

Consolidated Financial Results
for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

August 4, 2023

The Sumitomo Warehouse Co., Ltd.

Listing: Tokyo Stock Exchange
 Securities code: 9303
 URL: <https://www.sumitomo-soko.co.jp/>
 Representative: Takanori Ono, President
 Inquiries: Akihiko Hoshino, Director, Managing Executive
 Officer, General Manager, Finance & Accounting
 Department
 Telephone: +81 6 6444 1183
 Scheduled date to file quarterly securities report: August 8, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

Three 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	%
June 30, 2023	46,678	(32.7)	3,342	(75.1)	5,159	(65.1)	3,518	(70.0)
June 30, 2022	69,314	35.6	13,408	223.8	14,769	172.5	11,725	213.6

Note: Comprehensive income:

For the three months ended June 30, 2023: ¥18,810 million [36.8%]
 For the three months ended June 30, 2022: ¥13,746 million [245.2%]

Three months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
June 30, 2023	44.32	44.22
June 30, 2022	145.58	145.21

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
June 30, 2023	402,688	243,642	57.6
March 31, 2023	385,791	228,945	56.3

Note: Equity

As of June 30, 2023: ¥231,878 million
 As of March 31, 2023: ¥217,337 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, 2023	—	50.00	—	50.00	100.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		50.50	—	50.50	101.00

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

3. Consolidated forecasts for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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
Six months ending September 30, 2023	100,250	(18.8)	7,000	(60.4)	8,850	(53.8)	5,700	(61.4)	71.80
Fiscal year ending March 31, 2024	200,000	(10.7)	14,500	(44.4)	18,100	(37.8)	12,400	(44.8)	156.19

Note: Revisions to the financial forecast most recently announced: None

* 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: None
 - (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 June 30, 2023 : 79,997,315 shares
 - As of March 31, 2023 : 79,997,315 shares
 - (ii) Number of treasury shares at the end of the period:
 - As of June 30, 2023 : 599,015 shares
 - As of March 31, 2023 : 606,749 shares
 - (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):
 - Three months ended June 30, 2023 : 79,398,387 shares
 - Three months ended June 30, 2022 : 80,543,073 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	48,994	41,115
Notes and accounts receivable-trade	22,961	21,427
Real estate for sale	2,894	2,913
Work in process	1	4
Other	17,335	10,626
Allowance for doubtful accounts	(170)	(164)
Total current assets	92,016	75,922
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	86,570	88,989
Machinery, equipment and vehicles, net	5,657	5,663
Vessels, net	467	454
Tools, furniture and fixtures, net	1,007	999
Land	63,289	73,982
Construction in progress	5,627	4,584
Other, net	3,448	3,260
Total property, plant and equipment	166,069	177,934
Intangible assets		
Leasehold interests in land	5,138	5,138
Software	1,622	1,536
Other	205	226
Total intangible assets	6,966	6,901
Investments and other assets		
Investment securities	112,674	133,887
Long-term loans receivable	279	276
Deferred tax assets	1,089	1,072
Other	6,909	6,908
Allowance for doubtful accounts	(214)	(214)
Total investments and other assets	120,739	141,930
Total non-current assets	293,774	326,766
Total assets	385,791	402,688

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,250	12,131
Short-term borrowings	13,416	5,866
Commercial papers	5,000	5,000
Income taxes payable	7,038	1,120
Provision for bonuses	1,451	710
Other	11,637	9,402
Total current liabilities	50,794	34,232
Non-current liabilities		
Bonds payable	47,000	47,000
Long-term borrowings	16,995	29,034
Deferred tax liabilities	28,009	34,746
Provision for retirement benefits for directors (and other officers)	76	83
Retirement benefit liability	4,335	4,384
Long-term deposits received	7,820	7,943
Other	1,813	1,622
Total non-current liabilities	106,050	124,814
Total liabilities	156,845	159,046
Net assets		
Shareholders' equity		
Share capital	14,922	14,922
Capital surplus	12,347	12,347
Retained earnings	131,554	131,091
Treasury shares	(1,171)	(1,156)
Total shareholders' equity	157,653	157,204
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	54,920	69,531
Foreign currency translation adjustment	4,154	4,559
Remeasurements of defined benefit plans	608	583
Total accumulated other comprehensive income	59,684	74,674
Share acquisition rights	217	208
Non-controlling interests	11,391	11,555
Total net assets	228,945	243,642
Total liabilities and net assets	385,791	402,688

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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Operating revenue		
Warehouse income	7,497	7,807
Harbor transportation income	7,700	7,738
International transportation income	17,804	13,457
Land transportation income	11,756	11,676
Shipping income	18,836	—
Rent income of warehouse and logistics facilities	1,536	1,486
Real estate lease revenue	2,495	2,527
Other	1,686	1,984
Total operating revenue	69,314	46,678
Operating costs		
Cost of sales	37,644	26,108
Personal expenses	6,500	6,973
Rent expenses	3,449	2,372
Taxes and dues	616	857
Depreciation	2,355	2,256
Other	2,409	2,462
Total operating costs	52,975	41,031
Operating gross profit	16,338	5,646
Selling, general and administrative expenses		
Salaries, allowances and welfare expenses	1,582	1,309
Provision for bonuses	221	39
Retirement benefit expenses	67	47
Amortization of goodwill	4	—
Other	1,055	906
Total selling, general and administrative expenses	2,930	2,304
Operating profit	13,408	3,342
Non-operating income		
Interest and dividend income	1,829	1,796
Share of profit of entities accounted for using equity method	67	29
Other	75	102
Total non-operating income	1,971	1,928
Non-operating expenses		
Interest expenses	80	92
Commission expenses	376	—
Other	152	19
Total non-operating expenses	610	112
Ordinary profit	14,769	5,159

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Extraordinary income		
Gain on sale of investment securities	—	306
Gain on sale of shares of subsidiaries and associates	7,226	—
Total extraordinary income	7,226	306
Extraordinary losses		
Loss on retirement of non-current assets	103	120
Total extraordinary losses	103	120
Profit before income taxes	21,892	5,345
Income taxes-current	6,655	1,324
Income taxes-deferred	46	293
Total income taxes	6,701	1,618
Profit	15,191	3,726
Profit attributable to non-controlling interests	3,465	207
Profit attributable to owners of parent	11,725	3,518

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	15,191	3,726
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,773)	14,677
Foreign currency translation adjustment	149	363
Remeasurements of defined benefit plans, net of tax	(35)	(25)
Share of other comprehensive income of entities accounted for using equity method	215	68
Total other comprehensive income	(1,444)	15,084
Comprehensive income	13,746	18,810
(Comprehensive income attributable to)		
Owners of parent	10,530	18,508
Non-controlling interests	3,216	302

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	21,892	5,345
Depreciation	2,468	2,358
Amortization of goodwill	4	—
Increase (decrease) in provisions	(921)	(742)
Interest and dividend income	(1,829)	(1,796)
Interest expenses	80	92
Share of loss (profit) of entities accounted for using equity method	(67)	(29)
Loss on retirement of non-current assets	103	120
Loss (gain) on sale of investment securities	—	(306)
Loss (gain) on sale of shares of subsidiaries and associates	(7,226)	—
Commission expenses	376	—
Decrease (increase) in trade receivables	(252)	1,634
Increase (decrease) in trade payables	(252)	(166)
Other, net	(336)	702
Subtotal	14,041	7,211
Interest and dividends received	1,820	1,784
Interest paid	(69)	(75)
Income taxes paid	(4,099)	(7,160)
Net cash provided by (used in) operating activities	11,693	1,759
Cash flows from investing activities		
Payments into time deposits	(369)	(511)
Proceeds from withdrawal of time deposits	273	322
Purchase of property, plant and equipment	(5,075)	(16,211)
Proceeds from sale of property, plant and equipment	5	2
Purchase of intangible assets	(278)	(128)
Purchase of investment securities	(8)	(15)
Proceeds from sale of investment securities	0	357
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	4,161	5,958
Proceeds from collection of loans receivable	4	4
Other, net	(283)	(175)
Net cash provided by (used in) investing activities	(1,570)	(10,397)
Cash flows from financing activities		
Proceeds from short-term borrowings	805	517
Repayments of short-term borrowings	(587)	(349)
Proceeds from long-term borrowings	—	12,600
Repayments of long-term borrowings	(200)	(8,278)
Proceeds from issuance of commercial papers	5,000	5,000
Redemption of commercial papers	(3,500)	(5,000)
Purchase of treasury shares	(999)	(0)
Dividends paid	(4,375)	(3,628)
Dividends paid to non-controlling interests	(1,302)	(138)
Other, net	(247)	(236)
Net cash provided by (used in) financing activities	(5,408)	486

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Effect of exchange rate change on cash and cash equivalents	705	44
Net increase (decrease) in cash and cash equivalents	5,420	(8,107)
Cash and cash equivalents at beginning of period	40,840	46,521
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	(6)
Cash and cash equivalents at end of period	46,261	38,408

(4) Segment information

Information related to operating revenue and income by reportable segment

Three months ended June 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	47,957	18,836	2,520	69,314	—	69,314
Inter-segment revenue	176	858	143	1,178	(1,178)	—
Total	48,133	19,694	2,663	70,492	(1,178)	69,314
Segment income	3,689	9,592	1,291	14,574	(1,165)	13,408

Notes: 1. The adjustment of ¥ (1,165) million in segment income includes company-wide expenses of ¥ (1,331) 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.

Three months ended June 30, 2023

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount in quarterly consolidated statements of income (Note 2)
	Logistics	Real estate	Total		
Operating revenue					
External revenue	44,138	2,540	46,678	—	46,678
Inter-segment revenue	2	156	158	(158)	—
Total	44,140	2,696	46,837	(158)	46,678
Segment income	3,557	1,092	4,649	(1,306)	3,342

Notes: 1. The adjustment of ¥ (1,306) million in segment income includes company-wide expenses of ¥ (1,390) 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.

3. The Company's reportable segments were "Logistics", "Shipping" and "Real estate". However, the Company presents "Logistics" and "Real estate" as its reportable segments from the consolidated fiscal year ending March 2024 due to exclusion of Westwood Shipping Lines, Inc. which operated Shipping business and its two subsidiaries from the scope of consolidation as of the end of the first quarter of the consolidated fiscal year ended March 2023.

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.