

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 8, 2023

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
 GENERAL MANAGER
 Inquiries: FINACING & ACCOUNTING DIV. SATORU IKEDA TEL 03-5646-7235
 Scheduled date to file Quarterly Securities Report: February 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	60,205	12.2	3,878	10.5	4,724	22.4	3,593	36.1
Nine months ended December 31, 2021	53,680	9.0	3,508	16.3	3,858	14.0	2,640	9.8

Note: Comprehensive income Nine months ended December 31, 2022 ¥4,863 million [56.3%]
 Nine months ended December 31, 2021 ¥3,111 million [(7.8)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	236.82		–	
Nine months ended December 31, 2021	173.68		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	116,351	57,713	48.8	3,750.68
As of March 31, 2022	108,991	53,655	48.9	3,507.76

Reference: Equity As of December 31, 2022 ¥56,831 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				
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	79,000	10.1	4,900	8.5	5,800	(16.2)	3,900	(25.8)	257.39

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

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2022	15,175,563 shares	Nine months ended December 31, 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: 29,056) 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	18,232	21,018
Notes and accounts receivable	12,977	14,983
Securities	3,000	3,000
Other	2,895	2,768
Allowance for doubtful accounts	(10)	(10)
Total current assets	37,094	41,760
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	29,566	29,129
Land	17,752	19,326
Other, net	2,316	2,350
Total property, plant and equipment	49,635	50,807
Intangible assets	1,083	997
Investments and other assets		
Investment securities	19,179	20,742
Other	2,002	2,056
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	21,149	22,766
Total non-current assets	71,868	74,571
Deferred assets	28	19
Total assets	108,991	116,351

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Trade notes and accounts payable	6,087	6,060
Short-term borrowings	5,745	6,542
Current portion of bonds payable	–	7,028
Income taxes payable	932	673
Provisions	705	390
Other	2,270	2,716
Total current liabilities	15,740	23,410
Non-current liabilities		
Bonds payable	10,000	3,116
Long-term borrowings	20,140	21,921
Long-term deposits received	5,634	5,765
Retirement benefit liability	2,314	2,388
Other	1,506	2,036
Total non-current liabilities	39,595	35,228
Total liabilities	55,336	58,638
Net assets		
Shareholders' equity		
Share capital	7,847	7,847
Capital surplus	6,391	6,392
Retained earnings	34,304	36,681
Treasury shares	(24)	(134)
Total shareholders' equity	48,518	50,786
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,074	5,392
Foreign currency translation adjustment	(258)	651
Remeasurements of defined benefit plans	(1)	1
Total accumulated other comprehensive income	4,815	6,044
Non-controlling interests	320	881
Total net assets	53,655	57,713
Total liabilities and net assets	108,991	116,351

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Operating revenue		
Warehousing fee income	6,558	6,744
Stevedoring income	5,538	5,720
Handling income	11,792	15,537
Land Transportation income	23,919	25,601
Godown Rental income	1,397	1,660
Real estate rent	4,263	4,426
Other	209	515
Total operating revenue	53,680	60,205
Operating costs		
Stevedoring cost	34,095	39,120
Building rent	2,932	3,223
Salaries and allowances	2,786	3,065
Depreciation	2,229	2,088
Other	5,596	5,986
Total operating costs	47,641	53,484
Operating gross profit	6,038	6,720
Selling, general and administrative expenses	2,529	2,841
Operating profit	3,508	3,878
Non-operating income		
Interest income	17	29
Dividend income	355	515
Share of profit of entities accounted for using equity method	11	386
Other	121	94
Total non-operating income	505	1,024
Non-operating expenses		
Interest expenses	110	114
Other	45	64
Total non-operating expenses	155	179
Ordinary profit	3,858	4,724
Extraordinary income		
Gain on bargain purchase	–	227
Gain on step acquisitions	–	73
Total extraordinary income	–	301
Profit before income taxes	3,858	5,025
Income taxes	1,203	1,391
Profit	2,654	3,634
Profit attributable to non-controlling interests	14	40
Profit attributable to owners of parent	2,640	3,593

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,654	3,634
Other comprehensive income		
Valuation difference on available-for-sale securities	147	318
Foreign currency translation adjustment	197	664
Remeasurements of defined benefit plans, net of tax	5	2
Share of other comprehensive income of entities accounted for using equity method	106	243
Total other comprehensive income	457	1,229
Comprehensive income	3,111	4,863
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,098	4,823
Comprehensive income attributable to non-controlling interests	13	39

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	3,858	5,025
Depreciation	2,365	2,194
Increase (decrease) in allowance for doubtful accounts	(0)	(2)
Increase (decrease) in retirement benefit liability	(70)	(24)
Interest and dividend income	(372)	(544)
Interest expenses	110	114
Share of loss (profit) of entities accounted for using equity method	(11)	(386)
Gain on bargain purchase	–	(227)
Loss (gain) on sale of non-current assets	(16)	(8)
Loss on retirement of non-current assets	3	2
Loss (gain) on step acquisitions	–	(73)
Decrease (increase) in trade receivables	(1,677)	(1,429)
Increase (decrease) in trade payables	352	(309)
Other, net	(293)	481
Subtotal	4,246	4,812
Interest and dividends received	382	526
Interest paid	(123)	(127)
Income taxes paid	(1,266)	(1,671)
Net cash provided by (used in) operating activities	3,238	3,539
Cash flows from investing activities		
Payments into time deposits	(928)	(3,007)
Proceeds from withdrawal of time deposits	1,864	1,449
Purchase of property, plant and equipment	(508)	(832)
Proceeds from sale of property, plant and equipment	26	18
Purchase of intangible assets	(179)	(64)
Purchase of investment securities	(14)	(29)
Proceeds from collection of loans receivable	–	64
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	27
Other, net	7	4
Net cash provided by (used in) investing activities	266	(2,369)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(161)	479
Proceeds from long-term borrowings	5,000	3,710
Repayments of long-term borrowings	(8,407)	(3,470)
Redemption of bonds	–	(14)
Purchase of treasury shares	–	(110)
Dividends paid	(851)	(1,216)
Dividends paid to non-controlling interests	(1)	(1)
Repayments of lease liabilities	(79)	(123)
Net cash provided by (used in) financing activities	(4,501)	(747)
Effect of exchange rate change on cash and cash equivalents	40	378
Net increase (decrease) in cash and cash equivalents	(955)	801
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	17,652	20,947