

Consolidated Financial Results
for the Year Ended March 31, 2021[Japan GAAP]

May 13, 2021

The Sumitomo Warehouse Co., Ltd.

Securities code: 9303
 Stock exchange listings: Tokyo
 URL: <https://www.sumitomo-soko.co.jp/>
 Representative: Takanori Ono, President
 Inquiries: Akihiko Hoshino, Executive Officer, General Manager,
 Finance & Accounting Department
 Tel: +81 6 6444 1183
 Date of general shareholders' meeting (as planned): June 29, 2021
 Dividend payable date (as planned): June 30, 2021
 Annual securities report filing date (as planned): June 29, 2021
 Supplemental material of annual results: Yes
 Convening briefing of annual results: Yes

(Figures are rounded down to the nearest million yen)

1. Consolidated financial results for the year ended March 31, 2021(April 1, 2020-March 31, 2021)

(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	%
Year ended March 31, 2021	192,024	0.2	10,963	(1.2)	13,552	(0.3)	8,454	(5.6)
Year ended March 31, 2020	191,721	3.0	11,101	26.2	13,596	20.4	8,951	29.5

Note: Comprehensive income:

Year ended March 31, 2021: 30,867 million yen; —%

Year ended March 31, 2020: (8,516) million yen; —%

	Net income per share	Diluted net income per share	Net income to shareholders' equity ratio	Ordinary income to total assets ratio	Operating income to operating revenues ratio
	Yen	Yen	%	%	%
Year ended March 31, 2021	101.72	101.45	4.8	4.1	5.7
Year ended March 31, 2020	105.74	105.44	5.2	4.2	5.8

Note: Investment profit (loss) on equity method:

Year ended March 31, 2021: 200 million yen

Year ended March 31, 2020: 383 million yen

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	348,968	196,241	54.1	2,300.99
As of March 31, 2020	318,458	171,976	51.9	1,978.39

Note: Owner's equity

As of March 31, 2021: 188,959 million yen

As of March 31, 2020: 165,291 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents, end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	20,605	(16,366)	(13,116)	25,272
Year ended March 31, 2020	14,975	(17,211)	12,555	34,549

2. Dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	—	18.00	—	29.00	47.00	3,949	44.4	2.3
Year ended March 31, 2021	—	24.00	—	24.00	48.00	3,977	47.2	2.2
Year ending March 31, 2022 (Forecast)	—	25.00	—	25.00	50.00		40.3	

* 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, 2022 (April 1, 2021-March 31, 2022)

(%: 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	98,000	5.4	6,800	53.1	8,100	39.9	5,300	57.7	64.54
Full year	200,000	4.2	13,500	23.1	15,700	15.8	10,200	20.7	124.21

4. Other

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

(2) 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

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

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

As of March 31, 2021 : 82,886,615 shares

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

Number of treasury stock:

As of March 31, 2021 : 765,824 shares

As of March 31, 2020 : 838,377 shares

Average number of shares:

Year ended March 31, 2021 : 83,111,655 shares

Year ended March 31, 2020 : 84,654,632 shares

* Status of auditing processes

This Financial Results is not subject to audits by certified public accountants or auditing firms.

* 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 March 31, 2021
Assets		
Current assets		
Cash and deposits	36,367	27,640
Notes and accounts receivable-trade	21,851	23,003
Real estate for sale	27	20
Work in process	10	3
Other	5,774	6,394
Allowance for doubtful accounts	(121)	(104)
Total current assets	63,911	56,958
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	77,487	91,521
Machinery, equipment and vehicles, net	4,875	5,920
Vessels, net	4,261	4,508
Tools, furniture and fixtures, net	1,000	1,204
Land	64,048	64,182
Construction in progress	8,239	407
Other, net	3,107	2,685
Total property, plant and equipment	163,020	170,431
Intangible assets		
Goodwill	44	26
Leasehold interests in land	5,125	5,140
Software	1,284	1,273
Other	233	186
Total intangible assets	6,687	6,627
Investments and other assets		
Investment securities	77,232	107,294
Long-term loans receivable	330	469
Deferred tax assets	535	544
Other	6,993	6,896
Allowance for doubtful accounts	(253)	(252)
Total investments and other assets	84,839	114,952
Total non-current assets	254,547	292,010
Total assets	318,458	348,968

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,670	14,107
Current portion of bonds payable	5,000	—
Short-term borrowings	19,747	14,462
Income taxes payable	1,243	2,529
Provision for bonuses	1,823	1,941
Other	7,133	8,059
Total current liabilities	47,619	41,099
Non-current liabilities		
Bonds payable	43,000	53,000
Long-term borrowings	25,070	20,101
Deferred tax liabilities	16,271	25,757
Provision for retirement benefits for directors (and other officers)	54	60
Retirement benefit liability	4,800	3,567
Long-term deposits received	8,076	7,874
Other	1,588	1,266
Total non-current liabilities	98,862	111,627
Total liabilities	146,482	152,726
Net assets		
Shareholders' equity		
Share capital	14,922	14,922
Capital surplus	12,115	12,341
Retained earnings	106,514	108,444
Treasury stock	(1,191)	(1,060)
Total shareholders' equity	132,361	134,649
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,030	52,086
Foreign currency translation adjustment	2,196	1,434
Remeasurements of defined benefit plans	(298)	788
Total accumulated other comprehensive income	32,929	54,309
Share acquisition rights	294	285
Non-controlling interests	6,391	6,997
Total net assets	171,976	196,241
Total liabilities and net assets	318,458	348,968

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

	(Millions of yen)	
	Year ended March 31, 2020	Year ended March 31, 2021
Operating revenue		
Warehouse income	26,321	26,924
Harbor transportation income	37,506	35,367
International transportation income	41,382	42,226
Land transportation income	39,001	43,478
Shipping income	25,137	21,966
Rent income of warehouse and logistics facilities	5,598	5,716
Real estate lease revenue	10,144	10,102
Other	6,628	6,242
Total operating revenue	191,721	192,024
Operating costs		
Cost of sales	118,824	117,686
Personal expenses	22,676	23,499
Rent expenses	10,342	10,346
Taxes and dues	2,221	2,530
Depreciation	7,910	8,656
Other	8,764	8,608
Total operating costs	170,739	171,328
Operating gross profit	20,981	20,695
Selling, general and administrative expenses		
Salaries, allowances and welfare expenses	5,425	5,432
Provision for bonuses	367	387
Retirement benefit expenses	198	247
Amortization of goodwill	17	17
Other	3,870	3,647
Total selling, general and administrative expenses	9,880	9,732
Operating income	11,101	10,963
Non-operating income		
Interest income	112	59
Dividend income	2,449	2,238
Share of profit of entities accounted for using equity method	383	200
Public subsidy	—	405
Other	421	397
Total non-operating income	3,367	3,302
Non-operating expenses		
Interest expenses	441	399
Foreign exchange losses	122	—
Donations	115	111
Other	192	202
Total non-operating expenses	871	713
Ordinary income	13,596	13,552

(Millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Extraordinary income		
Gain on sale of non-current assets	38	141
Gain on sale of investment securities	521	58
Gain on bargain purchase	—	90
Gain on reversal of share acquisition rights	19	—
Settlement received	143	—
Total extraordinary income	722	290
Extraordinary losses		
Loss on retirement of non-current assets	258	355
Loss on sale of investment securities	—	21
Loss on valuation of investment securities	34	—
Loss on disaster	70	—
Total extraordinary losses	363	376
Profit before income taxes	13,955	13,466
Income taxes-current	4,247	4,369
Income taxes-deferred	47	(315)
Total income taxes	4,295	4,053
Profit	9,659	9,413
Profit attributable to non-controlling interests	708	959
Profit attributable to owners of parent	8,951	8,454

(Consolidated statements of comprehensive income)

	(Millions of yen)	
	Year ended March 31, 2020	Year ended March 31, 2021
Profit	9,659	9,413
Other comprehensive income		
Valuation difference on available-for-sale securities	(17,343)	21,153
Foreign currency translation adjustment	124	(778)
Remeasurements of defined benefit plans, net of tax	(866)	1,085
Share of other comprehensive income of entities accounted for using equity method	(90)	(5)
Total other comprehensive income	(18,176)	21,454
Comprehensive income	(8,516)	30,867
(Comprehensive income attributable to)		
Owners of parent	(9,186)	29,834
Non-controlling interests	670	1,033

(3) Consolidated statements of changes in net assets

Year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	14,922	13,112	103,299	(1,205)	130,129
Cumulative effects of changes in accounting policies			25		25
Restated balance	14,922	13,112	103,324	(1,205)	130,154
Changes during period					
Dividends of surplus			(3,963)		(3,963)
Profit attributable to owners of parent			8,951		8,951
Purchase of treasury stock				(2,903)	(2,903)
Disposal of treasury stock		(10)		67	57
Retirement of treasury stock		(1,052)	(1,797)	2,850	—
Change in ownership interest of parent due to transactions with non-controlling interests		66			66
Net changes in items other than shareholders' equity					
Total changes during period	—	(997)	3,189	14	2,206
Balance at end of period	14,922	12,115	106,514	(1,191)	132,361

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	48,328	2,171	568	51,067	285	5,993	187,475
Cumulative effects of changes in accounting policies							25
Restated balance	48,328	2,171	568	51,067	285	5,993	187,500
Changes during period							
Dividends of surplus							(3,963)
Profit attributable to owners of parent							8,951
Purchase of treasury stock							(2,903)
Disposal of treasury stock							57
Retirement of treasury stock							—
Change in ownership interest of parent due to transactions with non-controlling interests							66
Net changes in items other than shareholders' equity	(17,297)	25	(866)	(18,138)	8	398	(17,731)
Total changes during period	(17,297)	25	(866)	(18,138)	8	398	(15,524)
Balance at end of period	31,030	2,196	(298)	32,929	294	6,391	171,976

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	14,922	12,115	106,514	(1,191)	132,361
Changes during period					
Dividends of surplus			(4,429)		(4,429)
Profit attributable to owners of parent			8,454		8,454
Purchase of treasury stock				(2,056)	(2,056)
Disposal of treasury stock			(10)	103	93
Retirement of treasury stock			(2,083)	2,083	—
Change in ownership interest of parent due to transactions with non-controlling interests		226			226
Net changes in items other than shareholders' equity					
Total changes during period	—	226	1,930	130	2,287
Balance at end of period	14,922	12,341	108,444	(1,060)	134,649

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	31,030	2,196	(298)	32,929	294	6,391	171,976
Changes during period							
Dividends of surplus							(4,429)
Profit attributable to owners of parent							8,454
Purchase of treasury stock							(2,056)
Disposal of treasury stock							93
Retirement of treasury stock							—
Change in ownership interest of parent due to transactions with non-controlling interests							226
Net changes in items other than shareholders' equity	21,055	(762)	1,086	21,380	(8)	605	21,977
Total changes during period	21,055	(762)	1,086	21,380	(8)	605	24,265
Balance at end of period	52,086	1,434	788	54,309	285	6,997	196,241

(4) Consolidated statements of cash flows

	(Millions of yen)	
	Year ended March 31, 2020	Year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	13,955	13,466
Depreciation	8,344	9,093
Gain on reversal of share acquisition rights	(19)	—
Amortization of goodwill	17	17
Increase (decrease) in allowance for doubtful accounts	(22)	(17)
Increase (decrease) in retirement benefit liability	112	278
Increase (decrease) in provision for retirement benefits for directors	2	1
Increase (decrease) in provision for bonuses	82	90
Interest and dividend income	(2,562)	(2,297)
Interest expenses	441	399
Share of loss (profit) of entities accounted for using equity method	(383)	(200)
Loss (gain) on sale of non-current assets	(38)	(141)
Loss on retirement of non-current assets	258	355
Loss (gain) on sale of investment securities	(521)	(36)
Loss (gain) on valuation of investment securities	34	—
Gain on bargain purchase	—	(90)
Decrease (increase) in trade receivables	596	(1,203)
Increase (decrease) in trade payables	(1,307)	1,572
Increase (decrease) in deposits received	(106)	397
Other, net	364	40
Subtotal	19,250	21,724
Interest and dividends received	2,933	2,425
Interest paid	(450)	(408)
Income taxes paid	(6,757)	(3,136)
Net cash provided by (used in) operating activities	14,975	20,605
Cash flows from investing activities		
Payments into time deposits	(13,583)	(9,784)
Proceeds from withdrawal of time deposits	15,741	9,353
Purchase of property, plant and equipment	(19,256)	(15,788)
Proceeds from sale of property, plant and equipment	43	150
Purchase of intangible assets	(438)	(528)
Purchase of investment securities	(42)	(40)
Proceeds from sale of investment securities	584	572
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(391)
Loan advances	(22)	(171)
Proceeds from collection of loans receivable	44	215
Other, net	(281)	46
Net cash provided by (used in) investing activities	(17,211)	(16,366)

	(Millions of yen)	
	Year ended March 31, 2020	Year ended March 31, 2021
Cash flows from financing activities		
Proceeds from short-term borrowings	5,176	2,823
Repayments of short-term borrowings	(3,932)	(3,662)
Proceeds from long-term borrowings	12,707	2,000
Repayments of long-term borrowings	(8,444)	(11,616)
Proceeds from issuance of bonds	15,000	10,000
Redemption of bonds	—	(5,000)
Proceeds from sale of treasury stock	28	24
Purchase of treasury stock	(2,903)	(2,056)
Dividends paid	(3,962)	(4,429)
Dividends paid to non-controlling interests	(137)	(196)
Other, net	(976)	(1,003)
Net cash provided by (used in) financing activities	12,555	(13,116)
Effect of exchange rate change on cash and cash equivalents	69	(398)
Net increase (decrease) in cash and cash equivalents	10,388	(9,276)
Cash and cash equivalents at beginning of period	24,161	34,549
Cash and cash equivalents at end of period	34,549	25,272

(5) Segment Information

[Segment Information]

1. General information about reportable segments

The reportable segments are the components of our Group, for each of which discrete financial information is available, and whose operating results are regularly reviewed by the Company's board of directors to make decisions about resources to be allocated to each segment and assess its performance.

The Company, in cooperation with its domestic and overseas subsidiaries, operates "Logistics business" including warehousing, harbor transportation, international transportation and land transportation etc., which, constituting respective parts of total logistics business, have a mutual relationship to each other and are deemed to be inseparable in management of the Company, and "Shipping business" consisting mainly of vessel operations on the routes between the northwest coast of North America and East Asia by our subsidiary Westwood Shipping Lines, Inc. In addition to these, the Company promotes "Real estate business" including leasing and sales of real estate etc., with a dedicated department in its head office, mainly in such way as to put its real estate to more effective use.

The Company's business comprises the segments corresponding to each business as mentioned above, and the Company presents "Logistics", "Real estate" and "Shipping" as its three reportable segments.

2. Information related to operating revenue, income (loss), assets, and other items by reportable segment

Year ended March 31, 2020

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount in consolidated statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
External revenue	156,302	25,137	10,281	191,721	—	191,721
Inter-segment revenue	513	653	486	1,653	(1,653)	—
Total	156,816	25,790	10,767	193,374	(1,653)	191,721
Segment income (loss)	10,945	(321)	5,475	16,099	(4,998)	11,101
Segment assets	166,168	9,946	46,541	222,656	95,802	318,458
Other items						
Depreciation	5,161	347	2,210	7,719	625	8,344
Amortization of goodwill	17	—	—	17	—	17
Investment in associates accounted for by the equity method	5,937	—	—	5,937	—	5,937
Additions to property, plant and equipment and intangible assets	15,994	251	3,479	19,725	423	20,149

Notes: 1. (1) Adjustment in segment income (loss) of ¥(4,998) million includes company-wide expenses of ¥(4,919) million, which are not allocated to the respective reportable segments. Company-wide expenses consist mainly of the expenses assignable to neither of the reportable segments for administrative departments of the Company and some of its consolidated subsidiaries.

(2) Adjustment in segment assets of ¥95,802 million includes company-wide assets of ¥96,299 million, which are not allocated to the respective reportable segments. Company-wide assets consist mainly of working funds (cash and deposits), long-term investments (investment securities) and assets of administrative departments, of the Company and some of its consolidated subsidiaries, which are assignable to neither of the reportable segments.

(3) Adjustment in additions to property, plant and equipment and intangible assets of ¥423 million consists of the capital investments 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 statements of income.

	Reportable segment				Adjustment (Note 1)	Amount in consolidated statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
External revenue	159,803	21,966	10,254	192,024	—	192,024
Inter-segment revenue	452	634	519	1,606	(1,606)	—
Total	160,256	22,601	10,773	193,630	(1,606)	192,024
Segment income (loss)	10,509	(140)	5,508	15,877	(4,913)	10,963
Segment assets	178,380	10,029	45,635	234,044	114,943	348,987
Other items						
Depreciation	5,972	359	2,145	8,478	614	9,093
Amortization of goodwill	17	—	—	17	—	17
Investment in associates accounted for by the equity method	6,030	—	—	6,030	—	6,030
Additions to property, plant and equipment and intangible assets	15,361	28	1,218	16,608	137	16,746

Notes: 1. (1) Adjustment in segment income (loss) of ¥(4,913) million includes company-wide expenses of ¥(4,869) million, which are not allocated to the respective reportable segments. Company-wide expenses consist mainly of the expenses assignable to neither of the reportable segments for administrative departments of the Company and some of its consolidated subsidiaries.

(2) Adjustment in segment assets of ¥114,943 million includes company-wide assets of ¥115,438 million, which are not allocated to the respective reportable segments. Company-wide assets consist mainly of working funds (cash and deposits), long-term investments (investment securities) and assets of administrative departments, of the Company and some of its consolidated subsidiaries, which are assignable to neither of the reportable segments.

(3) Adjustment in additions to property, plant and equipment and intangible assets of ¥137 million consists of the capital investments 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 statements of income.

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