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October 31, 2024

Consolidated Financial Results for the Six Months Ended September 30, 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 file semi-annual securities report: November 11, 2024
 Scheduled date to commence dividend payments: December 3, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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	%
Six months ended								
Sep. 30, 2024	59,193	3.7	6,607	(6.8)	6,734	(6.3)	4,537	(5.6)
Sep. 30, 2023	57,070	4.9	7,088	12.4	7,183	11.8	4,806	7.3

Note: Comprehensive income For the six months ended Sep. 30, 2024: ¥4,470 million [down 7.6%]
 For the six months ended Sep. 30, 2023: ¥4,839 million [up 7.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
Sep. 30, 2024	111.60	-
Sep. 30, 2023	118.21	-

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

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
Sep. 30, 2024	113,965	92,203	80.9
Mar. 31, 2024	120,811	89,312	73.9

Reference: Equity
 As of Sep. 30, 2024: ¥92,185 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	68.00
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: Yes

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.

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 consolidated interim 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. Consolidated Interim Financial Statements and Notes, (3) Notes to Consolidated Interim 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 Sep. 30, 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 Sep. 30, 2024	1,664,272 shares
As of Mar. 31, 2024	1,664,272 shares

(iii) Average number of shares outstanding during the period

Six months ended Sep. 30, 2024	40,659,728 shares
Six months ended Sep. 30, 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.

* Quarterly (interim) financial results reports are exempt from 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. Overview of Results of Operations, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3.

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1. Overview of Results of Operations

(1) Results of Operations

In the first half of the current fiscal year, a moderate recovery was seen in Japan due to improvements in the employment and income environment. However, the outlook remains uncertain due to factors such as a downturn risk resulting from weaker economic conditions overseas and continued price hikes.

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 3.2% increase in unit moving costs year-on-year. In addition, the Group endeavored to strengthen its in-house driver training system to comply with the overtime cap for truck drivers that came into effect in April 2024; however, the number of jobs performed fell 0.9% year-on-year to 408,918. As for the current fiscal year, both sales and profit are generally progressing in line with budget projections.

From the beginning of the first half, Sakai Pandalogi Co., Ltd. was included in the scope of the consolidation. Net sales increased 3.7% year-on-year to 59,193 million yen, operating profit decreased 6.8% to 6,607 million yen, ordinary profit decreased 6.3% to 6,734 million yen, and profit attributable to owners of parent decreased 5.6% to 4,537 million yen.

(2) Financial Position

Assets

Current assets decreased by 7,657 million yen from the end of the previous fiscal year to 34,333 million yen. This was attributable mainly to decreases of 5,934 million yen in notes and accounts receivable-trade, and contract assets and 1,419 million yen in cash and deposits. Non-current assets increased by 810 million yen from the end of the previous fiscal year to 79,631 million yen. This was attributable mainly to increases of 1,060 million yen in land and 496 million yen in investment securities included in investments and other assets, and a decrease of 547 million yen in deferred tax assets included in investments and other assets.

As a result, total assets decreased by 6,846 million yen from the end of the previous fiscal year to 113,965 million yen.

Liabilities

Current liabilities decreased by 9,710 million yen from the end of the previous fiscal year to 17,489 million yen. This was attributable mainly to decreases of 3,581 million yen in accounts payable-trade, 2,289 million yen in accrued expenses included in other current liabilities, 1,474 million yen in advances received, and 871 million yen in income taxes payable. Non-current liabilities decreased by 27 million yen from the end of the previous fiscal year to 4,272 million yen. This was attributable mainly to an increase of 271 million yen in long-term borrowings and a decrease of 222 million yen in long-term payable included in other non-current liabilities.

As a result, total liabilities decreased by 9,738 million yen from the end of the previous fiscal year to 21,761 million yen.

Net assets

Total net assets increased by 2,891 million yen from the end of the previous fiscal year to 92,203 million yen. This was attributable mainly to an increase of 2,940 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. Consolidated Interim Financial Statements and Notes**(1) Consolidated Interim Balance Sheet**

	(Millions of yen)	
	FY3/24 (As of Mar. 31, 2024)	Second quarter of FY3/25 (As of Sep. 30, 2024)
Assets		
Current assets		
Cash and deposits	29,539	28,120
Notes and accounts receivable-trade, and contract assets	9,781	3,847
Merchandise	1,320	1,232
Other	1,362	1,150
Allowance for doubtful accounts	(12)	(16)
Total current assets	41,991	34,333
Non-current assets		
Property, plant and equipment		
Buildings, net	10,790	10,892
Land	56,763	57,824
Leased assets, net	798	729
Other, net	2,081	1,972
Total property, plant and equipment	70,434	71,419
Intangible assets		
Goodwill	85	68
Other	328	444
Total intangible assets	413	512
Investments and other assets		
Other	7,982	7,709
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	7,972	7,699
Total non-current assets	78,820	79,631
Total assets	120,811	113,965

	(Millions of yen)	
	FY3/24 (As of Mar. 31, 2024)	Second quarter of FY3/25 (As of Sep. 30, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	6,881	3,300
Short-term borrowings	1,700	1,717
Current portion of long-term borrowings	1,087	904
Lease liabilities	354	367
Income taxes payable	2,763	1,892
Advances received	3,490	2,016
Provision for bonuses	852	849
Other	10,069	6,440
Total current liabilities	27,199	17,489
Non-current liabilities		
Long-term borrowings	1,358	1,629
Lease liabilities	449	369
Retirement benefit liability	41	44
Asset retirement obligations	56	56
Other	2,394	2,172
Total non-current liabilities	4,300	4,272
Total liabilities	31,499	21,761
Net assets		
Shareholders' equity		
Share capital	4,731	4,731
Capital surplus	4,949	4,949
Retained earnings	83,487	86,428
Treasury shares	(3,814)	(3,814)
Total shareholders' equity	89,354	92,295
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	366	300
Revaluation reserve for land	(409)	(409)
Total accumulated other comprehensive income	(42)	(109)
Share acquisition rights	-	17
Total net assets	89,312	92,203
Total liabilities and net assets	120,811	113,965

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

(Millions of yen)

	First six months of FY3/24 (Apr. 1, 2023 to Sep. 30, 2023)	First six months of FY3/25 (Apr. 1, 2024 to Sep. 30, 2024)
Net sales	57,070	59,193
Cost of sales	34,695	36,504
Gross profit	22,375	22,688
Selling, general and administrative expenses	15,286	16,081
Operating profit	7,088	6,607
Non-operating income		
Interest income	3	14
Dividend income	8	19
Commission income	22	21
Insurance claim income	23	26
Other	81	95
Total non-operating income	139	176
Non-operating expenses		
Interest expenses	7	12
Share of loss of entities accounted for using equity method	27	35
Other	9	2
Total non-operating expenses	44	49
Ordinary profit	7,183	6,734
Extraordinary income		
Gain on sale of non-current assets	33	19
Other	-	0
Total extraordinary income	33	19
Extraordinary losses		
Loss on disposal of non-current assets	6	0
Total extraordinary losses	6	0
Profit before income taxes	7,210	6,753
Income taxes-current	2,022	1,638
Income taxes-deferred	381	577
Total income taxes	2,403	2,216
Profit	4,806	4,537
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	4,806	4,537

(Consolidated Interim Statement of Comprehensive Income)

(Millions of yen)

	First six months of FY3/24 (Apr. 1, 2023 to Sep. 30, 2023)	First six months of FY3/25 (Apr. 1, 2024 to Sep. 30, 2024)
Profit	4,806	4,537
Other comprehensive income		
Valuation difference on available-for-sale securities	33	(65)
Share of other comprehensive income of entities accounted for using equity method	-	(1)
Total other comprehensive income	33	(66)
Comprehensive income	4,839	4,470
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,839	4,470
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Consolidated Interim 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 half 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 consolidated interim 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 half of the current fiscal year. There is no effect of the change in accounting policies on the interim 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 half 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.

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.