

Consolidated Financial Results
for the Nine Months Ended December 31, 2022 (Under Japanese GAAP)

February 7, 2023

The Sumitomo Warehouse Co., Ltd.

Listing: Tokyo Stock Exchange
 Securities code: 9303
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 Scheduled date to file quarterly securities report: February 9, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2022	177,863	6.6	22,286	23.1	25,420	21.2	19,118	29.6
December 31, 2021	166,883	17.5	18,110	128.0	20,974	101.8	14,756	127.2

Note: Comprehensive income:

For the nine months ended December 31, 2022: ¥23,410 million [20.4%]
 For the nine months ended December 31, 2021: ¥19,442 million [(3.8%)]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	238.83	238.26
December 31, 2021	181.30	180.81

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	376,756	221,683	56.1
March 31, 2022	373,720	213,945	54.4

Note: Equity

As of December 31, 2022: ¥211,364 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	228,000	(1.5)	26,100	(5.9)	29,100	(4.3)	23,500	19.3	294.18

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 December 31, 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 December 31, 2022 : 2,052,921 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):
 - Nine months ended December 31, 2022 : 80,051,536 shares
 - Nine months ended December 31, 2021 : 81,392,792 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	43,067	46,682
Notes and accounts receivable-trade	27,065	24,552
Real estate for sale	20	25
Work in process	1	24
Other	9,654	12,902
Allowance for doubtful accounts	(160)	(181)
Total current assets	79,648	84,005
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	89,262	89,346
Machinery, equipment and vehicles, net	6,216	5,722
Vessels, net	4,121	481
Tools, furniture and fixtures, net	1,014	1,022
Land	64,899	65,844
Construction in progress	835	4,491
Other, net	2,309	3,075
Total property, plant and equipment	168,660	169,985
Intangible assets		
Goodwill	8	—
Leasehold interests in land	5,140	5,138
Software	1,158	1,353
Other	272	348
Total intangible assets	6,580	6,840
Investments and other assets		
Investment securities	110,631	107,832
Long-term loans receivable	444	433
Deferred tax assets	633	929
Other	7,396	6,943
Allowance for doubtful accounts	(275)	(215)
Total investments and other assets	118,830	115,923
Total non-current assets	294,071	292,750
Total assets	373,720	376,756

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,880	13,358
Short-term borrowings	5,496	13,359
Current portion of bonds payable	6,000	—
Commercial papers	3,500	5,000
Income taxes payable	4,089	4,152
Provision for bonuses	1,988	816
Other	11,342	13,580
Total current liabilities	48,297	50,267
Non-current liabilities		
Bonds payable	47,000	47,000
Long-term borrowings	24,103	17,331
Deferred tax liabilities	27,448	26,602
Provision for retirement benefits for directors (and other officers)	79	70
Retirement benefit liability	4,235	4,483
Long-term deposits received	7,835	7,776
Other	774	1,540
Total non-current liabilities	111,476	104,804
Total liabilities	159,774	155,072
Net assets		
Shareholders' equity		
Share capital	14,922	14,922
Capital surplus	12,343	12,348
Retained earnings	120,659	131,014
Treasury stock	(1,062)	(3,980)
Total shareholders' equity	146,863	154,305
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,437	51,333
Foreign currency translation adjustment	2,685	5,341
Remeasurements of defined benefit plans	489	383
Total accumulated other comprehensive income	56,613	57,059
Share acquisition rights	246	230
Non-controlling interests	10,222	10,088
Total net assets	213,945	221,683
Total liabilities and net assets	373,720	376,756

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Operating revenue		
Warehouse income	21,460	22,811
Harbor transportation income	23,955	24,437
International transportation income	41,064	57,131
Land transportation income	34,709	36,269
Shipping income	28,682	19,965
Rent income of warehouse and logistics facilities	4,539	4,605
Real estate lease revenue	7,520	7,498
Other	4,951	5,144
Total operating revenue	166,883	177,863
Operating costs		
Cost of sales	98,126	103,482
Personal expenses	18,656	19,979
Rent expenses	8,643	8,127
Taxes and dues	1,699	1,823
Depreciation	6,960	7,220
Other	6,908	7,585
Total operating costs	140,995	148,217
Operating gross profit	25,887	29,646
Selling, general and administrative expenses		
Salaries, allowances and welfare expenses	4,419	4,117
Provision for bonuses	391	213
Retirement benefit expenses	166	150
Amortization of goodwill	13	8
Other	2,786	2,869
Total selling, general and administrative expenses	7,777	7,359
Operating profit	18,110	22,286
Non-operating income		
Interest and dividend income	2,723	3,569
Share of profit of entities accounted for using equity method	173	165
Other	326	307
Total non-operating income	3,223	4,042
Non-operating expenses		
Interest expenses	253	252
Commission expenses	—	377
Other	106	278
Total non-operating expenses	359	908
Ordinary profit	20,974	25,420

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Extraordinary income		
Gain on sale of non-current assets	20	648
Gain on sale of investment securities	—	249
Gain on sale of shares of subsidiaries and associates	—	7,226
Gain on reversal of foreign currency translation adjustment	41	—
Total extraordinary income	62	8,125
Extraordinary losses		
Loss on retirement of non-current assets	129	208
Litigation expenses	—	217
Total extraordinary losses	129	425
Profit before income taxes	20,907	33,120
Income taxes-current	3,890	9,573
Income taxes-deferred	328	369
Total income taxes	4,219	9,943
Profit	16,688	23,177
Profit attributable to non-controlling interests	1,932	4,058
Profit attributable to owners of parent	14,756	19,118

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	16,688	23,177
Other comprehensive income		
Valuation difference on available-for-sale securities	1,769	(2,133)
Foreign currency translation adjustment	848	1,998
Remeasurements of defined benefit plans, net of tax	(123)	(105)
Share of other comprehensive income of entities accounted for using equity method	260	473
Total other comprehensive income	2,754	233
Comprehensive income	19,442	23,410
(Comprehensive income attributable to)		
Owners of parent	17,469	19,564
Non-controlling interests	1,973	3,845

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	20,907	33,120
Depreciation	7,279	7,560
Amortization of goodwill	13	8
Increase (decrease) in provisions	(494)	(1,192)
Interest and dividend income	(2,723)	(3,569)
Interest expenses	253	252
Share of loss (profit) of entities accounted for using equity method	(173)	(165)
Loss (gain) on sale of non-current assets	(20)	(648)
Loss on retirement of non-current assets	129	208
Loss (gain) on sale of investment securities	—	(249)
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	(4,795)	(662)
Increase (decrease) in trade payables	2,313	1,510
Other, net	2,271	(62)
Subtotal	24,919	29,477
Interest and dividends received	2,944	3,566
Interest paid	(242)	(242)
Payments for litigation expenses	—	(200)
Income taxes paid	(4,945)	(8,815)
Net cash provided by (used in) operating activities	22,675	23,784
Cash flows from investing activities		
Payments into time deposits	(1,444)	(1,856)
Proceeds from withdrawal of time deposits	1,980	1,816
Purchase of property, plant and equipment	(3,891)	(9,510)
Proceeds from sale of property, plant and equipment	56	4,201
Purchase of intangible assets	(332)	(704)
Purchase of investment securities	(1,048)	(50)
Proceeds from sale of investment securities	1	445
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	13	13
Other, net	(162)	(451)
Net cash provided by (used in) investing activities	(4,828)	(2,007)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,134	1,374
Repayments of short-term borrowings	(3,307)	(1,338)
Proceeds from long-term borrowings	—	2,650
Repayments of long-term borrowings	(5,394)	(1,595)
Redemption of bonds	—	(6,000)
Proceeds from issuance of commercial papers	4,500	15,000
Redemption of commercial papers	(3,000)	(13,500)
Purchase of treasury shares	(2,501)	(3,003)
Dividends paid	(4,804)	(8,419)
Dividends paid to non-controlling interests	(259)	(3,980)
Other, net	(742)	(854)
Net cash provided by (used in) financing activities	(13,376)	(19,668)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Effect of exchange rate change on cash and cash equivalents	360	1,286
Net increase (decrease) in cash and cash equivalents	4,831	3,394
Cash and cash equivalents at beginning of period	25,272	40,840
Cash and cash equivalents at end of period	30,103	44,234

(4) Segment information

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

Nine months ended December 31, 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	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 profit as recorded on the quarterly consolidated statements of income.

Nine months ended December 31, 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	150,321	19,965	7,577	177,863	—	177,863
Inter-segment revenue	180	1,061	424	1,666	(1,666)	—
Total	150,502	21,026	8,001	179,529	(1,666)	177,863
Segment income	11,987	10,154	3,897	26,039	(3,752)	22,286

Notes: 1. The adjustment of ¥ (3,752) million in segment income includes company-wide expenses of ¥ (3,992) 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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