

Consolidated Financial Results
for the First Quarter Ended June 30, 2020 [Japan GAAP]

August 7, 2020

The Sumitomo Warehouse Co., Ltd.

Securities code: 9303
 Stock exchange listings: Tokyo
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 Quarterly statement filing date (as planned): August 13, 2020
 Dividend payable date (as planned): —
 Supplemental material of quarterly results: None
 Convening briefing of quarterly results: None

(Figures are rounded down to the nearest million yen)

1. Consolidated financial results for the first quarter ended June 30, 2020 (April 1, 2020- June 30, 2020)

(1) Consolidated operating results (%: year-on-year change)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	47,268	0.3	2,386	(9.3)	3,646	(6.1)	2,318	(6.9)
Three months ended June 30, 2019	47,135	6.9	2,631	38.2	3,884	24.7	2,490	12.0

Note: Comprehensive income:

Three months ended June 30, 2020: 6,167 million yen; —%
 Three months ended June 30, 2019: (898) million yen; —%

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2020	27.75	27.67
Three months ended June 30, 2019	29.13	29.04

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	316,006	175,646	53.4
As of March 31, 2020	318,458	171,976	51.9

Note: Owner's equity

As of June 30, 2020: 168,843 million yen
 As of March 31, 2020: 165,291 million yen

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	—	18.00	—	29.00	47.00
Year ending March 31, 2021	—				
Year ending March 31, 2021 (Forecast)		24.00	—	24.00	48.00

Note: Correction of dividend forecast from the most recent dividend forecast: None

* The fiscal year-end dividend per share for the year ended March 31, 2020 consists of ¥19.00 for ordinary dividend and ¥10.00 for 120th anniversary commemorative dividend.

3. Consolidated forecasts for the year ending March 31, 2021 (April 1, 2020-March 31, 2021)

(%: year-on-year change)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months	90,000	(5.5)	4,100	(26.1)	5,200	(24.1)	3,100	(27.9)	37.10
Full year	178,000	(7.2)	8,500	(23.4)	10,600	(22.0)	6,500	(27.4)	77.80

Note: Correction of financial forecast from the most recent financial forecast: Yes

4. Other

(1) Material changes in subsidiaries during this period (Changes in scope of consolidations resulting from change in subsidiaries)
: None

(2) Applying of specific accounting of the consolidated quarterly financial statements: Yes

(3) Changes in accounting policies, accounting estimates and retrospective restatement

1) Changes in accounting policies based on revisions of accounting standard: None

2) Changes in accounting policies other than ones based on revisions of accounting standard: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Number of issued and outstanding shares (common stock)

Number of issued and outstanding shares (including treasury stock):

As of June 30, 2020 : 84,386,615 shares

As of March 31, 2020 : 84,386,615 shares

Number of treasury stock:

As of June 30, 2020 : 838,576 shares

As of March 31, 2020 : 838,377 shares

Average number of shares:

First quarter ended June 30, 2020 : 83,548,089 shares

First quarter ended June 30, 2019 : 85,501,193 shares

* Status of quarterly reviewing processes

This Financial Results is not subject to review based on the Japanese Financial Instruments and Exchange Act.

* Explanation for the proper use of forecasts and other special instructions

The forecasts are based on information currently available and certain assumptions judged to be reasonable. The Company's actual results may differ materially from the forecasts as a result of numerous factors outside of the Company's control.

Consolidated Financial Results
(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	36,367	26,078
Notes and accounts receivable-trade	21,851	21,363
Real estate for sale	27	62
Work in process	10	16
Other	5,774	5,895
Allowance for doubtful accounts	(121)	(99)
Total current assets	63,911	53,316
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	77,487	78,213
Machinery, equipment and vehicles, net	4,875	4,967
Vessels, net	4,261	4,178
Tools, furniture and fixtures, net	1,000	1,087
Land	64,048	63,994
Construction in progress	8,239	9,219
Other, net	3,107	2,963
Total property, plant and equipment	163,020	164,624
Intangible assets		
Goodwill	44	40
Leasehold interests in land	5,125	5,125
Software	1,284	1,228
Other	233	230
Total intangible assets	6,687	6,624
Investments and other assets		
Investment securities	77,232	83,879
Long-term loans receivable	330	329
Deferred tax assets	535	548
Other	6,993	6,939
Allowance for doubtful accounts	(253)	(256)
Total investments and other assets	84,839	91,441
Total non-current assets	254,547	262,690
Total assets	318,458	316,006

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,670	12,604
Current portion of bonds payable	5,000	5,000
Short-term borrowings	19,747	12,822
Income taxes payable	1,243	892
Provision for bonuses	1,823	1,326
Other	7,133	7,066
Total current liabilities	47,619	39,711
Non-current liabilities		
Bonds payable	43,000	43,000
Long-term borrowings	25,070	24,892
Deferred tax liabilities	16,271	18,493
Provision for retirement benefits for directors (and other officers)	54	43
Retirement benefit liability	4,800	4,801
Long-term deposits received	8,076	7,998
Other	1,588	1,418
Total non-current liabilities	98,862	100,647
Total liabilities	146,482	140,359
Net assets		
Shareholders' equity		
Share capital	14,922	14,922
Capital surplus	12,115	12,115
Retained earnings	106,514	106,409
Treasury stock	(1,191)	(1,191)
Total shareholders' equity	132,361	132,256
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,030	35,647
Foreign currency translation adjustment	2,196	1,241
Remeasurements of defined benefit plans	(298)	(301)
Total accumulated other comprehensive income	32,929	36,586
Share acquisition rights	294	294
Non-controlling interests	6,391	6,509
Total net assets	171,976	175,646
Total liabilities and net assets	318,458	316,006

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income
(Consolidated quarterly statements of income)

	(Millions of yen)	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Operating revenue		
Warehouse income	6,521	6,527
Harbor transportation income	9,270	8,891
International transportation income	10,296	10,168
Land transportation income	9,327	9,987
Shipping income	6,162	6,196
Rent income of warehouse and logistics facilities	1,374	1,437
Real estate lease revenue	2,529	2,512
Other	1,654	1,546
Total operating revenue	47,135	47,268
Operating costs		
Cost of sales	29,156	29,438
Personal expenses	5,631	5,761
Rent expenses	2,663	2,628
Taxes and dues	647	590
Depreciation	1,827	2,041
Other	2,085	1,965
Total operating costs	42,012	42,425
Operating gross profit	5,122	4,842
Selling, general and administrative expenses		
Salaries, allowances and welfare expenses	1,273	1,268
Provision for bonuses	194	200
Retirement benefit expenses	51	63
Amortization of goodwill	4	4
Other	966	918
Total selling, general and administrative expenses	2,490	2,455
Operating income	2,631	2,386
Non-operating income		
Interest and dividend income	1,253	1,178
Share of profit of entities accounted for using equity method	78	29
Other	93	202
Total non-operating income	1,426	1,410
Non-operating expenses		
Interest expenses	104	108
Foreign exchange losses	45	—
Other	23	41
Total non-operating expenses	173	150
Ordinary income	3,884	3,646

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Extraordinary losses		
Loss on retirement of non-current assets	24	12
Total extraordinary losses	24	12
Profit before income taxes	3,859	3,634
Income taxes-current	891	924
Income taxes-deferred	298	173
Total income taxes	1,189	1,097
Profit	2,670	2,536
Profit attributable to non-controlling interests	179	218
Profit attributable to owners of parent	2,490	2,318

(Consolidated quarterly statements of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	2,670	2,536
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,831)	4,637
Foreign currency translation adjustment	250	(942)
Remeasurements of defined benefit plans, net of tax	(32)	(3)
Share of other comprehensive income of entities accounted for using equity method	45	(60)
Total other comprehensive income	(3,568)	3,630
Comprehensive income	(898)	6,167
(Comprehensive income attributable to)		
Owners of parent	(1,080)	5,975
Non-controlling interests	182	192

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash flows from operating activities		
Profit before income taxes	3,859	3,634
Depreciation	1,937	2,147
Amortization of goodwill	4	4
Increase (decrease) in provisions	(480)	(527)
Interest and dividend income	(1,253)	(1,178)
Interest expenses	104	108
Share of loss (profit) of entities accounted for using equity method	(78)	(29)
Loss on retirement of non-current assets	24	12
Decrease (increase) in trade receivables	316	363
Increase (decrease) in trade payables	(72)	(0)
Other, net	460	395
Subtotal	4,823	4,930
Interest and dividends received	1,273	1,150
Interest paid	(100)	(101)
Income taxes paid	(3,849)	(1,208)
Net cash provided by (used in) operating activities	2,146	4,770
Cash flows from investing activities		
Payments into time deposits	(1,305)	(515)
Proceeds from withdrawal of time deposits	826	117
Purchase of property, plant and equipment	(7,541)	(4,887)
Proceeds from sales of property, plant and equipment	5	3
Purchase of intangible assets	(177)	(83)
Purchase of investment securities	(6)	(7)
Collection of loans receivable	10	5
Other, net	(186)	(73)
Net cash provided by (used in) investing activities	(8,375)	(5,439)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,992	952
Repayments of short-term borrowings	(648)	(897)
Proceeds from long-term borrowings	11,000	—
Repayments of long-term borrowings	(7,181)	(7,146)
Cash dividends paid	(2,247)	(2,231)
Other, net	(220)	(314)
Net cash provided by (used in) financing activities	3,693	(9,637)
Effect of exchange rate change on cash and cash equivalents	65	(338)
Net increase (decrease) in cash and cash equivalents	(2,469)	(10,645)
Cash and cash equivalents at beginning of period	24,161	34,549
Cash and cash equivalents at end of period	21,691	23,903

(4) Segment information

Information related to operating revenue and income (loss) by reportable segment

Three months ended June 30, 2019

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount in consolidated quarterly statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
External revenue	38,404	6,162	2,568	47,135	—	47,135
Inter-segment revenue	127	164	126	419	(419)	—
Total	38,532	6,327	2,695	47,554	(419)	47,135
Segment income (loss)	2,649	(144)	1,370	3,874	(1,242)	2,631

Notes: 1. The adjustment of ¥(1,242) million in segment income (loss) includes company-wide expenses of ¥(1,266) million which are not allocated to the respective reportable segments. Company-wide expenses consist mainly of the expenses not assignable to neither of the reportable segments for administrative departments of the Company and some of its consolidated subsidiaries.

2. Segment income (loss) is adjusted to coincide with operating income as recorded on the consolidated quarterly statements of income.

Three months ended June 30, 2020

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount in consolidated quarterly statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
External revenue	38,533	6,196	2,538	47,268	—	47,268
Inter-segment revenue	101	151	127	380	(380)	—
Total	38,634	6,347	2,666	47,649	(380)	47,268
Segment income (loss)	2,459	(175)	1,370	3,654	(1,267)	2,386

Notes: 1. The adjustment of ¥(1,267) million in segment income (loss) includes company-wide expenses of ¥(1,237) million which are not allocated to the respective reportable segments. Company-wide expenses consist mainly of the expenses not assignable to neither of the reportable segments for administrative departments of the Company and some of its consolidated subsidiaries.

2. Segment income (loss) is adjusted to coincide with operating income as recorded on the consolidated quarterly statements of income.

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