



October 29, 2021

**Summary of the Consolidated Financial Results for the Second Quarter
of the Fiscal Year Ending March 31, 2022 (FY3/22)
(Six Months Ended September 30, 2021)**

[Japanese GAAP]

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Scheduled date of filing of Quarterly Report:

November 10, 2021

Scheduled date of payment of dividend:

December 3, 2021

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting:

Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Second Quarter (April 1, 2021 to September 30, 2021) of FY3/22

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sep. 30, 2021	50,492	4.9	4,859	(17.5)	5,194	(14.8)	3,231	(20.6)
Six months ended Sep. 30, 2020	48,137	(3.1)	5,891	(14.1)	6,094	(13.5)	4,070	(10.4)

Note: Comprehensive income (millions of yen):
Six months ended Sep. 30, 2021: 3,216 (down 21.9%)
Six months ended Sep. 30, 2020: 4,115 (down 10.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2021	157.40	-
Six months ended Sep. 30, 2020	198.24	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2021	93,029	74,006	79.6
As of Mar. 31, 2021	99,488	72,125	72.5

Reference: Shareholders' equity (millions of yen): As of Sep. 30, 2021: 74,006 As of Mar. 31, 2021: 72,125

2. Dividends

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

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

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

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	103,480	3.1	11,675	4.9	11,944	1.8	7,962	3.4	387.82

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

*** Notes**

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

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

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

As of Sep. 30, 2021:	21,162,000 shares	As of Mar. 31, 2021:	21,162,000 shares
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2) Number of treasury shares at the end of the period

As of Sep. 30, 2021:	632,136 shares	As of Mar. 31, 2021:	631,713 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2021:	20,530,004 shares	Six months ended Sep. 30, 2020	20,532,126 shares
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* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the management of Sakai Moving Service at the time the materials were prepared. These materials are not promises by Sakai Moving Service regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. For a discussion of the assumptions for forecasts, precautions concerning usage and other information, please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first half of the current fiscal year, because of the renewed increase of the COVID-19 infection cases, a series of emergency declarations and priority measures to prevent the spread of the disease have been issued and extended, particularly in the major metropolitan areas. On the other hand, vaccinations have progressed steadily, and it is hoped that restrictions on activities will be eased, and that economic activity will return to normal levels. Nevertheless, the economic outlook remains uncertain because there is still no prospect of the COVID-19 pandemic being brought under control.

In Japan's moving industry, although there have been signs of an increase in the number of housing starts, the number of people relocating has decreased due to restrictions caused by the declaration of a state of emergency and the impact of the priority measures implemented to prevent the spread of the infection.

The Sakai Moving Service Group expected the demand for corporate relocations to decrease during the peak season of March and April. To offset the decline, the Group used the web-based ordering system to secure orders. However, following the lifting of the declaration of the state of emergency at the end of March, the Group received more orders than expected from corporate clients lifting orders to levels exceeding our service capacity and increasing the workload of our employees. Consequently, from April onward, outsourcing costs were higher than projected. Measures to prevent COVID-19 clusters and consideration for working hours of our employees also increased outsourcing costs.

Furthermore, our capacity utilization rate declined as the number of orders received in the Kanto region decreased during the period of the Tokyo Olympics and Paralympic games. In addition, we adjusted the order intake in view of traffic restrictions imposed during the events. In the current fiscal year, expenses increased due to the payment of special bonuses to employees who had been overburdened by the impact of the COVID-19 pandemic. The reduction in expenses in the previous fiscal year due to the reversal of the provision for bonuses is another reason for higher expenses in the first half.

By steadily making its business operations more powerful, the Sakai Moving Service Group achieved higher sales than one year earlier as the number of jobs performed increased 3.2% to 420,350 and the average unit rate for moving services was up 1.8%.

Net sales increased 4.9% year-on-year to 50,492 million yen, operating profit decreased 17.5% to 4,859 million yen, ordinary profit decreased 14.8% to 5,194 million yen, and profit attributable to owners of parent decreased 20.6% to 3,231 million yen.

(2) Explanation of Financial Position

1) Current assets

Current assets decreased by 7,491 million yen, or 23.6%, from the end of the previous fiscal year to 24,275 million yen.

This was attributable mainly to a decrease of 4,983 million yen in notes and accounts receivable-trade.

2) Non-current assets

Non-current assets increased by 1,031 million yen, or 1.5%, from the end of the previous fiscal year to 68,753 million yen.

This was mainly attributable to increases of 873 million yen in buildings and 740 million yen in land.

3) Current liabilities

Current liabilities decreased by 8,275 million yen, or 38.2%, from the end of the previous fiscal year to 13,403 million yen.

This was attributable mainly to decreases of 2,929 million yen in accounts payable-trade, 1,954 million yen in accrued expenses included in other current liabilities, 1,325 million yen in income taxes payable and 1,070 million yen in advances received included in other current liabilities.

4) Non-current liabilities

Non-current liabilities decreased by 64 million yen, or 1.1%, from the end of the previous fiscal year to 5,619 million yen.

This was attributable mainly to a decrease of 96 million yen in long-term borrowings.

5) Net assets

Net assets increased by 1,881 million yen, or 2.6%, from the end of the previous fiscal year to 74,006 million yen.

This was attributable mainly to an increase of 1,896 million yen in retained earnings.

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

There are no revisions to the first-half and full-year forecasts for the fiscal year ending March 31, 2022, which were announced on May 7, 2021.

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

	(Millions of yen)	
	FY3/21 (as of Mar. 31, 2021)	Second quarter of FY3/22 (as of Sep. 30, 2021)
Assets		
Current assets		
Cash and deposits	22,588	20,048
Notes and accounts receivable-trade	7,516	2,533
Merchandise	486	501
Other	1,182	1,199
Allowance for doubtful accounts	(7)	(7)
Total current assets	31,766	24,275
Non-current assets		
Property, plant and equipment		
Buildings, net	9,260	10,134
Land	50,989	51,730
Leased assets, net	954	883
Other, net	1,445	1,393
Total property, plant and equipment	62,651	64,142
Intangible assets		
Goodwill	22	170
Contract-based intangible assets	141	85
Other	420	383
Total intangible assets	584	639
Investments and other assets		
Other	4,577	4,062
Allowance for doubtful accounts	(91)	(90)
Total investments and other assets	4,486	3,972
Total non-current assets	67,722	68,753
Total assets	99,488	93,029
Liabilities		
Current liabilities		
Accounts payable-trade	5,350	2,421
Current portion of bonds payable	-	22
Short-term borrowings	1,285	1,551
Lease obligations	214	222
Income taxes payable	2,624	1,299
Provision for bonuses	824	514
Other	11,379	7,372
Total current liabilities	21,678	13,403
Non-current liabilities		
Bonds payable	-	89
Long-term borrowings	2,363	2,266
Lease obligations	752	667
Retirement benefit liability	10	31
Asset retirement obligations	153	191
Other	2,404	2,372
Total non-current liabilities	5,684	5,619
Total liabilities	27,363	19,022

	(Millions of yen)	
	FY3/21 (as of Mar. 31, 2021)	Second quarter of FY3/22 (as of Sep. 30, 2021)
Net assets		
Shareholders' equity		
Share capital	4,731	4,731
Capital surplus	4,949	4,949
Retained earnings	65,713	67,610
Treasury shares	(2,935)	(2,935)
Total shareholders' equity	72,459	74,355
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	97	82
Revaluation reserve for land	(431)	(431)
Total accumulated other comprehensive income	(333)	(349)
Total net assets	72,125	74,006
Total liabilities and net assets	99,488	93,029

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

(Millions of yen)

	First six months of FY3/21 (Apr. 1, 2020 to Sep. 30, 2020)	First six months of FY3/22 (Apr. 1, 2021 to Sep. 30, 2021)
Net sales	48,137	50,492
Cost of sales	29,313	31,563
Gross profit	18,824	18,929
Selling, general and administrative expenses	12,932	14,070
Operating profit	5,891	4,859
Non-operating income		
Interest income	4	4
Dividend income	9	209
Insurance claim income	35	25
Other	161	103
Total non-operating income	211	343
Non-operating expenses		
Interest expenses	7	8
Other	1	0
Total non-operating expenses	8	8
Ordinary profit	6,094	5,194
Extraordinary income		
Gain on sale of non-current assets	3	3
Total extraordinary income	3	3
Extraordinary losses		
Loss on disposal of non-current assets	0	11
Total extraordinary losses	0	11
Profit before income taxes	6,097	5,186
Income taxes-current	1,396	1,382
Income taxes-deferred	630	572
Total income taxes	2,026	1,954
Profit	4,070	3,231
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	4,070	3,231

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

(Millions of yen)

	First six months of FY3/21 (Apr. 1, 2020 to Sep. 30, 2020)	First six months of FY3/22 (Apr. 1, 2021 to Sep. 30, 2021)
Profit	4,070	3,231
Other comprehensive income		
Valuation difference on available-for-sale securities	45	(15)
Total other comprehensive income	45	(15)
Comprehensive income	4,115	3,216
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,115	3,216
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

Going-concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Significant Subsidiaries during the Period

Not applicable.

During the first quarter, Sakai Moving Service purchased the stock of Clean System Co., Ltd., making this company a consolidated subsidiary. This acquisition is not classified as a change in a specified subsidiary.

Changes in Accounting Policies

Application of Accounting Standard for Revenue Recognition

Sakai Moving Service has applied the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) from the beginning of the first quarter of the current fiscal year. Based on this standard, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the promised goods and services is transferred to customers. Due to this accounting standard, when there is an agreement with a customer to provide the goods or services to a third party, only net revenue for services as an agent are recognized. In addition, for transactions at some subsidiaries where loyalty points are given to customers when a product or service is sold, a provision for point card certificates for the monetary value of points expected to be used in the future was maintained in prior years. Additions to this provision were included in selling, general and administrative expenses. Due to the new revenue recognition standard, this method has been changed to classifying points as a performance obligation that is allocated to transaction prices based on independent sale prices that reflect the portion of points not expected to be used and other considerations. The application of the Revenue Recognition Accounting Standard is pursuant to the transitional treatment prescribed in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. There is no effect of this application on retained earnings at the beginning of the fiscal year, profit in the current fiscal year and per share information. Due to the application of the revenue recognition accounting standard, the provision for point card certificates that was presented in the current liabilities section in the previous fiscal year is, from the first quarter of the current fiscal year, presented as other under current liabilities. In accordance with the transitional treatment prescribed in paragraph 89-2 of the accounting standard for revenue recognition, no reclassification has been made to the prior year's consolidated financial statements to conform to the new presentation.

Application of Accounting Standard for Fair Value Measurement

Sakai Moving Service has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) and other standards from the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies set forth by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect of the application of these standards on the quarterly consolidated financial statements.

This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.