

Consolidated Financial Results
for the Third Quarter Ended December 31, 2021 [Japan GAAP]

February 7, 2022

The Sumitomo Warehouse Co., Ltd.

Securities code: 9303
 Stock exchange listings: Tokyo
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 Quarterly statement filing date (as planned): February 9, 2022
 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 third quarter ended December 31, 2021 (April 1, 2021- December 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	%
Nine months ended December 31, 2021	166,883	17.5	18,110	128.0	20,974	101.8	14,756	127.2
Nine months ended December 31, 2020	141,979	(1.1)	7,944	(6.2)	10,394	(6.2)	6,494	(6.3)

Note: Comprehensive income:

Nine months ended December 31, 2021: 19,442 million yen ; (3.8) %

Nine months ended December 31, 2020: 20,212 million yen ; 231.9 %

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2021	181.30	180.81
Nine months ended December 31, 2020	77.85	77.63

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	359,850	207,870	55.3
As of March 31, 2021	348,968	196,241	54.1

Note: Owner's equity

As of December 31, 2021: 198,904 million yen

As of March 31, 2021: 188,959 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, 2021	—	24.00	—	24.00	48.00
Year ending March 31, 2022	—	38.00	—		
Year ending March 31, 2022 (Forecast)				54.50	92.50

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

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
Full year	223,000	16.1	27,000	146.3	29,500	117.7	18,800	122.4	231.44

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: Yes
- 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 December 31, 2021 : 82,886,615 shares

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

Number of treasury stock:

As of December 31, 2021 : 2,145,342 shares

As of March 31, 2021 : 765,824 shares

Average number of shares:

Third quarter ended December 31, 2021 : 81,392,792 shares

Third quarter ended December 31, 2020 : 83,422,493 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, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	27,640	32,108
Notes and accounts receivable-trade	23,003	25,835
Real estate for sale	20	20
Work in process	3	8
Other	6,394	8,537
Allowance for doubtful accounts	(104)	(116)
Total current assets	56,958	66,392
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	91,521	88,991
Machinery, equipment and vehicles, net	5,920	5,961
Vessels, net	4,508	4,218
Tools, furniture and fixtures, net	1,204	1,052
Land	64,182	64,798
Construction in progress	407	497
Other, net	2,685	2,420
Total property, plant and equipment	170,431	167,940
Intangible assets		
Goodwill	26	13
Leasehold interests in land	5,140	5,140
Software	1,273	1,178
Other	186	190
Total intangible assets	6,627	6,523
Investments and other assets		
Investment securities	107,294	111,091
Long-term loans receivable	469	457
Deferred tax assets	544	503
Other	6,896	7,217
Allowance for doubtful accounts	(252)	(275)
Total investments and other assets	114,952	118,994
Total non-current assets	292,010	293,457
Total assets	348,968	359,850

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,107	16,289
Short-term borrowings	14,462	9,404
Current portion of bonds payable	—	6,000
Commercial papers	—	1,500
Income taxes payable	2,529	1,564
Provision for bonuses	1,941	1,403
Other	8,059	10,662
Total current liabilities	41,099	46,824
Non-current liabilities		
Bonds payable	53,000	47,000
Long-term borrowings	20,101	18,591
Deferred tax liabilities	25,757	26,738
Provision for retirement benefits for directors (and other officers)	60	73
Retirement benefit liability	3,567	3,816
Long-term deposits received	7,874	7,997
Other	1,266	938
Total non-current liabilities	111,627	105,155
Total liabilities	152,726	151,979
Net assets		
Shareholders' equity		
Share capital	14,922	14,922
Capital surplus	12,341	12,343
Retained earnings	108,444	118,063
Treasury stock	(1,060)	(3,448)
Total shareholders' equity	134,649	141,881
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52,086	53,842
Foreign currency translation adjustment	1,434	2,516
Remeasurements of defined benefit plans	788	664
Total accumulated other comprehensive income	54,309	57,022
Share acquisition rights	285	254
Non-controlling interests	6,997	8,711
Total net assets	196,241	207,870
Total liabilities and net assets	348,968	359,850

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

	(Millions of yen)	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Operating revenue		
Warehouse income	20,054	21,460
Harbor transportation income	26,826	23,955
International transportation income	30,251	41,064
Land transportation income	32,158	34,709
Shipping income	16,147	28,682
Rent income of warehouse and logistics facilities	4,294	4,539
Real estate lease revenue	7,578	7,520
Other	4,666	4,951
Total operating revenue	141,979	166,883
Operating costs		
Cost of sales	87,109	98,126
Personal expenses	17,406	18,656
Rent expenses	7,837	8,643
Taxes and dues	1,785	1,699
Depreciation	6,291	6,960
Other	6,330	6,908
Total operating costs	126,760	140,995
Operating gross profit	15,219	25,887
Selling, general and administrative expenses		
Salaries, allowances and welfare expenses	4,143	4,419
Provision for bonuses	205	391
Retirement benefit expenses	191	166
Amortization of goodwill	13	13
Other	2,720	2,786
Total selling, general and administrative expenses	7,274	7,777
Operating income	7,944	18,110
Non-operating income		
Interest and dividend income	2,258	2,723
Share of profit of entities accounted for using equity method	141	173
Other	502	326
Total non-operating income	2,903	3,223
Non-operating expenses		
Interest expenses	300	253
Other	152	106
Total non-operating expenses	453	359
Ordinary income	10,394	20,974

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Extraordinary income		
Gain on sale of non-current assets	80	20
Gain on bargain purchase	90	—
Gain on reversal of foreign currency translation adjustment	—	41
Total extraordinary income	171	62
Extraordinary losses		
Loss on retirement of non-current assets	155	129
Total extraordinary losses	155	129
Profit before income taxes	10,410	20,907
Income taxes-current	3,012	3,890
Income taxes-deferred	161	328
Total income taxes	3,173	4,219
Profit	7,237	16,688
Profit attributable to non-controlling interests	743	1,932
Profit attributable to owners of parent	6,494	14,756

(Consolidated quarterly statements of comprehensive income)

	(Millions of yen)	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	7,237	16,688
Other comprehensive income		
Valuation difference on available-for-sale securities	13,834	1,769
Foreign currency translation adjustment	(802)	848
Remeasurements of defined benefit plans, net of tax	(11)	(123)
Share of other comprehensive income of entities accounted for using equity method	(45)	260
Total other comprehensive income	12,974	2,754
Comprehensive income	20,212	19,442
(Comprehensive income attributable to)		
Owners of parent	19,435	17,469
Non-controlling interests	776	1,973

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	10,410	20,907
Depreciation	6,610	7,279
Amortization of goodwill	13	13
Increase (decrease) in provisions	(728)	(494)
Interest and dividend income	(2,258)	(2,723)
Interest expenses	300	253
Share of loss (profit) of entities accounted for using equity method	(141)	(173)
Loss (gain) on sale of non-current assets	(80)	(20)
Loss on retirement of non-current assets	155	129
Gain on bargain purchase	(90)	—
Gain on reversal of foreign currency translation adjustment	—	(41)
Decrease (increase) in trade receivables	(740)	(4,795)
Increase (decrease) in trade payables	985	2,313
Other, net	1,557	2,271
Subtotal	15,992	24,919
Interest and dividends received	2,364	2,944
Interest paid	(288)	(242)
Income taxes paid	(2,976)	(4,945)
Net cash provided by (used in) operating activities	15,091	22,675
Cash flows from investing activities		
Payments into time deposits	(9,592)	(1,444)
Proceeds from withdrawal of time deposits	1,013	1,980
Purchase of property, plant and equipment	(12,026)	(3,891)
Proceeds from sale of property, plant and equipment	96	56
Purchase of intangible assets	(394)	(332)
Purchase of investment securities	(32)	(1,048)
Proceeds from sale of investment securities	50	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(391)	—
Loan advances	(171)	(1)
Proceeds from collection of loans receivable	68	13
Other, net	(63)	(161)
Net cash provided by (used in) investing activities	(21,442)	(4,828)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,036	2,134
Repayments of short-term borrowings	(2,336)	(3,307)
Repayments of long-term borrowings	(7,429)	(5,394)
Proceeds from issuance of bonds	10,000	—
Proceeds from issuance of commercial papers	—	4,500
Redemption of commercial papers	—	(3,000)
Purchase of treasury stock	(1,281)	(2,501)
Dividends paid	(4,271)	(4,804)
Other, net	(938)	(1,002)
Net cash provided by (used in) financing activities	(4,220)	(13,376)
Effect of exchange rate change on cash and cash equivalents	(261)	360
Net increase (decrease) in cash and cash equivalents	(10,833)	4,831
Cash and cash equivalents at beginning of period	34,549	25,272
Cash and cash equivalents at end of period	23,715	30,103

(4) Segment information

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

Nine months ended December 31, 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	118,128	16,147	7,703	141,979	—	141,979
Inter-segment revenue	319	464	386	1,169	(1,169)	—
Total	118,447	16,612	8,089	143,148	(1,169)	141,979
Segment income (loss)	7,892	(398)	4,140	11,634	(3,690)	7,944

Notes: 1. The adjustment of ¥ (3,690) million in segment income (loss) includes company-wide expenses of ¥ (3,675) 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. Segment income (loss) is adjusted to coincide with operating income as recorded on the consolidated quarterly statements of income.

Nine months ended December 31, 2021

(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	130,606	28,682	7,594	166,883	—	166,883
Inter-segment revenue	450	1,307	400	2,158	(2,158)	—
Total	131,056	29,989	7,994	169,041	(2,158)	166,883
Segment income	10,777	7,033	4,081	21,893	(3,782)	18,110

Notes: 1. The adjustment of ¥ (3,782) million in segment income includes company-wide expenses of ¥ (3,766) 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. Segment income is adjusted to coincide with operating income as recorded on the consolidated quarterly statements of income.

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