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January 31, 2024

Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: Sakai Moving Service Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9039
 URL: <https://www.hikkoshi-sakai.co.jp/>
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 Scheduled date to file quarterly securities report: February 13, 2024
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly 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, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate 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, 2023	81,992	4.6	8,851	11.4	8,978	10.6	5,942	6.7
Dec. 31, 2022	78,351	7.0	7,942	25.6	8,121	20.6	5,570	32.5

Note: Comprehensive income For the nine months ended Dec. 31, 2023: ¥6,011 million [up 7.0%]
 For the nine months ended Dec. 31, 2022: ¥5,617 million [up 34.9%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
Dec. 31, 2023	146.16	-
Dec. 31, 2022	137.00	-

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

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Dec. 31, 2023	105,038	86,679	82.5
Mar. 31, 2023	109,634	82,364	75.1

Reference: Equity
 As of Dec. 31, 2023: ¥86,679 million
 As of Mar. 31, 2023: ¥82,364 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, 2023	-	30.00	-	65.00	95.00
Fiscal year ending Mar. 31, 2024	-	30.00	-		
Fiscal year ending Mar. 31, 2024 (Forecast)				38.00	-

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 fiscal year ended March 31, 2023 and the end of the second quarter of the fiscal year ending March 31, 2024.

3. Consolidated forecast for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	113,789	3.9	12,437	5.0	12,707	5.2	8,897	8.4	218.84

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

The Company conducted a 2-for-1 common stock split on October 1, 2023. Basic earnings per share in the consolidated forecast for the fiscal year ending March 31, 2024 takes into account the effect of the stock split.

*** Notes**

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

Newly included: -

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: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(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, 2023	42,324,000 shares
As of Mar. 31, 2023	42,324,000 shares

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

As of Dec. 31, 2023	1,664,272 shares
As of Mar. 31, 2023	1,664,272 shares

(iii) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023	40,659,728 shares
Nine months ended Dec. 31, 2022	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.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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. 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, Japan's economy saw a gradual recovery in economic activity, due in part to the reclassification of COVID-19 as a category 5 infection. However, the outlook remains uncertain because of global monetary tightening and inflation associated with the soaring resource prices brought about by the protracted situation in Ukraine.

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 Sakai Moving Service Group has responded to the issues of 2024 by improving compensation and accepting orders while considering employees' working hours. Due to these activities, the Group achieved higher sales than one year earlier in the Moving Services as the average unit rate for moving services was up 3.5% although the number of jobs performed decreased 0.4% to 608,658.

In the first quarter, Shinseiki Service Co., Ltd. and KIDS DREAM Co., Ltd. were included in the scope of the consolidation. Net sales increased 4.6% year-on-year to 81,992 million yen, operating profit increased 11.4% to 8,851 million yen, ordinary profit increased 10.6% to 8,978 million yen, and profit attributable to owners of parent increased 6.7% to 5,942 million yen.

(2) Explanation of Financial Position

1) Current assets

Current assets decreased by 5,804 million yen, or 16.1%, from the end of the previous fiscal year to 30,266 million yen.

This was attributable mainly to decreases of 4,399 million yen in notes and accounts receivable-trade, and contract assets, and 1,706 million yen in cash and deposits.

2) Non-current assets

Non-current assets increased by 1,208 million yen, or 1.6%, from the end of the previous fiscal year to 74,772 million yen.

This was mainly attributable to a decrease of 503 million yen in long-term loans receivable included in investments and other assets, and an increase of 1,881 million yen in land.

3) Current liabilities

Current liabilities decreased by 7,830 million yen, or 34.2%, from the end of the previous fiscal year to 15,068 million yen.

This was attributable mainly to an increase of 1,324 million yen in short-term borrowings, and decreases of 2,718 million yen in accounts payable-trade, 2,256 million yen in income taxes payable, 2,094 million yen in advances received, and 1,473 million yen in accrued expenses included in other current liabilities.

4) Non-current liabilities

Non-current liabilities decreased by 1,079 million yen, or 24.7%, from the end of the previous fiscal year to 3,290 million yen.

This was attributable mainly to decreases of 730 million yen in long-term borrowings and 248 million yen in lease liabilities.

5) Net assets

Net assets increased by 4,314 million yen, or 5.2%, from the end of the previous fiscal year to 86,679 million yen.

This was attributable mainly to an increase of 4,245 million yen in retained earnings.

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

There are no revisions to the full-year forecast for the fiscal year ending March 31, 2024, which was announced on October 31, 2023.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	26,424	24,718
Notes and accounts receivable-trade, and contract assets	7,279	2,879
Merchandise	679	1,262
Other	1,690	1,420
Allowance for doubtful accounts	(3)	(14)
Total current assets	36,070	30,266
Non-current assets		
Property, plant and equipment		
Buildings, net	10,798	10,565
Land	53,678	55,560
Leased assets, net	1,199	946
Other, net	1,076	1,760
Total property, plant and equipment	66,752	68,833
Intangible assets		
Goodwill	119	93
Other	401	341
Total intangible assets	521	435
Investments and other assets		
Other	6,298	5,512
Allowance for doubtful accounts	(8)	(9)
Total investments and other assets	6,289	5,503
Total non-current assets	73,563	74,772
Total assets	109,634	105,038
Liabilities		
Current liabilities		
Accounts payable-trade	5,606	2,888
Current portion of bonds payable	12	-
Short-term borrowings	1,373	2,698
Lease liabilities	387	387
Income taxes payable	2,609	353
Advances received	3,627	1,533
Provision for bonuses	854	220
Other	8,426	6,987
Total current liabilities	22,898	15,068
Non-current liabilities		
Bonds payable	66	-
Long-term borrowings	1,572	842
Lease liabilities	814	565
Retirement benefit liability	37	39
Asset retirement obligations	56	56
Other	1,824	1,787
Total non-current liabilities	4,370	3,290
Total liabilities	27,269	18,359

	(Millions of yen)	
	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Net assets		
Shareholders' equity		
Share capital	4,731	4,731
Capital surplus	4,949	4,949
Retained earnings	76,832	81,078
Treasury shares	(3,814)	(3,814)
Total shareholders' equity	82,700	86,945
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	74	143
Revaluation reserve for land	(409)	(409)
Total accumulated other comprehensive income	(335)	(266)
Total net assets	82,364	86,679
Total liabilities and net assets	109,634	105,038

(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 FY3/23 (Apr. 1, 2022 to Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 to Dec. 31, 2023)
Net sales	78,351	81,992
Cost of sales	48,628	50,393
Gross profit	29,723	31,599
Selling, general and administrative expenses	21,780	22,748
Operating profit	7,942	8,851
Non-operating income		
Interest income	7	4
Dividend income	12	19
Commission income	33	32
Insurance claim income	35	27
Other	107	115
Total non-operating income	195	199
Non-operating expenses		
Interest expenses	17	11
Share of loss of entities accounted for using equity method	-	54
Other	0	6
Total non-operating expenses	17	72
Ordinary profit	8,121	8,978
Extraordinary income		
Gain on sale of non-current assets	29	41
Total extraordinary income	29	41
Extraordinary losses		
Loss on disposal of non-current assets	12	10
Total extraordinary losses	12	10
Profit before income taxes	8,138	9,009
Income taxes-current	1,951	2,337
Income taxes-deferred	615	729
Total income taxes	2,567	3,067
Profit	5,570	5,942
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	5,570	5,942

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

(Millions of yen)

	First nine months of FY3/23 (Apr. 1, 2022 to Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 to Dec. 31, 2023)
Profit	5,570	5,942
Other comprehensive income		
Valuation difference on available-for-sale securities	46	68
Total other comprehensive income	46	68
Comprehensive income	5,617	6,011
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,617	6,011
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

Going-concern Assumption

Not applicable.

Changes in the Scope of Consolidation

In the first quarter of the current fiscal year, Shinseiki Service Co., Ltd. and KIDS DREAM Co., Ltd. were included in the scope of the consolidation because of their increased materiality of impact on consolidated financial statements.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Significant Subsidiaries during the Period

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.