

**Consolidated Financial Results
for the Six Months Ended September 30, 2023 (Under Japanese GAAP)**

November 9, 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: November 13, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	93,532	(24.3)	6,541	(63.0)	8,452	(55.9)	5,488	(62.9)
September 30, 2022	123,520	16.8	17,655	85.1	19,158	76.3	14,781	92.0

Note: Comprehensive income:

For the six months ended September 30, 2023: ¥22,616 million [40.1%]

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

Six months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
September 30, 2023	69.19	69.08
September 30, 2022	184.01	183.56

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
September 30, 2023	405,166	244,059	57.9
March 31, 2023	385,791	228,945	56.3

Note: Equity

As of September 30, 2023: ¥234,625 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	—	50.50			
Fiscal year ending March 31, 2024 (Forecast)			—	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
Fiscal year ending March 31, 2024	190,000	(15.2)	13,700	(47.5)	17,300	(40.6)	12,000	(46.6)	151.49

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: 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 September 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 September 30, 2023 : 896,568 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):
 - Six months ended September 30, 2023 : 79,325,895 shares
 - Six months ended September 30, 2022 : 80,330,795 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 September 30, 2023
Assets		
Current assets		
Cash and deposits	48,994	44,664
Notes and accounts receivable-trade	22,961	21,590
Real estate for sale	2,894	2,869
Work in process	1	3
Other	17,335	8,648
Allowance for doubtful accounts	(170)	(169)
Total current assets	92,016	77,606
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	86,570	90,083
Machinery, equipment and vehicles, net	5,657	5,852
Vessels, net	467	440
Tools, furniture and fixtures, net	1,007	990
Land	63,289	74,111
Construction in progress	5,627	3,782
Other, net	3,448	3,311
Total property, plant and equipment	166,069	178,571
Intangible assets		
Leasehold interests in land	5,138	5,133
Software	1,622	1,479
Other	205	419
Total intangible assets	6,966	7,032
Investments and other assets		
Investment securities	112,674	134,434
Long-term loans receivable	279	274
Deferred tax assets	1,089	673
Other	6,909	6,786
Allowance for doubtful accounts	(214)	(213)
Total investments and other assets	120,739	141,955
Total non-current assets	293,774	327,559
Total assets	385,791	405,166

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,250	12,433
Short-term borrowings	13,416	5,828
Current portion of bonds payable	—	5,000
Commercial papers	5,000	5,000
Income taxes payable	7,038	1,490
Provision for bonuses	1,451	1,774
Other	11,637	10,128
Total current liabilities	50,794	41,654
Non-current liabilities		
Bonds payable	47,000	42,000
Long-term borrowings	16,995	28,778
Deferred tax liabilities	28,009	34,566
Provision for retirement benefits for directors (and other officers)	76	84
Retirement benefit liability	4,335	4,375
Long-term deposits received	7,820	8,054
Other	1,813	1,591
Total non-current liabilities	106,050	119,452
Total liabilities	156,845	161,106
Net assets		
Shareholders' equity		
Share capital	14,922	14,922
Capital surplus	12,347	12,347
Retained earnings	131,554	133,018
Treasury shares	(1,171)	(1,924)
Total shareholders' equity	157,653	158,364
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	54,920	69,800
Foreign currency translation adjustment	4,154	5,903
Remeasurements of defined benefit plans	608	557
Total accumulated other comprehensive income	59,684	76,261
Share acquisition rights	217	147
Non-controlling interests	11,391	9,286
Total net assets	228,945	244,059
Total liabilities and net assets	385,791	405,166

(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, 2022	Six months ended September 30, 2023
Operating revenue		
Warehouse income	15,103	15,628
Harbor transportation income	16,032	15,496
International transportation income	37,707	26,660
Land transportation income	23,724	23,685
Shipping income	19,466	—
Rent income of warehouse and logistics facilities	3,075	2,976
Real estate lease revenue	4,993	5,077
Other	3,417	4,007
Total operating revenue	123,520	93,532
Operating costs		
Cost of sales	70,549	51,945
Personal expenses	13,307	14,186
Rent expenses	5,781	4,814
Taxes and dues	1,224	1,471
Depreciation	4,798	4,657
Other	5,011	5,295
Total operating costs	100,672	82,373
Operating gross profit	22,848	11,159
Selling, general and administrative expenses		
Salaries, allowances and welfare expenses	2,667	2,446
Provision for bonuses	449	277
Retirement benefit expenses	110	97
Amortization of goodwill	8	—
Other	1,956	1,797
Total selling, general and administrative expenses	5,193	4,618
Operating profit	17,655	6,541
Non-operating income		
Interest and dividend income	1,893	1,901
Share of profit of entities accounted for using equity method	113	41
Other	166	219
Total non-operating income	2,173	2,163
Non-operating expenses		
Interest expenses	163	188
Commission expenses	377	—
Other	129	63
Total non-operating expenses	670	252
Ordinary profit	19,158	8,452

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Extraordinary income		
Gain on sale of non-current assets	637	16
Gain on sale of investment securities	—	306
Gain on sale of shares of subsidiaries and associates	7,226	—
Gain on surface rights	—	149
Total extraordinary income	7,863	471
Extraordinary losses		
Loss on retirement of non-current assets	192	392
Litigation expenses	217	—
Total extraordinary losses	409	392
Profit before income taxes	26,613	8,531
Income taxes-current	8,196	2,218
Income taxes-deferred	(37)	414
Total income taxes	8,158	2,632
Profit	18,455	5,898
Profit attributable to non-controlling interests	3,673	410
Profit attributable to owners of parent	14,781	5,488

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	18,455	5,898
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,350)	14,941
Foreign currency translation adjustment	1,663	1,630
Remeasurements of defined benefit plans, net of tax	(70)	(50)
Share of other comprehensive income of entities accounted for using equity method	444	197
Total other comprehensive income	(2,312)	16,717
Comprehensive income	16,142	22,616
(Comprehensive income attributable to)		
Owners of parent	12,646	22,065
Non-controlling interests	3,496	550

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	26,613	8,531
Depreciation	5,020	4,855
Amortization of goodwill	8	—
Increase (decrease) in provisions	(35)	318
Interest and dividend income	(1,893)	(1,901)
Interest expenses	163	188
Share of loss (profit) of entities accounted for using equity method	(113)	(41)
Loss (gain) on sale of non-current assets	(637)	(16)
Loss on retirement of non-current assets	192	392
Loss (gain) on sale of investment securities	—	(306)
Loss (gain) on sale of shares of subsidiaries and associates	(7,226)	—
Gain on surface rights	—	(149)
Commission expenses	377	—
Litigation expenses	217	—
Decrease (increase) in trade receivables	(973)	1,827
Increase (decrease) in trade payables	413	(22)
Other, net	1,643	829
Subtotal	23,769	14,506
Interest and dividends received	1,912	1,877
Interest paid	(164)	(182)
Gain on surface rights income received	—	149
Income taxes paid	(5,782)	(8,209)
Income taxes refund	—	1,157
Net cash provided by (used in) operating activities	19,734	9,297
Cash flows from investing activities		
Payments into time deposits	(1,386)	(1,210)
Proceeds from withdrawal of time deposits	1,036	989
Purchase of property, plant and equipment	(7,699)	(17,426)
Proceeds from sale of property, plant and equipment	107	14
Purchase of intangible assets	(445)	(192)
Purchase of investment securities	(31)	(44)
Proceeds from sale of investment securities	0	357
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	3,909	7,163
Proceeds from the liquidation of subsidiaries and associates	178	—
Proceeds from collection of loans receivable	8	8
Other, net	(339)	(230)
Net cash provided by (used in) investing activities	(4,660)	(10,571)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	1,182	802
Repayments of short-term borrowings	(1,061)	(670)
Proceeds from long-term borrowings	1,650	12,600
Repayments of long-term borrowings	(398)	(8,536)
Proceeds from issuance of commercial papers	10,000	10,000
Redemption of commercial papers	(8,500)	(10,000)
Purchase of treasury shares	(1,950)	(932)
Dividends paid	(4,761)	(3,967)
Dividends paid to non-controlling interests	(3,842)	(1,166)
Repayments to non-controlling shareholders	—	(1,497)
Other, net	(543)	(523)
Net cash provided by (used in) financing activities	(8,226)	(3,891)
Effect of exchange rate change on cash and cash equivalents	1,172	488
Net increase (decrease) in cash and cash equivalents	8,020	(4,677)
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	48,860	41,837

(4) Segment information

Information related to operating revenue and income by reportable segment

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.

Six months ended September 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	88,348	5,184	93,532	—	93,532
Inter-segment revenue	4	280	285	(285)	—
Total	88,352	5,465	93,817	(285)	93,532
Segment income	6,957	2,383	9,341	(2,800)	6,541

Notes: 1. The adjustment of ¥ (2,800) million in segment income includes company-wide expenses of ¥ (2,803) 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.

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