

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

May 12, 2023

The Sumitomo Warehouse Co., Ltd.

Listing: Tokyo Stock Exchange
Securities code: 9303
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Scheduled date of annual general meeting of June 29, 2023
shareholders:
Scheduled date to commence dividend payments: June 30, 2023
Scheduled date to file annual securities report: June 29, 2023
Preparation of supplementary material on financial Yes
results:
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2023(from April 1, 2022 to March 31, 2023)

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

Fiscal year 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	%
March 31, 2023	223,948	(3.2)	26,090	(6.0)	29,115	(4.3)	22,455	14.0
March 31, 2022	231,461	20.5	27,748	153.1	30,421	124.5	19,703	133.1

Note: Comprehensive income:

For the fiscal year ended March 31, 2023: ¥30,702 million [20.4%]
For the fiscal year ended March 31, 2022: ¥25,491 million [(17.4)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2023	281.09	280.46	10.7	7.7	11.7
March 31, 2022	242.55	241.94	10.0	8.4	12.0

Reference: Share of profit (loss) of entities accounted for using equity method:

For the fiscal year ended March 31, 2023: ¥62 million
For the fiscal year ended March 31, 2022: ¥228 million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	385,791	228,945	56.3	2,737.57
March 31, 2022	373,720	213,945	54.4	2,519.25

Reference: Equity

As of March 31, 2023: ¥217,337 million
As of March 31, 2022: ¥203,476 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	29,816	(4,572)	(20,525)	46,521
March 31, 2022	31,418	(5,879)	(10,267)	40,840

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total) Millions of yen	Payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	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	7,850	40.0	4.0
Fiscal year ended March 31, 2023	—	50.00	—	50.00	100.00	7,964	35.6	3.8
Fiscal year ending March 31, 2024 (Forecast)	—	50.50	—	50.50	101.00		64.7	

3. Consolidated forecasts for the fiscal 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

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) 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

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares) :
As of March 31, 2023 : 79,997,315 shares
As of March 31, 2022 : 81,431,915 shares
- (ii) Number of treasury shares at the end of the period :
As of March 31, 2023 : 606,749 shares
As of March 31, 2022 : 663,172 shares
- (iii) Average number of shares outstanding during the period:
Fiscal year ended March 31, 2023 : 79,885,358 shares
Fiscal year ended March 31, 2022 : 81,233,785 shares

* Financial results reports are exempt from audit 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) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	43,067	48,994
Notes and accounts receivable-trade	27,065	22,961
Real estate for sale	20	2,894
Work in process	1	1
Other	9,654	17,335
Allowance for doubtful accounts	(160)	(170)
Total current assets	79,648	92,016
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	89,262	86,570
Machinery, equipment and vehicles, net	6,216	5,657
Vessels, net	4,121	467
Tools, furniture and fixtures, net	1,014	1,007
Land	64,899	63,289
Construction in progress	835	5,627
Other, net	2,309	3,448
Total property, plant and equipment	168,660	166,069
Intangible assets		
Goodwill	8	—
Leasehold interests in land	5,140	5,138
Software	1,158	1,622
Other	272	205
Total intangible assets	6,580	6,966
Investments and other assets		
Investment securities	110,631	112,674
Long-term loans receivable	444	279
Deferred tax assets	633	1,089
Other	7,396	6,909
Allowance for doubtful accounts	(275)	(214)
Total investments and other assets	118,830	120,739
Total non-current assets	294,071	293,774
Total assets	373,720	385,791

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,880	12,250
Short-term borrowings	5,496	13,416
Current portion of bonds payable	6,000	—
Commercial papers	3,500	5,000
Income taxes payable	4,089	7,038
Provision for bonuses	1,988	1,451
Other	11,342	11,637
Total current liabilities	48,297	50,794
Non-current liabilities		
Bonds payable	47,000	47,000
Long-term borrowings	24,103	16,995
Deferred tax liabilities	27,448	28,009
Provision for retirement benefits for directors (and other officers)	79	76
Retirement benefit liability	4,235	4,335
Long-term deposits received	7,835	7,820
Other	774	1,813
Total non-current liabilities	111,476	106,050
Total liabilities	159,774	156,845
Net assets		
Shareholders' equity		
Share capital	14,922	14,922
Capital surplus	12,343	12,347
Retained earnings	120,659	131,554
Treasury shares	(1,062)	(1,171)
Total shareholders' equity	146,863	157,653
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,437	54,920
Foreign currency translation adjustment	2,685	4,154
Remeasurements of defined benefit plans	489	608
Total accumulated other comprehensive income	56,613	59,684
Share acquisition rights	246	217
Non-controlling interests	10,222	11,391
Total net assets	213,945	228,945
Total liabilities and net assets	373,720	385,791

(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Operating revenue		
Warehouse income	28,887	30,415
Harbor transportation income	31,774	32,229
International transportation income	58,038	70,250
Land transportation income	46,372	47,726
Shipping income	43,608	20,324
Rent income of warehouse and logistics facilities	6,073	6,093
Real estate lease revenue	10,033	10,006
Other	6,673	6,902
Total operating revenue	231,461	223,948
Operating costs		
Cost of sales	134,413	129,493
Personal expenses	25,326	26,411
Rent expenses	12,129	10,360
Taxes and dues	2,308	2,418
Depreciation	9,419	9,548
Other	9,437	10,103
Total operating costs	193,034	188,335
Operating gross profit	38,426	35,613
Selling, general and administrative expenses		
Salaries, allowances and welfare expenses	6,010	5,132
Provision for bonuses	394	429
Retirement benefit expenses	217	191
Amortization of goodwill	17	22
Other	4,038	3,747
Total selling, general and administrative expenses	10,678	9,522
Operating profit	27,748	26,090
Non-operating income		
Interest income	54	70
Dividend income	2,717	3,564
Share of profit of entities accounted for using equity method	228	62
Other	563	416
Total non-operating income	3,564	4,113
Non-operating expenses		
Interest expenses	342	335
Foreign exchange losses	—	128
Commission expenses	106	467
Other	442	155
Total non-operating expenses	891	1,088
Ordinary profit	30,421	29,115

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Extraordinary income		
Gain on sale of non-current assets	28	840
Gain on sale of investment securities	1,616	249
Gain on sale of shares of subsidiaries and associates	—	13,184
Gain on reversal of foreign currency translation adjustment	41	—
Total extraordinary income	1,686	14,274
Extraordinary losses		
Loss on retirement of non-current assets	324	429
Impairment losses	1,082	1,434
Business restructuring expenses	—	64
Litigation expenses	—	217
Loss on disaster	—	84
Total extraordinary losses	1,406	2,231
Profit before income taxes	30,702	41,159
Income taxes-current	6,773	13,368
Income taxes-deferred	614	(68)
Total income taxes	7,387	13,299
Profit	23,314	27,859
Profit attributable to non-controlling interests	3,611	5,404
Profit attributable to owners of parent	19,703	22,455

(Consolidated statements of comprehensive income)

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Profit	23,314	27,859
Other comprehensive income		
Valuation difference on available-for-sale securities	1,378	1,480
Foreign currency translation adjustment	707	1,025
Remeasurements of defined benefit plans, net of tax	(298)	119
Share of other comprehensive income of entities accounted for using equity method	389	218
Total other comprehensive income	2,176	2,843
Comprehensive income	25,491	30,702
(Comprehensive income attributable to)		
Owners of parent	22,007	25,526
Non-controlling interests	3,484	5,176

(3) Consolidated statements of changes in net assets

Year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,922	12,341	108,444	(1,060)	134,649
Cumulative effects of changes in accounting policies			(80)		(80)
Restated balance	14,922	12,341	108,364	(1,060)	134,569
Changes during period					
Dividends of surplus			(5,055)		(5,055)
Profit attributable to owners of parent			19,703		19,703
Purchase of treasury shares				(2,501)	(2,501)
Disposal of treasury shares		1	(11)	157	148
Cancellation of treasury shares			(2,341)	2,341	—
Net changes in items other than shareholders' equity					
Total changes during period	—	1	12,294	(2)	12,294
Balance at end of period	14,922	12,343	120,659	(1,062)	146,863

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	52,086	1,434	788	54,309	285	6,997	196,241
Cumulative effects of changes in accounting policies						(5)	(85)
Restated balance	52,086	1,434	788	54,309	285	6,991	196,156
Changes during period							
Dividends of surplus							(5,055)
Profit attributable to owners of parent							19,703
Purchase of treasury shares							(2,501)
Disposal of treasury shares							148
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	1,351	1,251	(298)	2,303	(39)	3,230	5,495
Total changes during period	1,351	1,251	(298)	2,303	(39)	3,230	17,789
Balance at end of period	53,437	2,685	489	56,613	246	10,222	213,945

Year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,922	12,343	120,659	(1,062)	146,863
Changes during period					
Dividends of surplus			(8,760)		(8,760)
Profit attributable to owners of parent			22,455		22,455
Purchase of treasury shares				(3,001)	(3,001)
Disposal of treasury shares			(13)	106	93
Cancellation of treasury shares			(2,786)	2,786	—
Change in ownership interest of parent due to transactions with non-controlling interests		3			3
Net changes in items other than shareholders' equity					
Total changes during period	—	3	10,894	(109)	10,789
Balance at end of period	14,922	12,347	131,554	(1,171)	157,653

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	53,437	2,685	489	56,613	246	10,222	213,945
Changes during period							
Dividends of surplus							(8,760)
Profit attributable to owners of parent							22,455
Purchase of treasury shares							(3,001)
Disposal of treasury shares							93
Cancellation of treasury shares							—
Change in ownership interest of parent due to transactions with non-controlling interests							3
Net changes in items other than shareholders' equity	1,483	1,468	119	3,070	(29)	1,168	4,210
Total changes during period	1,483	1,468	119	3,070	(29)	1,168	15,000
Balance at end of period	54,920	4,154	608	59,684	217	11,391	228,945

(4) Consolidated statements of cash flows

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	30,702	41,159
Depreciation	9,853	10,010
Impairment losses	1,082	1,434
Amortization of goodwill	17	22
Increase (decrease) in allowance for doubtful accounts	78	(17)
Increase (decrease) in retirement benefit liability	238	265
Increase (decrease) in provision for retirement benefits for directors	18	(2)
Increase (decrease) in provision for bonuses	41	(538)
Interest and dividend income	(2,771)	(3,635)
Interest expenses	342	335
Share of loss (profit) of entities accounted for using equity method	(228)	(62)
Loss (gain) on sale of non-current assets	(28)	(840)
Loss on retirement of non-current assets	324	429
Loss (gain) on sale of investment securities	(1,616)	(249)
Loss (gain) on sale of shares of subsidiaries and associates	—	(13,184)
Commission expenses	—	467
Gain on reversal of foreign currency translation adjustment	(41)	—
Litigation expenses	—	217
Decrease (increase) in trade receivables	(5,880)	675
Increase (decrease) in trade payables	1,776	515
Increase (decrease) in deposits received	979	461
Other, net	(915)	(1,765)
Subtotal	33,970	35,699
Interest and dividends received	3,007	3,673
Interest paid	(340)	(342)
Payments for litigation expenses	—	(220)
Income taxes paid	(5,218)	(8,993)
Net cash provided by (used in) operating activities	31,418	29,816
Cash flows from investing activities		
Payments into time deposits	(1,801)	(2,045)
Proceeds from withdrawal of time deposits	2,170	1,870
Purchase of property, plant and equipment	(6,213)	(11,853)
Proceeds from sale of property, plant and equipment	33	4,366
Purchase of intangible assets	(550)	(987)
Purchase of investment securities	(1,058)	(59)
Proceeds from sale of investment securities	1,707	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
Loan advances	(1)	(2)
Proceeds from collection of loans receivable	25	29
Other, net	(191)	(424)
Net cash provided by (used in) investing activities	(5,879)	(4,572)

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	2,341	1,801
Repayments of short-term borrowings	(5,965)	(1,836)
Proceeds from long-term borrowings	5,770	2,650
Repayments of long-term borrowings	(7,109)	(1,803)
Redemption of bonds	—	(6,000)
Proceeds from issuance of commercial papers	8,000	20,000
Redemption of commercial papers	(4,500)	(18,500)
Proceeds from sale of treasury shares	49	4
Purchase of treasury shares	(2,501)	(3,003)
Dividends paid	(5,054)	(8,755)
Dividends paid to non-controlling interests	(259)	(4,010)
Other, net	(1,037)	(1,070)
Net cash provided by (used in) financing activities	(10,267)	(20,525)
Effect of exchange rate change on cash and cash equivalents	295	963
Net increase (decrease) in cash and cash equivalents	15,567	5,681
Cash and cash equivalents at beginning of period	25,272	40,840
Cash and cash equivalents at end of period	40,840	46,521

(5) Segment Information

[Segment Information]

1. General information about reportable segments

The reportable segments are the components of our Group, for each of which discrete financial information is available, and whose operating results are regularly reviewed by the Company's board of directors to make decisions about resources to be allocated to each segment and assess its performance.

The Company, in cooperation with its domestic and overseas subsidiaries, operates "Logistics business" including warehousing, harbor transportation, international transportation and land transportation etc., which, constituting respective parts of total logistics business, have a mutual relationship to each other and are deemed to be inseparable in management of the Company, and promotes "Real estate business" including leasing and sales of real estate etc., with a dedicated department in its head office, mainly in such way as to put its real estate to more effective use. In addition to these, the Company operates "Shipping business" consisting mainly of vessel operations on the routes between the northwest coast of North America and East Asia by our subsidiary Westwood Shipping Lines, Inc. However, we sold all shares of Westwood Shipping Lines, Inc. in June 2022 and excluded Westwood Shipping Lines, Inc. 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.

The Company's business comprises the segments corresponding to each business as mentioned above, and the Company presents "Logistics", "Real estate" and "Shipping" as its three reportable segments.

2. Information related to operating revenue, income (loss), assets, and other items by reportable segment

Year ended March 31, 2022

(Millions of yen)

	Reportable segment				Adjustment (Note 1)	Amount in consolidated statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
External revenue	177,717	43,608	10,135	231,461	—	231,461
Inter-segment revenue	629	1,977	538	3,145	(3,145)	—
Total	178,347	45,585	10,673	234,606	(3,145)	231,461
Segment income	14,303	13,152	5,296	32,753	(5,004)	27,748
Segment assets	182,116	20,029	47,524	249,670	124,049	373,720
Other items						
Depreciation	6,746	366	2,125	9,237	616	9,853
Amortization of goodwill	17	—	—	17	—	17
Investment in associates accounted for by the equity method	6,398	—	—	6,398	—	6,398
Additions to property, plant and equipment and intangible assets	4,781	70	3,807	8,659	639	9,298

Notes: 1. (1) The adjustment of ¥ (5,004) million in segment income includes company-wide expenses of ¥ (4,928) 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) The adjustment of ¥ 124,049 million in segment assets includes company-wide assets of ¥ 124,687 million which are not allocated to the respective reportable segments. Company-wide assets consist mainly of working funds (cash and deposits), long-term investments (investment securities) and assets of administrative departments, of the Company and some of its consolidated subsidiaries, which are assignable to neither of the reportable segments.

(3) The adjustment of ¥ 639 million in additions to property, plant and equipment and intangible assets consists of the capital investments 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 consolidated statements of income.

	Reportable segment				Adjustment (Note 1)	Amount in consolidated statements of income (Note 2)
	Logistics	Shipping	Real estate	Total		
Operating revenue						
External revenue	193,521	20,324	10,102	223,948	—	223,948
Inter-segment revenue	185	1,144	571	1,901	(1,901)	—
Total	193,706	21,468	10,674	225,849	(1,901)	223,948
Segment income	15,635	10,295	5,187	31,117	(5,027)	26,090
Segment assets	187,027	18,688	47,638	253,354	132,436	385,791
Other items						
Depreciation	7,050	154	2,169	9,374	636	10,010
Amortization of goodwill	22	—	—	22	—	22
Investment in associates accounted for by the equity method	6,461	—	—	6,461	—	6,461
Additions to property, plant and equipment and intangible assets	8,365	0	3,771	12,138	839	12,977

Notes: 1. (1) The adjustment of ¥ (5,027) million in segment income includes company-wide expenses of ¥ (5,242) 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) The adjustment of ¥ 132,436 million in segment assets includes company-wide assets of ¥ 132,825 million which are not allocated to the respective reportable segments. Company-wide assets consist mainly of working funds (cash and deposits), long-term investments (investment securities) and assets of administrative departments, of the Company and some of its consolidated subsidiaries, which are assignable to neither of the reportable segments.

(3) The adjustment of ¥ 839 million in additions to property, plant and equipment and intangible assets consists of the capital investments 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 consolidated statements of income.

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