

**Consolidated Financial Results
for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)**

February 7, 2024

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, 2024
 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, 2023 (from April 1, 2023 to December 31, 2023)

(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, 2023	140,734	(20.9)	10,283	(53.9)	14,031	(44.8)	9,216	(51.8)
December 31, 2022	177,863	6.6	22,286	23.1	25,420	21.2	19,118	29.6

Note: Comprehensive income:

For the nine months ended December 31, 2023: ¥28,360 million [21.1%]

For the nine months ended December 31, 2022: ¥23,410 million [20.4%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	116.44	116.28
December 31, 2022	238.83	238.26

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	405,796	244,758	58.0
March 31, 2023	385,791	228,945	56.3

Note: Equity

As of December 31, 2023: ¥235,241 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: 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 December 31, 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 December 31, 2023 : 1,264,895 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):
 - Nine months ended December 31, 2023 : 79,150,927 shares
 - Nine months ended December 31, 2022 : 80,051,536 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	48,994	42,873
Notes and accounts receivable-trade	22,961	21,142
Real estate for sale	2,894	2,787
Work in process	1	2
Other	17,335	8,277
Allowance for doubtful accounts	(170)	(168)
Total current assets	92,016	74,915
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	86,570	93,601
Machinery, equipment and vehicles, net	5,657	5,769
Vessels, net	467	426
Tools, furniture and fixtures, net	1,007	1,006
Land	63,289	74,273
Construction in progress	5,627	1,695
Other, net	3,448	3,165
Total property, plant and equipment	166,069	179,938
Intangible assets		
Leasehold interests in land	5,138	5,138
Software	1,622	1,438
Other	205	422
Total intangible assets	6,966	6,999
Investments and other assets		
Investment securities	112,674	136,462
Long-term loans receivable	279	270
Deferred tax assets	1,089	644
Other	6,909	6,777
Allowance for doubtful accounts	(214)	(213)
Total investments and other assets	120,739	143,942
Total non-current assets	293,774	330,881
Total assets	385,791	405,796

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,250	12,137
Short-term borrowings	13,416	5,179
Current portion of bonds payable	—	5,000
Commercial papers	5,000	5,000
Income taxes payable	7,038	1,274
Provision for bonuses	1,451	722
Other	11,637	11,187
Total current liabilities	50,794	40,502
Non-current liabilities		
Bonds payable	47,000	42,000
Long-term borrowings	16,995	29,175
Deferred tax liabilities	28,009	35,412
Provision for retirement benefits for directors (and other officers)	76	91
Retirement benefit liability	4,335	4,477
Long-term deposits received	7,820	7,923
Other	1,813	1,456
Total non-current liabilities	106,050	120,536
Total liabilities	156,845	161,038
Net assets		
Shareholders' equity		
Share capital	14,922	14,922
Capital surplus	12,347	12,347
Retained earnings	131,554	132,745
Treasury shares	(1,171)	(2,805)
Total shareholders' equity	157,653	157,209
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	54,920	71,108
Foreign currency translation adjustment	4,154	6,391
Remeasurements of defined benefit plans	608	531
Total accumulated other comprehensive income	59,684	78,031
Share acquisition rights	217	137
Non-controlling interests	11,391	9,379
Total net assets	228,945	244,758
Total liabilities and net assets	385,791	405,796

(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, 2022	Nine months ended December 31, 2023
Operating revenue		
Warehouse income	22,811	23,582
Harbor transportation income	24,437	23,215
International transportation income	57,131	39,242
Land transportation income	36,269	36,314
Shipping income	19,965	—
Rent income of warehouse and logistics facilities	4,605	4,463
Real estate lease revenue	7,498	7,616
Other	5,144	6,299
Total operating revenue	177,863	140,734
Operating costs		
Cost of sales	103,482	77,753
Personal expenses	19,979	21,386
Rent expenses	8,127	7,176
Taxes and dues	1,823	2,194
Depreciation	7,220	7,131
Other	7,585	7,981
Total operating costs	148,217	123,625
Operating gross profit	29,646	17,109
Selling, general and administrative expenses		
Salaries, allowances and welfare expenses	4,117	3,965
Provision for bonuses	213	38
Retirement benefit expenses	150	145
Amortization of goodwill	8	—
Other	2,869	2,676
Total selling, general and administrative expenses	7,359	6,825
Operating profit	22,286	10,283
Non-operating income		
Interest and dividend income	3,569	3,609
Share of profit of entities accounted for using equity method	165	65
Other	307	471
Total non-operating income	4,042	4,146
Non-operating expenses		
Interest expenses	252	289
Commission expenses	377	—
Other	278	108
Total non-operating expenses	908	398
Ordinary profit	25,420	14,031

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Extraordinary income		
Gain on sale of non-current assets	648	23
Gain on sale of investment securities	249	306
Gain on sale of shares of subsidiaries and associates	7,226	—
Gain on surface rights	—	149
Total extraordinary income	8,125	478
Extraordinary losses		
Loss on retirement of non-current assets	208	417
Litigation expenses	217	—
Total extraordinary losses	425	417
Profit before income taxes	33,120	14,092
Income taxes-current	9,573	3,529
Income taxes-deferred	369	697
Total income taxes	9,943	4,226
Profit	23,177	9,865
Profit attributable to non-controlling interests	4,058	649
Profit attributable to owners of parent	19,118	9,216

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	23,177	9,865
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,133)	16,241
Foreign currency translation adjustment	1,998	2,033
Remeasurements of defined benefit plans, net of tax	(105)	(76)
Share of other comprehensive income of entities accounted for using equity method	473	296
Total other comprehensive income	233	18,494
Comprehensive income	23,410	28,360
(Comprehensive income attributable to)		
Owners of parent	19,564	27,564
Non-controlling interests	3,845	795

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	33,120	14,092
Depreciation	7,560	7,426
Amortization of goodwill	8	—
Increase (decrease) in provisions	(1,192)	(730)
Interest and dividend income	(3,569)	(3,609)
Interest expenses	252	289
Share of loss (profit) of entities accounted for using equity method	(165)	(65)
Loss (gain) on sale of non-current assets	(648)	(23)
Loss on retirement of non-current assets	208	417
Loss (gain) on sale of investment securities	(249)	(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	(662)	2,382
Increase (decrease) in trade payables	1,510	(363)
Other, net	(62)	780
Subtotal	<u>29,477</u>	<u>20,141</u>
Interest and dividends received	3,566	3,585
Interest paid	(242)	(274)
Payments for litigation expenses	(200)	—
Gain on surface rights income received	—	149
Income taxes paid	(8,815)	(9,654)
Income taxes refund	—	1,526
Net cash provided by (used in) operating activities	<u>23,784</u>	<u>15,474</u>
Cash flows from investing activities		
Payments into time deposits	(1,856)	(1,557)
Proceeds from withdrawal of time deposits	1,816	1,443
Purchase of property, plant and equipment	(9,510)	(19,785)
Proceeds from sale of property, plant and equipment	4,201	25
Purchase of intangible assets	(704)	(484)
Purchase of investment securities	(50)	(73)
Proceeds from sale of investment securities	445	359
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	13	13
Other, net	(451)	(424)
Net cash provided by (used in) investing activities	<u>(2,007)</u>	<u>(13,321)</u>

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	1,374	1,379
Repayments of short-term borrowings	(1,338)	(1,233)
Proceeds from long-term borrowings	2,650	13,410
Repayments of long-term borrowings	(1,595)	(9,612)
Redemption of bonds	(6,000)	—
Proceeds from issuance of commercial papers	15,000	15,000
Redemption of commercial papers	(13,500)	(15,000)
Purchase of treasury shares	(3,003)	(1,830)
Dividends paid	(8,419)	(7,632)
Dividends paid to non-controlling interests	(3,980)	(1,318)
Repayments to non-controlling shareholders	—	(1,497)
Other, net	(854)	(800)
Net cash provided by (used in) financing activities	(19,668)	(9,135)
Effect of exchange rate change on cash and cash equivalents	1,286	572
Net increase (decrease) in cash and cash equivalents	3,394	(6,410)
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	44,234	40,105

(4) Segment information

Information related to operating revenue and income by reportable segment

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.

Nine months ended December 31, 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	132,507	8,227	140,734	—	140,734
Inter-segment revenue	6	418	424	(424)	—
Total	132,514	8,645	141,159	(424)	140,734
Segment income	10,293	4,045	14,338	(4,055)	10,283

Notes: 1. The adjustment of ¥ (4,055) million in segment income includes company-wide expenses of ¥ (4,120) 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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