280 |
| Non-current liabilities | | |
| Long-term borrowings | 1,358 | 1,514 |
| Lease liabilities | 449 | 409 |
| Retirement benefit liability | 41 | 45 |
| Asset retirement obligations | 56 | 56 |
| Other | 2,394 | 2,172 |
| Total non-current liabilities | 4,300 | 4,198 |
| Total liabilities | 31,499 | 19,478 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 4,731 | 4,731 |
| Capital surplus | 4,949 | 4,949 |
| Retained earnings | 83,487 | 86,713 |
| Treasury shares | (3,814) | (3,814) |
| Total shareholders' equity | 89,354 | 92,580 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 366 | 408 |
| Revaluation reserve for land | (409) | (409) |
| Total accumulated other comprehensive income | (42) | (1) |
| Share acquisition rights | - | 35 |
| Total net assets | 89,312 | 92,614 |
| Total liabilities and net assets | 120,811 | 112,093 |

(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 FY3/24 (Apr. 1, 2023 to Dec. 31, 2023) | First nine months of FY3/25 (Apr. 1, 2024 to Dec. 31, 2024) |
|---|--|--|
| Net sales | 81,992 | 84,782 |
| Cost of sales | 50,393 | 52,814 |
| Gross profit | 31,599 | 31,967 |
| Selling, general and administrative expenses | 22,748 | 23,965 |
| Operating profit | 8,851 | 8,002 |
| Non-operating income | | |
| Interest income | 4 | 22 |
| Dividend income | 19 | 34 |
| Commission income | 32 | 30 |
| Insurance claim income | 27 | 28 |
| Other | 115 | 135 |
| Total non-operating income | 199 | 251 |
| Non-operating expenses | | |
| Interest expenses | 11 | 19 |
| Share of loss of entities accounted for using equity method | 54 | 66 |
| Other | 6 | 0 |
| Total non-operating expenses | 72 | 87 |
| Ordinary profit | 8,978 | 8,166 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 41 | 36 |
| Other | - | 0 |
| Total extraordinary income | 41 | 36 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 10 | 0 |
| Total extraordinary losses | 10 | 0 |
| Profit before income taxes | 9,009 | 8,203 |
| Income taxes-current | 2,337 | 1,870 |
| Income taxes-deferred | 729 | 899 |
| Total income taxes | 3,067 | 2,769 |
| Profit | 5,942 | 5,433 |
| Profit attributable to non-controlling interests | - | - |
| Profit attributable to owners of parent | 5,942 | 5,433 |

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

| | (Millions of yen) | |
|---|--|--|
| | First nine months of FY3/24 (Apr. 1, 2023 to Dec. 31, 2023) | First nine months of FY3/25 (Apr. 1, 2024 to Dec. 31, 2024) |
| Profit | 5,942 | 5,433 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 68 | 39 |
| Share of other comprehensive income of entities accounted for using equity method | - | 2 |
| Total other comprehensive income | 68 | 41 |
| Comprehensive income | 6,011 | 5,474 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 6,011 | 5,474 |
| Comprehensive income attributable to non-controlling interests | - | - |

(3) Notes to Quarterly Consolidated Financial Statements**Changes in Accounting Policies**

Sakai Moving Service has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022) from the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions concerning the accounting classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of this revised accounting standard and with Paragraph 65-2, Item 2 of Implementation Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). There is no effect of the change in accounting policies on the quarterly consolidated financial statements.

For the revision concerning the change in the treatment in the consolidated financial statements of the tax deferral of gains or losses on sales of shares of subsidiaries, etc. between consolidated companies, Sakai Moving Service has applied the Implementation Guidance on Accounting Standard for Tax Effect Accounting from the beginning of the first quarter of the current fiscal year. There is no effect of the change in accounting policies on the quarterly and fiscal year consolidated financial statements for the previous fiscal year.

Going-concern Assumption

Not applicable.

Changes in the Scope of Consolidation

In the first quarter of the current fiscal year, Sakai Pandalogi Co., Ltd. was included in the scope of the consolidation because of its increased materiality of impact on the consolidated financial statements.

Significant Changes in Shareholders' Equity

Not applicable.

Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows for the first nine months of FY3/25 has not been prepared. Depreciation (includes amortization expenses related to intangible assets minus goodwill) and amortization of goodwill for the first nine months of FY3/24 and FY3/25 are as follows.

| | (Millions of yen) | |
|--------------------------|--|--|
| | First nine months of FY3/24 (Apr. 1, 2023 to Dec. 31, 2023) | First nine months of FY3/25 (Apr. 1, 2024 to Dec. 31, 2024) |
| Depreciation | 1,033 | 1,329 |
| Amortization of goodwill | 25 | 25 |

Segment and Other Information

Segment information

I. First nine months of FY3/24 (Apr. 1, 2023 to Dec. 31, 2023)

1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

| | Reportable segment | | | | |
|-----------------------------------|--------------------|-------------------------|----------------|-------|----------|
| | Moving Services | Electrical Construction | Clean Services | Reuse | Subtotal |
| Net sales | | | | | |
| Sales to external customers | 69,252 | 3,523 | 4,010 | 4,717 | 81,504 |
| Inter-segment sales and transfers | 2 | 2,602 | 42 | 33 | 2,679 |
| Total | 69,254 | 6,125 | 4,052 | 4,751 | 84,184 |
| Segment profit | 7,635 | 578 | 413 | 64 | 8,691 |

| | Other (Note 1) | Total | Adjustments (Note 2) | Amounts shown on the quarterly consolidated statement of income (Note 3) |
|-----------------------------------|----------------|--------|----------------------|--|
| Net sales | | | | |
| Sales to external customers | 488 | 81,992 | - | 81,992 |
| Inter-segment sales and transfers | 63 | 2,743 | (2,743) | - |
| Total | 552 | 84,736 | (2,743) | 81,992 |
| Segment profit | 367 | 9,059 | (81) | 8,978 |

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

2. The -81 million yen adjustment to segment profit includes elimination for inter-segment transactions.

3. Segment profit is adjusted with ordinary profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Not applicable.

II. First nine months of FY3/25 (Apr. 1, 2024 to Dec. 31, 2024)

1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

| | Reportable segment | | | | |
|-----------------------------------|--------------------|-------------------------|----------------|-------|----------|
| | Moving Services | Electrical Construction | Clean Services | Reuse | Subtotal |
| Net sales | | | | | |
| Sales to external customers | 71,362 | 3,588 | 4,127 | 5,187 | 84,265 |
| Inter-segment sales and transfers | 89 | 2,797 | 117 | 34 | 3,038 |
| Total | 71,451 | 6,385 | 4,245 | 5,222 | 87,304 |
| Segment profit | 6,737 | 608 | 400 | 90 | 7,837 |

| | Other (Note 1) | Total | Adjustments (Note 2) | Amounts shown on the quarterly consolidated statement of income (Note 3) |
|-----------------------------------|----------------|--------|----------------------|--|
| Net sales | | | | |
| Sales to external customers | 517 | 84,782 | - | 84,782 |
| Inter-segment sales and transfers | 96 | 3,135 | (3,135) | - |
| Total | 613 | 87,917 | (3,135) | 84,782 |
| Segment profit | 429 | 8,266 | (100) | 8,166 |

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

2. The -100 million yen adjustment to segment profit includes elimination for inter-segment transactions.

3. Segment profit is adjusted with ordinary profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

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.