



October 29, 2020

**Summary of the Consolidated Financial Results for the Second Quarter
of the Fiscal Year Ending March 31, 2021 (FY3/21)
(Six Months Ended September 30, 2020)**

[Japanese GAAP]

Company name: Sakai Moving Service Co., Ltd. Listing: Tokyo Stock Exchange, First Section
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Scheduled date of filing of Quarterly Report: November 10, 2020
 Scheduled date of payment of dividend: December 3, 2020
 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, 2020 to September 30, 2020) of FY3/21

(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, 2020	48,137	(3.1)	5,891	(14.1)	6,094	(13.5)	4,070	(10.4)
Six months ended Sep. 30, 2019	49,701	6.6	6,857	8.2	7,043	8.9	4,542	6.8

Note: Comprehensive income (millions of yen): Six months ended Sep. 30, 2020: 4,115 (down 10.7%)
 Six months ended Sep. 30, 2019: 4,606 (up 8.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2020	198.24	-
Six months ended Sep. 30, 2019	221.23	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2020	88,322	68,752	77.8
As of Mar. 31, 2020	93,245	65,559	70.3

Reference: Shareholders' equity (millions of yen): As of Sep. 30, 2020: 68,752 As of Mar. 31, 2020: 65,559

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Mar. 31, 2020	Yen -	Yen 15.00	Yen -	Yen 45.00	Yen 60.00
Fiscal year ending Mar. 31, 2021	-	15.00	-	45.00	60.00
Fiscal year ending Mar. 31, 2021 (Forecast)	-	-	-	45.00	60.00

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

Composition of the year-end dividend for the fiscal year ending March 31, 2021: Ordinary dividend of 35.00 yen, commemorative dividend of 10.00 yen

3. Consolidated Forecasts for FY3/21 (April 1, 2020 to March 31, 2021)

(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	100,862	0.0	11,189	0.0	11,540	0.1	7,500	(16.2)	365.33

Note: Revisions to the most recently announced consolidated forecast: Yes

*** 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: None

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, 2020:	21,162,000 shares	As of Mar. 31, 2020:	21,162,000 shares
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2) Number of treasury shares at the end of the period

As of Sep. 30, 2020:	630,060 shares	As of Mar. 31, 2020:	629,837 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2020:	20,532,126 shares	Six months ended Sep. 30, 2019	20,533,959 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, the Japanese economy remained stagnant amid a severe economic environment caused by strict restrictions on social activities to prevent the spread of the COVID-19 pandemic. Consequently, the outlook remains uncertain.

In Japan's moving industry, the business climate remained challenging because of the declining number of housing starts, people who are relocating and a drop in corporate demand linked to employee transfers.

Due to many activities in response to these difficult market conditions during the first half, the Sakai Moving Service Group achieved a 5.3% increase from one year earlier in the number of jobs performed to 407,279, but the average unit rate for moving services decreased 8.3%. As a result, group companies were able to minimize the decline in sales caused by COVID-19.

Net sales decreased 3.1% year-on-year to 48,137 million yen, operating profit decreased 14.1% to 5,891 million yen, ordinary profit decreased 13.5% to 6,094 million yen, and profit attributable to owners of parent decreased 10.4% to 4,070 million yen.

(2) Explanation of Financial Position

1) Current assets

Current assets decreased by 3,884 million yen, or 14.8%, from the end of the previous fiscal year to 22,362 million yen.

This was attributable mainly to a decrease of 4,875 million yen in notes and accounts receivable-trade.

2) Non-current assets

Non-current assets decreased by 1,039 million yen, or 1.6%, from the end of the previous fiscal year to 65,959 million yen.

This was mainly attributable to decreases of 929 million yen in vehicles included in other under property, plant and equipment and 737 million yen in deferred tax assets included in other under investments and other assets.

3) Current liabilities

Current liabilities decreased by 7,093 million yen, or 34.0%, from the end of the previous fiscal year to 13,761 million yen.

This was attributable mainly to decreases of 2,479 million yen in accrued expenses included in other current liabilities, 2,326 million yen in accounts payable-trade, 602 million yen in provision for bonuses and 533 million yen in income taxes payable.

4) Non-current liabilities

Non-current liabilities decreased by 1,023 million yen, or 15.0%, from the end of the previous fiscal year to 5,808 million yen.

This was attributable mainly to decreases of 723 million yen in long-term accounts payable-other included in other non-current liabilities and 618 million yen in long-term borrowings.

5) Net assets

Net assets increased by 3,193 million yen, or 4.9%, from the end of the previous fiscal year to 68,752 million yen.

This was attributable mainly to an increase of 3,147 million yen in retained earnings.

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

The full-year consolidated forecast for the fiscal year ending in March 2021 that had not been released in the “Summary of the Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2021 [Japanese GAAP]” issued on July 29, 2020 is now announced.

For more information, please refer to the press release titled “Notice of the Full-year Consolidated Forecast” (Japanese version only) that was announced today (October 29, 2020).

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	FY3/20 (as of Mar. 31, 2020)	Second quarter of FY3/21 (as of Sep. 30, 2020)
Assets		
Current assets		
Cash and deposits	16,758	17,644
Notes and accounts receivable-trade	7,754	2,878
Merchandise	460	487
Other	1,282	1,359
Allowance for doubtful accounts	(9)	(7)
Total current assets	26,247	22,362
Non-current assets		
Property, plant and equipment		
Buildings, net	9,016	8,936
Land	49,985	49,985
Other, net	2,106	2,166
Total property, plant and equipment	61,108	61,088
Intangible assets		
Goodwill	112	67
Contract-based intangible assets	255	198
Other	438	409
Total intangible assets	805	675
Investments and other assets		
Other	5,183	4,287
Allowance for doubtful accounts	(99)	(92)
Total investments and other assets	5,084	4,195
Total non-current assets	66,998	65,959
Total assets	93,245	88,322
Liabilities		
Current liabilities		
Accounts payable-trade	4,553	2,226
Short-term borrowings	1,834	2,032
Income taxes payable	2,168	1,634
Provision for bonuses	1,114	512
Provision for point card certificates	6	6
Other	11,176	7,347
Total current liabilities	20,854	13,761
Non-current liabilities		
Long-term borrowings	3,354	2,735
Retirement benefit liability	9	9
Other	3,468	3,063
Total non-current liabilities	6,832	5,808
Total liabilities	27,686	19,569
Net assets		
Shareholders' equity		
Share capital	4,731	4,731
Capital surplus	4,949	4,949
Retained earnings	59,247	62,394
Treasury shares	(2,934)	(2,934)
Total shareholders' equity	65,993	69,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2)	42
Revaluation reserve for land	(431)	(431)
Total accumulated other comprehensive income	(434)	(388)
Total net assets	65,559	68,752
Total liabilities and net assets	93,245	88,322

(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 FY3/20 (Apr. 1, 2019 to Sep. 30, 2019)	First six months of FY3/21 (Apr. 1, 2020 to Sep. 30, 2020)
Net sales	49,701	48,137
Cost of sales	28,489	29,313
Gross profit	21,211	18,824
Selling, general and administrative expenses	14,353	12,932
Operating profit	6,857	5,891
Non-operating income		
Interest income	7	4
Dividend income	10	9
Insurance claim income	44	35
Other	127	161
Total non-operating income	189	211
Non-operating expenses		
Interest expenses	4	7
Other	0	1
Total non-operating expenses	4	8
Ordinary profit	7,043	6,094
Extraordinary income		
Gain on sales of non-current assets	4	3
Gain on sales of investment securities	45	-
Insurance claim income	20	-
Total extraordinary income	69	3
Extraordinary losses		
Loss on disposal of non-current assets	3	0
Loss on valuation of investment securities	155	-
Loss on sales of investment securities	27	-
Total extraordinary losses	186	0
Profit before income taxes	6,927	6,097
Income taxes-current	1,521	1,396
Income taxes-deferred	862	630
Total income taxes	2,384	2,026
Profit	4,542	4,070
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	4,542	4,070

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

(Millions of yen)

	First six months of FY3/20 (Apr. 1, 2019 to Sep. 30, 2019)	First six months of FY3/21 (Apr. 1, 2020 to Sep. 30, 2020)
Profit	4,542	4,070
Other comprehensive income		
Valuation difference on available-for-sale securities	63	45
Total other comprehensive income	63	45
Comprehensive income	4,606	4,115
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,606	4,115
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.

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.