

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

Company name: The Shibusawa Warehouse Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9304 URL <https://www.shibusawa.co.jp/>
 Representative: PRESIDENT REPRESENTATIVE TAKESHI OSUMI
 DIRECTOR
 SENIOR EXECUTIVE OFFICER
 Inquiries: GENERAL MANAGER MASATOSHI HOSHI TEL 03-5646-7235
 FINACING & ACCOUNTING DIV.
 Scheduled date of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to file Securities Report: June 29, 2022
 Scheduled date to commence dividend payments: June 30, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	71,746	9.8	4,516	24.5	6,924	76.2	5,257	91.1
Year ended March 31, 2021	65,328	(2.2)	3,627	(7.2)	3,929	(5.9)	2,750	(2.3)

Note: Comprehensive income Year ended March 31, 2022 ¥6,092 million [34.1%]
 Year ended March 31, 2021 ¥4,542 million [129.1%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/Operating revenue
	Yen	Yen	%	%	%
Year ended March 31, 2022	345.79	–	10.4	6.5	6.3
Year ended March 31, 2021	180.90	–	6.0	3.9	5.6

Reference: Share of profit (loss) of entities accounted for using equity method Year ended March 31, 2022 ¥2,011 million
 Year ended March 31, 2021 ¥(0) million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	108,991	53,655	48.9	3,507.76
As of March 31, 2021	104,397	48,251	45.9	3,150.74

Reference: Equity As of March 31, 2022 ¥53,334 million
 As of March 31, 2021 ¥47,905 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	6,033	(868)	(3,686)	20,146
Year ended March 31, 2021	6,952	(3,285)	1,361	18,450

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	26.00	–	26.00	52.00	790	28.7	1.7
Year ended March 31, 2022	–	30.00	–	40.00	70.00	1,064	20.2	2.1
Year ending March 31, 2023 (Forecast)	–	40.00	–	40.00	80.00		38.0	

3. Forecast of consolidated financial results 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	36,600	3.8	2,400	4.8	2,720	7.2	1,900	9.4	124.96
Full year	71,800	0.1	4,600	1.9	5,100	(26.4)	3,200	(39.1)	210.46

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	15,217,747 shares	As of March 31, 2021	15,217,747 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	13,097 shares	As of March 31, 2021	13,097 shares
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Average number of shares during the period

Year ended March 31, 2022	15,204,650 shares	Year ended March 31, 2021	15,204,738 shares
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Reference: Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	61,593	6.5	4,016	21.5	4,381	22.6	3,008	16.6
Year ended March 31, 2021	57,814	(0.9)	3,306	(10.2)	3,572	(7.7)	2,579	(3.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2022	197.89		-	
Year ended March 31, 2021	169.68		-	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2022	97,528		48,189		49.4		3,169.38	
As of March 31, 2021	96,276		45,647		47.4		3,002.23	

Reference: Equity As of March 31, 2022 ¥48,189 million
 As of March 31, 2021 ¥45,647 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ due to various factors.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	17,291	18,232
Notes and accounts receivable	11,922	12,977
Securities	3,000	3,000
Advances paid	1,450	2,166
Other	548	728
Allowance for doubtful accounts	(2)	(10)
Total current assets	34,210	37,094
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,325	29,566
Machinery, equipment and vehicles, net	1,332	1,180
Land	17,858	17,752
Leased assets, net	86	422
Construction in progress	415	427
Other, net	348	286
Total property, plant and equipment	51,366	49,635
Intangible assets		
Leasehold interests in land	518	518
Software	682	492
Software in progress	89	13
Other	63	59
Total intangible assets	1,353	1,083
Investments and other assets		
Investment securities	15,483	19,179
Long-term loans receivable	280	280
Guarantee deposits	1,357	1,409
Deferred tax assets	107	100
Other	229	211
Allowance for doubtful accounts	(32)	(31)
Total investments and other assets	17,426	21,149
Total non-current assets	70,146	71,868
Deferred assets		
Bond issuance costs	40	28
Total deferred assets	40	28
Total assets	104,397	108,991

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Trade notes and accounts payable	5,322	6,087
Short-term borrowings	2,303	2,057
Current portion of long-term borrowings	9,709	3,687
Lease liabilities	31	110
Income taxes payable	692	932
Deposits received	168	102
Provision for bonuses	633	705
Other	2,595	2,058
Total current liabilities	21,457	15,740
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	16,527	20,140
Lease liabilities	61	319
Long-term deposits received	4,699	5,634
Deferred tax liabilities	967	1,187
Retirement benefit liability	2,431	2,314
Total non-current liabilities	34,688	39,595
Total liabilities	56,145	55,336
Net assets		
Shareholders' equity		
Share capital	7,847	7,847
Capital surplus	6,355	6,391
Retained earnings	29,728	34,304
Treasury shares	(24)	(24)
Total shareholders' equity	43,906	48,518
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,687	5,074
Foreign currency translation adjustment	(667)	(258)
Remeasurements of defined benefit plans	(20)	(1)
Total accumulated other comprehensive income	3,999	4,815
Non-controlling interests	345	320
Total net assets	48,251	53,655
Total liabilities and net assets	104,397	108,991

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating revenue		
Storage fee income	8,766	8,632
Coolie fee income	6,909	7,205
Handling service income	11,164	16,468
Transportation on land fee income	30,672	31,575
Warehouse rental income	1,757	1,880
Building rental income	5,804	5,697
other income	255	286
Total operating revenue	65,328	71,746
Operating costs		
Labor cost	40,422	45,774
Rental cost	3,785	3,906
Personnel expenses	3,591	3,711
Depreciation	2,983	2,964
Other	7,501	7,436
Total operating costs	58,285	63,793
Operating gross profit	7,043	7,953
Selling, general and administrative expenses		
Rent expenses	86	84
Depreciation	179	176
Remuneration for directors (and other officers)	252	242
Salaries and bonuses	1,157	1,213
Provision for bonuses	249	282
Retirement benefit expenses	115	95
Welfare expenses	393	406
Commission expenses	281	265
Other	700	670
Total selling, general and administrative expenses	3,416	3,437
Operating profit	3,627	4,516
Non-operating income		
Interest income	50	21
Dividend income	376	394
Share of profit of entities accounted for using equity method	–	2,011
Other	149	208
Total non-operating income	576	2,636
Non-operating expenses		
Interest expenses	135	145
Share of loss of entities accounted for using equity method	0	–
Other	138	82
Total non-operating expenses	274	227
Ordinary profit	3,929	6,924

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary income		
Gain on sale of investment securities	170	–
Total extraordinary income	170	–
Extraordinary losses		
Impairment losses	–	128
Total extraordinary losses	–	128
Profit before income taxes	4,099	6,796
Income taxes - current	1,280	1,492
Income taxes - deferred	27	27
Total income taxes	1,308	1,519
Profit	2,791	5,276
Profit attributable to non-controlling interests	41	18
Profit attributable to owners of parent	2,750	5,257

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	2,791	5,276
Other comprehensive income		
Valuation difference on available-for-sale securities	1,924	385
Foreign currency translation adjustment	(160)	271
Remeasurements of defined benefit plans, net of tax	41	19
Share of other comprehensive income of entities accounted for using equity method	(54)	139
Total other comprehensive income	1,751	815
Comprehensive income	4,542	6,092
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,515	6,073
Comprehensive income attributable to non-controlling interests	27	18

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,847	5,700	27,753	(23)	41,277
Cumulative effects of changes in accounting policies					–
Restated balance	7,847	5,700	27,753	(23)	41,277
Changes during period					
Dividends of surplus			(775)		(775)
Profit attributable to owners of parent			2,750		2,750
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation					–
Change in ownership interest of parent due to transactions with non-controlling interests		654			654
Net changes in items other than shareholders' equity					
Total changes during period	–	654	1,975	(0)	2,629
Balance at end of period	7,847	6,355	29,728	(24)	43,906

	Accumulated other comprehensive income				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	2,747	(450)	(62)	2,234	1,000	44,512
Cumulative effects of changes in accounting policies						–
Restated balance	2,747	(450)	(62)	2,234	1,000	44,512
Changes during period						
Dividends of surplus						(775)
Profit attributable to owners of parent						2,750
Purchase of treasury shares						(0)
Change in scope of consolidation						–
Change in ownership interest of parent due to transactions with non-controlling interests						654
Net changes in items other than shareholders' equity	1,939	(217)	41	1,764	(654)	1,109
Total changes during period	1,939	(217)	41	1,764	(654)	3,739
Balance at end of period	4,687	(667)	(20)	3,999	345	48,251

Fiscal 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	7,847	6,355	29,728	(24)	43,906
Cumulative effects of changes in accounting policies			(2)		(2)
Restated balance	7,847	6,355	29,725	(24)	43,904
Changes during period					
Dividends of surplus			(851)		(851)
Profit attributable to owners of parent			5,257		5,257
Purchase of treasury shares					–
Change in scope of consolidation			172		172
Change in ownership interest of parent due to transactions with non-controlling interests		36			36
Net changes in items other than shareholders' equity					
Total changes during period	–	36	4,578	–	4,614
Balance at end of period	7,847	6,391	34,304	(24)	48,518

	Accumulated other comprehensive income				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	4,687	(667)	(20)	3,999	345	48,251
Cumulative effects of changes in accounting policies						(2)
Restated balance	4,687	(667)	(20)	3,999	345	48,248
Changes during period						
Dividends of surplus						(851)
Profit attributable to owners of parent						5,257
Purchase of treasury shares						–
Change in scope of consolidation						172
Change in ownership interest of parent due to transactions with non-controlling interests						36
Net changes in items other than shareholders' equity	387	409	19	816	(24)	791
Total changes during period	387	409	19	816	(24)	5,406
Balance at end of period	5,074	(258)	(1)	4,815	320	53,655

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	4,099	6,796
Depreciation	3,163	3,141
Impairment losses	–	128
Increase (decrease) in allowance for doubtful accounts	(15)	7
Increase (decrease) in retirement benefit liability	(54)	(100)
Interest and dividend income	(427)	(416)
Interest expenses	135	145
Share of loss (profit) of entities accounted for using equity method	0	(2,011)
Loss (gain) on sale of investment securities	(166)	0
Loss (gain) on valuation of investment securities	1	8
Loss (gain) on sale of non-current assets	(4)	(19)
Loss on retirement of non-current assets	34	15
Decrease (increase) in trade receivables	257	(783)
Increase (decrease) in trade payables	178	593
Other, net	883	(484)
Subtotal	8,086	7,022
Interest and dividends received	438	434
Interest paid	(136)	(143)
Income taxes paid	(1,436)	(1,279)
Net cash provided by (used in) operating activities	6,952	6,033
Cash flows from investing activities		
Payments into time deposits	(2,215)	(2,148)
Proceeds from withdrawal of time deposits	2,345	3,085
Purchase of property, plant and equipment	(3,271)	(650)
Proceeds from sale of property, plant and equipment	26	33
Purchase of intangible assets	(161)	(215)
Purchase of investment securities	(298)	(981)
Proceeds from sale and redemption of investment securities	212	7
Payments for investments in capital of subsidiaries and associates	(52)	–
Proceeds from collection of long-term loans receivable	129	0
Other, net	0	–
Net cash provided by (used in) investing activities	(3,285)	(868)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(51)	(296)
Proceeds from long-term borrowings	5,700	7,300
Repayments of long-term borrowings	(3,459)	(9,709)
Dividends paid	(775)	(851)
Dividends paid to non-controlling interests	(12)	(7)
Repayments of lease liabilities	(38)	(121)
Other, net	(0)	–
Net cash provided by (used in) financing activities	1,361	(3,686)
Effect of exchange rate change on cash and cash equivalents	(9)	59
Net increase (decrease) in cash and cash equivalents	5,019	1,537
Cash and cash equivalents at beginning of period	13,430	18,450
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	157
Cash and cash equivalents at end of period	18,450	20,146