

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.

May 8, 2023

Consolidated Financial Results for the Fiscal Year Ended March 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/>
 Representative: Tetsuyasu Tajima, President and Representative Director
 Inquiries: Mikio Yamano, Managing Director
 Telephone: +81-72-244-1174
 Scheduled date of annual general meeting of shareholders: June 17, 2023
 Scheduled date to commence dividend payments: June 19, 2023
 Scheduled date to file annual securities report: June 19, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(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	%
Fiscal year ended								
March 31, 2023	109,556	5.5	11,845	9.8	12,080	7.0	8,210	22.3
March 31, 2022	103,884	3.5	10,790	(3.1)	11,286	(3.8)	6,711	(12.8)

Note: Comprehensive income For the fiscal year ended Mar. 31, 2023: ¥8,245 million [up 23.9%]
 For the fiscal year ended Mar. 31, 2022: ¥6,652 million [down 14.7%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	403.85	-	10.4	11.3	10.8
March 31, 2022	327.87	-	9.1	11.1	10.4

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended Mar. 31, 2023: ¥(16) million
 For the fiscal year ended Mar. 31, 2022: -

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	109,634	82,364	75.1	4,051.42
March 31, 2022	103,542	75,948	73.4	3,735.83

Reference: Equity
 As of Mar. 31, 2023: ¥82,364 million
 As of Mar. 31, 2022: ¥75,948 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	10,179	(4,624)	(2,787)	25,573
March 31, 2022	7,916	(3,073)	(3,751)	22,806

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Mar. 31, 2022	-	30.00	-	60.00	90.00	1,835	27.5	2.5
Fiscal year ended Mar. 31, 2023	-	30.00	-	65.00	95.00	1,931	23.5	2.4
Fiscal year ending Mar. 31, 2024 (Forecast)	-	30.00	-	75.00	105.00		24.0	

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
First half	56,779	4.3	6,631	5.2	6,743	5.0	4,583	2.3	225.44
Full year	113,789	3.9	12,437	5.0	12,707	5.2	8,897	8.4	437.67

* **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) 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: Yes

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

Note: The Company has changed the depreciation method in the current fiscal year, which falls under the category of “Changes in Accounting Policies That Are Difficult to Distinguish from Changes in Accounting-based Estimates.” Please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Changes in Accounting Policies That Are Difficult to Distinguish from Changes in Accounting-based Estimates” on page 12.

(3) Number of issued shares (common shares)

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

As of Mar. 31, 2023	21,162,000 shares
As of Mar. 31, 2022	21,162,000 shares

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

As of Mar. 31, 2023	832,136 shares
As of Mar. 31, 2022	832,136 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2023	20,329,864 shares
Fiscal year ended Mar. 31, 2022	20,470,419 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate 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								
March 31, 2023	95,760	3.9	10,411	6.5	10,734	1.9	7,169	9.5
March 31, 2022	92,139	2.9	9,778	(4.8)	10,531	(2.2)	6,547	(8.1)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	352.67	-
March 31, 2022	319.86	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	103,685	78,372	75.6	3,855.05
March 31, 2022	98,738	73,016	73.9	3,591.60

Reference: Equity

As of Mar. 31, 2023: ¥78,372 million

As of Mar. 31, 2022: ¥73,016 million

2. Non-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		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	48,200	2.0	5,755	2.8	3,770	0.9	185.45
Full year	98,000	2.3	10,950	2.0	7,334	2.3	360.78

* Financial results reports are exempt from audit 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. Overview of Results of Operations, (4) Outlook” on page 3.

Contents of Attachments

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	2
(3) Cash Flows	3
(4) Outlook	3
2. Basic Approach to the Selection of Accounting Standards	3
3. Consolidated Financial Statements and Notes	4
(1) Consolidated Balance Sheet	4
(2) Consolidated Statements of Income and Comprehensive Income	6
Consolidated Statement of Income	6
Consolidated Statement of Comprehensive Income	7
(3) Consolidated Statement of Changes in Equity	8
(4) Consolidated Statement of Cash Flows	10
(5) Notes to Consolidated Financial Statements	12
Going-concern Assumption	12
Changes in the Scope of Consolidation or Application of the Equity Method	12
Changes in Accounting Policies That Are Difficult to Distinguish from Changes in Accounting-based Estimates	12
Segment and Other Information	12
Per Share Information	16
Subsequent Events	16

1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year under review, Japan's economy showed signs of recovery due in part to various policies implemented in relation to the COVID-19 pandemic. However, soaring global energy and food prices as well as monetary tightening in Europe and the United States have created an increasingly challenging environment for the domestic economy.

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

The Sakai Moving Service Group continued to conduct effective sales activities that resulted in the receipt of orders while reflecting considerations involving the working hours of employees. Due to these activities, the Sakai Moving Service Group achieved higher sales than one year earlier in the Moving Services as the average unit rate for moving services was up 5.9% although the number of jobs performed decreased 2.2% to 823,257.

Net sales increased 5.5% year-on-year to 109,556 million yen, operating profit increased 9.8% to 11,845 million yen, ordinary profit increased 7.0% to 12,080 million yen, and profit attributable to owners of parent increased 22.3% to 8,210 million yen.

(2) Financial Position

1) Current assets

Current assets increased by 3,218 million yen, or 9.8%, from the end of the previous fiscal year to 36,070 million yen.

This was attributable mainly to an increase of 2,746 million yen in cash and deposits.

2) Non-current assets

Non-current assets increased by 2,872 million yen, or 4.1%, from the end of the previous fiscal year to 73,563 million yen.

This was mainly attributable to increases of 1,996 million yen in land and 1,708 million yen in investment securities.

3) Current liabilities

Current liabilities increased by 802 million yen, or 3.6%, from the end of the previous fiscal year to 22,898 million yen.

This was attributable mainly to increases of 493 million yen in accrued expenses, 382 million yen in advances received and 327 million yen in accrued consumption taxes included in other current liabilities.

4) Non-current liabilities

Non-current liabilities decreased by 1,126 million yen, or 20.5%, from the end of the previous fiscal year to 4,370 million yen.

This was attributable mainly to decreases of 362 million yen in long-term borrowings, 318 million yen in lease liabilities and 299 million yen in long-term payable included in other non-current liabilities.

5) Net assets

Net assets increased by 6,415 million yen, or 8.4%, from the end of the previous fiscal year to 82,364 million yen.

This was attributable mainly to an increase of 6,380 million yen in retained earnings.

(3) Cash Flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the current fiscal year increased 2,767 million yen from the end of the previous fiscal year to 25,573 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 10,179 million yen, compared with net cash provided of 7,916 million yen in the previous fiscal year.

Although there were negative factors including income taxes paid of 4,030 million yen, there were positive factors including profit before income taxes of 12,092 million yen and depreciation of 1,318 million yen.

Cash flows from investing activities

Net cash used in investing activities was 4,624 million yen, compared with net cash used of 3,073 million yen in the previous fiscal year.

Main factors include purchase of property, plant and equipment of 2,753 million yen, and purchase of shares of subsidiaries and associates of 1,477 million yen.

Cash flows from financing activities

Net cash used in financing activities was 2,787 million yen, compared with net cash used of 3,751 million yen in the previous fiscal year.

Main factors include repayments of long-term borrowings of 1,430 million yen and dividends paid of 1,829 million yen.

(4) Outlook

As for the economic outlook, although the future remains uncertain due to downside risks such as rising prices and supply-side constraints amid continued global monetary tightening and other factors, both individual and economic activities are expected to pick up following the reduction of Covid-19’s status to category 5.

Under these circumstances, the Company aims to continue developing as a group business to become the 'world's best new lifestyle support group' by providing services catering to our customers’ lives based on new lifestyles, thereby strengthening our revenue base and expanding business.

For the fiscal year ending March 31, 2024, we forecast a 3.9% increase in net sales to 113,789 million yen, a 5.0% increase in operating profit to 12,437 million yen, a 5.2% increase in ordinary profit to 12,707 million yen and an 8.4% increase in profit attributable to owners of parent to 8,897 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)	
	FY3/22	FY3/23
	(As of Mar. 31, 2022)	(As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	23,677	26,424
Notes and accounts receivable-trade, and contract assets	7,200	7,279
Merchandise	750	679
Supplies	465	650
Other	764	1,039
Allowance for doubtful accounts	(6)	(3)
Total current assets	32,852	36,070
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,164	11,486
Machinery, equipment and vehicles, net	112	97
Land	51,682	53,678
Leased assets, net	1,494	1,199
Construction in progress	1,020	100
Other, net	144	190
Total property, plant and equipment	65,619	66,752
Intangible assets		
Goodwill	153	119
Contract-based intangible assets	28	-
Other	445	401
Total intangible assets	627	521
Investments and other assets		
Investment securities	828	2,536
Long-term loans receivable	1,183	1,371
Deferred tax assets	1,530	1,527
Other	909	862
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	4,443	6,289
Total non-current assets	70,690	73,563
Total assets	103,542	109,634

	(Millions of yen)	
	FY3/22	FY3/23
	(As of Mar. 31, 2022)	(As of Mar. 31, 2023)
Liabilities		
Current liabilities		
Accounts payable-trade	5,331	5,606
Current portion of bonds payable	22	12
Short-term borrowings	1,555	1,373
Lease liabilities	369	387
Accrued expenses	4,911	5,404
Income taxes payable	2,767	2,609
Advances received	3,245	3,627
Provision for bonuses	836	854
Other	3,056	3,021
Total current liabilities	22,096	22,898
Non-current liabilities		
Bonds payable	78	66
Long-term borrowings	1,934	1,572
Lease liabilities	1,132	814
Deferred tax liabilities	30	20
Deferred tax liabilities for land revaluation	517	517
Retirement benefit liability	32	37
Asset retirement obligations	191	56
Other	1,579	1,287
Total non-current liabilities	5,497	4,370
Total liabilities	27,593	27,269
Net assets		
Shareholders' equity		
Share capital	4,731	4,731
Capital surplus	4,949	4,949
Retained earnings	70,452	76,832
Treasury shares	(3,814)	(3,814)
Total shareholders' equity	76,319	82,700
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39	74
Revaluation reserve for land	(409)	(409)
Total accumulated other comprehensive income	(370)	(335)
Total net assets	75,948	82,364
Total liabilities and net assets	103,542	109,634

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

(Millions of yen)

	FY3/22 (Apr. 1, 2021 to Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 to Mar. 31, 2023)
Net sales	103,884	109,556
Cost of sales	63,781	67,442
Gross profit	40,103	42,114
Selling, general and administrative expenses	29,313	30,268
Operating profit	10,790	11,845
Non-operating income		
Interest and dividend income	221	22
Insurance claim income	27	40
Commission income	43	42
Rental income from real estate	37	40
Surrender value of insurance policies	50	0
Other	140	132
Total non-operating income	521	278
Non-operating expenses		
Interest expenses	18	24
Share of loss of entities accounted for using equity method	-	16
Commission for purchase of treasury shares	3	-
Other	3	2
Total non-operating expenses	25	43
Ordinary profit	11,286	12,080
Extraordinary income		
Gain on sale of non-current assets	19	30
Other	0	-
Total extraordinary income	19	30
Extraordinary losses		
Loss on disposal of non-current assets	20	18
Impairment losses	508	-
Total extraordinary losses	529	18
Profit before income taxes	10,776	12,092
Income taxes-current	3,865	3,894
Income taxes-deferred	200	(11)
Total income taxes	4,065	3,882
Profit	6,711	8,210
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	6,711	8,210

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	FY3/22	FY3/23
	(Apr. 1, 2021 to Mar. 31, 2022)	(Apr. 1, 2022 to Mar. 31, 2023)
Profit	6,711	8,210
Other comprehensive income		
Valuation difference on available-for-sale securities	(58)	35
Total other comprehensive income	(58)	35
Comprehensive income	6,652	8,245
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,652	8,245
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(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	70,452	(3,814)	76,319
Changes during period					
Dividends of surplus			(1,829)		(1,829)
Profit attributable to owners of parent			8,210		8,210
Reversal of revaluation reserve for land					-
Purchase of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	6,380	-	6,380
Balance at end of period	4,731	4,949	76,832	(3,814)	82,700

	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	39	(409)	(370)	75,948
Changes during period				
Dividends of surplus				(1,829)
Profit attributable to owners of parent				8,210
Reversal of revaluation reserve for land				-
Purchase of treasury shares				-
Net changes in items other than shareholders' equity	35		35	35
Total changes during period	35	-	35	6,415
Balance at end of period	74	(409)	(335)	82,364

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	10,776	12,092
Depreciation	1,286	1,318
Impairment losses	508	-
Amortization of goodwill	39	34
Share of loss (profit) of entities accounted for using equity method	-	16
Share-based payment expenses	59	-
Increase (decrease) in allowance for doubtful accounts	(83)	(2)
Increase (decrease) in provision for bonuses	11	17
Increase (decrease) in retirement benefit liability	1	4
Interest and dividend income	(221)	(22)
Interest expenses	18	24
Loss (gain) on disposal of property, plant and equipment	2	(12)
Decrease (increase) in trade receivables	1,173	275
Decrease (increase) in inventories	(314)	(114)
Increase (decrease) in trade payables	(94)	280
Increase (decrease) in accrued consumption taxes	(712)	327
Increase (decrease) in accounts payable-bonuses	(353)	443
Increase (decrease) in accounts payable relating to introduction of defined-contribution pension plan	(311)	(272)
Other, net	(324)	(207)
Subtotal	11,462	14,204
Interest and dividends received	220	30
Interest paid	(18)	(24)
Income taxes paid	(3,748)	(4,030)
Net cash provided by (used in) operating activities	7,916	10,179
Cash flows from investing activities		
Payments into time deposits	(466)	(435)
Proceeds from withdrawal of time deposits	468	456
Purchase of property, plant and equipment	(2,383)	(2,753)
Proceeds from sale of property, plant and equipment	81	29
Purchase of intangible assets	(129)	(58)
Purchase of investment securities	(2)	(206)
Proceeds from sale of investment securities	274	-
Loan advances	(545)	(506)
Proceeds from collection of loans receivable	169	279
Proceeds from divestments	53	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(550)	-
Purchase of shares of subsidiaries and associates	(64)	(1,477)
Other, net	22	48
Net cash provided by (used in) investing activities	(3,073)	(4,624)

(Millions of yen)

	FY3/22	FY3/23
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,200	2,137
Repayments of short-term borrowings	(800)	(2,567)
Proceeds from long-term borrowings	171	1,316
Repayments of long-term borrowings	(1,135)	(1,430)
Repayments of lease liabilities	(239)	(391)
Purchase of treasury shares	(879)	-
Repayments of installment payables-property and equipment	(107)	-
Redemption of bonds	(11)	(22)
Dividends paid	(1,950)	(1,829)
Net cash provided by (used in) financing activities	(3,751)	(2,787)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	1,091	2,767
Cash and cash equivalents at beginning of period	21,715	22,806
Cash and cash equivalents at end of period	22,806	25,573

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

Not applicable.

Changes in the Scope of Consolidation or Application of the Equity Method

Changes in the Scope of the Equity Method

In the second quarter of the current fiscal year, CANDEAL Co., Ltd. was included in the scope of the equity method as the Company acquired a portion of the common shares of CANDEAL.

Changes in Accounting Policies That Are Difficult to Distinguish from Changes in Accounting-based Estimates

Changes in depreciation method of property, plant and equipment

The Company and its consolidated subsidiaries have changed the property, plant and equipment (excluding leased assets) depreciation method. In prior years, these assets were depreciated using the declining-balance method. Beginning with the current fiscal year, the straight-line method is used for all depreciation.

In previous years, the Company steadily increased the number of jobs performed by actively making capital investments to expand its scale of operations. Now that a national network of branch offices has been completed, capital investment has leveled off. Currently, the Group's policy is to stabilize the number of jobs performed.

To address the current changing business environment, the Company is also stepping up efforts to "decarbonize" its operations and has set the reduction of CO2 emissions toward 2030 as one of the more important management priorities. As part of this initiative, we are promoting collaboration with our partners, and we anticipate stable operation of our fleet of vehicles.

Under these circumstances, we have reexamined the depreciation method of our property, plant and equipment from the viewpoint of more appropriate periodic accounting of profit and loss. The Company's policy is to stabilize the number of jobs performed and even out capital investment in view of the changes in the business environment. In addition, the Company believes that its existing facilities and vehicle fleet will operate stably. For these reasons, the Company has determined that the change to the straight-line method, which allocates expenses equally, is reasonable and more appropriately reflects economic reality.

The effect on this change on operating profit, ordinary profit and profit attributable to owners of parent in the current fiscal year is insignificant.

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
 FY3/22 (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.

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	Reportable segment				
	Moving Services	Electrical Construction	Clean Services	Reuse	Subtotal
Net sales					
Sales to external customers	94,756	4,298	5,303	4,593	108,952
Inter-segment sales and transfers	2	3,343	59	2	3,409
Total	94,759	7,642	5,363	4,595	112,361
Segment profit	10,414	587	610	138	11,750
Segment assets	60,274	3,623	6,019	4,081	73,999
Other items					
Depreciation	1,137	17	48	39	1,242
Interest income	8	0	0	0	9
Interest expenses	18	-	0	0	19
Increase in property, plant and equipment and intangible assets	3,079	14	26	178	3,299

	Other (Note 1)	Total	Adjustments (Notes 2, 3)	Amounts shown on the consolidated financial statements (Note 4)
Net sales				
Sales to external customers	604	109,556	-	109,556
Inter-segment sales and transfers	83	3,492	(3,492)	-
Total	687	113,049	(3,492)	109,556
Segment profit	466	12,216	(136)	12,080
Segment assets	9,131	83,130	26,503	109,634
Other items				
Depreciation	75	1,318	-	1,318
Interest income	0	9	-	9
Interest expenses	4	24	-	24
Increase in property, plant and equipment and intangible assets	138	3,438	110	3,548

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 -136 million yen adjustment to segment profit includes elimination for inter-segment transactions.

3. The adjustment to segment assets includes 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 110 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

Changes in depreciation method of property, plant and equipment

As described in “Changes in Accounting Policies That Are Difficult to Distinguish from Changes in Accounting-based Estimates,” the Company and its consolidated subsidiaries have changed the property, plant and equipment depreciation method. Beginning with the current fiscal year, the straight-line method is used for all depreciation. The effect of this change is insignificant.

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

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

Not applicable.

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

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	Reportable segment				
	Moving Services	Electrical Construction	Clean Services	Reuse	Subtotal
Amortization for the period	-	-	34	-	34
Balance at the end of period	-	-	119	-	119

	Other	Total	Adjustments	Amounts shown on the consolidated financial statements
Amortization for the period	-	34	-	34
Balance at the end of period	-	119	-	119

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per Share Information

(Yen)

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Net assets per share	3,735.83	4,051.42
Basic earnings per share	327.87	403.85

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)

	FY3/22 (As of Mar. 31, 2022)	FY3/23 (As of Mar. 31, 2023)
Total net assets	75,948	82,364
Deduction on total net assets	-	-
[of which share acquisition rights]	[-]	[-]
Net assets applicable to common shares at the year-end	75,948	82,364
Number of common shares at the year-end used in calculation of net assets per share (shares)	20,329,864	20,329,864

3. The basis of calculating basic earnings per share is as follows:

(Millions of yen)

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Basic earnings per share		
Profit attributable to owners of parent	6,711	8,210
Amounts not attributable to common shareholders	-	-
Profit attributable to owners of parent applicable to common shares	6,711	8,210
Average number of shares outstanding during the period (shares)	20,470,419	20,329,864

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.