

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 7, 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 to file Quarterly Securities Report: November 10, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	39,357	11.6	2,454	7.2	3,051	20.3	2,426	39.7
Six months ended September 30, 2021	35,250	7.6	2,289	14.7	2,536	13.8	1,737	8.1

Note: Comprehensive income Six months ended September 30, 2022 ¥2,941 million [18.9%]
 Six months ended September 30, 2021 ¥2,474 million [10.0%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	159.78		-	
Six months ended September 30, 2021	114.26		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	115,800	56,399	48.0	3,665.57
As of March 31, 2022	108,991	53,655	48.9	3,507.76

Reference: Equity As of September 30, 2022 ¥55,541 million
 As of March 31, 2022 ¥53,334 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	-	30.00	-	40.00	70.00
Year ending March 31, 2023	-	40.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	40.00	80.00

Note: Revisions to the cash dividend forecasts most recently announced: None

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
Full year	77,000	7.3	4,700	4.1	5,500	(20.6)	3,500	(33.4)	230.99

Note: Revisions to the financial results forecasts most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

Note: Effective from the second quarter of the fiscal year ending March 31, 2023, Heiwa Mirai Co., Ltd. has been included in the scope of consolidation, although the inclusion does not constitute a change in specified subsidiaries.

- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

- (3) 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: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

- (4) Number of issued shares (common shares)

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

As of September 30, 2022	15,217,747 shares	As of March 31, 2022	15,217,747 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	65,428 shares	As of March 31, 2022	13,097 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	15,187,186 shares	Six months ended September 30, 2021	15,204,650 shares
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Note: The Company has introduced a share-based remuneration plan (Board Benefit Trust) starting from the second quarter of the fiscal year ending March 31, 2023, and the Company's shares held in the trust (number of treasury shares at the end of the period: 52,300, and average number of shares during the period: 17,433) are included in the number of treasury shares at the end of the period and treasury shares that were excluded when calculating the average number of shares during the period.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

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

(Caution concerning forward-looking statements)

The forward-looking statements, including financial results 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.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	18,232	21,196
Notes and accounts receivable	12,977	14,117
Securities	3,000	3,000
Other	2,895	3,344
Allowance for doubtful accounts	(10)	(11)
Total current assets	37,094	41,648
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,566	29,405
Land	17,752	19,326
Other, net	2,316	2,483
Total property, plant and equipment	49,635	51,216
Intangible assets	1,083	1,023
Investments and other assets		
Investment securities	19,179	19,813
Other	2,002	2,107
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	21,149	21,889
Total non-current assets	71,868	74,129
Deferred assets	28	22
Total assets	108,991	115,800

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Trade notes and accounts payable	6,087	5,952
Short-term borrowings	5,745	6,633
Current portion of bonds payable	–	7,028
Income taxes payable	932	990
Provisions	705	742
Other	2,270	2,165
Total current liabilities	15,740	23,513
Non-current liabilities		
Bonds payable	10,000	3,116
Long-term borrowings	20,140	22,787
Long-term deposits received	5,634	5,746
Retirement benefit liability	2,314	2,389
Other	1,506	1,847
Total non-current liabilities	39,595	35,887
Total liabilities	55,336	59,400
Net assets		
Shareholders' equity		
Share capital	7,847	7,847
Capital surplus	6,391	6,392
Retained earnings	34,304	36,122
Treasury shares	(24)	(134)
Total shareholders' equity	48,518	50,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,074	4,879
Foreign currency translation adjustment	(258)	434
Remeasurements of defined benefit plans	(1)	0
Total accumulated other comprehensive income	4,815	5,314
Non-controlling interests	320	857
Total net assets	53,655	56,399
Total liabilities and net assets	108,991	115,800

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Operating revenue		
Warehousing fee income	4,399	4,506
Stevedoring income	3,675	3,747
Handling income	7,470	9,751
Land Transportation income	15,801	16,974
Godown Rental income	931	1,082
Real estate rent	2,838	3,004
Other	133	288
Total operating revenue	35,250	39,357
Operating costs		
Stevedoring cost	22,275	25,483
Building rent	1,969	2,129
Salaries and allowances	1,866	2,027
Depreciation	1,458	1,399
Other	3,724	3,987
Total operating costs	31,294	35,027
Operating gross profit	3,956	4,329
Selling, general and administrative expenses	1,666	1,875
Operating profit	2,289	2,454
Non-operating income		
Interest income	13	15
Dividend income	222	343
Share of profit of entities accounted for using equity method	8	249
Other	94	106
Total non-operating income	338	716
Non-operating expenses		
Interest expenses	69	74
Other	22	43
Total non-operating expenses	91	118
Ordinary profit	2,536	3,051
Extraordinary income		
Gain on step acquisitions	–	73
Gain on bargain purchase	–	227
Total extraordinary income	–	301
Profit before income taxes	2,536	3,352
Income taxes	789	907
Profit	1,746	2,445
Profit attributable to non-controlling interests	9	18
Profit attributable to owners of parent	1,737	2,426

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,746	2,445
Other comprehensive income		
Valuation difference on available-for-sale securities	473	(194)
Foreign currency translation adjustment	171	494
Remeasurements of defined benefit plans, net of tax	3	1
Share of other comprehensive income of entities accounted for using equity method	79	195
Total other comprehensive income	727	496
Comprehensive income	2,474	2,941
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,464	2,925
Comprehensive income attributable to non-controlling interests	9	16

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	2,536	3,352
Depreciation	1,549	1,470
Increase (decrease) in allowance for doubtful accounts	(0)	(1)
Increase (decrease) in retirement benefit liability	(42)	(23)
Interest and dividend income	(235)	(359)
Interest expenses	69	74
Share of loss (profit) of entities accounted for using equity method	(8)	(249)
Gain on bargain purchase	–	(227)
Loss (gain) on sale of non-current assets	(12)	(4)
Loss on retirement of non-current assets	1	1
Loss (gain) on step acquisitions	–	(73)
Decrease (increase) in trade receivables	(918)	(578)
Increase (decrease) in trade payables	(238)	(402)
Other, net	(17)	(347)
Subtotal	2,682	2,631
Interest and dividends received	248	354
Interest paid	(67)	(72)
Income taxes paid	(653)	(897)
Net cash provided by (used in) operating activities	2,209	2,016
Cash flows from investing activities		
Payments into time deposits	(900)	(2,717)
Proceeds from withdrawal of time deposits	1,838	1,254
Purchase of property, plant and equipment	(448)	(622)
Proceeds from sale of property, plant and equipment	15	12
Purchase of intangible assets	(126)	(31)
Purchase of investment securities	(8)	(19)
Proceeds from collection of loans receivable	0	64
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	27
Other, net	–	4
Net cash provided by (used in) investing activities	369	(2,028)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(156)	490
Proceeds from long-term borrowings	5,000	3,710
Repayments of long-term borrowings	(7,604)	(2,524)
Redemption of bonds	–	(14)
Purchase of treasury shares	–	(110)
Dividends paid	(395)	(607)
Dividends paid to non-controlling interests	(1)	(1)
Repayments of lease liabilities	(17)	(82)
Net cash provided by (used in) financing activities	(3,175)	859
Effect of exchange rate change on cash and cash equivalents	35	286
Net increase (decrease) in cash and cash equivalents	(560)	1,133
Cash and cash equivalents at beginning of period	18,450	20,146
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	157	–
Cash and cash equivalents at end of period	18,047	21,279