

Consolidated Financial Results
for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

November 8, 2022

The Sumitomo Warehouse Co., Ltd.

Listing: Tokyo Stock Exchange
 Securities code: 9303
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 Scheduled date to file quarterly securities report: November 10, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

Six months ended	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2022	123,520	16.8	17,655	85.1	19,158	76.3	14,781	92.0
September 30, 2021	105,789	13.8	9,540	114.8	10,869	87.7	7,700	129.2

Note: Comprehensive income:

For the six months ended September 30, 2022: ¥16,142 million [16.2%]
 For the six months ended September 30, 2021: ¥13,886 million [30.4%]

Six months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
September 30, 2022	184.01	183.56
September 30, 2021	94.28	94.02

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
September 30, 2022	380,449	219,601	55.1
March 31, 2022	373,720	213,945	54.4

Note: Equity

As of September 30, 2022: ¥209,490 million
 As of March 31, 2022: ¥203,476 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 March 31, 2022	—	38.00	—	59.00	97.00
Fiscal year ending March 31, 2023	—	50.00			
Fiscal year ending March 31, 2023 (Forecast)			—	50.00	100.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated forecasts for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Operating revenue		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
Fiscal year ending March 31, 2023	225,000	(2.8)	25,600	(7.7)	28,600	(6.0)	23,200	17.7	289.59

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

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (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
- (4) Number of issued shares (common shares)
 - (i) Total number of issued shares at the end of the period (including treasury shares):
 - As of September 30, 2022 : 81,431,915 shares
 - As of March 31, 2022 : 81,431,915 shares
 - (ii) Number of treasury shares at the end of the period:
 - As of September 30, 2022 : 1,536,777 shares
 - As of March 31, 2022 : 663,172 shares
 - (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):
 - Six months ended September 30, 2022 : 80,330,795 shares
 - Six months ended September 30, 2021 : 81,678,411 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	43,067	51,613
Notes and accounts receivable-trade	27,065	24,726
Real estate for sale	20	20
Work in process	1	13
Other	9,654	16,465
Allowance for doubtful accounts	(160)	(183)
Total current assets	<u>79,648</u>	<u>92,655</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	89,262	89,912
Machinery, equipment and vehicles, net	6,216	5,948
Vessels, net	4,121	495
Tools, furniture and fixtures, net	1,014	983
Land	64,899	65,793
Construction in progress	835	2,646
Other, net	2,309	2,430
Total property, plant and equipment	<u>168,660</u>	<u>168,210</u>
Intangible assets		
Goodwill	8	—
Leasehold interests in land	5,140	5,138
Software	1,158	1,380
Other	272	301
Total intangible assets	<u>6,580</u>	<u>6,820</u>
Investments and other assets		
Investment securities	110,631	104,736
Long-term loans receivable	444	436
Deferred tax assets	633	919
Other	7,396	6,908
Allowance for doubtful accounts	(275)	(239)
Total investments and other assets	<u>118,830</u>	<u>112,762</u>
Total non-current assets	<u>294,071</u>	<u>287,793</u>
Total assets	<u>373,720</u>	<u>380,449</u>

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,880	12,201
Short-term borrowings	5,496	13,642
Current portion of bonds payable	6,000	6,000
Commercial papers	3,500	5,000
Income taxes payable	4,089	4,967
Provision for bonuses	1,988	1,951
Other	11,342	14,429
Total current liabilities	48,297	58,192
Non-current liabilities		
Bonds payable	47,000	47,000
Long-term borrowings	24,103	17,329
Deferred tax liabilities	27,448	25,220
Provision for retirement benefits for directors (and other officers)	79	64
Retirement benefit liability	4,235	4,356
Long-term deposits received	7,835	7,760
Other	774	923
Total non-current liabilities	111,476	102,654
Total liabilities	159,774	160,847
Net assets		
Shareholders' equity		
Share capital	14,922	14,922
Capital surplus	12,343	12,348
Retained earnings	120,659	130,675
Treasury shares	(1,062)	(2,934)
Total shareholders' equity	146,863	155,012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,437	49,080
Foreign currency translation adjustment	2,685	4,978
Remeasurements of defined benefit plans	489	419
Total accumulated other comprehensive income	56,613	54,478
Share acquisition rights	246	233
Non-controlling interests	10,222	9,877
Total net assets	213,945	219,601
Total liabilities and net assets	373,720	380,449

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

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Operating revenue		
Warehouse income	14,065	15,103
Harbor transportation income	15,506	16,032
International transportation income	26,126	37,707
Land transportation income	22,428	23,724
Shipping income	16,357	19,466
Rent income of warehouse and logistics facilities	3,005	3,075
Real estate lease revenue	5,051	4,993
Other	3,247	3,417
Total operating revenue	105,789	123,520
Operating costs		
Cost of sales	62,848	70,549
Personal expenses	12,376	13,307
Rent expenses	5,636	5,781
Taxes and dues	1,152	1,224
Depreciation	4,606	4,798
Other	4,523	5,011
Total operating costs	91,144	100,672
Operating gross profit	14,645	22,848
Selling, general and administrative expenses		
Salaries, allowances and welfare expenses	2,617	2,667
Provision for bonuses	542	449
Retirement benefit expenses	114	110
Amortization of goodwill	8	8
Other	1,821	1,956
Total selling, general and administrative expenses	5,105	5,193
Operating profit	9,540	17,655
Non-operating income		
Interest and dividend income	1,355	1,893
Share of profit of entities accounted for using equity method	109	113
Other	203	166
Total non-operating income	1,668	2,173
Non-operating expenses		
Interest expenses	168	163
Commission expenses	—	377
Other	170	129
Total non-operating expenses	339	670
Ordinary profit	10,869	19,158

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Extraordinary income		
Gain on sale of non-current assets	14	637
Gain on sale of shares of subsidiaries and associates	—	7,226
Gain on reversal of foreign currency translation adjustment	41	—
Total extraordinary income	56	7,863
Extraordinary losses		
Loss on retirement of non-current assets	89	192
Litigation expenses	—	217
Total extraordinary losses	89	409
Profit before income taxes	10,836	26,613
Income taxes-current	2,602	8,196
Income taxes-deferred	38	(37)
Total income taxes	2,640	8,158
Profit	8,195	18,455
Profit attributable to non-controlling interests	494	3,673
Profit attributable to owners of parent	7,700	14,781

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	8,195	18,455
Other comprehensive income		
Valuation difference on available-for-sale securities	4,506	(4,350)
Foreign currency translation adjustment	1,037	1,663
Remeasurements of defined benefit plans, net of tax	(82)	(70)
Share of other comprehensive income of entities accounted for using equity method	229	444
Total other comprehensive income	5,691	(2,312)
Comprehensive income	13,886	16,142
(Comprehensive income attributable to)		
Owners of parent	13,348	12,646
Non-controlling interests	538	3,496

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	10,836	26,613
Depreciation	4,815	5,020
Amortization of goodwill	8	8
Increase (decrease) in provisions	375	(35)
Interest and dividend income	(1,355)	(1,893)
Interest expenses	168	163
Share of loss (profit) of entities accounted for using equity method	(109)	(113)
Loss (gain) on sale of non-current assets	(14)	(637)
Loss on retirement of non-current assets	89	192
Loss (gain) on sale of shares of subsidiaries and associates	—	(7,226)
Commission expenses	—	377
Gain on reversal of foreign currency translation adjustment	(41)	—
Litigation expenses	—	217
Decrease (increase) in trade receivables	(2,241)	(973)
Increase (decrease) in trade payables	552	413
Other, net	1,152	1,643
Subtotal	14,237	23,769
Interest and dividends received	1,465	1,912
Interest paid	(168)	(164)
Income taxes paid	(2,628)	(5,782)
Net cash provided by (used in) operating activities	12,905	19,734
Cash flows from investing activities		
Payments into time deposits	(1,012)	(1,386)
Proceeds from withdrawal of time deposits	1,151	1,036
Purchase of property, plant and equipment	(2,384)	(7,699)
Proceeds from sale of property, plant and equipment	17	107
Purchase of intangible assets	(193)	(445)
Purchase of investment securities	(1,029)	(31)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	3,909
Proceeds from the liquidation of subsidiaries and associates	—	178
Proceeds from collection of loans receivable	8	8
Other, net	(145)	(339)
Net cash provided by (used in) investing activities	(3,587)	(4,660)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,242	1,182
Repayments of short-term borrowings	(2,654)	(1,061)
Proceeds from long-term borrowings	—	1,650
Repayments of long-term borrowings	(370)	(398)
Proceeds from issuance of commercial papers	3,000	10,000
Redemption of commercial papers	(1,500)	(8,500)
Purchase of treasury shares	(1,699)	(1,950)
Dividends paid	(1,970)	(4,761)
Dividends paid to non-controlling interests	(123)	(3,842)
Other, net	(437)	(543)
Net cash provided by (used in) financing activities	(4,513)	(8,226)
Effect of exchange rate change on cash and cash equivalents	494	1,172
Net increase (decrease) in cash and cash equivalents	5,300	8,020
Cash and cash equivalents at beginning of period	25,272	40,840
Cash and cash equivalents at end of period	30,573	48,860

(4) Segment information

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

Six months ended September 30, 2021

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount in quarterly consolidated statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
External revenue	84,327	16,357	5,104	105,789	—	105,789
Inter-segment revenue	291	721	264	1,278	(1,278)	—
Total	84,619	17,079	5,368	107,068	(1,278)	105,789
Segment income	6,912	2,415	2,781	12,109	(2,569)	9,540

Notes: 1. The adjustment of ¥ (2,569) million in segment income includes company-wide expenses of ¥ (2,533) 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 profit as recorded on the quarterly consolidated statements of income.

Six months ended September 30, 2022

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount in quarterly consolidated statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
External revenue	99,012	19,466	5,042	123,520	—	123,520
Inter-segment revenue	190	964	286	1,441	(1,441)	—
Total	99,202	20,431	5,328	124,962	(1,441)	123,520
Segment income	7,696	9,936	2,585	20,218	(2,563)	17,655

Notes: 1. The adjustment of ¥ (2,563) million in segment income includes company-wide expenses of ¥ (2,717) 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 profit as recorded on the quarterly consolidated statements of income.

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